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SOUTHEND-ON-SEA BOROUGH COUNCIL

Policy and Resources Scrutiny Committee

Date: Thursday, 4th February, 2021

Time: 6.30 pm

Place: Virtual Meeting via Microsoft Teams

Contact: S. Tautz (Principal Democratic Services Officer)

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 26 November 2020 (Pages 1 - 8)
- **** **ITEMS CALLED-IN/REFERRED DIRECT BY CABINET - 14 JANUARY 2020**
- 5 **Draft Housing Revenue Account (HRA) Budget and Rent Setting Report 2021/22**
(Pages 9 - 30)
Minute 729 (Cabinet Agenda Item No. 8 refers).
Referred direct by Cabinet.
 - 6 **Draft Prioritising Resources to Deliver Better Outcomes – 2021/22 to 2025/26**
(Pages 31 - 204)
Minute No. 730 (Cabinet Agenda Item No. 9 refers).
Referred direct by Cabinet to all three Scrutiny Committees.
- **** **ITEMS CALLED-IN FROM THE FORWARD PLAN**
- None
- **** **ITEMS FOR PRE-CABINET SCRUTINY**
- None
- **** **OTHER SCRUTINY MATTERS**
- 7 **In-Depth Scrutiny Project 2019/20-2020/21**
To receive an update on the progress of the in-depth scrutiny project for 2019/20.

Members:

Cllr D Garston (Chair), Cllr D Nelson (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 McGlone, 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, 26th November, 2020

Place: Virtual Meeting via Microsoft Teams

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- Present:** Councillor D Garston (Chair)
Councillors D Nelson (Vice-Chair), B Ayling, D Burzotta, D Cowan, T Cox, P Collins, M Davidson, M Dent, S George, S Habermel, H McDonald, D McGlone, I Shead, M Stafford, S Wakefield and P Wexham
- In Attendance:** Councillors I Gilbert, C Mulroney, M Terry and R Woodley (Cabinet Members), Councillor K Evans, S Brown, J Chesterton, E Cook, E Cooney, G Halksworth, B Huggins, S La Roche, A Lewis, S Newman, L Reed, A Richards, C Robinson, J Ruffle, A Smyth, S Tautz and J Williams
Also in attendance: C Tredget (former Managing Director - East of England Local Government Association)
- Start/End Time:** 6.30 pm - 10.25 pm

583 Apologies for Absence

There were no apologies for absence from the meeting.

584 Declarations of Interest

The following councillors declared interests as indicated:

- (a) Councillors I Gilbert, C Mulroney, M Terry and R Woodley (Cabinet Members) - Interest in the called-in items; attended pursuant to the dispensation agreed at Council on 19 July 2012, under S.33 of the Localism Act 2011.
- (b) Councillors I Gilbert, C Mulroney, M Terry and R Woodley (Cabinet Members) - Interest in the referred items; attended pursuant to the dispensation agreed at Council on 19 July 2012, under S.33 of the Localism Act 2011.
- (c) Councillors M Dent, D Garston, C Mulroney and S Wakefield - Minutes 588 and 590 (Roots Hall and Fossetts Farm) - Members of the Development Control Committee - Non-pecuniary interest.
- (d) Councillor D Cowan - Minute 596 (Notice of Motions (Appendix E - EasyJet)) - Has been involved in meetings with Southend Airport and local residents with regard to EasyJet and other carriers - Non-pecuniary interest.
- (e) Councillor B Ayling - Minutes 588 and 590 (Roots Hall and Fossetts Farm) - Has been involved in meetings with local residents with regard to development at Fossetts Farm - Non-pecuniary interest.
- (f) Councillor M Terry - Minutes 588 and 590 (Roots Hall and Fossetts Farm) - Season ticket holder at Southend United Football Club - Disqualifying Pecuniary Interest (withdrew).
- (g) Councillor K Evans - Minute 596 (Notice of Motions (Appendix E - EasyJet)) - Member of Leigh Town Council and has been involved in meetings with Southend Airport and local residents with regard to EasyJet - Non-pecuniary interest.

- (h) Councillor C Mulroney - Minute 593 (Petition - Old Leigh Alcohol Free Zones) - Trustee of Leigh Heritage Centre - Non-pecuniary interest.
- (i) Councillor R Woodley - Minute 596 (Notice of Motions (Appendix E – EasyJet)) - Family member employed by EasyJet - Non-pecuniary interest.

585 Questions from Members of the Public

There were no questions from members of the public relating to the responsibilities of the Committee.

586 Minutes of the Meeting held on 15 October 2020

Resolved:

That the minutes of the meeting of the Committee held on 15 October 2020 be confirmed as a correct record and signed.

587 Refresh of Protocol on Councillor/Officer Relations

The Committee considered a report of the Chief Executive with regard to the refresh of the Protocol on Councillor/Officer Relations and the recommendations of the Standards Committee arising from its meeting held on 11 November 2020, that were to be made to full Council for the adoption of the Protocol.

The Chair of Standards Committee, Councillor I Shead, outlined the key points of the proposed new Protocol. Councillor Shead and Cecilia Tredget, the former Managing Director of the East of England Local Government Association who had supported the refresh of the Protocol, responded to a number of questions raised by members.

The Committee extended its thanks and appreciation to Cecilia Tredget for her input and work with regard to the refresh of the Protocol.

Recommended:

1. That the report be noted and that the following recommendations of the Standards Committee to the full Council arising from its meeting held on 11 November 2020 (Minute 546 refers), be endorsed:

“1. That the new Protocol on Councillor/Officer Relations set out at Appendix 1 and the associated Action Plan to support implementation at Appendix 2 to the submitted report be referred to the Policy and Resources Scrutiny Committee on 26th November 2020, prior to consideration of the new Protocol at Council on 10th December 2020, with the following amendment to Section 9.1 of the Protocol:

- To change the wording ‘enquiries’ to ‘queries’ and add the contact email address for the relevant team.

2. That the approach described in section 6 of the submitted report, be adopted and the Committee uses its role to champion the actions and key messages in order to promote this work, subject to an adjustment of the action proposed in the final bullet point of section 6.3 of the report so that it reads:

‘Political groups and Leaders to explore ways to support Officers and Councillors in resolving low level inappropriate and unprofessional behaviour, before it escalates to a formal complaint.’

2. That the words 'or officer' be inserted after the words 'the Councillor' in the third bullet point of Section 10.1.5 (Relations with the Media) of the new Protocol.
3. That the Standards Committee be requested to consider the addition of references to appropriate appeals procedures in Section 12.2 (Submitting a formal complaint alleging a breach of this Protocol) of the new Protocol.

Note: This is a Council Function

588 Roots Hall and Fossetts Farm

The Committee considered Minute 574 of the meeting of the Cabinet held on 24 November 2020, which had been referred direct to the Policy and Resources Scrutiny Committee, together with a report of the Executive Director (Finance and Resources) providing an update on the proposed development of housing for rent at Roots Hall and at Fossetts Farm.

The Leader of the Council undertook to provide a written response to a question with regard to discussions that had previously been held with Rochford District Council and/or Essex County Council in relation to any proposed housing development at Fossetts Farm.

Resolved:

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

"1. That authority be given to enter into all necessary transactions to facilitate the developments at Roots Hall and Fossetts Farm, as set out in the submitted report, subject to the following pre-conditions:

(a) The submission of due diligence reports on the following matters which are satisfactory to the Executive Director of Finance and Resources in consultation with the Leader of the Council:

- i) Independent financial review;
- ii) Review by the Council's external auditors;
- iii) Property report by Cushman Wakefield;
- iv) Legal report by Gowling WLG; and

(b) The developer reimbursing the Council the sum of £100,000 in respect of certain costs incurred to date (further costs will be reimbursed to the Council as development costs as the developments progress).

2. That the transactions referred to in resolution 1 above will not become unconditional until:

i) Planning Permission (including 30% affordable housing and the resolution of any required highway matters) has been granted for the developments at both Roots Hall and Fossetts Farm; and

ii) The necessary Charity Commission consents have been obtained in respect of the matters involving Jones Memorial Trust, Youth Commemoration Ground Trust and the Victory Sports Ground Trust

3. That the income strip leases for the Roots Hall and Fossetts Farm developments (each comprising a series of land transactions) be granted directly to the Council with the options to acquire the freehold reversions for £1 being granted to the Council's Housing Investment Company to ensure that the transaction is tax effective fundable at the optimal rate and the reversionary interests are suitably protected.

4. That authority be granted to the Executive Director of Finance and Resources in consultation with the Leader of the Council to:

- (a) Agree any final adjustments to the terms of the transactions, or the final documentation, including any adjustments required as a consequence of the due diligence reviews;
- (b) Authorise the completion of all necessary agreements to progress the transaction including but not limited to the sale of the Council's land at both Roots Hall and Fossetts Farm, the leases in and the options to acquire the freeholds at the end of the leases;
- (c) Authorise any necessary management and contracting arrangements for the new affordable and private rented accommodation. (Note: long-term property management has been considered but does not need to be concluded at this stage); and
- (d) Agree the use of all capital and revenue income from the developments and in particular the holding of reserves to ensure that the Council's long-term position is protected.

5. That it be noted that the authority to complete the following Trust matters will be separately considered by Full Council (acting as sole trustee of the three relevant trusts) and any necessary Charity Commission consents will also need to be obtained:

- a) the proposed easement over Jones Memorial Ground Trust land relating to the 'Supporters' Way' access from Sutton Road and ancillary access to Fossetts Farm residential development;
- b) the lease agreement required in relation to replacement parking for Jones Memorial Ground;
- c) the minor boundary adjustment to Victory Sports Ground to accommodate the required highways changes on the Sutton Road/Eastern Avenue roundabout; and
- d) a shared use agreement between the Youth Commemoration Ground Trust and the Loxford Trust to enable the release of the former Cecil Jones Junior School playing field land to the north of the Jones Memorial Ground (subject to the agreement of the Secretary of State for Education and the Charity Commission which the Loxford Trust may require).

(The decisions for the Council as Trustee, set out above, need to be taken in the best interests of each Trust. This requirement should be met as the arrangements will enable the development and generation of capital and long-term income for the Trusts to help support their objectives)."

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

Note: This is an Executive Function
Cabinet Member: Councillor I Gilbert

589 Exclusion of the Public

Resolved:

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business set out below, on the grounds that they would 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.

590 Roots Hall and Fossetts Farm - Confidential Appendix

The Committee considered a confidential appendix in relation to Minute 589 above.

The Committee moved into Part 2 business in order that the confidential matters concerning the proposed development of housing for rent at Roots Hall and Fossetts Farm could be discussed. The Committee moved back into Part 1 for the decision on these matters.

Resolved:

That the confidential appendix be noted.

Note: This is an Executive Function
Cabinet Member: Councillor I Gilbert

591 Resourcing Better Outcomes - Financial Performance Report - Period 6

The Committee considered Minute 512 of the meeting of the Cabinet held on 3 November 2020, which had been called in to the Policy and Resources Scrutiny Committee, together with a report of the Executive Director (Finance and Resources), reviewing the Council's financial performance.

Resolved:

That the following recommendations of the Cabinet be noted:

"That, in respect of the 2020/21 Revenue Budget Performance as set out in appendix 1 to the submitted report:

1. That the forecast outturn for the General Fund and the Housing Revenue Account as at September 2020, be noted.
2. That the planned budget transfers (virements) of £296,000 between pay and non-pay budgets, as set out in section 4.13 of the report, be approved.

That, in respect of the 2020/21 Capital Budget Performance as set out in appendix 2 to the report:

3. That the expenditure to date and the forecast outturn as at September 2020 and its financing, be noted.
4. That the requested changes to the capital investment programme for 2020/21 and future years, as set out in section 3 of appendix 2 to the report, be approved."

Note: This is an Executive Function
Cabinet Members: Councillor I Gilbert and Councillor R Woodley

592 Annual Comments, Compliments and Complaints Report

The Committee considered Minute 515 of the meeting of the Cabinet held on 3 November 2020, which had been referred directly to each of the three scrutiny committees and called-in, together with a report of the Chief Executive that provided performance information about comments, complaints and compliments received across the Council for 2019/20.

Resolved:

That the following decisions of the Cabinet be noted:

- "1. That the Council's performance in respect of comments, complaints, and compliments for 2019/20, be noted.

2. That the matter be referred to all three Scrutiny Committees (Appendix B and C to the submitted report referred to the People Scrutiny Committee only).

3. That authority be given to make the changes to the corporate Comments, Complaints and Compliments policy as set out in Section 4.3 and appendix A to the report.”

Note: This is an Executive Function
Cabinet Member: Councillor M Terry

593 Petition - Old Leigh Alcohol Free Zones

The Committee considered Minute 522 of the meeting of the Cabinet held on 3 November 2020, which had been called in to the Policy and Resources Scrutiny Committee, together with a report of the Executive Director (Neighbourhoods and Environment) providing a response to a petition (referred by Council) proposing alcohol free zones in Old Leigh.

In response to a question, the Cabinet Member for Community Safety and Customer Contact confirmed that he would be prepared to extend the scope of the proposed Public Spaces Protection Order consultation process to include the area beyond Chalkwell Station up to the green on the promenade at Chalkwell seafront, on the basis that there was an evidence base of anti-social behaviour issues in the area over recent months, which was confirmed by the Executive Director (Neighbourhoods and Environment).

Resolved:

That the following decision of the Cabinet be noted:

“That a full Public Spaces Protection Order (PSPO) consultation process be undertaken, which includes stakeholder and public consultation as well as collation of crime and anti-social behaviour evidence, to inform a decision regarding a potential PSPO for Old Leigh in relation to no drinking of alcohol in public areas (excluding licensed premises), and other relevant anti-social behaviour issues in this area.”

Note: This is an Executive Function
Cabinet Member: Councillor M Terry

594 Census

The Committee considered Minute 523 of the meeting of the Cabinet held on 3 November 2020, which had been called in to the Policy and Resources Scrutiny Committee, together with a report of the Chief Executive providing an update on Southend-on-Sea’s preparations for the national 2021 Census which was due to take place in England and Wales on 21 March 2021.

Resolved:

That the following decision of the Cabinet be noted:

“That the work that the Council is doing to ensure a robust and accurate census for Southend-on-Sea, be noted and that Councillors help promote the benefits of the 2021 Census throughout the Council and the Borough.”

Note: This is an Executive Function
Cabinet Member: Councillor I Gilbert

595 EU Exit

The Committee considered Minute 524 of the meeting of the Cabinet held on 3 November 2020, which had been called in to the Policy and Resources Scrutiny Committee, together with a report of the Deputy Chief Executive and Executive Director (Growth and Housing) providing an update on the Council's preparations for the end of the EU Exit Transition Period on 31 December 2020.

Resolved:

That the following decision of the Cabinet be noted:

"That the work undertaken by the Council to date in preparing for the end of the Transition Period, be noted."

Note: This is an Executive Function
Cabinet Member: Councillor I Gilbert

596 Notice of Motions (Referred by Council, 10th September 2020)

The Committee considered Minute 526 of the meeting of the Cabinet held on 3 November 2020, which had been called-in to the Policy and Resources Scrutiny Committee, together with a report of the Executive Director (Legal and Democratic Services) requesting the Cabinet to determine how to respond to each of the Notices of Motion referred by Council on 10 September 2020.

Resolved:

1. That the following decision of Cabinet be noted:

"That the Notices of Motion be referred to the relevant Cabinet Working Parties."

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

Note: This is an Executive Function
Cabinet Member: As appropriate to each Notice of Motion

597 In-Depth Scrutiny Project 2019/20-2020/21

The Democratic Services Officer reported that a meeting of the Project Team leading the current in-depth scrutiny project for the Committee had been held on 9 November 2020 to review the action plan for the project and that Councillor B Ayling had been appointed as Chair of the Project Team. The Committee noted that a further meeting of the Project Team was to be held on 15 December 2020.

Resolved:

That the report be noted.

Note: This is a Scrutiny Function

Chair: _____

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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
14th January 2021

Report prepared by Pete Bates
Interim Head of Corporate Finance

Draft Housing Revenue Account (HRA) Budget and Rent Setting Report 2021/22
Policy and Resources Scrutiny Committee
Cabinet Member: Councillor Ian Gilbert
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 2021/22. This report also sets out the HRA budget for 2021/22 – 2025/26, 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 5th April 2021: -

- 2.1 **An average rent increase of 1.50% on all tenancies;**
- 2.2 **An average rent increase of 1.50% on shared ownership properties;**

2.3 **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.**

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 £6,336,000 for 2021/22;**

2.5 **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 agreed;**

2.6 **The following appropriations be agreed;**

- **£60,000 to the Repairs Contract Pensions Reserve;**
- **£5,073,000 to the Capital Investment Reserve and**
- **£7,644,000 from the Capital Investment Reserve**

2.7 **Subject to item 2.1 through to 2.6 above, the HRA budget for 2021/22 as set out in Appendix 1 be agreed and**

2.8 **The value of the Council's capital allowance for 2021/22 be declared as £68,672,000, 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 COVID-19 pandemic continues to have a huge direct operational and financial impact right across the world. 2020 has been an extraordinary year. All local authorities are struggling with the challenges of uncertainty, large financial pressures and concerns for their residents and local areas in such unprecedented times.

3.3 South Essex Homes are faced with very similar issues as they continue to try and support tenants and run an effective and responsive local housing service. With infection and transmission rates rising, a new extended national tier system has been introduced and Southend-on-Sea, along with the rest of Essex had just moved into the top tier 4 category, which means the most severe restrictions are now imposed locally.

- 3.4 Whilst finalising this report the Government announced that the whole of England would now be placed in a national lockdown from 5th January 2021. There are now major concerns over the ability of the NHS to cope with the increased volume of admissions to hospital at what is notoriously a very busy and demanding time in any normal year.
- 3.5 Alongside these worrying developments, there has also been some very positive announcements around the successful testing of various potential vaccines to immunise people against the virus. Consideration has now turned to how these new vaccines can be safely and quickly deployed across populations, prioritising the most vulnerable in the first instance with the obvious ambition to finally get everyday life back to normal again.
- 3.6 Despite these unprecedented circumstances 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.**
- 3.7 The estimates have been prepared alongside South Essex Homes, and incorporate their proposed management fee for 2021/22.
- 3.8 The HRA Budget for 2021/22 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 £68,672,000 over the next five 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 A range of temporary accommodation services provides help 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 2020/21 on HRA secure general needs tenancies was £89.17 and for sheltered accommodation £77.68.



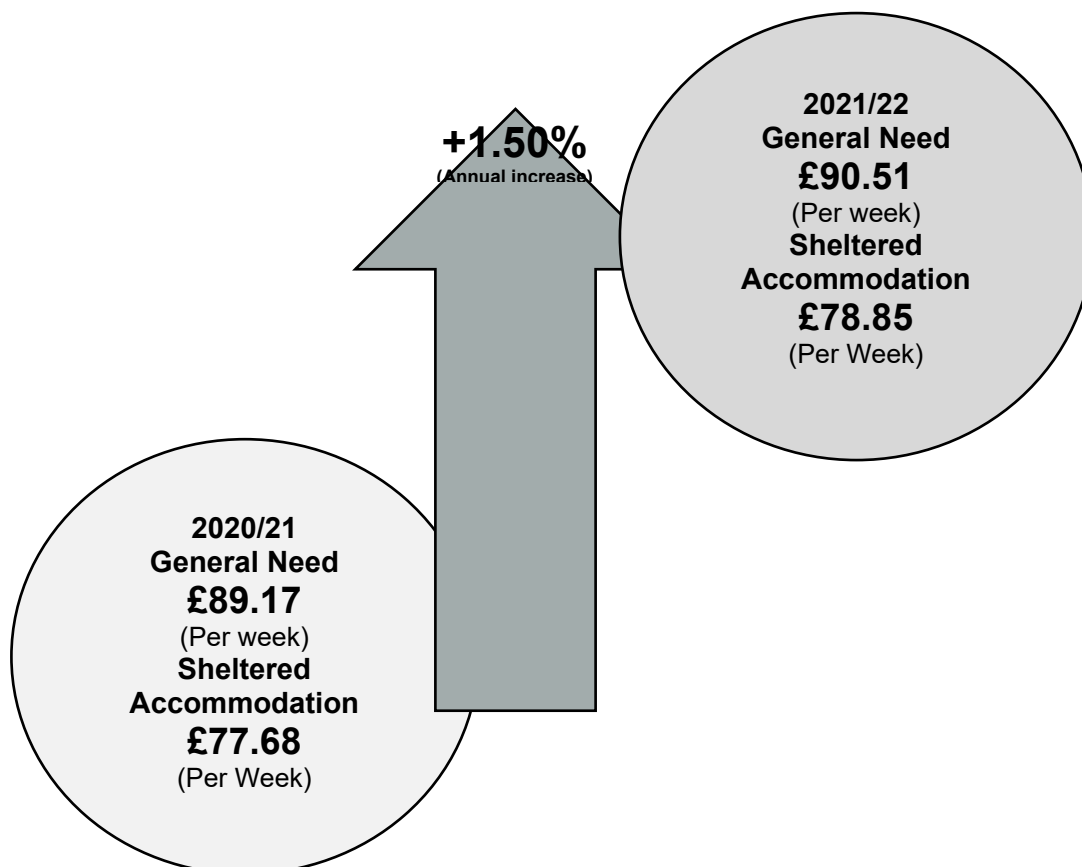
- 5.2 Since 2001, rents for social housing properties have been set based on a formula set by Central Government, which was calculated based on the relative value of the property, relative local income levels and the size of the property. This created a 'formula rent'. The aim of this approach was to ensure that similar rents are charged for similar type of properties. In Southend, we have about 700 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 85 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 1.50% increase for 2021/22. The new policy, which came 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 effectively 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 per dwelling in the following table.

No. of bedrooms	No. of tenancies	Average Rent 2020/21 (£)	Average Rent 2021/22 (£)	Average weekly increase (£)	Average percentage increase
0	537	71.16	72.23	1.07	1.50%
1	2,456	77.97	79.14	1.17	1.50%
2	1,242	87.21	88.52	1.31	1.50%
3	1,554	104.51	106.08	1.57	1.50%
4	91	112.12	113.80	1.68	1.50%
5	1	119.42	121.21	1.79	1.50%
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 Members are reminded that a proportion of tenants may 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. Most of these tenants will receive 100% support.

5.9 The effective date of any change in rent will be 5 April 2021, 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 2021/22.



6 Other Fees and Charges

6.1 The HRA has several 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 £12.02 per week for tenants and £14.42 for non-tenants (being £12.02 plus VAT). It is proposed that both these charges be increased by 1.50%, 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 then 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 and ambitions within the HRA. The agreed bid is summarised in the following table.

	2020/21 Forecast £000	2021/22 Budget £000
Management Fee	5,738	6,047
Inflationary Pressures	176	55
Pension Triennial Review Outcome	143	0
Fire Safety Management	0	57
Support for increased Hostel Provision	90*	90*
Professional Support for Residents	23*	23*
Difficulty Access Co-ordinator	0	32*
Complex Needs Support Officer	0	32*
Less:		
Inflation Absorbed	(56)	0 [#]
Total Management Fee	6,114	6,336

**Pilot started/extended into 2021/22 – evaluation to be completed by March 2022*

#Absorbed requests as summarised in Section 7.3

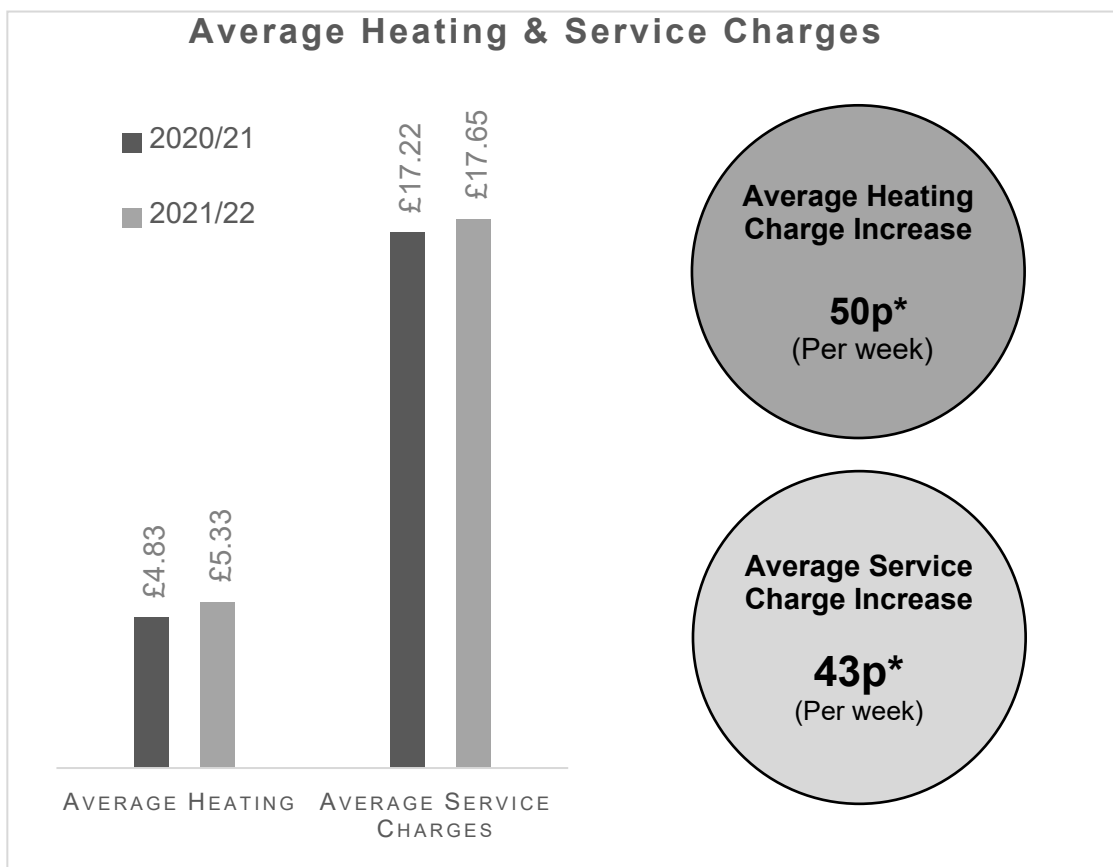
- 7.2 The inflationary pressures for South Essex Homes are primarily in respect of employee related increased costs. There is also a need for increased investment for Fire safety. Since the tragedy at Grenfell Tower, fire safety has been a key focus for organisations with high rise residential blocks. South Essex Homes have been proactive with their approach to fire safety, with an ongoing programme of improvements. This resource will be dedicated to managing, co-ordinating and enhancing fire safety arrangements including liaison with Essex County Fire and Rescue Service as well as carrying out all fire safety related investigations and ensuring compliance with all regulations.
- 7.3 There were two pilots for increased support for hostel provision and professional support for residents which started in 2020/21 and these have been extended into 2021/22. Along with these pilots, two other initiatives are being supported in 2021/22, Difficulty Access arrangements, and Complex Needs Support. All these projects have been agreed to be evaluated and reviewed by the end of March 2022.

- 7.4 South Essex Homes have also made several requests for ‘one-off’ financial support for 2021/22. Whilst these requests were valid it has been agreed that they will review all relative priorities and absorb these requirements within their existing resources by making operational efficiencies and productivity gains. These requests included £32K for council tax on empty properties on Queensway and £81K for a range of ICT requirements to support mobile and remote working. This agreement recognises the financial pressures within the HRA.
- 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 behoven 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 Members 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 2.52% increase in service charges.
- 7.7 As service charges are based on both the actual costs for each housing 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. 2020/21 costs will undoubtedly be affected by COVID-19 with some tenants having to stay at home for longer periods of time than in previous years.
- 7.9 Based on costs associated with heating, South Essex Homes are proposing that there is an average 10.39% increase in heating charges in 2021/22. The increase is based on the actual costs incurred over the year ending October 2020 and is a combination of utility price increases and tenant usage over that period.

7.10 The actual charge for 2021/22 will be the actual costs associated with each individual scheme.



*indicates an estimate (this could increase or decrease)

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 £5,073,000 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 £5,013,000 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 £7,644,000 from the HRA Capital Investment Reserve. The net overall impact is an appropriation from earmarked reserves of £2,571,000 (£7,644,000 - £5,073,000) in 2021/22.

8.4 General HRA balances will 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 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 2021/22 as indicated by the Government. Other income increases will be limited to 2%, where possible, 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 Members 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 As part of formulating the overall Medium Term Financial Strategy for the HRA an extra £150,000 per year has been included from 2021/22. This recognises the support ICT currently offers for the efficient running of HRA services. As well as the ICT investment, there is also a need for a client management function of the South Essex Homes contract.

9.6 The Medium Term Financial Strategy demonstrates that the HRA is currently financially robust and sustainable. From 2022/23 to 2026/27 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**.

9.7 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 – 2021/22 to 2025/26’ budget report, elsewhere on the agenda. This proposes an indicative programme of works over the next 5 years totalling £68,672,000.

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 appropriate 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 Refurbishment							
Bathroom Refurbishment	C10161	95	97	102	96	105	495
Central Heating	C10162	1,603	218	201	109	93	2,224
Common Areas Improvement	C10168	2,514	1,508	1,337	1,478	1,566	8,403
Environmental - H&S works	C10163	813	1,488	1,274	1,076	772	5,423
Kitchen Refurbishments	C10164	270	977	971	616	972	3,806
Rewiring	C10165	108	326	273	380	404	1,491
Roofs	C10166	702	1,066	961	1,074	1,040	4,843
Windows and Doors	C10167	754	1,042	1,168	1,064	1,013	5,041
Sprinkler System Installation Pilot	C11081	10	390				400
HRA Disabled Adaptations - Major Adaptations	C10015	400	770	770	770	776	3,486
Sheltered Housing DDA works	C10177	-		345			345
Balmoral Estate Improvement and Structural Works	C11112	100	1,500	725			2,325
Energy Efficiency Measures	C11033	149					149
Total Council Housing Refurbishment		7,518	9,382	8,127	6,663	6,741	38,431
Council Housing Acquisitions and New Build Programme							
Housing Construction Scheme - Phase 2	C11097	40					40
Housing Construction Scheme - Phase 3	C11098	93	2,276	2,448	73		4,890
Housing Construction Scheme - Phase 4	C11099	121	1,940	4,034	92		6,187
Housing Construction Scheme - Modern Methods of Construction (MMC)	C11100	200	995	582			1,777
Housing Construction Scheme - Phase 5/6 feasibility (S106)	C11101	45					45
Housing Construction Scheme - Land Assembly Fund (S106)	C11102	-	468	232	-		700
HRA Affordable Housing Acquisitions Programme	C11044	3,500	3,000	2,976			9,476
Next Steps Accommodation Programme	C11125	3,898					3,898
Housing and Development Pipeline Feasibility - HRA	C11054	172	173				345
Acquisition of tower block leaseholds - Queensway	C10614	200	-	883	900	900	2,883
Total Council Housing Acquisitions and New Build Programme		8,269	8,852	11,155	1,065	900	30,241
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - HRA		15,787	18,234	19,282	7,728	7,641	68,672

- 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 to explore this possibility would be subject to a full commercial business case.
- 10.3 The council is continuing with its plans for the housing development pipeline. Several sites within the pipeline are currently underway and a major capital investment of £13.1M is included in this programme to deliver the agreed phases of the affordable housing development programme to provide much needed housing for those on the Home Seeker's register.
- 10.4 A Regeneration Framework site pipeline has been developed which will oversee this programme. 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 2020 (Month 9), there had been 9 completed purchases, with a further 11 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 £7,200,000 needs to be spent from April 2021 to September 2023, with targets in each quarter. The profile for acquisitions has been programmed as £3,000,000 in 2021/22 and £2,976,000 in 2022/23. The balance of this requirement to spend £7,200,000 will be met from the planned Housing Construction Phases 3 and 4. The Housing Construction Programme has been profiled as £5,211,000 in 2021/22 and £7,064,000 in 2022/23. The balancing 70% will be financed from the HRA capital investment reserve. Due to Covid-19, there has been a relaxation of the rules to spend the required investment in the dictated timescales for the 2020/21 financial year, but no flexibility has yet been announced for 2021/22.
- 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. The situation will be kept under regular review.

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 2021/22 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.

Policy and Resources Scrutiny Committee offered no comments on the draft Housing Revenue Account Rent setting proposals or the proposed Capital Investment Programme for 2021/22 to 2025/26.

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 2021.

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 2021/22

Appendix 2 – HRA Medium Term Financial Plan 2021/22 to 2025/26

Appendix 3 – HRA Reserves 2021/22 to 2025/26

HRA Budget 2021/22

	2020/21		2021/22
	Original	Revised	
	£000s	£000s	£000s
Expenditure			
Employees	206	206	206
Premises (excluding repairs)	795	809	798
Repairs	5,657	5,657	5,664
Supplies & services	96	107	141
Management Fee	6,114	6,012	6,336
Internal Recharge to Service	1,301	1,299	1,475
Provision for bad debts	455	705	455
Depreciation*	5,365	5,365	5,633
Interest & Debt Management Charges	3,400	3,246	3,232
Total Expenditure	23,388	23,405	23,939
Income			
Fees and charges	(339)	(439)	(349)
Dwelling Rents	(25,848)	(26,578)	(26,436)
Other Rents	(1,461)	(1,461)	(1,487)
Other	(20)	(20)	(20)
Interest	(430)	(156)	(82)
Recharged to Capital	(424)	(458)	(638)
Total Income	(28,521)	(29,111)	(29,012)
Net Operating Expenditure	(5,133)	(5,706)	(5,073)
Revenue Contribution to Capital Outlay	8,708	4,636	7,644
Appropriation to Earmarked Reserves	(3,575)	1,070	(2,571)
(Surplus) or Deficit in Year	0	0	0

* HRA dwellings are in the process of being revalued. The depreciation budget will be revised once this process has been completed.

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**HRA Medium Term Financial Plan
2021/22 to 2025/26**

	2021/22	2022/23	2023/24	2024/25	2025/26
	Budget	Forecast	Forecast	Forecast	Forecast
	£000s	£000s	£000s	£000s	£000s
Expenditure					
Employees	206	206	206	206	206
Premises (excluding repairs)	798	800	803	807	807
Repairs	5,664	5,664	5,664	5,664	5,664
Supplies & services	141	141	141	141	141
Management Fee	6,336	6,348	6,475	6,605	6,737
Internal Recharge to Service	1,475	1,504	1,534	1,565	1,596
Provision for bad debts	455	455	455	455	455
Depreciation*	5,633	5,915	6,210	6,521	6,521
Interest & Debt Management Charges	3,232	3,156	3,155	3,151	3,040
Total Expenditure	23,939	24,189	24,644	25,114	25,167
Income					
Fees and charges	(349)	(356)	(363)	(371)	(378)
Dwelling Rents	(26,436)	(26,876)	(27,679)	(28,509)	(29,336)
Other Rents	(1,487)	(2,429)	(2,442)	(2,455)	(2,468)
Other	(20)	(20)	(20)	(20)	(20)
Interest	(82)	(73)	(87)	(97)	(102)
Recharged to Capital	(638)	(505)	(404)	(409)	(409)
Total Income	(29,012)	(30,259)	(30,996)	(31,861)	(32,714)
Net Operating Expenditure	(5,073)	(6,070)	(6,352)	(6,747)	(7,547)
Revenue Contribution to Capital Outlay	7,644	7,743	115	0	0
Potential Impact of Queensway	0	200	200	200	200
Appropriation to Earmarked Reserves	(2,571)	(1,873)	6,037	6,547	7,347
(Surplus) or Deficit in Year	0	0	0	0	0

* HRA dwellings are in the process of being revalued. The depreciation budget will be revised once this process has been completed.

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HRA Reserves
2021/22 to 2025/26

	2021/22	2022/23	2023/24	2024/25	2025/26
	Budget	Forecast	Forecast	Forecast	Forecast
	£000s	£000s	£000s	£000s	£000s
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	24,830	22,259	17,999	22,724	28,234
Appropriation to Earmarked Reserves	(2,571)	(1,873)	6,037	6,547	7,347
Transfer to Major Repairs Reserve	0	(2,387)	(1,313)	(1,036)	(875)
Closing Balance	22,259	17,999	22,724	28,234	34,706
Total HRA Balances at year end	25,761	21,501	26,226	31,736	38,208
Major Repairs Allowance					
Opening Balance	6,266	4,407	5,652	6,512	7,328
Depreciation Arising	5,633	5,915	6,210	6,521	6,521
Used to Fund Capital Expenditure	(7,492)	(7,057)	(6,663)	(6,741)	(6,600)
Transfer from Earmarked Reserves	0	2,387	1,313	1,036	875
Closing Balance	4,407	5,652	6,512	7,328	8,124

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Southend-on-Sea Borough Council

Report of Executive Director (Finance & Resources)

To

Cabinet

On

14th January 2021

Report prepared by:

Pete Bates, Interim Head of Corporate Finance

Caroline Fozzard, Group Manager for Financial Planning and Control

**Agenda
Item No.**

66

Draft Prioritising Resources to Deliver Better Outcomes – 2021/22 to 2025/26

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 Council's limited revenue and capital resources are prioritised to respond to increasing demand for key local services, provide targeted support to cope with the impact of the pandemic, assist with the future economic recovery of Southend-on-Sea and deliver better outcomes for local residents aligned to our Southend 2050 ambition.
- 1.2 To highlight the Council's approach and commitment to 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 7th January 2021.

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 Local Government financial settlement, certain assumptions and any consultation and scrutiny responses received by Cabinet prior to its next meeting scheduled for 16th February 2021 when it considers its final budget proposals.

That Cabinet recommend to Council that it:

- 2.1 Notes that a Medium Term Financial Strategy for 2021/22 – 2025/26 will be available for consideration in February 2021 and approve the draft Medium Term Financial Forecast and estimated Earmarked Reserves Balances up to 2025/26 (Annexes 1 and 2 to Appendix 1);**
- 2.2 Consider and acknowledge the draft 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);**
- 2.3 Approve the appropriation of the sums to earmarked reserves totalling £3.625M (Appendix 3);**
- 2.4 Approve the appropriation of the sums from earmarked reserves totalling £6.218M, which includes £2.500M (Paragraph 10.13) to cover the remaining estimated budget gap for 2021/22. (Appendix 3);**
- 2.5 Approve a General Fund Budget Requirement for 2021/22 of £133.423M and Council Tax Requirement of £87.712M (Appendix 4a) and any required commencement of consultation, statutory or otherwise;**
- 2.6 Note that the 2021/22 revenue budget has been prepared on the basis of using £1.5 million from accumulated Collection Fund surpluses for the core budget to allow for a smoothing of the budget gap across the next four financial years (Paragraph 10.15)**
- 2.7 Approve 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 10.16);**
- 2.8 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 of 3.02%;**
- 2.9 Approve that no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2021/22;**
- 2.10 Consider and approve the proposed General Fund revenue budget investment of £8.122M (Appendix 5);**
- 2.11 Consider and approve the proposed General Fund revenue budget savings and income generation initiatives for 2021/22 of £4.155M (Appendix 6);**

- 2.12 **Consider and approve the proposed future outline Budget Transformation Programme 2022/23 – 2025/26 (Appendix 7);**
- 2.13 **Consider and approve the proposed range of fees and charges for 2021/22 (Appendix 8)**
- 2.14 **Approve the Dedicated Schools Grant budget and its relevant distribution as recommended by the Education Board (Appendix 9);**
- 2.15 **Consider and approve the Capital Investment Strategy for 2021/22 to 2025/26 (Appendix 10) and the Capital Investment Policy (Annex 1 to Appendix 10);**
- 2.16 **Consider and approve the proposed:**
 - (i) **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)**
 - (ii) **new schemes subject to viable business cases (Appendix 11);**
- 2.17 **Note the proposed changes to the current Capital Investment Programme that were considered for approval as part of the Resourcing Better Outcomes – Financial Performance Report – Period 8 earlier on this agenda (Appendix 12);**
- 2.18 **Approve the proposed Capital Investment Programme for 2021/22 to 2025/26 of £168.6M for 2021/22 to 2025/26 (Appendix 13) of which £25.6M is supported by external funding;**
- 2.19 **Approve the Minimum Revenue Provision (MRP) Policy for 2021/22 (Appendix 14) and the prudential indicators (Appendix 15);**
- 2.20 **Approve the operational boundary and authorised limits for borrowing for 2021/22 are set at £375M and £385M respectively (Appendix 15).**

3 COVID-19 Impact and Implications

- 3.1 This integrated revenue and capital budget report has been developed against the huge fiscal challenges brought about by the pandemic. The overall assessment of the health and economic impact of COVID-19 is continuing and will undoubtedly do so for a long time to come. The challenge is clearly worldwide, and national governments are still wrestling with how they can tactically put in place the right package of measures to save lives and to try to minimise the spread of the virus and its impact across their respective populations. These plans have been disrupted by major concerns of a resurgence in the virus.
- 3.2 Whilst finalising this report the Government announced that the whole of England would now be placed in national lockdown from 5th January 2021. There are now major concerns over the ability of the NHS to cope with the increased volume of admissions to hospital at what is notoriously a very busy and demanding time in any normal year.

- 3.3 Alongside these worrying developments, there has also been some very positive announcements around the successful testing of various potential vaccines to immunise people against the virus. Consideration has now turned to how these new vaccines can be safely and quickly deployed across populations, prioritising the most vulnerable in the first instance with the obvious ambition to finally get everyday life back to normal again. The logistics of implementing such a huge immunisation strategy will take many months but it is clearly vital for everyone's health and wellbeing and critical to safely get our local economies working effectively again.
- 3.4 The pandemic continues to have a huge direct operational and financial impact right across the Local Government Sector. All local authorities are struggling with the challenges of uncertainty, large financial pressures and concerns for their residents and local areas in such unprecedented times. Effectively managing the short and medium term financial challenges that COVID-19 has brought to the Borough will be an important factor in our future success.
- 3.5 The Council's new 'Getting to Know Your Business' programme has now been operational for a couple of months. The first phase of the programme has helped to establish a baseline for all services in terms of their costs, income generation potential, value for money and relative performance. This data has been used to highlight key lines of enquiry where benchmarking suggested that either our costs or income levels are above or below average. This assessment, together with a comprehensive 'strategic-fit' review against our Southend 2050 ambition, economic recovery aspirations and delivering better outcomes and value for money for our local residents has influenced the development of the investments, savings and income generation proposals contained within this draft budget report.
- 3.6 For the first time in Southend-on-Sea's history this report also outlines a high-level future Budget Transformation Programme for 2022/23 – 2025/26 to be scoped and developed further over the coming months to support the Council's future financial sustainability ambition and to prepare for what will undoubtedly be a very challenging Comprehensive Spending Review in 2021 for the Local Government Sector.
- 3.7 The overall financial landscape today bears no comparison to the relatively stable state of the national public finances just 9 months ago. To highlight just two key headlines from the Chancellor's Spending Review 2020 speech the national economy is predicted to shrink by 11.3% in 2020/21 (the largest fall for 3 centuries) and borrowing is expected to reach £394 billion (the highest level in peacetime history).

- 3.8 These headlines from the Chancellor were announced before the latest national increases in COVID-19 infection levels and prior to the introduction of more severe local lockdown arrangements and obviously prior to the new complete national lockdown from 5th January 2021. It really has been an unprecedented year and some tough national and local choices and decisions on priorities, future tax options and non-statutory service levels will be required over the medium-term.
- 3.9 Although generally received as a positive outcome there is still some concern and uncertainty over the potential impact of whatever the exact terms of the country's negotiated exit with a trade deal from the European Union will be. At the time of writing this report the full details of Brexit were still being assessed and evaluated. The UK Government has agreed the deal, the European Parliament were still finalising their appropriate governance arrangements to vote through the overall proposed exit package. We will continue to monitor the situation and update Cabinet and Council as appropriate.
- 3.10 Given the current set of circumstances the financial landscape and operating environment for all public services and particularly for local government remains challenging and uncertain. Local Authorities have been provided with an initial indicative financial settlement for 2021/22 only. No information is currently available for future years. Although our new 10-year Financial Sustainability Strategy was only developed and approved in February 2020, we are now proposing to review it again in the Autumn of 2021, after the next Comprehensive Spending Review. This will enable us to reassess, 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.
- 3.11 It will also be important to reassess, understand and take responsibility for our financial future. We have to be proactive in the delivery of our agreed Southend 2050 ambition, key priorities, evaluate the local economic recovery progress 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.
- 3.12 Given the unprecedented circumstances experienced this year, our Medium Term Financial Strategy 2021/22 – 2025/26 is still under development and will be presented to Cabinet and Council in February 2021. This strategy will provide 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 and Economic Recovery Focus

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 2021/22 – 2025/26. This agreement also helped to provide clear direction for the Organisation and enabled the Council to respond positively to the huge health, economic and operational impact caused locally by COVID-19. The borough's agreed long-term ambition continues to shape the Council's overall business and financial planning framework which is now clearly driven by 5 Strategic themes. The 5 themes summarised in the following graphic provided a framework for our initial response to the pandemic and is now also helping to influence our approach to enabling our local economy to recover and our service offer to be re-designed and more effectively targeted to local residents.



4.2 To reflect these aspirations and to support delivery of the early phases of activities to achieve better outcomes for local residents, the Council for 2021/22 is continuing to develop a longer-term view of the use of its resources and financial planning arrangements. This has also helped with mobilising the Council's efforts to focus on enabling the local economy to recover from the pandemic.

4.3 This approach enhances the profiling of investment and supports 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. These new set of arrangements were introduced in 2020/21 and became the key driver behind integrating both revenue and capital investment plans into a single report with greater 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 has been dominated by the impact of the pandemic so 2021/22 is now 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 in what has been unprecedented times for the Local Government Sector and indeed the UK generally. The intention has been to target scarce resources to the agreed priorities under Southend 2050 and key revised delivery phases, support our local economy to survive and then recover, whilst also responding positively to the impact of the pandemic and 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 Due to the worsening economic situation as a result of the global pandemic, Brexit implications and the high degree of uncertainty over the future state of the economy, the Government announced a 1-year spending review in 2020 and subsequently issued a provisional financial settlement for 2021/22 only.

5.4 The key one-off announcements relevant to Local Government are summarised below:

- Proposed 2% Council Tax referendum limit plus 3% Social Care Precept
- Fundamental Review of Business Rates Reset has been delayed to Spring 2021 and 100% Business Rates pilots will be maintained for a further year
- Fair Funding Review – this was expected in 2021/22 but is listed as delayed with no revised implementation date proposed
- Business Rates Multiplier to be frozen for 2021/22
- Revenue Support Grant – to increase in line with inflation
- New Homes Bonus – the current scheme to be maintained a further year with no new legacy payments – a consultation is planned with a view to implementation in 2022/23
- Additional Covid-19 funding of £3.2Bn for 2021/22, including:
 - £1.55Bn for anticipated additional COVID-19 expenditure pressures
 - £0.67Bn additional grant funding to help local authorities support households that are least able to afford council tax payments
 - £0.8Bn to support authorities with tax revenue losses
 - Extending the COVID-19 sales, fees, and charge reimbursement scheme for a further three months until the end of June 2021
 - £254M for rough sleepers and those at risk of homelessness during COVID-19
- Adults and Children’s Social Care – £300M of new grant funding, in addition to the £1Bn announced in the 2019 Spending Review that is being maintained into 2021/22
- Improved Better Care Fund (iBCF) will continue and will be pooled with the NHS to help meet adult social care needs and reduce pressures on the NHS
- Public Health Grant – Local Authority spending through this grant will continue to be maintained at the same level
- Schools – a £2.2Bn increase in the core schools’ budget in 2021/22
- Cyber Security Systems - £16M to support modernisation
- A public sector pay freeze, excluding those earning less than £24,000 (who will receive at least £250)
- A rise in the National Living Wage of 2.2% to £8.91 an hour and an equivalent increase in the National Minimum Wage
- £5.2Bn over six years into flood and coastal investment across England
- £1.7Bn in 2021/22 for local road maintenance and upgrades to tackle potholes, relieve congestion and boost connectivity
- £111M Lower Tier Services Grant for one year only

5.5 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 release of the final finance 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 £1.1M to be delivered through grant in addition to the funding received in 2020/21, so for 2021/22 the total grant will be £6.0M.
- 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 2021/22
- The Better Care Fund will increase by £0.334M, so for 2021/22 the Fund will be £6.614M
- Public Health Grant will remain at the 2020/21 level, so for 2021/22 the Grant will be £9.525M
- The Revenue Support Grant has increased by 0.55% to £6.082M
- Lower Tier Services Grant one-off funding in 2021/22 of £0.238M

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-on-Sea Borough Council's educational related services.

6.3 The current total DSG for 2021/22 is £171.7M (latest allocation for 2020/21 is £158.3M). 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 Needs place funding for both colleges and further education providers, and free special schools. These elements are paid directly to them from the Education and Skills Funding Agency. The final estimated allocation expected to be awarded to the local authority for 2021/22 is £55.5M, after considering these estimated deductions of £116.2M.

- 6.4 The Department for Education (DfE) announced on the 18th December 2020 the final funding details for 2021/22 which are summarised as below (and note there are 4 blocks of funding allocations within the DSG):

Block	Amount £M's	Detail
Schools Block	133.818	Allowing for 14,955 primary and 11,455 secondary pupils plus growth and premises factors
Early Years Block	10.773	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	25.558	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	1.556	Includes Education Support Grant and Council support functions
Total DSG 2021/22	171.705	

Key 2021/22 Dedicated Schools Grant DfE Headline Announcements

- 6.5 In September 2019, the Government and the DfE released a statement, “that the funding for schools and high needs compared to 2019-20, will nationally rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23”. This was a welcome announcement and 2021/22 is now the second year of that three-year commitment. Early notification has supported financial planning but there remain many national and local issues including significant national pressures on high needs funding, some schools that have been struggling historically financially and further required increases in teacher salaries and pension contributions.
- 6.6 The DfE announced in July 2020, the following key headlines in relation to Individual School Funding for 2021/22 (schools block). The minimum per pupil levels were set at £4,180 for primary schools (£3,750 in 2020/21) and £5,415 for secondary schools (£5,000 in 2020/21). These new rates now include the rolling of the previous teacher pay and pension grants into the DSG at a rate of £180 per primary pupil and £265 per secondary pupil. The funding floor will be set at 2.00% at a per pupil led funding basis, and all schools attracting their core National Funding Formula (NFF) allocations will benefit by an increase of 3% to those core factors. In addition, schools funded at the floor level will also receive £180 per primary pupil and £265 per secondary pupil for the rolling of the previous teacher pay and pension grants into the DSG.

- 6.7 In relation to Early Years funding on the 18th December 2020 the DfE announced an increase of 6p per hour in 2021/22 to help fund childcare places for 3 & 4 year olds and 8p per hour to fund childcare places for eligible 2 year olds.
- 6.8 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 12%. As Southend's own allocation under the NFF has been below an uncapped formulae this means that our local High Needs block for 2021/22 will receive an additional indicative allocation of £3.046M. £0.482M of this amount relates to previous protected pay award and employer pension grants now rolled into the DSG. By applying the maximum 12% uplift this means that for the first time Southend has reached its full allocation through the formulae in 2021/22.
- 6.9 In relation to central block funding in the July 2020 announcements, the DfE stated in 2021/22 that there will be a further 20% reduction to the element of funding that some authorities receive for historic commitments. This is in line with the previous DfE intentions as part of the NFF to unwind this funding element. The impact on Southend's own allocation means that this is now an equivalent to a £326,000 funding loss out of the original £905,000, leaving £579,000 remaining.

DSG Education Board Decisions

- 6.10 Although the total quantum of DSG is now calculated by a national formula that indicates the amount of funding that will be received, it currently remains a local decision as to how each block of funding is allocated. The Education Board (covering School Forum matters) met on both the 20th October 2020 and 15th December 2020 to determine and agree the principle decisions for the allocation of the 2021/22 individual school block allocations. Although within Mainstream Schools the minimum amounts per pupil are now a mandatory requirement, the Board confirmed its approval for the remaining mainstream school allocations to continue with the implementation of the NFF locally.
- 6.11 The recommendations of the DSG budget to the Education Board was presented on the 15th December 2020 and **Appendix 9** shows the detailed principle breakdown of the proposed 2021/22 Dedicated Schools budgets. This assessment also includes the considerations to the further reduced Central Block funding announcements. There will be a final 19th January 2021 Education Board report (for noting only) which will set the final funding allocations for 2021/22, based on the funding principle decisions made by the Education Board at its meetings on 20th October 2020 and 15th December 2020.

Pupil Premium

- 6.12 In addition to funding from the DSG, schools will receive Pupil Premium grant, which will provide amounts of £1,345 / £955 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 £7.4 million for schools in Southend-on-Sea (including both Maintained and Academy schools).

7 Financial Sustainability Strategy

- 7.1 This was a new high-level long-term strategy which was approved in February 2020 that framed the financial future and intentions for the Council. It helped to 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. Given the health, economic and financial shocks in 2020/21, the Council is planning to review this strategy again in the Autumn of 2021, following the announcement of the 2021 Comprehensive Spending Review.

8 Medium Term Financial Strategy (MTFS) 2021/22 – 2025/26

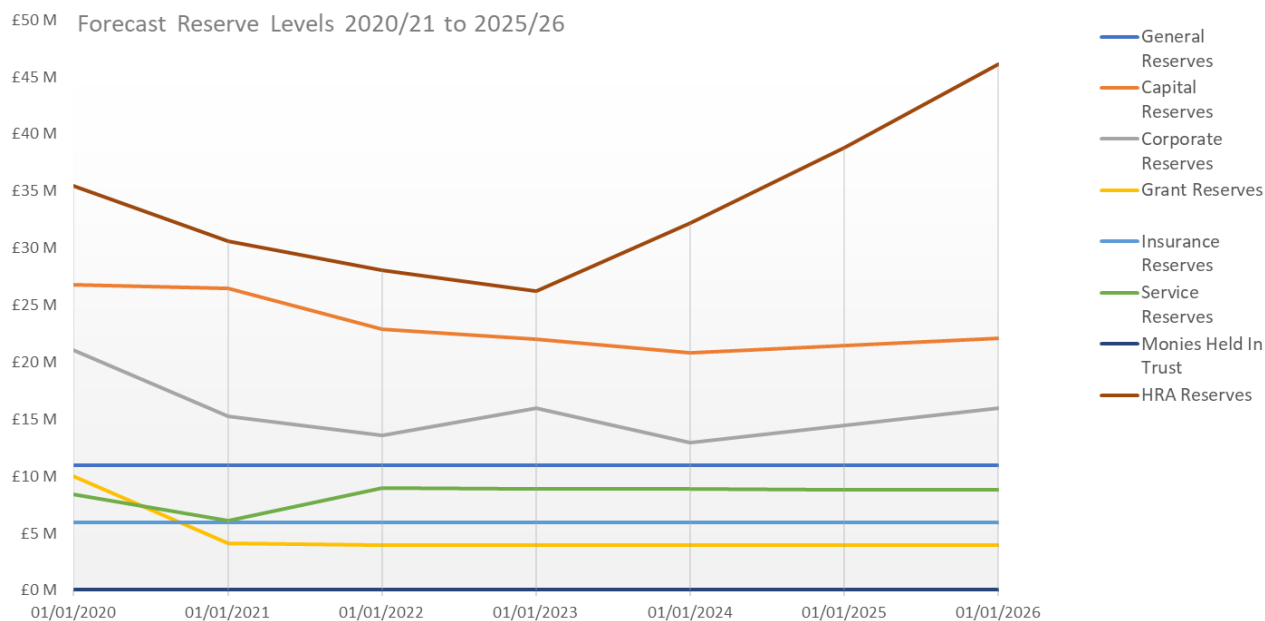
- 8.1 Given the unprecedented and constantly changing events in 2020/21 this revised MTFS is still under review and will be presented to Cabinet and Council in February 2021. The updated strategy will build on what was approved in February 2020 and will look to provide an integrated view of the whole of the Council's finances and outlook over the medium term, i.e. over the next five years. It will continue to show how the Council intends to align its financial resources to the Southend 2050 ambition, five-year roadmap, and desired outcomes. Careful consideration will also be given to understanding the local impact of COVID-19 and assessing what level of support can realistically be provided to local residents and businesses to stimulate the recovery of the local economy.
- 8.2 This strategy 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 will identify budget gaps in the medium term to enable the Council sufficient time to address them in a considered, measured, and planned way.
- 8.3 Although the full MTFS is still being updated, considerable work has been undertaken to establish a Medium Term Financial Forecast for the years 2021/22 to 2025/26 and this is shown in **Annex 1 to Appendix 1**. A summary table showing the forecast budget gap for the next five years is shown below.

Year	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Budget gap	£0M	£7.0M	£5.2M	£3.5M	£4.7M	£20.4M

- 8.4 The Section 151 Officer's Statement on the Adequacy of Balances and the Robustness of the Budget is attached as **Appendix 2**. This includes the recommended Reserves Strategy based on an approach to evidence the requisite level of reserves by internal financial risk assessment.

8.5 The proposed Earmarked Reserves balances (2020/21 – 2025/26) is shown in **Annex 2 to Appendix 1** and it illustrates not only the appropriations to and from Earmarked Reserves but also the transfers between them. There are several re-classifications proposed for 2021/22 including the recalibration of reserves in line with known risks and the addition of a £1M COVID-19 Local Recovery & Response reserve.

A summary of the forecast reserve balances from 2020/21 to 2025/26 is illustrated in the following graph.



8.6 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.

8.7 For revenue prioritisation of proposed investment, careful assessment was given to the current demands and pressures for existing local priority services, the future requirements needed to continue to respond positively to the pandemic 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.

8.8 For capital, prioritisation of proposed investment 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 2021/22 to 2025/26 is attached as **Appendix 10**.

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 responding positively to the impact of the pandemic and achieving the Southend 2050 ambition.

9.2 The following table provides a summary of the revenue investment proposals that form part of this overall budget package. The detail of each proposal for 2021/22 is shown at **Appendix 5**. All the proposed initiatives are planned to be a permanent increase in the revenue base budget of the Council.

Ref	Proposed Investment	2021/22 £000s
PJ-A	Waste Recyclables	400
Pride and Joy Total		400
SW-A	Inflationary Increase for Adult Service Providers	1,500
SW-B	Older People Demographics	480
SW-C	Essential Living Fund	233
SW-D	Children to Adults transition	350
SW-E	Leaving Care Support 16+	500
SW-F	Looked After Children	590
SW-G	In House Foster Care team	150
SW-H	Child and Adolescent Mental Health Services (CAMHS)	210
SW-I	Special Guardianship Order (SGA) Kinship Allowance	50
SW-J	School Uniform Grant	25
Safe and Well Total		4,088
CS-A	Highways Service Redesign	725
CS-B	ICT Transformation	300
Connected and Smart Total		1,025
ES-A	Pay and Increments	1,250
ES-B	Investment Income and Financing Review	172
ES-C	Benefits Payments	550
ES-D	Enabling Services Redesign	497
ES-E	General Budget Adjustments	140
Enabling Services Total		2,609
Total Investments		8,122

9.3 In addition to these new investment proposals, the Council is also actively involved in several projects aimed at reducing the impact of climate change. The Council has been very successful in utilising investment to leverage external grant funding via 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. Some of these projects are nearing competition and several others, are currently in delivery.

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 that are designed to reduce heat stress in the Borough and Circle (€800,000) which will deliver a number of green infrastructure projects.

- 9.4 The following table provides a summary of the proposed savings and income generation proposals for 2021/22 that form part of this overall budget package. The detail of each proposal for 2021/22 – 2025/26 is shown at **Appendix 6**.

Ref	Proposed Savings and Income Generation Proposals	2021/22 £000s
SW01	Supported Accommodation & Supporting People Contracts	0*
SW02	Commercial negotiation and contract review with key providers	160
SW03	Reduction in care home placements	0*
SW04	Review of low cost home care packages	267
SW05	Review local and regional learning disability pathways	0*
SW06	Review section 75 with Essex Partnership University Trust	0*
SW07	Review of the Adult Social Care contributions policy	0*
SW08	Introduce a new strengths based refresh to adult social care	0*
SW09	Optimise efficiency and productivity based on benchmarking	100
Safe and Well Total		527
AI01	Efficiency review of the Libraries and Galleries operation	30
Active and Involved Total		30
CS01	Reduction in Concessionary Fares journeys (pre-COVID19)	250
CS02	ICT: Smart programme	320
Connected and Smart Total		570
ES01	Deletion of vacant post in the Technical and Compliance team	30
ES02	Interest saving due to reduced borrowing in 2021/22	150
ES03	Creation of a Corporate Debt Collection Team	80
ES04	Review of Rent Deposit Loan Scheme	40
ES05	Single property visits proposal	40
ES06	Review Discounts and Exemptions on Council Tax and NNDR	100
ES07	Delete vacant post in Internal Audit and Counter Fraud	36
ES08	Various administrative efficiencies and savings	91
ES09	Delete vacant posts in the Contact Centre	75
ES10	Service redesign of the Business Support function	500
ES11	Delete vacant post within the Corporate Strategy team	34
Enabling Service Total		1,176
Savings Initiatives Total		2,303

Ref	Proposed Savings and Income Generation Proposals	2021/22 £000s
PJ01	Contactless donation points in parks	2
Pride and Joy Total		2
SW10	CCTV monitoring services for other networks	0*
Safe and Well Total		0*
AI02	Increased income from Museums and Galleries	30
AI03	Targeted integration of the Public Health grant	150
AI04	Negotiated planned increased in bowls season ticket fees	7
Active and Involved Total		187
OP1	Introduce charging at Pre-Application Advice meetings	8
OP2	Fast Track and Premium Services for Planning Applications	15
OP3	Potential sponsorship opportunities within parks	0*
OP4	Leasing income and charges of use of parks buildings	0*
OP5	Review of Planning and Building Control Consultancy Service	0*
OP6	Commercial rental income from the acquisition of Victoria Plaza	250
OP7	New rental income from the airport business park	40
Opportunity and Prosperity		313
CS03	Comprehensive review of car parking fees and charges	1,000
CS04	Review of all Highways fees and charges	50
Connected and Smart Total		1,050
ES12	Review scope of Debt Collection and Enforcement team	100
ES13	New income stream from a formal laptop disposal scheme	50
ES14	Housing Revenue Account charging review	150
Enabling Services Total		1,663
Income Generation Total		1,852
Grand Total		4,155

Key: 0* - Savings/extra income is planned to be delivered in future years

10 General Fund Revenue Budgets 2021/22 – 2025/26

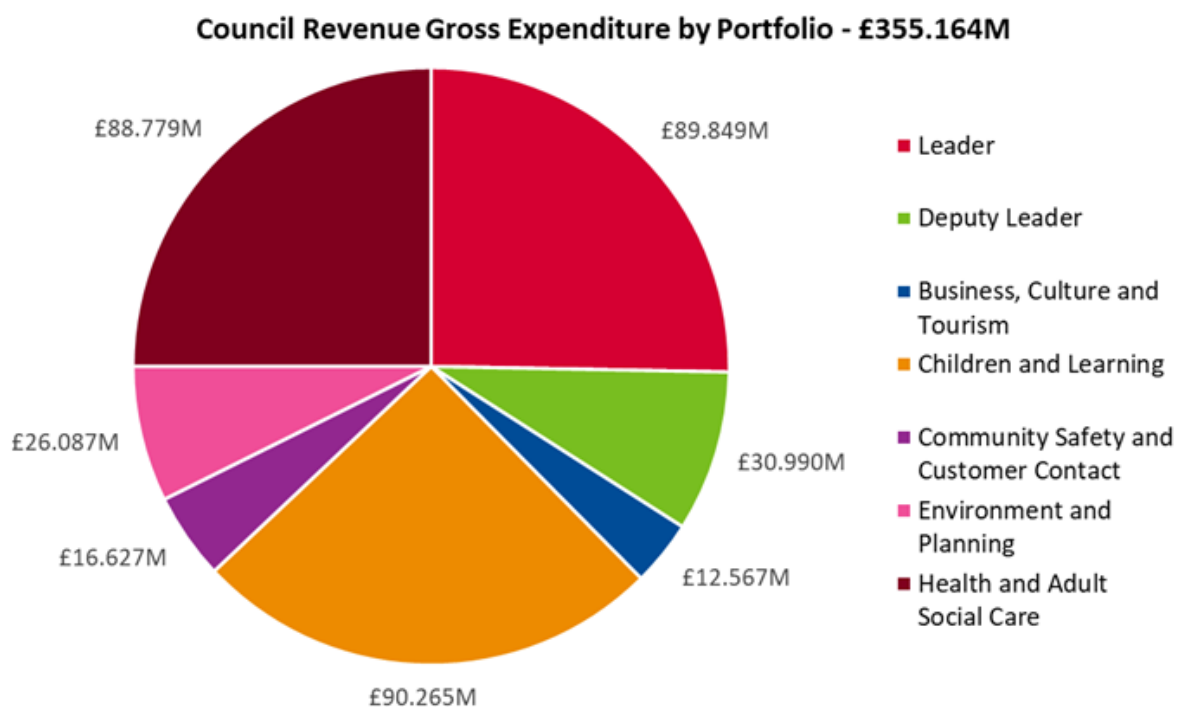
Forecast revenue outturn 2020/21

- 10.1 The original General Fund revenue budget requirement for 2020/21 totalled £130.429M and was to be met from government grants, available business rates, council tax and adult social care precept with no planned use of revenue balances or reserves.
- 10.2 Members have been supplied with regular financial monitoring information throughout the year. The latest forecast outturn for 2020/21 is summarised in the Resourcing Better Outcomes - Financial Performance Report – Period 8, elsewhere on this agenda. The year has clearly been dominated by the impact of COVID-19 on both the finances and operations of the Council. In keeping with the majority of upper tier local authorities Southend-on-Sea have also been experiencing significant increases in demand and associated costs for key social care services in Children's and Adults.

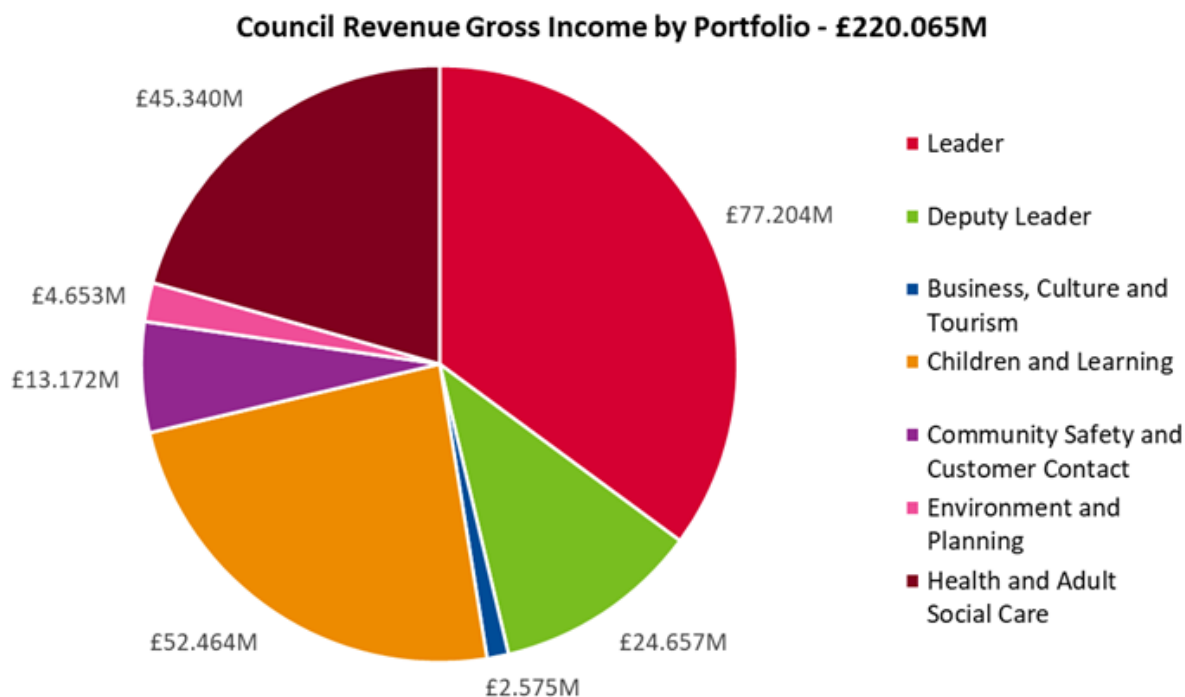
- 10.3 The latest financial forecast for 2020/21 indicates a projected £3.05M overspend for the Council. The two collection fund initiatives (75% support for irrecoverable losses and spreading of collection fund deficits) have not yet been fully assessed and included, as the technical guidance has only just been released. Once implemented these initiatives should improve the current overall forecast financial outturn for 2020/21.
- 10.4 A range of mitigation plans are also in place to try and improve the overall financial position by the end of the financial year. The situation will continue to be closely monitored. It is anticipated that the forecast overspend will be met by a combination of using contingency and reserves if required. The actual year-end final position for 2020/21 will be considered as part of the outturn report, which will be presented to Cabinet in June 2021.

General Fund Revenue Budget 2021/22

- 10.5 The proposed gross revenue expenditure for 2021/22 by portfolio and including all the proposed initiatives summarised in section 9.2, 9.4 and 10.13 is shown in the following pie chart.



10.6 The proposed gross revenue income for 2021/22 by portfolio is shown in the following pie chart:



Fees and Charges

10.7 Cabinet at its meeting on 18th 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. Outside of these budget parameters any changes will need agreeing by Cabinet like car parking charges. For 2021/22 the guideline yield has been set at 2% and therefore charges for 2021/22 will be set by Chief Officers within this guideline with a few exceptions.

10.8 The proposed overall balanced revenue budget package assumes several new fee charging options within parking, highways, and planning. The detailed proposals are summarised at **Appendix 8**. The parking offer across the Borough for 2021/22 will now also include a 12 month pilot of the Southend Pass that was agreed by Cabinet in September 2020 and will cover a 3 hour parking session per zone, per day aimed at Southend-on-Sea residents. This will be on an annual subscription (£102) basis at a cost of £8.50 per month. The intention is that this scheme will provide a car parking pass offering significant value for money for local residents and also provide a more stable source of parking revenue for the Council regardless of seasonal fluctuations.

- 10.9 Several reports have been brought to Members throughout 2020 regarding the status of a variety of parking projects, one of which was the creation of administrative zones across the Borough. Now that the zones have been agreed, the parking charges are to be simplified across these areas to ensure that charging is consistent across various car parks which is not currently the case. There are a few minor exceptions to these new arrangements, which are outlined in detail at **Appendix 8**.
- 10.10 There are also a wide variety of parking permits with differing terms and conditions in operation across the Borough. In order to rationalise these arrangements, the proposed range of fees and charges have been reviewed and simplified for all parking options.
- 10.11 As part of the investment into the highways restructure agreed in July 2020, the new enforcement team will deal with all highways obstructions (excluding parking). In order to facilitate this and to provide a deterrent to offenders the fees and charge in this area have been reviewed with a number of new proposals included.
- 10.12 The planning function are proposing a new pre-application advice service and a premium fast track service. These new service offers will not be to the detriment of current service delivery, but will provide the opportunity for additional advice, or a faster decision if this will enable works to begin sooner on a development. The new fast track service will not guarantee planning approval.

Overall General Fund Budget

- 10.13 The overall proposed balanced General Fund Revenue Budget package for 2021/22 is summarised in the following table.

	2020/21 £M	2021/22 £M
Net Base Budget		131.342
Net Investment and Reprioritisation		2.081
Revenue Budget	130.428	133.423
<i>Less Available Funding</i>		
Revenue Support Grant	(6.049)	(6.082)
Business Rates	(25.481)	(25.591)
Business Rates Top-Up Grant	(12.551)	(12.538)
Council Tax Surplus	(2.000)	(1.500)
To be funded from Council and ASC Precept	84.347	87.712
General Council Tax	76.966	78.644
ASC Precept Income	7.381	9.068
Remaining Budget Gap	0	2.500
Use of Reserves to Balance Budget	0	(2.500)
Balanced Budget	0	0

- 10.14 The following table provides a summary of the 'one-off' use of reserves approved as part of a three year programme of initiatives when the budget for 2020/21 was set in February 2020.

Use of Reserves	2021-22 (£000)	2022-23 (£000)	2 Year Total (£000)
Service Design	185	185	370
Summer and Winter Planning	100	100	200
Economic Development	100	-	100
Community Safety / Environment Crime	150	-	150
Workforce Development	50	-	50
Community Builders / Capacity Building Fund	100	-	100
HR Support for Social Work Recruitment	50	-	50
ICT Procurement Officer	11	-	11
Management Capacity In House Foster Team	75	-	75
Parking Review: Southend Pass	275	-	275
Parking Review: Project Funding	180	-	180
Business Transformation Reserve total	1,276	285	1,561
Complex Needs Provision	150	-	150
Public Health Reserve total	150	-	150
Local Plan	130	-	130
Housing Implementation	150	-	150
New Homes Bonus Reserve total	280	-	280
Outcome Delivery	250	250	500
Outcome Delivery Reserve total	250	250	500
School Improvement	200	200	400
School Improvement Reserve total	200	200	400
Use of Reserves total	2,156	735	2,891

Council Tax 2021/22 and estimated collection fund balance 2020/21

- 10.15 The Council must formally determine the Council Tax Base (the number of Band D equivalent properties) for 2021/22 and any estimated Collection Fund balance at the end of 2020/21. The Council Tax base for 2021/22 is as reported in a separate report on this agenda for approval by Cabinet as delegated by Council at **58,630.49** (equivalent Band D properties) including Leigh-on-Sea Town Council.

The tax base for Leigh-on-Sea Town Council has been calculated for 2021/22 as **8,762.69** Band D equivalents.

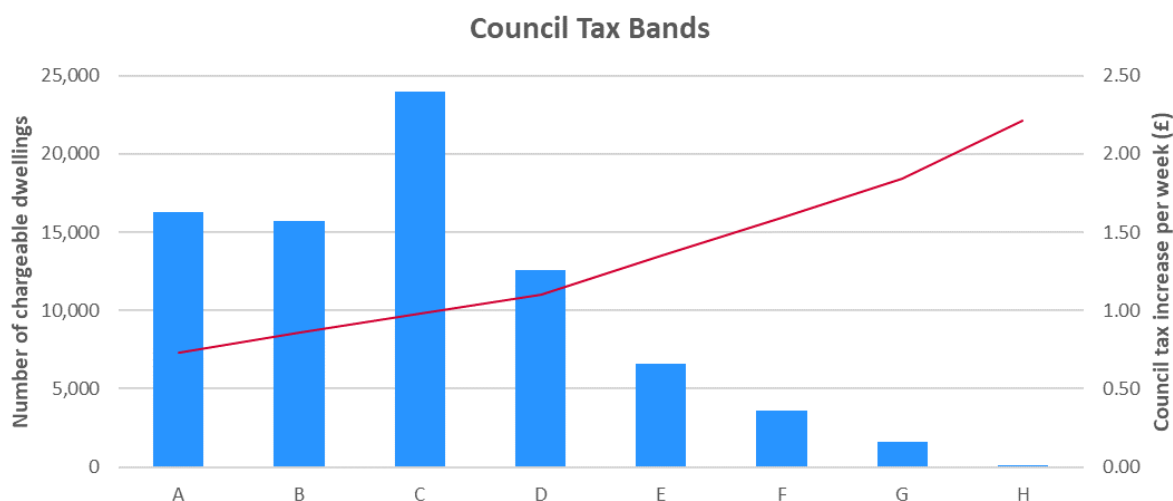
The Council Tax base for Southend-on-Sea has decreased for the first time ever as a direct result of the impact of COVID-19. There has been some continued housing growth across the borough with new properties being added to the list, but this has been negated by the level of eligible Local Council Tax Support awards, combined with the on-going impact of other local discounts and exemptions. The proposed increase in the Empty Homes Premium to 300% from April 2021 for properties empty for longer than 10 years 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 2020/21 will be formally reported to Cabinet in February 2021. It is currently assumed that £1.5M of the projected accumulated historical surplus will be used to support the budget for 2021/22.

Council Tax

- 10.16 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 £1,494.73 per annum (the Band D level for 2020/21 is £1,437.39). This equates to an annual increase of £57.34 and a weekly increase of £1.10. The following table and bar chart provide an indicative illustration of the impact of the proposed council tax increase for 2021/22 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	16,322	15,705	23,990	12,558	6,620	3,641	1,580	95
20/21 Council Tax per week (£)	18.43	21.50	24.57	27.64	33.78	39.93	46.07	55.28
Increase per week (£)	0.73	0.86	0.98	1.10	1.35	1.59	1.84	2.21
21/22 Council Tax per week (£)	19.16	22.36	25.55	28.74	35.13	41.52	47.91	57.49



This draft proposed budget for 2021/22 assumes a council tax increase of 1.99% for general use on the Southend-on-Sea element of the total Council Tax. It also assumes an Adult Social Care precept increase at a level of 2.0% of the main council tax. This has been determined on the basis of trying to limit the local council tax increase to as low a level as realistically possible in the very financially challenging circumstances. The proposal is to implement 2.0% of the 3.0% Adult Social Care Precept available and defer the remaining 1.0% increase to the 2022/23 financial year.

The ability to apply this precept was introduced by the Government as part of the 2016/17 Local Government finance settlement. It was introduced to assist with the increasing demand and demographic expenditure pressures from Adult Social Care that Local Government has been experiencing and are continuing to face.

The total Council Tax payable by taxpayers 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

- 10.17 Leigh-on-Sea Town Council has indicated its proposed level of precept for 2021/22 of £456,624 (2020/21 = £447,392) pending approval at their Town Council meeting of 19th January 2021. Based on their council tax base of 8,762.69, the Town Council element of the total Council Tax bill would increase from £50.58 to £52.11 at Band D, equivalent to an increase of 3.02% from 2020/21.
- 10.18 Essex Fire & Rescue Services and Essex Police through the Police, Fire and Crime Commissioner has by law to set both precepts no later than 1st March 2021 (after consideration by the Essex Police, Fire and Crime Panel on 4th February 2021). At this stage, no information is available on their proposed Council Tax increase levels for 2021/22.

Levies

- 10.19 The Council is required to pay relevant levying bodies, who have only indicated their draft levy position for 2021/22. Updated levies figures will be included in the final report to Cabinet on 16th February 2021. The final levies will be reported on in the Council Tax report for Council on 25th February 2021. The current position for 2021/22 is identified in the following table: -

Levying Body	2020/21 Probable Actual £000	2021/22 Estimate £000	Percentage increase %
Kent and Essex Inshore Fisheries and Conservation Authority (Provisional)	21.9	21.9	0%
Flood Defence – Environment Agency (Provisional)	204.7	208.8	2%
Coroners Court (Provisional)	410.6	423.0	3%
Total	637.2	653.7	

The Kent and Essex Inshore Fisheries and Conservation Authority levy is provisional and is proposed at the same level as 2020/21. 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

- 10.20 The Reserves Strategy is set out in the Section 151 Officer's Statement on the Adequacy of Balances attached at **Appendix 2**. Within the boundaries of this strategy the presentation of the budget reflects proposed net appropriations from earmarked reserves totalling £2.593M for which separate approval is sought. Full details are shown in **Appendix 3**.

Staffing Implications

- 10.21 The investment proposals outlined in **Appendix 5** will result in an increase to the staffing establishment of the Council of circa 29 full time equivalent posts.
- 10.22 There are approximately 38 posts/roles proposed to be deleted as part of the budget savings package detailed at **Appendix 6** for 2021/22. The proposed changes will be designed to target vacant posts first, fixed term contracts where applicable, interim arrangements and agency cover. Every effort will be made to avoid any compulsory redundancies as part of implementing these budget proposals.
- 10.23 The Council's workforce planning process will continue to provide oversight on all proposed staffing changes and ensure that the approach will manage vacant posts (permanent and temporary), agency and interim arrangements to ensure that any staff identified at risk from the proposed staffing restructures can be redeployed where appropriate.
- 10.24 The Council's policies on managing organisational change, redeployment and redundancy will be followed accordingly. Consultations with staff and Trade Unions will continue throughout the budget development and implementation 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 10** 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.

Deliverability

- 11.3 There is inevitably a gap between the capital investment programme ambition and the finite available resources to afford and deliver the programme. This limits the number and value of schemes that are affordable and deliverable.

- 11.4 The average capital investment delivered over the last 12 years has been circa £60M p.a.. Therefore, on average it has been assumed to be the core deliverable level of programme each year. There will always be exceptions over and above this amount, for example where the Council is passporting grant or providing loans to partner organisations or purchasing property for strategic and regeneration purposes. These must form part of the capital investment programme, but they do not create an issue with deliverability.
- 11.5 In order to aim for a deliverable level of programme each financial year there will need to be prioritisation and re-sequencing of projects. Since July, a programme review has been underway. Multiple rounds of capital challenge sessions have taken place with project managers and directors to:
- re-assess schemes in light of the Council's updated outcomes, refreshed roadmap and six recovery priorities;
 - re-assess schemes in light of the effects of the global pandemic on deliverability and affordability
 - ascertain more realistic budget profiles based on expected delivery timescales and to ensure resources are in place to deliver them
 - review the overall programme to achieve a more even investment profile across the years, to ensure it is realistic and affordable as a whole
 - consider whether any schemes can be stopped or paused
 - consider whether any schemes should be subject to a viable business case assessment.
- 11.6 This has led to some schemes being deleted from the capital investment programme whilst others have been moved to the 'subject to viable business cases' section below the main programme. These schemes can be brought up into the main programme at the appropriate time in line with the approach where schemes can enter the programme during the financial year and not just annually at budget setting. This approach should ensure that the programme is affordable, deliverable and focussed on the Council's key priorities.

12 Capital Investment Programme – position as set out in the Resourcing Better Outcomes – Financial Performance Report – Period 8 (elsewhere on this agenda)

- 12.1 At November Cabinet a 2020/21 budget of £62.3M was approved together with the total budget for financial years 2021/22 to 2024/25 of £152.1M.
- 12.2 Since November Cabinet the capital investment programme review has continued as set out in paragraph 11.5. Also, since then the Investment Board has agreed some proposed new schemes can progress to Cabinet for consideration. The Council has also purchased the Victoria shopping centre as a strategic acquisition on the High Street and for the future regeneration benefits it offers through its proximity to Better Queensway.

- 12.3 Capital investment of £3.9M has also been included to acquire 20 dwellings or units to support rough sleepers with suitable properties. This is a roadmap goal for 2021 and is being financed by £1.6M of grant monies from the Homes and Communities Agency and £1.6M of match funding from the HRA capital investment reserve. The balance is being funded from S106 pooled resources which were already included in the programme.
- 12.4 As a result of this and the ongoing review, the Resourcing Better Outcomes – Financial Performance Report – Period 8 includes any virements between schemes, re-profiles across years, new external funding, proposed new schemes, proposed scheme deletions and movements between the main programme and the ‘subject to’ section. These are set out in **Appendix 12**.
- 12.5 The resulting revised capital investment programme for 2020/21 to 2024/25 of £222.3M is shown in the following table:

	2020/21 (£000)	2021/22 (£000)	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	Total (£000)
At November Cabinet	62,275	66,766	46,356	17,010	21,978	0	214,385
Amendments	12,349	2,326	(4,410)	(2,504)	(8,559)	8,663	7,865
Revised programme	74,624	69,092	41,946	14,506	13,419	8,663	222,250

General Fund	58,837	50,858	22,664	6,778	5,778	8,663	153,578
HRA	15,787	18,234	19,282	7,728	7,641	0	68,672
Total	74,624	69,092	41,946	14,506	13,419	8,663	222,250

Total proposed budget for 2021/22 to 2025/26 = £147.6M

- 12.6 Key areas of investment within this programme across the four-year period 2021/22 to 2024/25 are as follows:

Pride and Joy

Southend Pier

- 12.7 Capital investment in this area contributes to the desired outcome that the variety and quality of our outstanding cultural and leisure offer has increased for our residents and visitors and we have become the region’s first choice coastal tourism destination.
- 12.8 Major capital investment in the pier of £14.4M is included in the current programme. This includes monies 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. To ensure the pier continues to be an outstanding visitor attraction other investment has been included to replace the pier trains, for phase 1 of the development of the pier head, for phase 2 of the Prince George Extension and for refurbishment works to the timber outer pier head.

Safe and Well

Housing

- 12.9 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. A report to the Cabinet of 15 September provided an update on the progress of: the acquisitions programme; the Modern Methods of Construction pilot projects; Phase 3 of the HRA Land Review; PSP Southend LLP and the work with Southend United Football Club and Citizen Housing in respect of Roots Hall and Fossetts Farm.
- 12.10 A number of sites within the pipeline are currently underway and a major capital investment of £13.1M 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 2021.
- 12.11 Capital investment of £6.0M is included until 2022/23 to continue the affordable housing acquisitions programme. Capital investment of £28.0M has also been included over the four years to 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. The 5,900 houses, flats and bungalows have all been deemed to be at decency levels but there continues to be newly arising need so these levels need to be maintained to sustain an environment that keeps residents safe and well.

Social Care

- 12.12 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.
- 12.13 A major investment of £6.7M included in this capital programme is for the final stage of 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 late 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. *The Priory Care Centre is operational and meets the current and future needs of residents* is a roadmap goal for 2022.

Climate change

- 12.14 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, streets, transport, and recycling. *The Climate Change Action Plan tackles climate change* is a roadmap goal in 2021.
- 12.15 The Council wants to achieve net zero carbon by 2030. The way we travel in Southend needs to help the Council achieve this target. The transport strategy is being written and will be about the transport the town wants in Southend by 2050. This will also inform the new Local Transport Plan and Local Plan by 2022.
- 12.16 The Council's Low Carbon Energy and Sustainability Strategy focuses on delivering low carbon growth, improving energy efficiency, and providing for a more sustainable future with the aim of establishing Southend as a Low Carbon Smart City.
- 12.17 The Better Queensway project will transform the Queensway area into a vibrant new place which provides high quality housing for residents of all tenures, together with commercial units and high quality and attractive public realm. The project has an associated energy strategy and aspirations include:
- for the site to be a net energy generator
 - to ensure energy resilience and sustainability
 - contributing to the Council's wider energy ambitions
- 12.18 Seasonal optimisation will be used to maintain systems at their most efficient with renewable energy maximised. The aims will be to use less energy and to supply energy efficiently with a future target of zero carbon energy.
- 12.19 The Council has been awarded £4.2M from the Government's Get Building Fund to power the Better Queensway project with a modern, efficient electric heating system and to roll out electric vehicle charging points across the town centre.
- 12.20 The construction works at the Airport Business Park have been delivered by contractors appointed through an Official Journal of the European Union (OJEU) compliant procurement process. As part of this, the Council and Henry Boot Developments Limited have defined the standards they expect contractors to achieve. Building Research Establishment Environmental Assessment Method (BREEAM) Very Good has been adopted as the minimum standard for buildings and BREEAM Excellent will initially be targeted for all developments (albeit this will need to be considered in the context of overall development viability). The Launchpad, which will begin construction in March 2021, is aiming for BREEAM Excellent and additional green infrastructure has been secured through the Nature Smart Cities project. This includes a living roof and solar panels.

- 12.21 Across the Airport Business Park there has been considerable investment in walking and cycling infrastructure ensuring connectivity with the wider network and through to Rochford station. An S106 contribution will ensure that the park is served by public transport. The site also benefits from sustainable drainage solutions and there has been considerable investment in planting.
- 12.22 On all new build projects the Council incorporates an environmental and energy use assessment. Where appropriate this includes a BREEAM assessment although the Council is also considering the use of other standards such as the WELL Building Standard, which has a greater focus on human health and wellness. Work has been undertaken between the certifying bodies for these standards to provide alignment between them.
- 12.23 Where building refurbishments are undertaken, and particularly through projects delivered through the Property Refurbishment Programme, the Council is taking measures to upgrade the energy efficiency of its operational buildings with a specific focus on measures that reduce energy consumption and reduce energy loss.
- 12.24 Capital investment of £1.8M 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 vehicle projects.
- 12.25 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

- 12.26 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.
- 12.27 A major investment of £10.5M included in this capital investment programme is for the completion of 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. All enabling works have now been completed and procurement is underway for the construction of the Launchpad, with tenders due for return in December and contract award planned for February 2021. *Airport Business Park Southend completion of all site infrastructure and utilities* and *Airport Business Park Southend first commercial occupation* are roadmap goals for 2020. *Airport Business Park Southend Launchpad start of site* is a roadmap goal for 2021.

- 12.28 £13.0M is included in this capital investment programme for the Council's remaining share of the initial funding of the Porter's Place Southend-on-Sea LLP to deliver the Better Queensway regeneration project.
- 12.29 Capital investment of £0.8M 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. *Better Queensway project plans updated for period to delivery of Phase 1 of the project and the new road layout of Queensway* is a roadmap goal for 2020.

Housing

- 12.30 Capital investment in this area contributes to the desired outcome that key regeneration schemes bring prosperity and job opportunities to the borough.
- 12.31 Capital investment of £2.7M has been included in the main programme to buy residential and commercial properties as they become available to facilitate the delivery of the Better Queensway regeneration project. All purchases will be fully reimbursed by the LLP. *Better Queensway regeneration and housing scheme starts* is a roadmap goal for 2022.

Schools

- 12.32 Capital investment in this area contributes to the desired outcome that our children are school and life ready and young people are ready for further education, training or employment.
- 12.33 The schools capital investment programme for 2021/22 onwards totals £3.4M. The programme will continue to be dominated by the schools condition works and completion of the works 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. *Aspiration and educational attainment raised amongst residents in deprived areas* is a roadmap goal for 2021 and *All schools rated 'good' or 'outstanding' by Ofsted* is a roadmap goal for 2024.
- 12.34 Thus far expansion projects have been completed at Belfairs High School, Shoeburyness High School and St Bernards High School. All resulting additional forms of entry have been filled for September 2020 year 7 admissions. There are also ongoing projects at Chase High School and St Thomas More High School. Although St Thomas More's main project has been completed, phase two for the outside hard play areas are at the tender stage with all works due to be completed by the end of the 2020/21 financial year. 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.

Connected and Smart

Highways and Infrastructure

- 12.35 Capital investment in this area contributes to the desired outcome that people have a wide choice of transport options.
- 12.36 Capital investment of £9.2M is included in this programme for the Bell Junction, A127 essential maintenance works, the extension of London Road public realm improvements to Victoria Circus and town centre improvements funded from the Local Growth Fund monies from Government. *A127 The Bell junction improvement works commence* is a roadmap goal for 2020.
- 12.37 Capital investment of £4.6M included in this programme is for highways infrastructure schemes. These include: Highways protection at Belton Way and bridge strengthening works funded by grants received from the Department for Transport.
- 12.38 Capital investment of £0.8M for parking schemes including car park improvements and resurfacing. The car parks 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 the Council's Car Parking Strategy across the Borough.

Enabling

Works to Property

- 12.39 Capital investment of £6.0M included in this programme is to continue the property refurbishment and fire improvement works programmes. The property refurbishment programme enables 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 costly long term. The fire improvement programme enables the Council to proactively manage and address active and passive fire protection measures across its operational property stock. This ensures buildings remain safe whilst also progressively delivering bringing buildings up to current standards. If the project is not delivered the Council may be forced to close operational buildings following fire risk assessments or other fire inspections.

ICT

- 12.40 Capital investment of £3.0M included in this programme for ICT includes a device refresh, application transformation, digital enablement, security and resilience and a project to stabilise the estate. 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.

13 New capital investment proposed

- 13.1 Although the capital investment programme for 2021/22 to 2024/25, updated as a result of the changes set out in **Appendix 12**, represents a significant investment of over £147M on the part of the Council in the Southend area, the Council's ambition to improve the lives of residents is undiminished.
- 13.2 Therefore, significant new capital investment in the town's footways and carriageways is being proposed of £21M across the five years from 2021/22 to 2025/26. This includes £14M for footways improvements and £7M for carriageways improvements to reduce long term structural maintenance and improve public safety. A further £29M has been included in the 'subject to viable business case' section of the capital investment programme. This includes £19M for footways and £10M for carriageways.
- 13.3 Together these represent an average investment of £10M a year over the next five years into footways and carriageways improvements (an average of £6.6M a year on footway improvements and £3.4M a year on carriageway improvements). This is a significant increase on the average of £1.6M a year invested in footways and carriageways over the last five years (£8M in total across the five years).
- 13.4 From 2022/23 two thirds of this new investment will be in footways as, over the period to 2021/22, more will have been spent on carriageways which has been funded from Government grants via the Local Transport Plan and the Local Growth Fund. These projects have included Kent Elms, the Bell Junction, London Road public realm improvements, highways protection at Belton Way, carriageway maintenance (including potholes) and bridge strengthening. Further grant allocations are expected to be confirmed for maintenance of potholes as part of the 2021/22 Local Government finance settlement.
- 13.5 The footway and carriageway improvements schemes that are subject to a viable business case will enter the programme via the normal governance arrangements (as set out in the Capital Investment Strategy) if they can be shown to be deliverable and affordable. In principle they will need to be linked to additional ring-fenced income from highways/parking charges. Over the last three financial years the reactive highways maintenance has averaged circa £0.65M p.a. charged to the revenue account but as this capital investment gets underway there should be less reactive spend. This will make more budget available for the capital financing costs to support this and further highways investment.
- 13.6 This is in addition to the budget of £1.4M for footways and carriageways already in the approved capital investment programme which includes:
- Improving the footway condition around highway trees
 - Installing junction protection for the prevention of obstructive and indiscriminate parking from road junctions to help improve the safety of all road users
 - The removal of the existing anti-skid zebra crossing surfacing and replacement using high friction road surface.

14 Capital investment subject to viable business cases

14.1 To ensure that the programme is affordable, deliverable and focussed on the Council's key priorities a number of schemes have been included in the 'subject to viable business case' section of the programme. These schemes can be brought up into the main programme at the appropriate time in line with the approach where schemes can enter the programme during the financial year and not just annually at budget setting.

14.2 The following schemes are listed as being subject to viable business cases:

Highways (Footways)	New
Highways (Carriageways)	New
Tree Planting	New
Better Queensway - Additional Affordable Housing	Included at November Cabinet
Better Queensway Housing and Commercial Property acquisitions	New
Better Queensway Energy Centre	New
Regeneration Pipeline Schemes	New
Strategic and Regeneration Acquisitions	Included at November Cabinet
Private Sector Housing Strategy	Transferred from main programme
ICT - Operational requirements	New
Coastal Defence (Shoebury Common Sea Defence Scheme)	Transferred from main programme
Shoebury Health Centre	Included at November Cabinet
East Beach Masterplan	Included at November Cabinet
Town Centre and Seafront Security Works	Included at November Cabinet
Civic Centre Campus Masterplan	Included at November Cabinet
Cliffs Pavilion - External Refurbishment Works	Included at November Cabinet
Airport Business Park	Transferred from main programme

14.3 Highways (Footways) and Highways (Carriageways): please see paragraph 13.2 above.

- 14.4 Tree Planting: the current tree planting policy is for additional trees to be planted up to the 2021/22 planting season. It is recognised that consideration needs to be given to extending this policy beyond 2021/22.
- 14.5 Better Queensway - Additional Affordable Housing – an agreement has been negotiated by the Council, Swan Housing Association and Porters Place Southend-on-Sea LLP to secure an additional 100 affordable homes for social rent. £10M has been included in this section of the programme and is subject to approval of any offer made under the agreement to acquire or gap fund with nomination rights any of the 100 additional affordable homes.
- 14.6 Better Queensway Housing and Commercial Property acquisitions: £19.9M has been included in this section for the acquisition of properties to facilitate delivery of the Better Queensway regeneration project. The purchases will be subject to negotiations and sufficient budget can be brought up into the main programme at the appropriate time.
- 14.7 Better Queensway Energy Centre: the Council has been awarded £4.2M from the Government’s Get Building Fund to power the Better Queensway project with a modern, efficient electric heating system. This funding is subject to planning permission and at the appropriate time it can be brought up into the main programme so that the monies can be passported to the Porters Place Southend-on-Sea LLP for them to match fund.
- 14.8 Regeneration Pipeline Schemes: it is recognised that consideration needs to be given to extending this pipeline beyond the current commitments in the capital investment programme.
- 14.9 Strategic and Regeneration Acquisitions: £10.4M is included to enable individual properties to be purchased as part of the wider strategic, regeneration, transformation or recovery aims of the Council. Decisions will need to be made commercially and often quickly and efficiently but will be subject to undertaking due diligence of the appropriate extent and depth.
- 14.10 Private Sector Housing Strategy: this capital budget is for grants for works to improve properties within the private sector in line with the strategy. £0.8M has been transferred from the main programme to this section and can be brought back up into the main programme subject to a policy being approved and the staffing resources being in place to deliver it.
- 14.11 ICT operational requirements: the current investment in ICT is set out in paragraph 12.40 but it is recognised that consideration needs to be given to more operational investment beyond the current commitments in the programme.
- 14.12 Coastal Defence (Shoebury Common Sea Defence scheme): a business case needs to be submitted and assessed for viability of the detailed design and construction phases in 2021/22 and 2022/23. So the budgets for those years totalling £3.9M have been moved to this ‘subject to viable business case’ section.

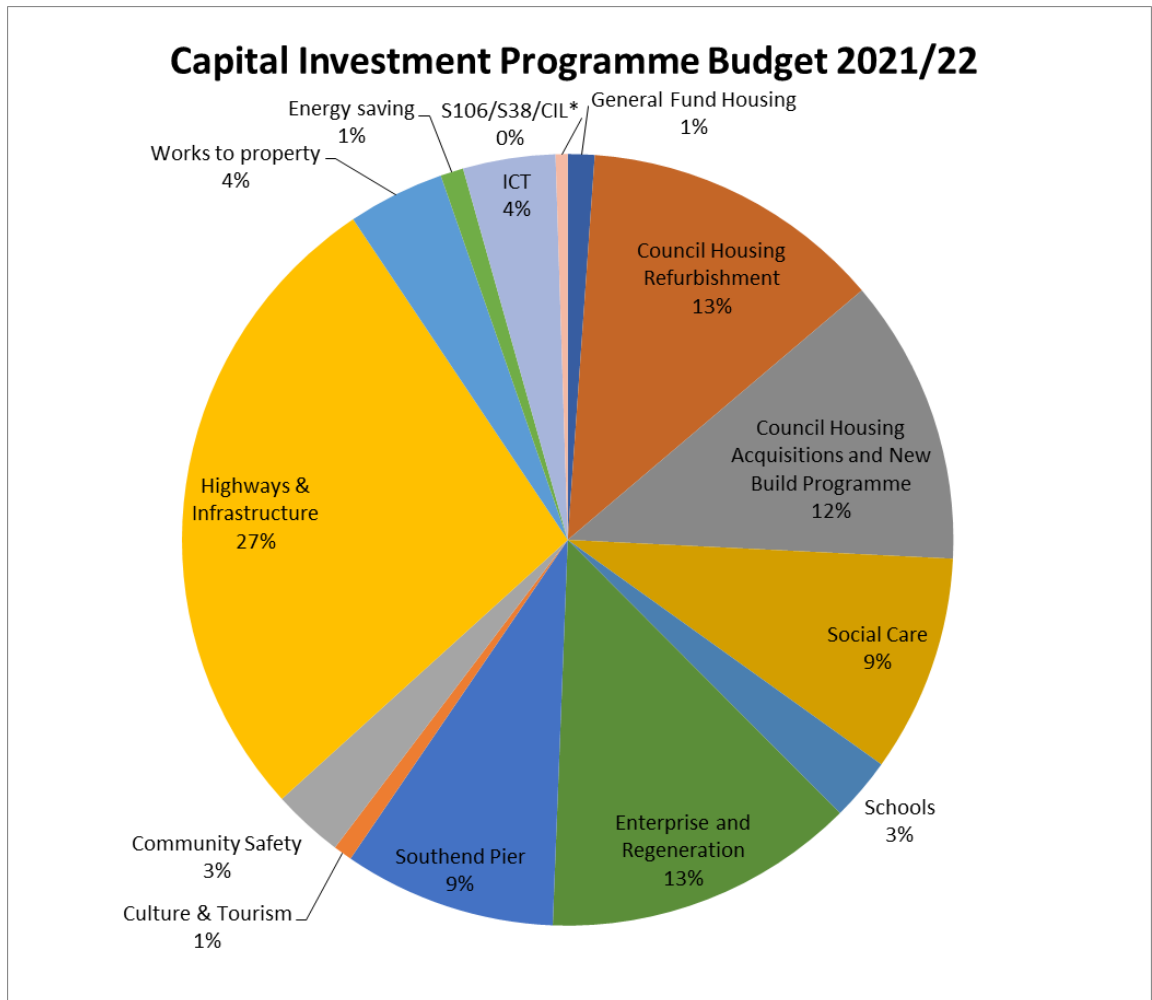
- 14.13 Shoebury Health Centre: further discussions are needed with the CCG and further work is to take place to consider viability assessments, to short list options and to agree a preferred option. Therefore a business case needs to be submitted and assessed for viability.
- 14.14 East Beach Masterplan: a masterplan is to be developed capturing a range of essential and aspirational projects for East Beach which will then enable the individual projects to be progressed as funding is available while ensuring that they all support the overall masterplan and there is no conflict between projects.
- 14.15 Town Centre and Seafront Security Works: it is recognised that a business case for the design brief and for further security measures needs to be submitted and assessed for viability.
- 14.16 Civic Centre Campus Masterplan: a project looking at the long-term plans for the Council workplaces of the future, including the potential repurposing and/or redevelopment of the Civic Campus, potential relocation of services to the Victoria Centre and other satellite locations.
- 14.17 Cliffs Pavilion – External Refurbishment Works: further work is needed to the proposed scheme to address all of the external areas to rejuvenate the building and present this as an upmarket offer for the Borough. Therefore a business case needs to be submitted and assessed for viability.
- 14.18 Airport Business Park - £2.9m is being moved from the main programme in 2022/23 to the ‘subject to viable business case’ section so that elements of the scheme budget can be reviewed.

15 Proposed capital investment programme 2021/22 to 2025/26

- 15.1 Given all of the above, including the new investment, the proposed main capital investment programme for 2021/22 to 2025/26 represents a significant investment of over £168M 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 2021/22 alone amounts to over £74M.
- 15.2 To ensure that schemes are given proper consideration before they are added to the Capital Investment Programme, very few schemes are included in this report as proposed additions for 2021/22 to 2025/26: £21M for the General Fund as set out in **Appendix 11**, 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.
- 15.3 As a result of the strategy around delivery and prioritisation of schemes many 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 11**. This approach should ensure that the programme is affordable, deliverable and focussed on the Council’s key priorities.

15.4 **Appendix 12** sets out the budget change requests included in the Resourcing Better Outcomes – Financial Performance Report - Period 8.

15.5 The proposed capital investment programme for 2021/22 by investment area is shown below.



*S160/S38/CIL percentage has been rounded from 0.50%

- 15.6 The 2021/22 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 **Appendices 11 and 12** are approved:

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 and future years £000	Total £000
At November Cabinet	62,275	66,766	46,356	17,010	21,978	0	214,385
Amendments in Appendix 12	12,349	2,326	(4,410)	(2,504)	(8,559)	8,663	7,865
Sub-total	74,624	69,092	41,946	14,506	13,419	8,663	222,250
New investment in Appendix 11	0	5,000	4,000	4,000	4,000	4,000	21,000
Revised programme	74,624	74,092	45,946	18,506	17,419	12,663	243,250
General Fund	58,837	55,858	26,664	10,778	9,778	12,663	174,578
HRA	15,787	18,234	19,282	7,728	7,641	0	68,672

Total proposed budget for 2021/22 to 2025/26 = £168.6M

2020/21 capital expenditure to 31/12/2020: £44.2M

- 15.7 For 2020/21 the revised budget includes the purchase of the Victoria Centre (£10.9M) and the inclusion of £3.2M of new budget for the Next Steps Accommodation Programme. Although these take the revised budget over £60M they should not affect the deliverability of the programme as the first is a one-off purchase and the second relates to grant monies that have to be spent by March 2021.
- 15.8 For 2021/22 the revised budget includes £6.7M for the Priory New Build and £5.6M for the Airport Business Park launchpad. Although these take the revised budget over £60M they should not affect the deliverability of the programme as they are part of on-going projects that are delivering at pace.
- 15.9 The proposed amended Capital Investment Programme for 2020/21 to 2025/26 is detailed in **Appendix 13**.

Funding of the capital investment programme

- 15.10 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.

- 15.11 The proposed estimated funding for the programme (excluding schemes subject to viable business case and budget re-profiling approval) is as follows:

Type of funding	2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 & future years £M	Total £M
External funding – capital grant	19.3	1.4	0.8	0.8	1.7	24.0
External funding – third party contributions	1.1	0.3	0.0	0.2	0.0	1.6
Capital Receipts	2.6	3.4	0.1	0.0	0.0	6.1
Major Repairs Reserve (Housing Revenue Account)	7.5	7.1	6.7	6.7	0.0	28.0
Earmarked reserves / Revenue Contributions	9.3	9.5	0.1	0.0	0.0	18.9
Borrowing – Main Schemes ⁽¹⁾	23.8	20.7	8.1	7.3	4.0	63.9
Borrowing – Invest to Save ⁽¹⁾	10.5	3.5	2.7	2.4	7.0	26.1
Total	74.1	45.9	18.5	17.4	12.7	168.6

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	2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 & future years £M	Total £M
Internal borrowing	34.3	13.2	0.0	0.0	11.0	58.5
External borrowing	0.0	11.0	10.8	9.7	0.0	31.5
Total borrowing	34.3	24.2	10.8	9.7	11.0	90.0

- 15.12 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. Capital receipts will reduce the need for borrowing to support the Capital Investment Programme if they can be generated.
- 15.13 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 2021/22 to 2025/26.

- 15.14 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 2021/22 is attached as **Appendix 14**.
- 15.15 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.
- 15.16 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.
- 15.17 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.
- 15.18 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 15**.
- 15.19 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.

16 Other Options

- 16.1 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.

17 Reasons for Recommendations

- 17.1 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.

18 Corporate Implications

18.1 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.

18.2 Financial Implications

As set out in this report.

18.3 Legal Implications

As set out in this report.

18.4 People Implications

As set out in paragraphs 10.20 – 10.23 of this report.

18.5 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.

18.6 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.

Several of the investment proposals included within this budget package have been included because of feedback from our partners and stakeholders, demonstrating collaborative working to deliver our Southend 2050 outcomes.

18.7 Equalities and Diversity Implications

Assessments have been carried out for all proposed revenue investment and reprioritisation proposals in the 2021/22 budget and for all capital investment proposals where appropriate. This is summarised in **Appendix 16**.

18.8 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 of the 2003 Local Government Act statement on the robustness of estimates and adequacy of reserves as part of this report in **Appendix 2**.

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.

18.9 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.

18.10 Community Safety Implications

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

18.11 Environmental Impact

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

19 Background Papers

The Local Government Finance Settlement 2021/22, MHCLG
Budget working papers held by the Finance and Resources section
Southend 2050 Ambition / Five Year Roadmap
Southend 2050 – Strategic Delivery Plans

20 Appendices

- Appendix 1 Medium Term Financial Strategy 2021/22 – 2025/26
 - Annex 1 to Appendix 1 – Medium Term Financial Forecast to 2025/26
 - Annex 2 to Appendix 1 – Earmarked Reserves to 2025/26
- Appendix 2 Section 151 Officer’s Statement on the Adequacy of Balances and the Robustness of the Budget
- Appendix 3 Appropriations to and from General Fund Earmarked Reserves
- Appendix 4 General Fund Revenue Budgets for 2021/22
 - Appendix 4a. One Page Summary
 - Appendix 4b. Objective Summary by Portfolio
 - Appendix 4c. Subjective Summary by Portfolio
- Appendix 5 Proposed Revenue Investment 2021/22
- Appendix 6 Proposed Savings and Income Generation Initiatives
- Appendix 7 Budget and Transformation Programme 2022/23 to 2025/26
- Appendix 8 Proposed increases or new Fees and Charges
- Appendix 9 Dedicated Schools Grant Budget 2021/22 Budget planning
- Appendix 10 Capital Investment Strategy – 2021/22 to 2025/26
 - Annex 1 to Appendix 10 – Capital Investment Policy
- Appendix 11 Capital Investment Proposals – 2021/22 to 2025/26
- Appendix 12 Other Requested Changes to Approved Capital Investment Programme
- Appendix 13 Amended Capital Investment Programme 2021/22 to 2025/26 (2020/21 shown for information)
- Appendix 14 Minimum Revenue Provision Policy 2021/22
- Appendix 15 Prudential Indicators 2021/22 to 2025/26
- Appendix 16 Equality Analyses supporting budget proposals

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**Medium Term
Financial Strategy
2021/22 to 2025/26**

January 2021

To be reviewed and updated
for February 2021 Cabinet



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Medium Term Financial Forecast
2021/22 to 2025/26

	2021/22	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s	£000s
Base Budget					
From prior year	130,428	133,423	145,524	148,866	152,287
LESS					
Appropriations to / (from) reserves in prior year	10,286	2,593	(1,162)	4,227	(2,089)
Revenue Contributions to Capital	(363)	(1,409)	(1,463)	(1,816)	0
Less other one-off expenditure / (savings)	(9,009)	(156)	1,265	(3,000)	1,500
Adjusted Base Budget	131,342	134,451	144,164	148,277	151,698
Appropriations to / (from) reserves	(2,593)	1,162	(4,227)	2,089	2,090
Revenue Contributions to Capital (Funded from Earmarked Reserves)	1,409	1,463	1,816	0	0
Other one-off / time limited expenditure bids	156	(1,265)	3,000	(1,500)	(1,500)
Inflation and other increases	2,750	3,750	3,750	3,750	3,750
Capital Programme Costs	91	724	959	1,076	852
Corporate Cost Pressures	205	(48)	744	(38)	24
Directorate (Savings) / Pressures					
Ongoing Executive Directorate investment	5,356	3,050	3,850	3,050	3,050
Budget reductions proposed	(4,005)	(2,367)	(618)	(917)	(475)
Better Care Fund					
Funding to Support Social Care and benefit Health	(13,358)	(13,358)	(13,358)	(13,358)	(13,358)
Expenditure relating to the BCF and IBCF	13,358	13,358	13,358	13,358	13,358
Public Health					
Projected Grant Income *	(9,525)	0	0	0	0
Projected Expenditure	9,525	0	0	0	0
Housing Revenue Account					
Projected Expenditure	31,583	32,132	24,959	25,314	25,367
Projected Income	(29,012)	(30,259)	(30,996)	(31,861)	(32,714)
Contributions to / (from) HRA Earmarked Reserves	(2,571)	(1,873)	6,037	6,547	7,347
Dedicated Schools Grant					
Projected Grant Income	(55,475)	(55,475)	(55,475)	(55,475)	(55,475)
Projected Expenditure	55,475	55,475	55,475	55,475	55,475
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	134,711	140,920	153,438	155,787	159,489
Changes in General Grants	(1,288)	11,604	628	0	0
Budget Requirement	133,423	152,524	154,066	155,787	159,489
Funded By					
Council tax increase (1.99% in 21/22, 1.99% onwards) (taxbase +0.0% 2021/22 and +0.5% p.a future years)	(78,644)	(80,792)	(83,010)	(85,285)	(87,618)
Social Care Precept (2.0% in 21/22, 1% in 22/23, 0% onwards)	(9,068)	(9,996)	(10,046)	(10,096)	(10,147)
Business Rates	(38,129)	(53,736)	(54,810)	(55,906)	(57,024)
Revenue Support Grant **	(6,082)	0	0	0	0
Collection Fund Surplus	(1,500)	(1,000)	(1,000)	(1,000)	0
Total Funding	(133,423)	(145,524)	(148,866)	(152,287)	(154,789)
Funding Gap	0	7,000	5,200	3,500	4,700
Funding Gap (Cumulative)	0	7,000	12,200	15,700	20,400
Core Precept	78,644	80,792	83,010	85,285	87,618
Social Care Precept	9,068	9,996	10,046	10,096	10,147
Band D Council Tax					
Council Tax for a Band D Property	1,494.73	1,539.45	1,570.05	1,601.28	1,633.14
% Increase in Council Tax	3.99%	2.99%	1.99%	1.99%	1.99%
Council Tax Base					
Council Tax Base	58,681	58,974	59,269	59,566	59,863
Increase in Tax Base on prior year	0.00%	0.50%	0.50%	0.50%	0.50%

* The assumption has been made that the ringfence is removed after 2021/22, this change is reflected in the figures for general grants and business rates for 2022/23.

** The assumption has been made that this grant will form part of the business rate baseline assessment from 2022/23 onwards.

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Appendix 1 - Annex 2

Earmarked Reserves	Balance 1/4/20 £000s	To Reserves £000s	From Reserves £000s	Transfers £000s	Balance 1/4/21 £000s	To Reserves £000s	From Reserves £000s	Transfers £000s	Balance 1/4/22 £000s	To Reserves £000s	From Reserves £000s	Transfers £000s	Balance 1/4/23 £000s	To Reserves £000s	From Reserves £000s	Transfers £000s	Balance 1/4/24 £000s	To Reserves £000s	From Reserves £000s	Transfers £000s	Balance 1/4/25 £000s	To Reserves £000s	From Reserves £000s	Transfers £000s	Balance 1/4/26 £000s
Capital Reserves																									
Business World ERP Reserve	132			385	517				517				517				517				517				517
Capital Reserve	5,714		(363)	1,500	6,851		(3,909)	172	3,114	625	(1,463)		2,276	625	(1,816)		1,085	625			1,710	625			2,335
Interest Equalisation Reserve	4,211		(945)		3,266	285		699	4,250				4,250				4,250				4,250				4,250
MRP Equalisation Reserve	16,504	285	(918)		15,871			(871)	15,000				15,000				15,000				15,000				15,000
Queensway Reserve	235			(235)	-				-				-				-				-				-
Capital Reserves	26,796	285	(2,226)	1,650	26,505	285	(3,909)	-	22,881	625	(1,463)	-	22,043	625	(1,816)	-	20,852	625	-	-	21,477	625	-	-	22,102
Corporate Reserves																									
Business Rates Retention Reserve	4,283			(2,283)	2,000				2,000				2,000				2,000				2,000				2,000
Business Transformation Reserve	1,055		(1,012)	3,750	3,793		(1,276)	(497)	2,020		(285)		1,735				1,735				1,735				1,735
COVID-19 Recovery & Response	-				-			1,000	1,000				1,000				1,000				1,000				1,000
New Homes Bonus	5,326	1,370	(560)		6,136	1,340	(280)	(3,696)	3,500	628			4,128				4,128				4,128				4,128
Outcome Delivery Reserve	-		(250)	750	500		(250)		250		(250)		-				-				-				-
Pension Reserve	9,564	2,000	(4,350)	(5,214)	2,000	2,000			4,000	2,000			6,000	1,500	(4,500)		3,000	1,500			4,500	1,500			6,000
Rental Equalisation	850				850				850				850				850				850				850
Corporate Reserves	21,078	3,370	(6,172)	(2,997)	15,279	3,340	(1,806)	(3,193)	13,620	2,628	(535)	-	15,713	1,500	(4,500)	-	12,713	1,500	-	-	14,213	1,500	-	-	15,713
Grant Reserves																									
Area Child Protection	32				32				32				32				32				32				32
COVID-19 Reserve	5,128		(5,128)		-				-				-				-				-				-
Dedicated Schools Grant	1,248				1,248				1,248				1,248				1,248				1,248				1,248
General Grants Carried Forward	2,119		(412)		1,707				1,707				1,707				1,707				1,707				1,707
Public Health Grant - DAAT	241		(35)		206				206				206				206				206				206
Public Health Grant - Public Health	1,235		(271)		964		(150)		814				814				814				814				814
Grant Reserves	10,003	-	(5,846)	-	4,157	-	(150)	-	4,007	-	-	-	4,007	-	-	-	4,007	-	-	-	4,007	-	-	-	4,007
Insurance Reserves																									
Insurance Reserve	5,963				5,963				5,963				5,963				5,963				5,963				5,963
Insurance Reserves	5,963	-	-	-	5,963	-	-	-	5,963	-	-	-	5,963	-	-	-	5,963	-	-	-	5,963	-	-	-	5,963
Service Reserves																									
Adult Social Care Reserve	235			(928)	(693)			2,693	2,000				2,000				2,000				2,000				2,000
Children's Social Care Reserve	-		(3,000)	3,000	-			2,500	2,500				2,500				2,500				2,500				2,500
Building Control Reserve	116			(116)	-				-				-				-				-				-
Cemeteries Reserve	39			(39)	-				-				-				-				-				-
Elections Reserve	162		(36)		126		(36)		90	107			197		(36)		161		(36)		125		(35)		90
Internal Audit Reserve	288				288				288				288				288				288				288
Local Land Charges Reserve	64				64				64				64				64				64				64
Schools Improvement	25		(200)	575	400		(200)		200		(200)		-			-	-			-	-			-	-
Social Fund	467		(350)		117		(117)		-				-			-	-			-	-			-	-
Specific Corporate Projects	730			(730)	-				-				-			-	-			-	-			-	-
Street Lighting Reserve	105				105				105				105				105				105				105
Supporting People Reserve	406				406				406				406				406				406				406
Voluntary Organisations Reserve	125			(125)	-				-				-			-	-			-	-			-	-
Waste Management Reserve	4,922				4,922			(2,000)	2,922				2,922				2,922				2,922				2,922
Welfare Reform Reserve	711			(290)	421				421				421				421				421				421
Service Reserves	8,395	-	(3,586)	1,347	6,156	-	(353)	3,193	8,996	107	(200)	-	8,903	-	(36)	-	8,867	-	(36)	-	8,831	-	(35)	-	8,796
Monies Held In Trust																									
Comp-3 When Children Reach 18	3				3				3				3				3				3				3
Emily Brigs Trust	17				17				17				17				17				17				17
Thorpe Smith Bequest	33				33				33				33				33				33				33
Monies Held In Trust	53	-	-	-	53	-	-	-	53	-	-	-	53	-	-	-	53	-	-	-	53	-	-	-	53
Total General Fund Earmarked Reserves	72,288	3,655	(17,830)	-	58,113	3,625	(6,218)	-	55,520	3,360	(2,198)	-	56,682	2,125	(6,352)	-	52,455	2,125	(36)	-	54,544	2,125	(35)	-	56,634
HRA Reserves																									
HRA Capital Investment Reserve	23,181		(3,582)		19,599		(2,631)		16,968		(1,933)	(2,387)	12,648	5,977		(1,313)	17,312	6,487		(1,036)	22,763	7,287		(875)	29,175
HRA Major Repairs Reserve	8,160		(1,255)		6,905				6,905			2,387	9,292			1,313	10,605			1,036	11,641		875		12,516
HRA Repairs Contract Pension Reserve	580	60			640	60			700	60			760	60			820	60			880	60			940
HRA Reserve	3,502				3,502				3,502				3,502				3,502				3,502				3,502
Total HRA Reserves	35,423	60	(4,837)	-	30,646	60	(2,631)	-	28,075	60	(1,933)	-	26,202	6,037	-	-	32,239	6,547	-	-	38,786	7,347	-	-	46,133
Total Earmarked Reserves	107,711	3,715	(22,667)	-	88,759	3,685	(8,849)	-	83,595	3,420	(4,131)	-	82,884	8,162	(6,352)	-	84,694	8,672	(36)	-	93,330	9,472	(35)	-	102,767

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COUNCIL BUDGET 2021/22 TO 2025/26

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. CIPFA published a new Financial Management (FM) Code in October 2019. One of the 17 standards included in the new Code is ***'the budget report includes a statement by the chief financial officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves'***. The first full year of compliance with the new FM Code will be 2021/22. This is a good practice approach that Southend-on-Sea have always followed and the statement is updated in light of the prevailing circumstances and assessment of relevant risks each financial year.

- 1.3. This statement must be considered and approved by full Council as part of the budget approval and Council Tax setting process.
- 1.4. 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.
- 1.5. The importance of this overall approach and need for prudent and realistic levels of reserves and provisions has been brought sharply into focus by the impact of COVID-19 on both the finances and operations of the Local Government Sector throughout 2020/21.

2. Assurance Statement of the Council's Section 151 Officer

- 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 2021/22 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 desire to implement the changes. Good management and the sound monitoring of performance and budgets will be essential. 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 continuing to assess, learn, report and respond appropriately to the impact of COVID-19 across all aspects of its operations.
 - b) The Council approving the updated Medium Term Financial Strategy for 2021/22 to 2025/26

- 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.
- d) 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 at the same time, then the total level of reserves could be inadequate;
- e) Cabinet Members, Chief Executive, Executive Directors and managers not exceeding their cash limits for 2021/22 (and future years covered by the Medium Term Financial Strategy);
- f) Taking every opportunity to meet the Reserves Strategy as a first call on windfall underspends;
- g) 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.
- h) 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. This approach has been adopted in the current Strategy - £2.5M has been used to support the budget in 2021/22 and the medium term proposed plan is to replenish this amount over 2022/23 – 2025/26.
- i) 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 2021/22 to 2025/26;
- b) An optimal level of unallocated General Fund reserves of £10 million over the period 2021/22 to 2025/26 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 2021/22 to 2025/26 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 2021/22 to 2025/26.

2.1.5. The estimated level of unallocated General Fund reserves at 31 March 2021, 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 2020/21, 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 2021/22. This is subject to the cash limited budget for 2021/22 being met.

2.1.6. These recommendations are made based on:

- 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 2021/22 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) A national failure to mobilise and roll out an effective immunisation programme to eradicate the spread and impact of COVID-19 and reduced financial support for the continuing local implications of lockdown due to the pandemic;
- b) The potential for cliff slips, pier remediation works and any other unforeseen Council owned infrastructure issues;
- c) Waste Management (Disposal) – This is to be kept under review pending a new contract in 2023;
- d) 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;
- e) The financial implications from the Care Act, other welfare reform changes and other associated Housing legislation;
- f) The increasing cost and demand pressures for adult and children social care;
- g) The risk surrounding the non-delivery of savings and exceeding investment proposals within the budget package for 2021/22;
- h) The risk of not comprehensively developing and robustly implementing the Budget and Transformation Programme for 2022/23 – 2025/26;
- i) The financial uncertainty for the public sector arising from the prevailing and continuing national and local conditions;
- j) The risk of 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;
- k) Insurance Claims;
- l) Any impact on Council services and Budget in 2021/22 and later years arising from the withdrawal from the European Union on 1/1/21.

2.1.8. In relation to the Housing Revenue Account (HRA) in 2021/22 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 2021/22 budget has been agreed with South Essex Homes Ltd. to maintain a balanced HRA;
- c) Forward projections for the HRA beyond 2021/22 are being remodelled. In addition, this is linked to the HRA's own Medium Term Financial Strategy for the period 2021/22 to 2025/26.

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 2020/21 to 2025/26 (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 2021/22 to be sufficiently robust and recommend 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 for 2021/22 – 2025/26.

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 several 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 2020 to January 2021;
- g) A review of budget proposals and implications by Cabinet Members from June 2020 to January 2021;
- 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, income levels, 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 2020/21. 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 2021/22.

3.1.7. There are 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 2021/22 budget and Southend 2050 ambition, themes and five-year roadmap continues the need and our commitment to target our financial resources to delivering better outcomes and effectively manage 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; and/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 package.

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 considered 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. Financial Sustainability Strategy

3.3.1. The Council has previously developed a high-level long-term strategy that is designed to frame its financial future and intentions. This strategy helps 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.

3.3.3. Given the unprecedented circumstances and challenges caused by COVID-19 in 2020/21 and the Government's decision to only issue a one-year financial settlement for 2021/22, the Council has committed to reviewing this strategy again in the Autumn of 2021, following what should be the announcement of a Comprehensive Three Year Spending Review for the Local Government Sector.

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 simple 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 current and future 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 considered 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 can 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-relationship 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.
- l) The potential impact nationally, regionally and locally of new climate change initiatives and commitment to our green agenda.
- m) The longer-term impact of the pandemic on the finances and operational arrangements of the Council.
- n) There remains some ongoing uncertainty over the impact of Brexit.

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 2021/22 and within agreed medium term financial strategy parameters for future years (2022/23 to 2025/26) 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. £58.2 million as at 1st April 2021. This will be compiled of key reserves for Capital at £26.5 million, Corporate at £15.3 million, Grants at £4.2m, Insurance at £6.0 million and Service Reserves at £6.2 million. Further consideration and potential reassessment of all earmarked reserves will be undertaken in light of budget decisions taken in February 2021.

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 £31.1 million as at 1st April 2021. This is compiled mainly of a Capital Investment reserve of £24.8 million and Major Repairs reserve of £6.3 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. In Section 4.1 of the Council's Scheme is "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 – 2021/22 to 2025/26

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 can freeze parts of the programme throughout the year to ensure spend is within the agreed financial envelope, although this may 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 2021/22 (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.

Appropriations to and from General Fund Earmarked Reserves

Appropriations for 2020/21

Within the forecast outturn figure, there are several 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. £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. £285,000 to the MRP Equalisation Reserve

When the 2020/21 budget was approved the agreed appropriation of £918,000 from the MRP equalisation reserve was based on the 2019/20 capital expenditure that was forecast to be financed by borrowing. The actual 2019/20 capital expenditure financed by borrowing was lower than forecast so this amount can be transferred back to the MRP equalisation reserve to fund future increases in MRP without impacting base line services.

3. £2,000,000 to the Pensions Reserve

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

Total Appropriations to Reserves	<u>£3,655,000</u>
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Appropriations to and from General Fund Earmarked Reserves**Appropriations from Reserves**

- 1. £363,000 from the Capital Reserve**

This is to fund several approved capital projects in 2020/21.
- 2. £945,000 from the Interest Equalisation Reserve**

This is to smooth the impact in 2020/21 of the increases in the interest budgets because of the financing of the capital investment programme.
- 3. £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 because of the proposed capital investment programme.
- 4. £1,012,000 from the Business Transformation Reserve**

To fund one-off investments identified as part of the approved 2020/21 budget plus business cases agreed throughout the year.
- 5. £560,000 from the New Homes Bonus Reserve**

To fund several proposed one-off investments during 2021/22.
- 6. £250,000 from the Outcome Delivery Reserve**

This is to fund proposed interventions in 2020/21 which will provide better improved outcomes in line with our 2050 ambitions.
- 7. £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.
- 8. £5,128,000 from the COVID-19 Grant Reserve**

In accordance with proper accounting practice, grants received in 2019/20, but not used, were carried forward into 2020/21 via the use of earmarked reserves. This appropriation represents the release of those funds to support the approved and eligible grant related expenditure.
- 9. £400,000 from the General Grants Reserve**

In accordance with proper accounting practice, grants received in 2019/20, but not used, were carried forward into 2020/21 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.

Appropriations to and from General Fund Earmarked Reserves

10. £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.

11. £271,000 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. £3,000,000 from the Children’s Social Care Reserve

In recognition of the continuing demand pressure in the Children’s Social Care Service, this will fund the creation of a specific contingency for 2020/21. It will only be used at the discretion of the Corporate Management Team.

13. £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.

14. £200,000 from the Schools Improvement Reserve

To fund approved and planned investment into Schools Improvement

15. £350,000 from the Social Fund Reserve

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

Total Appropriations from Reserves

£17,774,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations for 2021/22

The proposed appropriations to and from earmarked reserves included within the 2021/22 budget are:

Appropriations to Reserves

1. £285,000 to the Interest Equalisation Reserve

This appropriation provides some flexibility to fund future decreases in investment income due to the worsening national economic situation caused by the pandemic, without impacting base line services.

2. £1,340,000 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.

3. £2,000,000 to the Pensions Reserve

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

Total Appropriations to Reserves

£3,625,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations from Reserves

1. £3,909,000 from the Capital Reserve

£1,409,000 to fund several capital projects proposed as part of the 2021/22 budget package plus £2,500,000 to support the overall budget. This £2,500,000 will be repaid into the reserve over the following three years at a rate of £625,000 per annum.

2. £1,276,000 from the Business Transformation Reserve

To continue to fund several one-off investments agreed in 2021/22.

3. £280,000 from the New Homes Bonus Reserve

To fund several proposed one-off investments during 2021/22.

4. £250,000 from the Outcome Delivery Reserve

This is to fund proposed interventions in 2021/22 which will provide better improved outcomes in line with our 2050 ambitions.

5. £150,000 from the Public Health Grant – Public Health Reserve

This is to fund proposed continued additional investment into public health activities in 2021/22

6. £36,000 from the Elections Reserve

In line with the purpose that this reserve was set up, £36,000 will be released in 2021/22 in support of the costs of staging the Borough elections in May 2021.

7. £200,000 from the Schools Improvement Reserve

To fund proposed investment into Schools Improvement for 2021/22.

8. £117,000 from the Social Fund Reserve

The last of this reserve is being used to partially fund the proposed on-going work of the Essential Living Fund Team in 2021/22. From 2022/23 the work will be fully funded through the Council's base budget.

Total Appropriations from Reserves

£6,218,000

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Appendix 4a

Summary of General Fund Revenue Estimates

	Original Budget 2020/21	Probable Outturn 2020/21	Draft Budget 2021/22
	£000s	£000s	£000s
Portfolios			
Leader: Housing, ICT, Revenues & Benefits	13,607	19,459	17,902
Deputy Leader: Assets, Highways and Transport	4,954	8,234	4,250
Business, Culture and Tourism	4,841	5,951	4,810
Children and Learning	30,612	36,168	33,166
Community Safety and Customer Contact	5,655	2,765	2,263
Environment and Planning	19,871	21,883	20,210
Health and Adult Social Care	38,908	41,695	40,448
Portfolio Net Expenditure	118,448	136,155	123,049
Levies	645	645	645
Contingency	3,217	2,314	3,278
Childrens Social Care Contingency	3,000	3,000	0
Pensions Triennial Review	2,350	2,350	(2,000)
Financing Costs	17,534	16,919	17,530
Total Net Expenditure	145,194	161,383	142,502
Contribution to / (from) earmarked reserves	(8,522)	(9,046)	(2,593)
Revenue Contribution to Capital	363	363	1,409
Non Service Specific Grants	(6,607)	(23,668)	(7,895)
Total Budget Requirement	130,428	129,032	133,423
Met from:			
Revenue Support Grant	(6,049)	(6,049)	(6,082)
Business Rates	(38,032)	(36,532)	(38,129)
Collection Fund Surplus	(2,000)	(2,000)	(1,500)
Council Tax Requirement	84,347	84,451	87,712
Council Tax	(76,966)	(74,274)	(78,644)
Adult Social Care Precept	(7,381)	(7,123)	(9,068)
	(84,347)	(81,397)	(87,712)

The probable outturn is as reported elsewhere on the agenda to Cabinet on 14th January 2021. The anticipated overspend on the 2020/21 General Fund budget will be met by a combination of using contingency and reserves if required.

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	2020/21						2021/22		
	Original			Probable Outturn			Draft Budget		
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)
Leader: Housing, ICT, Revenues & Benefits									
Housing									
Housing Needs and Homelessness	1,710	(1,483)	227	2,761	(1,654)	1,107	1,722	(1,492)	230
Private Sector Housing	718	(178)	540	537	(178)	359	694	(179)	515
Strategy and Planning for Housing	537	(128)	409	509	(128)	381	583	(131)	452
Supporting People	2,245	-	2,245	2,245	-	2,245	2,245	-	2,245
ICT									
Information Communications and Technology	4,532	(1,261)	3,271	4,619	(1,143)	3,476	4,519	(1,489)	3,030
Legal and Democratic Services									
Democratic Services Support	389	-	389	386	-	386	388	-	388
Elections and Electoral Registration	359	-	359	259	-	259	355	-	355
Legal Services	1,435	(256)	1,179	1,677	(256)	1,421	1,705	(262)	1,443
Local Land Charges	201	(297)	(96)	200	(297)	(97)	203	(297)	(94)
Mayoralty	183	-	183	184	-	184	185	-	185
Member Support	715	-	715	714	-	714	714	-	714
Other Services									
Corporate Subscriptions	100	-	100	170	-	170	100	-	100
Emergency Planning	227	-	227	222	-	222	225	-	225
Human Resources	2,177	(555)	1,622	2,232	(433)	1,799	2,194	(536)	1,658
Strategic Service Support	670	(19)	651	662	(19)	643	904	(20)	884
Strategy and Performance	1,900	(41)	1,859	2,152	(41)	2,111	1,885	(42)	1,843
Revenues and Benefits									
Council Tax Collection	992	(698)	294	1,026	(18)	1,008	1,072	(1,074)	(2)
Housing Benefit Administration	1,675	(925)	750	1,738	(1,138)	600	1,914	(925)	989
Non Domestic Rates Collection	209	(309)	(100)	248	(239)	9	247	(281)	(34)
Rent Benefit Payments	64,546	(64,649)	(103)	65,399	(64,649)	750	65,396	(64,649)	747
Strategic Planning and Policy									
Corporate and Non-Distributable Costs	2,356	(200)	2,156	1,912	(200)	1,712	2,229	(200)	2,029
Leader Total	87,875	(70,997)	16,878	89,852	(70,393)	19,459	89,479	(71,577)	17,902

	2020/21						2021/22		
	Original			Probable Outturn			Draft Budget		
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)
Deputy Leader: Assets, Highways and Transport									
Asset and Facilities Management									
Asset Management	496	(17)	479	579	(17)	562	665	(17)	648
Buildings Management	2,039	(113)	1,926	2,225	(113)	2,112	2,049	(113)	1,936
Community Centres and Club 60	17	(1)	16	17	(1)	16	17	(1)	16
Corporate and Industrial Estates	97	(3,667)	(3,570)	194	(3,815)	(3,621)	100	(3,972)	(3,872)
Property Management and Maintenance	482	(116)	366	420	(116)	304	497	(119)	378
Tickfield Training Centre	400	(164)	236	401	(124)	277	404	(167)	237
Financial Services									
Accountancy	2,345	(271)	2,074	2,219	(271)	1,948	2,454	(273)	2,181
Accounts Payable	135	(4)	131	135	(4)	131	137	(4)	133
Accounts Receivable	211	(84)	127	230	(84)	146	213	(86)	127
Corporate Fraud	237	(53)	184	226	(50)	176	283	(104)	179
Corporate Procurement	964	-	964	760	-	760	880	-	880
Insurance	178	(249)	(71)	177	(249)	(72)	179	(249)	(70)
Internal Audit	700	(192)	508	514	(192)	322	717	(145)	572
Highways and Transport									
Bridges and Structural Engineering	51	-	51	51	-	51	51	-	51
Car Parking Management	1,413	(6,970)	(5,557)	1,873	(4,482)	(2,609)	1,477	(7,970)	(6,493)
Concessionary Fares	3,390	-	3,390	3,140	-	3,140	3,140	-	3,140
Decriminalised Parking	1,141	(1,741)	(600)	823	(1,148)	(325)	1,143	(1,782)	(639)
Dial A Ride Service	72	(20)	52	77	-	77	77	-	77
Highways Maintenance	3,536	(189)	3,347	3,468	(110)	3,358	3,518	(244)	3,274
Passenger Transport	142	(68)	74	252	(78)	174	144	(70)	74
Road Safety and School Crossing	165	-	165	144	-	144	164	-	164
Traffic and Parking Management	171	(6)	165	478	(6)	472	538	(6)	532
Transport Management	224	-	224	504	(274)	230	227	-	227
Transport Planning	727	(612)	115	1,100	(647)	453	1,114	(624)	490
Vehicle Fleet	534	(351)	183	9	-	9	9	-	9
Deputy Leader Total	19,867	(14,888)	4,979	20,016	(11,781)	8,235	20,197	(15,946)	4,251

	2020/21						2021/22		
	Original			Probable Outturn			Draft 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	613	(264)	349	595	(262)	333	618	(265)	353
Culture Management	11	(7)	4	11	(7)	4	8	(7)	1
Library Service	2,989	(392)	2,597	2,976	(227)	2,749	2,979	(395)	2,584
Museums and Art Gallery	889	(95)	794	853	(22)	831	902	(126)	776
Southend Theatres	52	(25)	27	52	-	52	52	(25)	27
Sport and Leisure Facilities	124	(308)	(184)	125	-	125	126	(308)	(182)
Sports Development	55	-	55	55	-	55	56	-	56
Economic Development and Regeneration									
Economic Development	651	(335)	316	751	(272)	479	655	(335)	320
Town Centre	193	(61)	132	121	(41)	80	193	(63)	130
Tourism									
Resorts Services Pier and Foreshore	1,426	(1,011)	415	1,512	(517)	995	1,439	(1,034)	405
Tourism	354	(17)	337	276	(26)	250	357	(18)	339
Business, Culture and Tourism Total	7,356	(2,515)	4,841	7,327	(1,374)	5,953	7,385	(2,576)	4,809

Appendix 4b

	2020/21						2021/22		
	Original			Probable Outturn			Draft 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	6,087	(5)	6,082	7,100	(5)	7,095	6,256	(5)	6,251
Children with Disabilities	1,250	(178)	1,072	1,427	(149)	1,278	1,256	(178)	1,078
Childrens Specialist Support and Commissioning	2,832	(184)	2,648	3,412	(220)	3,192	3,304	(185)	3,119
Inhouse Fostering and Adoption	5,618	(211)	5,407	4,932	(127)	4,805	5,901	(211)	5,690
Leaving Care Placements and Resources	2,291	(1,023)	1,268	3,340	(1,112)	2,228	2,935	(1,146)	1,789
Private Voluntary Independent Provider Placements	6,550	(120)	6,430	9,720	(253)	9,467	7,140	(120)	7,020
Education and Schools									
Early Years Development and Child Care Partnership	11,833	(10,471)	1,362	11,878	(10,536)	1,342	11,827	(10,471)	1,356
High Needs Educational Funding	13,446	(12,259)	1,187	15,118	(14,015)	1,103	15,156	(14,017)	1,139
School Support and Education Transport	8,652	(6,288)	2,364	6,240	(3,777)	2,463	6,538	(3,920)	2,618
Southend Adult Community College	2,277	(2,200)	77	2,277	(2,200)	77	2,277	(2,200)	77
Maintained Schools Delegated									
Maintained Schools Delegated Budgets	22,569	(22,569)	-	22,554	(22,554)	-	22,554	(22,554)	-
Pupil Premium	2,500	(2,500)	-	2,500	(2,500)	-	2,502	(2,500)	2
Youth and Family Support									
Early Help and Family Support	2,018	(1,258)	760	2,206	(1,137)	1,069	2,301	(1,260)	1,041
Youth Offending Service	2,035	(532)	1,503	2,011	(422)	1,589	2,018	(532)	1,486
Youth Service	538	(46)	492	473	(15)	458	544	(46)	498
Children and Learning Total	90,495	(59,843)	30,652	95,188	(59,022)	36,166	92,509	(59,345)	33,164

	2020/21						2021/22		
	Original			Probable Outturn			Draft 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	1,078	(2,692)	(1,614)	1,108	(2,692)	(1,584)	1,079	(2,756)	(1,677)
Community Safety									
Closed Circuit Television	534	(35)	499	532	(30)	502	538	(35)	503
Community Safety	800	(32)	768	834	(32)	802	706	(32)	674
Customer Services									
Customer Services Centre	2,313	(309)	2,004	2,161	(229)	1,932	2,250	(309)	1,941
Registration of Births Deaths and Marriages	366	(470)	(104)	366	(365)	1	372	(481)	(109)
Regulatory Services									
Regulatory Business	29	(15)	14	98	(12)	86	29	(15)	14
Regulatory Licensing	118	(488)	(370)	117	(289)	(172)	117	(499)	(382)
Regulatory Management	1,228	-	1,228	1,138	-	1,138	1,241	-	1,241
Regulatory Protection	72	(14)	58	72	(14)	58	73	(14)	59
Community Safety and Customer Contact Total	6,537	(4,053)	2,484	6,426	(3,663)	2,763	6,405	(4,141)	2,264

Appendix 4b

	2020/21						2021/22		
	Original			Probable Outturn			Draft 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	476	(394)	82	516	(372)	144	481	(406)	75
Flooding									
Flood and Sea Defence	414	(13)	401	604	(9)	595	414	(13)	401
Parks and Open Spaces									
Amenity Services Organisation	4,058	(612)	3,446	4,019	(525)	3,494	4,106	(627)	3,479
Parks and Amenities Management	1,517	(455)	1,062	1,533	(313)	1,220	1,528	(474)	1,054
Planning									
Building Control	449	(460)	(11)	447	(385)	62	454	(471)	(17)
Development Control	1,038	(750)	288	1,197	(797)	400	1,051	(790)	261
Regional and Local Town Plan	830	-	830	823	-	823	549	-	549
Waste and Street Scene									
Enterprise Tourism and Environment Central Pool	1,519	-	1,519	1,727	-	1,727	1,618	-	1,618
Environmental Care	228	(4)	224	222	(4)	218	229	(4)	225
Household Recycling	498	(7)	491	482	(7)	475	507	(7)	500
Public Conveniences	504	-	504	508	-	508	508	-	508
Street Cleansing	1,418	-	1,418	1,443	-	1,443	1,443	-	1,443
Waste Collection	5,088	-	5,088	5,050	-	5,050	5,180	-	5,180
Waste Disposal	5,039	-	5,039	5,644	-	5,644	4,871	-	4,871
Waste Management	(281)	(230)	(511)	310	(230)	80	292	(230)	62
Environment and Planning Total	22,796	(2,925)	19,871	24,525	(2,642)	21,883	23,231	(3,022)	20,209

Appendix 4b

	2020/21						2021/22		
	Original			Probable Outturn			Draft 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	509	-	509	519	(43)	476	291	-	291
Business Support Team	1,881	(154)	1,727	2,012	(200)	1,812	2,003	(156)	1,847
Healthwatch Regulation	123	(69)	54	123	(69)	54	123	(69)	54
Older People	30,009	(20,745)	9,264	35,150	(25,295)	9,855	31,806	(21,757)	10,049
Other Community Services	4,577	(2,708)	1,869	4,299	(2,068)	2,231	3,821	(2,003)	1,818
People with a Learning Disability	15,550	(1,890)	13,660	16,689	(2,200)	14,489	16,252	(2,193)	14,059
People with a Physical or Sensory Impairment	5,588	(1,306)	4,282	6,136	(1,625)	4,511	5,792	(1,092)	4,700
People with Mental Health Needs	4,629	(395)	4,234	5,297	(833)	4,464	4,754	(490)	4,264
Strategy, Development and Commissioning	3,459	(958)	2,501	3,488	(932)	2,556	3,418	(923)	2,495
Health									
Drug and Alcohol Action Team	2,469	(2,187)	282	2,469	(2,187)	282	2,472	(2,187)	285
Public Health	6,426	(6,612)	(186)	8,061	(7,802)	259	6,659	(6,786)	(127)
Young Persons Drug and Alcohol Team	277	(265)	12	247	(235)	12	281	(265)	16
Voluntary and Community Services									
Support to Voluntary Sector	701	-	701	697	-	697	697	-	697
Health and Adult Social Care Total	76,197	(37,289)	38,908	85,187	(43,489)	41,698	78,369	(37,921)	40,448

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Appendix 4c

Subjective Summary: All Portfolios	2020/21		2021/22
	Original £000s	Probable Outturn	Draft Budget £000s
Expenditure			
Employees	75,767	76,303	78,289
Premises	6,168	7,000	6,218
Transport	3,273	3,244	3,195
Supplies & Services	37,809	42,557	39,394
Third Party Payments	95,335	106,081	96,870
Transfer Payments	92,447	93,131	93,407
Special Items	200	200	200
Expenditure Total	310,999	328,516	317,573
Income			
Government Grants	(131,217)	(136,434)	(130,898)
Other Grants & Reimbursements	(21,938)	(23,331)	(22,413)
Fees & Charges	(33,410)	(26,751)	(34,909)
Rents	(3,930)	(4,116)	(4,236)
Sales	(290)	(173)	(343)
Recharges to Housing Revenue Account	(1,197)	(1,299)	(1,467)
Other Internal Charges	(567)	(259)	(259)
Income Total	(192,550)	(192,363)	(194,525)
Grand Total	118,449	136,153	123,048

Appendix 4c

Subjective Summary	2020/21		2021/22
	Original £000s	Probable Outturn	Draft Budget £000s
Leader: Housing, ICT, Revenues & Benefits			
Expenditure			
Employees	14,884	14,513	15,280
Premises	126	126	126
Transport	54	54	54
Supplies & Services	7,908	8,705	8,031
Third Party Payments	701	1,398	701
Transfer Payments	64,002	64,855	65,085
Special Items	200	200	200
Expenditure Total	87,875	89,851	89,477
Income			
Government Grants	(63,399)	(63,728)	(63,399)
Other Grants & Reimbursements	(3,679)	(3,732)	(3,682)
Fees & Charges	(2,858)	(1,871)	(3,219)
Rents	(75)	(75)	(75)
Sales	-	-	(50)
Recharges to Housing Revenue Account	(934)	(933)	(1,098)
Other Internal Charges	(52)	(52)	(52)
Income Total	(70,997)	(70,391)	(71,575)
Leader Total	16,878	19,460	17,902

Appendix 4c

Subjective Summary	2020/21		2021/22
	Original £000s	Probable Outturn	Draft Budget £000s
Deputy Leader: Assets, Highways and Transport			
Expenditure			
Employees	7,901	7,638	8,872
Premises	3,366	3,735	3,412
Transport	390	160	159
Supplies & Services	1,462	1,638	1,276
Third Party Payments	6,724	6,843	6,477
Transfer Payments	-	-	-
Special Items	-	-	-
Expenditure Total	19,842	20,014	20,196
Income			
Government Grants	(2)	(274)	(2)
Other Grants & Reimbursements	(69)	(114)	(107)
Fees & Charges	(10,401)	(7,096)	(11,380)
Rents	(3,668)	(3,817)	(3,974)
Sales	-	-	-
Recharges to Housing Revenue Account	(264)	(314)	(317)
Other Internal Charges	(475)	(167)	(167)
Income Total	(14,888)	(11,782)	(15,947)
Deputy Leader Total	4,954	8,232	4,249

Appendix 4c

Subjective Summary	2020/21		2021/22
	Original £000s	Probable Outturn	Draft Budget £000s
Business, Culture and Tourism			
Expenditure			
Employees	4,471	4,486	4,494
Premises	1,302	1,355	1,313
Transport	70	59	70
Supplies & Services	1,084	984	1,079
Third Party Payments	428	442	429
Transfer Payments	-	-	-
Special Items	-	-	-
Expenditure Total	7,356	7,326	7,385
Income			
Government Grants	(60)	(60)	(60)
Other Grants & Reimbursements	(756)	(702)	(757)
Fees & Charges	(1,506)	(459)	(1,563)
Rents	(52)	(17)	(52)
Sales	(140)	(137)	(143)
Recharges to Housing Revenue Account	-	-	-
Other Internal Charges	-	-	-
Income Total	(2,515)	(1,375)	(2,575)
Business, Culture and Tourism Total	4,841	5,951	4,810

Appendix 4c

Subjective Summary	2020/21		2021/22
	Original £000s	Probable Outturn	Draft Budget £000s
Children and Learning			
Expenditure			
Employees	17,576	18,464	18,360
Premises	301	293	303
Transport	1,808	1,857	1,840
Supplies & Services	19,903	22,426	21,736
Third Party Payments	22,463	23,873	21,949
Transfer Payments	28,445	28,276	28,322
Special Items	-	-	-
Expenditure Total	90,495	95,189	92,510
Income			
Government Grants	(57,903)	(57,287)	(57,410)
Other Grants & Reimbursements	(863)	(882)	(863)
Fees & Charges	(875)	(724)	(829)
Rents	(58)	(58)	(58)
Sales	(144)	(30)	(144)
Recharges to Housing Revenue Account	-	-	-
Other Internal Charges	(40)	(40)	(40)
Income Total	(59,883)	(59,021)	(59,344)
Children and Learning Total	30,612	36,168	33,166

Appendix 4c

Subjective Summary	2020/21		2021/22
	Original £000s	Probable Outturn	Draft Budget £000s
Community Safety and Customer Contact			
Expenditure			
Employees	5,276	4,959	5,264
Premises	304	547	300
Transport	38	38	38
Supplies & Services	736	721	718
Third Party Payments	84	162	84
Transfer Payments	-	-	-
Special Items	-	-	-
Expenditure Total	6,437	6,427	6,404
Income			
Government Grants	-	-	-
Other Grants & Reimbursements	(35)	(246)	(326)
Fees & Charges	(3,997)	(3,394)	(3,793)
Rents	(15)	(15)	(16)
Sales	(6)	(6)	(6)
Recharges to Housing Revenue Account	-	-	-
Other Internal Charges	-	-	-
Income Total	(4,053)	(3,661)	(4,141)
Community Safety and Customer Contact Total	2,384	2,766	2,263

Appendix 4c

Subjective Summary	2020/21		2021/22
	Original £000s	Probable Outturn	Draft Budget £000s
Environment and Planning			
Expenditure			
Employees	7,885	7,908	8,067
Premises	498	588	498
Transport	461	539	461
Supplies & Services	1,462	1,723	1,181
Third Party Payments	12,490	13,767	13,026
Transfer Payments	-	-	-
Special Items	-	-	-
Expenditure Total	22,796	24,525	23,233
Income			
Government Grants	(13)	-	(13)
Other Grants & Reimbursements	(546)	(555)	(548)
Fees & Charges	(2,353)	(2,058)	(2,448)
Rents	(14)	(30)	(14)
Sales	-	-	-
Recharges to Housing Revenue Account	-	-	-
Other Internal Charges	-	-	-
Income Total	(2,926)	(2,643)	(3,023)
Environment and Planning Total	19,871	21,882	20,210

Appendix 4c

Subjective Summary	2020/21		2021/22
	Original £000s	Probable Outturn	Draft Budget £000s
Health and Adult Social Care			
Expenditure			
Employees	17,775	18,336	17,951
Premises	271	355	266
Transport	453	537	574
Supplies & Services	5,254	6,360	5,374
Third Party Payments	52,444	59,597	54,205
Transfer Payments	-	-	-
Special Items	-	-	-
Expenditure Total	76,197	85,185	78,370
Income			
Government Grants	(9,840)	(15,085)	(10,014)
Other Grants & Reimbursements	(15,990)	(17,100)	(16,130)
Fees & Charges	(11,411)	(11,149)	(11,677)
Rents	(48)	(104)	(48)
Sales	-	-	-
Recharges to Housing Revenue Account	-	(52)	(52)
Other Internal Charges	-	-	-
Income Total	(37,289)	(43,490)	(37,921)
Health and Adult Social Care Total	38,908	41,695	40,449

Summary of Proposed Investment 2021/22

Theme	Proposed Investment (£)
Pride and Joy	400,000
Safe and Well	4,088,000
Connected and Smart	1,025,000
Enabling Services	2,609,000
Total	8,122,000

Proposed Investment by Southend 2050 Theme

Ref	Reason for Investment	Total (£)
Pride and Joy		
PJ-A	Waste Recyclables As a result of changes in the global recyclable materials market the value of recyclable material has decreased. The waste collection contract contains a rebasing period to share the risk of price fluctuations which has now materialised.	400,000
Pride and Joy Total		400,000
Safe and Well		
SW-A	External Adult Care Service Providers This additional investment is to cover the statutory increase in the national living wage from April 2021. This will help to improve the pay and conditions of their workforce. The additional monies set aside for this area will support an increase in prices paid for care and enable care providers to increase minimum wages so that they are able to meet statutory requirements.	1,500,000
SW-B	Older People Demographics To continue to meet the needs of the local population an allowance is made each year to mitigate the financial impact caused by the increase in aged resident numbers. The increase assumed for Southend in 2021/22 is a growth rate of 1% in over 65's based on data provided by the office of national statistics. The population increase of people aged over 80 is predicted to rise from 5.8% (10,700) to 9% (19,000) of the population by 2041. It will help to fund an increasing number of Southend residents to remain in their own homes and live independently with a domiciliary care package or direct payment. It will also fund an increasing number of residential placements for people with more complex needs (including dementia).	480,000

SW-C	<p>Essential Living Fund</p> <p>This investment is required to realign the base budget of this programme and to continue to fund the ongoing support delivered by the Essential Living Fund Team to local eligible residents. This budget adjustment will remove the need for any further funding from Reserves to support this main programme of activity.</p>	233,000
SW-D	<p>Children to Adults transition</p> <p>This is to support the additional cost of supporting individuals with a learning disability currently registered with Children's Social Care who will reach the age of 18 or leave education in 2021/22 (estimated 49 children) and will meet the eligibility criteria for Adult Social Care interventions. The support packages and associated costs have been estimated by Social Care professionals considering the skills, ambitions and abilities of each client on the schedule. The packages of care are developed to promote independence and positive outcomes in their future lives.</p>	350,000
SW-E	<p>Leaving Care Support 16+</p> <p>Additional investment for Leaving Care Accommodation and support for ages 16 + to support existing placements and budget pressure. This extra funding has been driven by the increases in our Looked After Children (LAC) numbers over recent years which currently peaked during 2019/20 at 331. When a child turns 18 they are no longer a looked after child, but the local Authority still has a statutory duty to continue to support the now young adult up to the age of 25 when they are still accessing educational support. From the age of 16 where a LAC child is not remaining in residential care up to the age of 18, or remaining with an existing foster carer placement they will require and be placed in supported accommodation. The cost to the local authority of the supported accommodation placement will reduce from when the young adult turns 18 as they will be able to access if needed statutory benefit entitlement including housing support. However, these placements can still cost more than the statutory benefit entitlement and of course the placement will still require fully funding from the ages of 16 to 18. This investment will therefore support the existing increased numbers of 16+ children to young adults which was at the end of November 2020 (Period 8) 38 supported accommodation placements ongoing at an average cost of £28,000 per annum.</p>	500,000
SW-F	<p>Looked After Children (LAC)</p> <p>Additional funding required to support existing LAC external care placements driven by the increase for external care placement numbers. This additional funding will not cover the current budget pressure which currently stands at £2.9M but it will assist to alleviate a proportion of that pressure. The long-term strategy remains where possible to place children in care within the Council's own local in-house foster provision with increased capacity or a local children's care home which will</p>	590,000

	therefore reduce the required external placements. The current 2020/21 external care placement numbers at the end of November 2020 (Period 8) were 92. This is 12 external care placements higher than the average across 2019/20. This funding can therefore either support approximately 3 existing external residential care placements or 12 external foster care placements.	
SW-G	In House Foster Care team Additional 2 FTE team manager capacity and 0.5 FTE Senior Practitioner within the in house Foster Care team to help drive recruitment of inhouse foster carers, manage the team, increase the quality of the inhouse foster care offer and therefore reduce long term demand for External Care Placements.	150,000
SW-H	Child and Adolescent Mental Health Services (CAMHS) CAMHS are now to be 100% funded from the General Fund for 2021/22 onwards because of reduced Government funding for the DSG Central Block.	210,000
SW-I	Special Guardianship Order (SGO) Kinship Allowance New investment for SGO kinship allowances. Funding and allowance rates due are based on eligibility, but this new investment will enable up to 25 child cases to be supported each year.	50,000
SW-J	School Uniform Grant To fund school uniform grants for eligible children under a defined policy for exceptional circumstances. The School uniform grant will be eligible for children whose parents or carers who are classified as under low income through National Benefit entitlements and who meet one the criteria for exceptional circumstances which are as follows: <ul style="list-style-type: none"> • you are being made homeless and placed somewhere that means changing school and have been supported in finding temporary accommodation by the council • you and your children are being placed in a refuge that means changing school and have a letter from the refuge • you have lost school clothes in a fire or flood damage and have a letter from the relevant service <p>Where one of the criteria is met, the following annual school uniform grant amounts per child will be on offer for</p> <p>Reception Year 1 and Year 2 £80 Year 3 to Year 6 £100 Year 7 to 11 £150</p>	25,000
Safe and Well Total		4,088,000

Ref	Reason for Investment	Total (£)
Connected and Smart		
CS-A	Highways Service Redesign This additional investment into the Highways staffing is in accordance with the Highways Restructure report approved by Cabinet on 28th July 2020 and subsequently by Council. This investment will facilitate increased local enforcement, engineering expert capacity, climate change and sustainability ambitions by increasing the establishment by an additional 18.7 full time equivalent roles.	725,000
CS-B	ICT Transformation Required to support the transition to a Cloud based solution for our ICT infrastructure. Also includes provision for the technical support required for our data centre and networking requirements.	300,000
Connected and Smart Total		1,025,000
Enabling Services		
ES-A	Pay and Increments Provision has been included for a pay award for staff earning less than £24,000 and spinal point increments for all eligible staff. If a pay award settlement is reached above the recommended Government pay freeze for staff earning over £24,000 then this will have to be initially funded from Reserves for 2021/22 and then built into the Council's base budget the following year.	1,250,000
ES-B	Investment, Income and Financing Costs Review The budget includes provision for the financing costs of the Council's Capital Investment Programme, offset by investment income and other interest receivable. Investment income has been adversely impacted by the prevailing exceptionally low interest rates. This has been partially offset by lower than anticipated capital financing costs in 2020/21 which gives a lower starting point for the 2021/22 budget.	172,000
ES-C	Housing Benefits The Housing Benefit budget has seen an ongoing increase in the number of eligible claimants and payments and in previous years any upward variations or adjustments have been met from the Welfare Reform reserve specifically set aside to equalise this budget. This investment will now realign the circa £48m gross expenditure and income budget accordingly so that the net budget more accurately reflects the requirements. This permanent investment will now remove the need for funding from the Welfare Reform Reserve.	550,000

ES-D	Enabling Services Redesign This additional staffing investment into key enabling services is in accordance with the Enabling Major Projects and Recovery report approved by Cabinet on 15th September 2020 and subsequently by Council. This will support the delivery of our major transformation programme, support the delivery of key strategic regeneration projects, securing extra external funding for our green agenda, ensuring strong proportional governance, facilitating improved outcomes and better VFM across the Council by increasing the establishment by an additional 10 full time equivalent roles.	497,000
ES-E	General Budget Adjustments Required to right size remaining small budget issues across the Council.	140,000
Enabling Services Total		2,609,000
Total Investments		8,122,000

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Reference	Detail of Savings Proposals	Staffing Implications	Financial Impact				
			2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s

Savings Initiatives

Safe and Well								
SW01	Review of Supported Accommodation & Supporting People contracts, to ensure they are targeted, effective and best meet the needs of adults. Developing a better and more agile housing offer to provide clear targeted pathways of support for people living with mental health and learning disabilities.	n/a	-	300	300	500	500	
SW02	Commercial negotiation and contract reviews with key providers to deliver efficiencies and an increased commercial focus.	n/a	160	780	780	780	780	
SW03	Review and facilitate a reduction in care home placements by gradually increasing support for independent healthy living at home.	n/a	-	-	-	625	1,250	
SW04	Targeted reviews of low cost home care packages. Ensuring that packages are commensurate with meeting need and, where appropriate, enabling people to become more independent.	n/a	267	250	125	-	-	
SW05	Review local and regional learning disability pathways to enable people to move from supported living towards greater independence.	n/a	-	150	300	300	300	
SW06	A review of the section 75 agreement with Essex Partnership University Trust in order to develop a more targeted and efficient offer for people with statutory adult social care needs	n/a	-	100	100	100	100	
SW07	Comprehensive review of the Adult Social Care contributions policy including the rates used to assess contributions, partial disregards on disability benefits and best practice approach to personal allowances.	n/a	-	140	140	140	140	
SW08	Introduce a new strengths based refresh to social care in 2021/22. Based on experience in other areas improvements, better outcomes and cashable savings should start to accrue by 2023/24.	n/a	-	-	200	200	200	
SW09	Based on recent benchmarking information explore options to optimise efficiency and productivity which should result in a reduction in internal costs of the Council's adult social care operations.	- 2.00	100	100	100	100	100	
Safe and Well Total			- 2.00	527	1,820	2,045	2,745	3,370

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Reference	Detail of Savings Proposals	Staffing Implications	Financial Impact				
			2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s
Active and Involved							
AI01	General efficiency and productivity review of the Libraries & Galleries operations.	n/a	30	30	30	30	30
Active and Involved Total		-	30	30	30	30	30
Connected and Smart							
CS01	Saving calculated on the basis of a reduced number of Concessionary Fares journeys (Pre- COVID-19)	n/a	250	250	250	250	250
CS02	ICT: Smart programme - a range of technology enabled initiatives to improve efficiency, productivity and the de-commissioning of obsolete products.	n/a	320	470	760	760	760
Connected and Smart Total		-	570	720	1,010	1,010	1,010
Enabling Services/Corporate Initiatives							
ES01	Deletion of a vacant L6 post in the Technical and Compliance team.	- 1.00	30	30	30	30	30
ES02	Saving based on the interest costs on £10m of capital expenditure by not borrowing during 2021/22 (assumed borrowing would have taken place at the half year point)	n/a	150	300	300	300	300
ES03	Creation of a Corporate Debt Collection Team - Phase 1 consolidation of staffing resources - Phase 2 improved collection rates across all debt streams, reduction in bad debts and write-offs	- 2.00	80	80	80	80	80
ES04	Rent Deposit Loans Scheme, review potential to move to a more targeted Grant Scheme - phase 1 review policy and eligibility criteria, assess feasibility of moving to grants and target support more effectively. Final phase release 1 fte due to no need for recovery action.	- 1.00	40	40	40	40	40
ES05	Share and capture appropriate information for Council Tax and planning/building control from a single property visit. Increased efficiency and reduction on the need for separate visits to the same properties.	- 1.00	40	40	40	40	40
ES06	Review all Discounts & Exemptions on Council Tax & Non Domestic Rates - phase 1 recruit 2 officers £80K (invest to save). Target reduction in number and value of eligible exemptions and discounts.	2.00	100	100	100	100	100

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Reference	Detail of Savings Proposals	Staffing Implications	Financial Impact				
			2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s
ES07	Removal of vacant Internal Audit and Counter Fraud Services Business Support Manager from the establishment.	- 1.00	36	36	36	36	36
ES08	Better use of Email for communication. Improved efficiency and productivity by reducing reliance on hybrid mail. Corresponding reduction in postage costs. Rationalisation and reduction in the number of mobile phones and SIMs across the Council. Cease the use of Stor-a-file to hold all out archived documentation off site. Lyreco expenditure reduction as well as the resource requirements for invoice processing. Consumables and paper reduction due to less photocopying and printing requirements and improved use of more electronic methods. Move to electronic payslips for all Schools.	n/a	91	46	49	57	57
ES09	Release currently vacant posts in the Contact Centre	- 2.60	75	75	75	75	75
ES10	Service redesign of the Business Support function right across the council to improve efficiency, productivity and value for money. Targeting the range of vacant posts, interim arrangements, fixed term contracts and use of agency staff.	- 30.00	500	1,000	1,000	1,000	1,000
ES11	Remove vacant post within the Corporate Strategy/Transformation team.	- 1.00	34	34	34	34	34
Enabling Services Total		- 37.60	1,176	1,781	1,784	1,792	1,792
Savings Initiatives Total		- 39.60	2,303	4,351	4,869	5,577	6,202

Income Generating Initiatives

Pride and Joy							
PJ01	Explore the introduction of contactless donation points within parks.	n/a	2	2	2	2	2
Pride and Joy Total		-	2	2	2	2	2
Safe and Well							
SW10	Explore the provision of CCTV monitoring services for other networks.	n/a	-	10	10	10	10

Reference	Detail of Savings Proposals	Staffing Implications	Financial Impact				
			2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s
Safe and Well Total		-	-	10	10	10	10
Active and Involved							
AI02	Secure increased external funding and additional income from the improved service offer within the museums and galleries business from April 2021	n/a	30	30	30	30	30
AI03	Further targeted integration of eligible expenditure and use of the Public Health grant to support Southend 2050 Ambitions and Outcomes.	n/a	150	300	350	350	350
AI04	Negotiated planned increase in season ticket fees, following consultation with Bowls Clubs, to reduce the level of subsidy for this discretionary service.	n/a	7	27	37	46	46
Active and Involved Total		-	187	357	417	426	426
Opportunity and Prosperity							
OP1	Introduce charging for Senior or Specialist Officer Attendance at Planning Pre-Application Advice Meetings.	n/a	8	15	21	21	21
OP2	Introduce a new fee for offering a Fast Track or Premium Services for certain Planning Applications	n/a	15	20	31	31	31
OP3	Explore the potential sponsorship opportunities of a number of parks.	n/a	-	5	10	10	10
OP4	Ensure all parks buildings either have a lease or charged seperately for usage.	n/a	-	10	10	10	10
OP5	Review of Planning and Building Control Consultancy Service charges	n/a	-	38	56	56	56
OP6	New net commercial rental income from the acquisition of the Victoria Plaza	n/a	250	250	250	250	250
OP7	New rental income from the Costa Coffee development at the airport business park	n/a	40	63	63	63	63
Opportunity and Prosperity Total		-	313	401	441	441	441
Connected and Smart							
CS03	Comprehensive review of car parking fees and charges	n/a	1,000	1,000	1,000	1,000	1,000
CS04	Review of all Highways fees and charges	n/a	50	50	100	150	150
Connected and Smart Total		-	1,050	1,050	1,100	1,150	1,150

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Reference	Detail of Savings Proposals	Staffing Implications	Financial Impact					
			2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	
Enabling Services/Corporate Initiatives								
ES12	Explore the possibility to expand the enforcement remit of our internal Corporate Collections & Enforcement Team. This type of initiative has been successfully implemented in other Authorities. Phase 1 recruit 2 dedicated officers (£80k Invest to save) - Phase 2 generate additional income, initial target £180K per year.	2.00	100	100	100	100	100	
ES13	New income stream by securing a formal Laptop Disposal contract.	n/a	50	50	-	150	-	
ES14	Extra income received for eligible services delivered to the Housing Revenue Account.	n/a	150	200	200	200	200	
Enabling Services Total			2.00	1,663	1,801	1,841	2,041	1,891
Income Generation Total			2.00	1,852	2,170	2,270	2,479	2,329
Grand Total			- 37.60	4,155	6,521	7,139	8,056	8,531

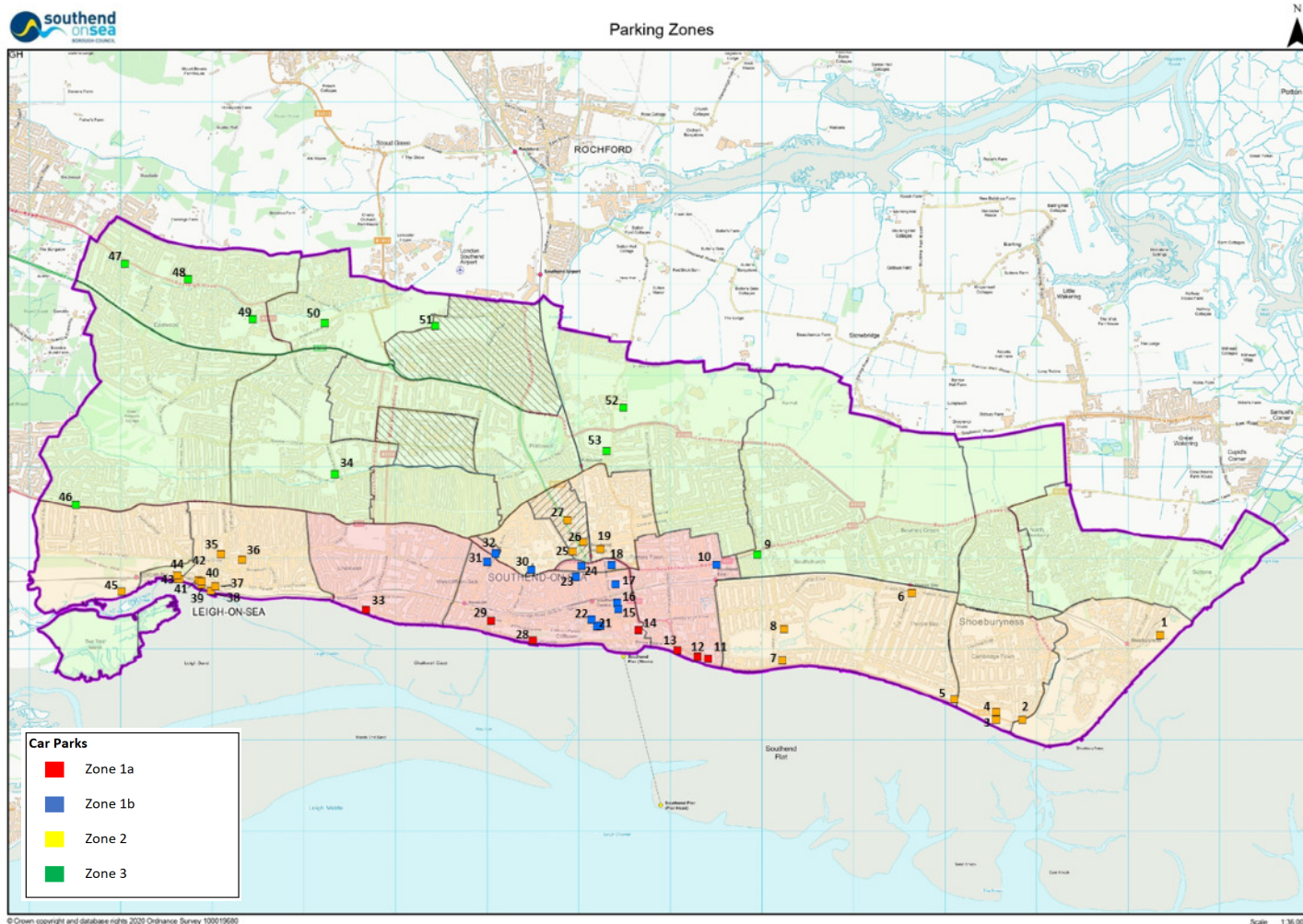
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Reference	Detail of Proposal
Pride and Joy	
BTP-PJ01	Review of the Grounds Maintenance service
BTP-PJ02	Review the hours of operation and attendance profile at all Household Waste Recycling Centres.
BTP-PJ03	Review of public toilet provision across the Borough, including new capital investment intentions, current condition surveys, usage levels, environment and social behaviour considerations and explore the potential for targeted charging for some services/facilities.
Safe and Well	
BTP-SW01	Review of all enforcement operations and arrangements.
BTP-SW02	Review professional and expert service support and capacity to reduce future insurance claims and liabilities.
BTP-SW03	Review of both the equipment and aids & adaptation services to explore if a more joined up, efficient and effective approach can be designed to deliver better outcomes and value for money.
BTP-SW04	Integrate a comprehensive demand management programme into the developing Childrens recovery plan.
BTP-SW05	Integrate a comprehensive demand management programme into the developing Adults Social Care recovery plan.
Active and Involved	
BTP-AI01	Review and where appropriate rationalisation of all administrative and operational buildings and assets to determine current and potential future use and to gain reassurance that all our property arrangements are 'fit for purpose' and providing value for money.
Opportunity and Prosperity	
BTP-OP01	Review potential general licensing opportunities in Parks
Connected and Smart	
BTP-CS01	Review of the current arrangements for using assistive technology, telecare and other mainstream computerised devices. Enhancing, tailoring and targeting this offer should deliver better outcomes for residents, improved efficiencies, productivity and value for money.
Enabling Services/Corporate Initiatives	
BTP-ES01	Review of the Revenues and Benefits self-service platform for residents, together with a diagnostic of the workflow and relationship arrangements with the Corporate Customer Contact Centre. Objective to optimise efficiency and productivity to support first point of contact resolution for local residents.

Reference	Detail of Proposal
BTP-ES02	Review of all corporate memberships and service specific subscriptions
BTP-ES03	Develop a phased programme of comprehensive reviews of all staffing structures and delivery arrangements across all Council operations. Ensuring compliance with best practice organisational design principles
BTP-ES04	Review of the Council's learning & development investment programme
BTP-ES05	Review the level of subsidy provided for all discretionary services and compare the levels of local fees and charges compared to national benchmarks.

Car Parking



		Unit	Zone 1a 8am - 10pm	Zone 1b 8am - 6pm	Zone 2 8am - 6pm	Zone 3 8am - 6pm
On-Street Pay and Display		Up to 1 hr	£2.50	£1.10	£1.00	£1.00
		Up to 2 hrs	£4.50	£2.20	£2.00	£2.00
		Up to 3 hrs	£6.50	£3.30	£3.00	£3.00
		Up to 4 hrs	£8.50	£4.40	£4.00	-
		Up to 14 hrs	£24.00	£12.00	£12.00	-
Off-Street (Car Parks)	VATable	Up to 1 hr	£2.50	£1.10	£1.00	£1.00
		Up to 2 hrs	£4.50	£2.20	£2.00	£2.00
		Up to 3 hrs	£6.50	£3.30	£3.00	£3.00
		Up to 4 hrs	£8.50	£4.40	£4.00	-
		Up to 5 hrs	£11.00	£5.50	£5.00	-
		Up to 6 hrs	£14.00	£6.60	£6.00	-
		Up to 14 hrs	£24.00	£12.00	£12.00	-
Pre-booked coach parking	VATable	Daily (up till closing time)	£30.00	£30.00	£30.00	
Seafront Trader Permit		Annual	£400.00	£400.00	£200.00	
Season Ticket for Named Car Park	VATable	Annual	£600.00	£600.00	£500.00	
		6 month	£310.00	£310.00	£260.00	
		Quarterly	£160.00	£160.00	£135.00	
		Monthly	£55.00	£55.00	£45.00	

Season Ticket for Car Park (Zone)	VATable	Annual	£1,100.00	£1,100.00	£900.00	
		Quarterly	£330.00	£330.00	£270.00	
		Monthly	£110.00	£110.00	£90.00	
Season Ticket for All Zones	VATable	Annual	£1,300.00			
Season Ticket - Baxter Avenue		Annual	£1,200 per bay			
Season Ticket - University Square (Students only)		Annual				
			1 month	6 months	12 months	
Business Permit		Scheme specific	-	£135.00	£250.00	
Operational Permit (On-street)		All Permit Zones	-	-	£65.00	
Resident Carer Permit (1 permit only)		Scheme specific	-	-	£15.00	
Resident Permit - 1st car		Scheme specific	-	-	£15.00	
Resident Permit - 2nd car		Scheme specific	-	-	£25.00	
Resident Permit - 3rd car		Scheme specific	-	-	£50.00	
Resident Permit - 4th car		Scheme specific	-	-	£75.00	
Resident Season Ticket (in RPS*)		Scheme specific	-	-	£50.00	
Southend Pass	VATable	-	£8.50	-	-	
SBC Associate Permit	VATable	Blue	-	£135.00	£250.00	
SBC Staff Permit	VATable	Green				
		Blue				
		Orange				
		Yellow				
Temporary Permit		7 days	£15.00			
Tradesman Permit		All zones (new)	-	£350.00	£650.00	
Visitors Vouchers (Book of 20)		Daily	£5.00			
Yellow Line Dispensation		Daily	£12.00			
Car Park unlock tariff		-	£75.00			
Suspension (Admin Fee)		-	£30.00			
Suspension		Per day, per bay	£20.00			
Replacement permit		Vehicle changes	£5.00			
Replacement permit		Loss	£30.00			
Permit refund admin fee		Administrative cost	£15.00			
Hotel day rate discount		Daily charging period	50% of max daily parking tariff			
Authorised copy of car park key		Issuance	£200.00			
Car Park Overflow charges		Day rate	£500.00			
Filming in car parks requiring suspension of parking bays		Filming	as per agreed charge			
Siting base units/comfort units in car parks		Filming	daily bays charge			
Siting base units/comfort units in car parks within dedicated bays		first contact	daily bay charge			
Free Parking		To provide free parking in Council car parks after 1600hrs on Thursdays and all day on Sundays in December and Christmas Day (except those with barriers)				
Parks and open spaces		All free car parks within parks and sports grounds will remain free of charge				
Southchurch Park East		Charges are being introduced in this car park (zone 2) following its full refurbishment with the exception of one hour free parking for Greenways Primary School during opening and closing times to support the park and walk initiative				
Zone 2		The following car parks will remain free of charge: Hadleigh Road, Leigh Hill and Uttons Avenue.				
Small Business Day		Free Parking in Zones 2 and 3 car parks				
RPS*		Resident Parking Scheme				

Highways

SERVICES	Net Charge 2020/21	Vat (20%)	Gross Charge 2020/21	Net Charge 2021/22	Vat (20%)	Gross Charge 2021/22	INCREASE (%) BEFORE ROUNDING UP	NEW / AMENDED CHARGE
HIGHWAYS								
Permit to place a builders skip on the highway	N/A	N/A	N/A	£125.00		£125.00	N/A	New
Skip permit extension	N/A	N/A	N/A	£110.00		£110.00	N/A	New
Unlicensed skip permit	N/A	N/A	N/A	£270.00		£270.00	N/A	New
Permission to erect scaffolding on the highway	£25.50		£25.50	£23.00		£23.00	-10%	Amend
Permission to deposit building materials on the highway	£214.40		£214.40	£237.00		£237.00	11%	Amend
Permission to erect a hoarding or fence on the highway	£214.40		£214.20	£237.00		£237.00	11%	Amend
Permission to carry out a mobile lifting operation (crane / cherry picker) on the highway	£214.40		£214.40	£237.00		£237.00	11%	Amend
Permission to erect temporary structures, e.g. Gantry, cradle or fan on the highway	N/A	N/A	N/A	£237.00		£237.00	N/A	New
Permission to carry out works by Licence under Section 50 NRSWA 1991	£260.10		£260.10	£237.00		£237.00	-9%	Amend
Validation or extension request to a s50 licence	£56.10		£56.10	£237.00		£237.00	322%	Amend
Permission to carry out construction works on the highway.	N/A	N/A	N/A	£237.00		£237.00	N/A	New
Permission to make an opening of the footway to make an entrance of a cellar or vault/ front garden for works	N/A	N/A	N/A	£237.00		£237.00	N/A	New

OTHER								
Installation of H Bars	N/A	N/A	N/A	£225.00		£225.00	N/A	New
Refresh H bars	N/A	N/A	N/A	£150.00		£150.00	N/A	New
SIGNS								
Replacement of defective sign (street name board)	N/A	N/A	N/A	£452.00		£452.00	N/A	New
Traffic signs (Sign replacement RTC (1.15 Chevron)	N/A	N/A	N/A	£492.00		£492.00	N/A	New
Illuminated Signs (re-plumb and concrete)	N/A	N/A	N/A	£220.00		£220.00	N/A	New
MEMORIAL BENCHES								
Memorial Benches (Bench, Plaque and 4x maintenance and admin)	£1,568.25		£1,568.25	£1,810.00		£1,810.00	15%	Amend
Memorial Benches- Supply and Install Plaque	N/A	N/A	N/A	£138.00		£138.00	N/A	New
Memorial Benches - Full Refurbishment	N/A	N/A	N/A	£505.00		£505.00	N/A	New
Memorial Bench - Minor Repair	N/A	N/A	N/A	£70.00		£70.00	N/A	New
Memorial Bench - Bench Removal	N/A	N/A	N/A	£70.00		£70.00	N/A	New
TRAFFIC MANAGEMENT RELATED CHARGES (NO VAT TO BE ADDED)								
Temporary Traffic Orders	£2,900		£2,900	£1,850		£1,850.00	-36%	Amend
Temporary Traffic Regulation Notice (Emergency Road Closure) No Advert	N/A	N/A	N/A	£150.00		£150.00	N/A	New
Disabled Parking Bays - With TRO and signs and lines. Admin and lining	N/A	N/A	N/A	£500.00		£500.00	N/A	New
Disabled Parking Bays - With TRO and signs and lines.	N/A	N/A	N/A	£1,980		£1,980.00	N/A	New
Change to Traffic Order	N/A	N/A	N/A	£1,850		£1,850.00	N/A	New
Revoke of Traffic regulation order	N/A	N/A	N/A	£1,850		£1,850.00	N/A	New
Experimental Traffic Regulation Order	N/A	N/A	N/A	£1,850		£1,850.00	N/A	New

Experimental Traffic Regulation Order	N/A	N/A	N/A	£2,500		£2,500.00	N/A	New
TRAFFIC MANAGEMENT RELATED CHARGES								
Signs and Lines infrastructure implementation per metre	N/A	N/A	N/A	£225.00		£225.00	N/A	New
New parking post / plate	N/A	N/A	N/A	£225.00		£225.00	N/A	New
Implementation / Removal of new bay markings	N/A	N/A	N/A	£525.00		£525.00	N/A	New
Implementation of personalised Disabled Bay	N/A	N/A	N/A	£525.00		£525.00	N/A	New
Removal of personalised Disabled Bay	N/A	N/A	N/A	£525.00		£525.00	N/A	New
VEHICULAR CROSSOVERS								
PVX; application fee – includes inspection and administration (non refundable)	£142.80		£142.80				2%	Amend
PVX; application fee – includes inspection and administration (non refundable) – cross a watercourse or ditch	N/A		N/A	£195.00		£195.00	N/A	New
PVX; relocation of drainage (inspection and administration) – non refundable	N/A		N/A	£100.00		£100.00	N/A	New
Costs to construct a crossing (upto 2.44m)	N/A		N/A	£1,200.00		£1,200.00	N/A	New
Costs to construct a crossing (2.44m upto 3.66m)	N/A		N/A	£1,500.00		£1,500.00	N/A	New
Costs to construct a crossing 3.66m upto 4.8m)	N/A		N/A	£2,000.00		£2,000.00	N/A	New
Inspection fee during construction (per inspection / max 4)	£86.70		£86.70	£80.00		£80.00	-8%	Amend
PVX; application fee for Commercial PVX	£265.20		£265.20	£270.00			2%	Amend
PVX; manually excavated trial pit	£387.60		£387.60	£390.00			1%	Amend

STREET WORKS

S74 – Traffic-sensitive street or protected street not in road category 2, 3 or 4	N/A	N/A	N/A	£5,000		£5,000.00	N/A	New
	N/A	N/A		£10,000		£10,000.00		
S74 – other street not in road category 2, 3 or 4	N/A	N/A	N/A	£2,500		£2,500.00	N/A	New
	N/A	N/A		£2,500		£2,500.00		
S74 – Traffic-sensitive street or protected street in road category 2.	N/A	N/A	N/A	£3,000		£3,000.00	N/A	New
	N/A	N/A		£8,000		£8,000.00		
S74 – other street in road category 2.	N/A	N/A	N/A	£2,000		£2,000.00	N/A	New
	N/A	N/A		£2,000		£2,000.00		
S74 – Traffic-sensitive street or protected street in road category 3 or 4	N/A	N/A	N/A	£750		£750.00	N/A	New
	N/A	N/A		£750		£750.00		
S74 – other street in road category 3 or 4	N/A	N/A	N/A	£250		£250.00	N/A	New
	N/A	N/A		£250		£250.00		

Planning

Description of Service	Indicative Net Charge 2021/22	VAT (20%)	Indicative Gross 2021/22 Charge	New or Amended
Pre-application advice				
Senior Officer (per hour)	TBD		TBD	NEW
Specialist Officer (per hour)	TBD		TBD	NEW
Fast Track Service	Various		Various	NEW

Southend-on-Sea Borough Council

Executive Director of Finance and Resources
Executive Director of Children and Public Health

To
Education Board

On
15th December 2020

Agenda
Item No.

Report prepared by:
Paul Grout, Senior Finance Business Partner

Dedicated School Grant Budget Planning 2021/22 And Forecast Outturn 2020/21

1 Purpose of Report

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

- Final funding methodology for distribution of the 2021/22 Individual School Block (ISB) allocations
- Remaining final indicative DSG budget allocation for 2021/22
- Principle decision on Early years funding rates for 2021/22
- Updated forecast outturn for 2020/21

2 Recommendations

Education Board (EB) are asked to agree:

- 2.1 The remaining 2021/22 total funded amount for Central Block services with note to the Department for Education (DfE) DSG historic commitment funding that has continued to unwind moving forward (As referenced in 9.10).
- 2.2 And with consideration to 2.1, that the indicative and remaining 2021/22 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 2021/22 or a 3% uplift to applied to the applicable core National Funding Formulae (NFF) pupil led factors, are set, as illustrated in the October 2020 DSG EB paper with the NFF maximum allowable 2% uplift funding applied per pupil (As referenced in 4.2).

- 2.3 [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)
- 2.4 The 2021/22 Early years funding rates are set as based on the principle decision recommended in 7.4, if possible.
- 2.5 And therefore on the basis of the decisions undertaken through both this and the previous October 2020 DSG paper, that this DSG paper and the following January 2021 DSG EB paper (which is for EB noting only), will be recommended to Council for final approval in February 2021.

Asked to Note:

- 2.6 In line with the decisions of both the March 2019 EB DSG paper and the December 2020 EB DSG paper, that the growth fund to support schools will continue to be held centrally within the Schools block and distributed to provide the extra required planned places within the authority. (As referenced in 6.1.3)

3 Background

- 3.1 This reports sets out the 2021/22 Draft DSG budget and the final 2021/22 proposed funding methodology for award per pupil led funding to Individual School Budgets.
- 3.2 This reports follows on from the previous “DSG 2019/20 budget update and budget planning for 2020/21” presented and agreed at the last October 2020 EB, which ultimately set the continued and agreed NFF trajectory for Individual School block allocations, subject to the remaining confirmation of awarding the fully applied 2% uplift now proposed in this paper for those applicable schools.

4 Schools Block – Individual School Block (ISB) allocations

2020/21 Budget to Forecast Outturn – on line to budget

2021/22 Individual Schools Budgets

Indicative DSG funding allocation £131.818M (Final tbc in January 2021)

4.1 As per the recommendations approved in the last DSG EB October 2020 report and associated Appendix 2, which is also presented in this report. The 2021/22 per pupil funding amounts for each school will be set on the following basis:

4.1.1 The minimum per pupil levels will be set at £4,180 for primary schools (£3,750 in 2020/21) and £5,415 (£5,000 in 2020/21), where both of these rates now include the rolling of the teacher pay and pension grants into the DSG at a rate of £180 per primary pupil and £265 per secondary pupil. And to remind, from 2020/21 the minimum amounts per pupil are also now a NFF mandatory funding factor.

4.1.2 As per NFF, a 3% increase applied to the underlying core pupil led NFF funding factors, plus a further £180 per primary pupil and £265 per secondary pupil including the rolling of the teacher pay and pension grants into the DSG for 2021/22 attached to the basic entitlement rates.

And the remaining option for decision (which was Noted recommendation 2.1.2 – of the October 2020 DSG EB report):

4.1.3 “All remaining Schools whose per 2020/21 per pupil led funding rate plus the additional DSG applied 2021/22 teacher pay award and pension grant protection funding is either above the revised NFF mandatory 2021/22 minimum funding amounts per pupil or core NFF funding rate as referenced in 4.1.1 and 4.1.2 will receive the same NFF maximum allowable % uplift per pupil. And this will be up to the NFF maximum allowed 2.00% uplift per pupil, which itself remained subject to the options required to the Central block Historic Commitment funding losses.”

4.2 Now given the Local Authority as the lead commissioner of the Central Block historic commitment services has now determined its plan to manage the funding losses over the next 3 years (as referenced in 9.8 and Part 2 Appendix 4). It is welcome to confirm, that all remaining Schools who will either be above the NFF 2021/22 minimum funding rates or NFF 3% increase applied to the core NFF underlying core pupil led funding factors can now be recommended to benefit from the fully applied NFF maximum allowed 2.0% uplift per pupil.

4.3 And as referenced, in the last DSG EB paper, with the exception of those schools who will attract the 2021/22 minimum per pupil funding levels or 2.0% per pupil led uplift, all other school per pupil funding rates (i.e. those illustratively attracting their core underlying NFF funded rate per pupil) are indicative and therefore subject to minor changes once the DfE have processed and released the October 2020 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 2021/22 Business rate charges and ofcourse updated Numbers on Roll of each school as recorded through to the DfE in the October 2020 school census).

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

2020/21 Budget to Forecast Outturn – circa (£2,000) underspend

- 5.1 It is yet to be confirmed how many academy schools have bought into this fund this year in addition to the de-delegated sum from the maintained schools. However, it is currently expected that the de-delegated fund will be underspent this year regardless and therefore the attached forecast is simply an estimate of that underspend. It also remains minded any underspend or overspend on this fund is rolled forward in future years to support this fund through an isolated DSG reserve.

2021/22 Indicative DSG funding allocation £2,797 (Final tbc in January 2021)

- 5.2 In continuation of the decision undertaken last year, and now the only current proposed item for de-delegation, Maintained Schools are asked to approve the continued de-delegation of public duties at the reduced rate of £0.50 per pupil for 20/21/22 (£1.00 rate at 2020/21), which will also be multiplied by their Numbers on Roll as at the October 2020 Census. The rate of £0.50 per pupil in 2021/22 is proposed given the fund is expected to underspend this year and does hold a small level of £11,310 in reserve as at 1st April 2020.
- 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 those that buy in are eligible to claim from this fund with the same charge rates as shown in 5.2.

6 Schools Block – Centrally retained Growth Fund

2020/21 and 2021/22 Budget Planning

- 6.1 As referenced and agreed, in the March 2019 EB “DSG Growth Fund application 2019/20 and future years” paper and the December 2019 EB “DSG budget planning 2020/21” 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 against the DfE’s allocated amount for Growth provided that the total distribution of the growth fund is affordable over the life of the planned growth. The per pupil Growth rates to be paid out from Sept-21 can also be no lower than the minimum agreed per pupil rate tolerances declared in the March 2019 EB DSG paper.

6.1.2 The actual total growth fund amount for 2021/22 will be shown by the DfE in late December 2020, separated and shown within the Final 2021/22 School Block funding allocations.

6.1.3 Therefore, in accordance with the previous agreement and conditions, the growth fund rates from Sept-21 will be presented in the next January 2021 DSG paper, alongside any potential for growth funding rates to be increased from Sept-20 if affordable over the planned life of the growth. The growth model will therefore be revised and displayed as an Appendix once the DfE have confirmed the final 2021/22 growth funding allocations.

6.2 The current (£225,000) 2020/21 forecast underspend on growth remains as originally modelled and forecast in the January 2020 EB DSG paper. Which therefore increases the current isolated DSG growth reserve to £206,000 as at the 31st March 2021, which itself in turn funds expected future years overspends on growth as planned.

7 Early Years Block

2020/21 Budget to Forecast Outturn – £310,000 overspend

7.1 We must continue to remain minded, the Early Years Block 2020/21 DSG allocations remain provisional until the DfE have processed the January 2021 Early Years census, and will therefore announce revised and final funding allocations for 2020/21 in July 2021. However, at this time, we know there will be a difference for the 2020/21 DfE funding update as both the Summer and Autumn 2020 Early years funding period will continue to be based on the January 2020 Early Years census, and not a revised January 2021 Early Years census. The DfE have announced this adjustment due to the impacts of the Covid pandemic and therefore lower head count take up of early years provision during these periods, but whilst encouraging local authorities to continue to pass port funding at expected rates to support sustainability of provision, a position that both our Local Authority and Education Board recognise/agree too and have continued to support.

7.2 Whilst the forecast overspend is simply a best estimate at this stage, this estimate reflects the additional one off funding agreed to be passported through to Providers to support sustainability of provision, as agreed and noted, in both of the Part 2 Early Years Papers presented at the June 2020 and October 2020 Education Board papers.

7.3 The current expected forecast overspend will be covered from the isolated Early Years DSG balance.

2021/22 Budget Planning

7.4 At the time of writing this paper, we are still awaiting the 2021/22 early years funding announcements from the DfE, and by way of reference the current 2020/21 Early years funding rates are shown in Appendix 3. It is anticipated that an announcement will be made in December prior to the Christmas Break. If the announcement results in no increase, then we will simply have to continue to apply the 2020/21 rates into 2021/22. If the announcement does award a

funding uplift on the hourly rates paid in to DSG for 2021/22, it is therefore simply proposed, based on the current known pressures within the Early Years sector that should an uplift be awarded of less than or up to 2.5% (equivalent max 11p per hour of the current 2020/21 3&4 year old £4.48 hourly funded rate in to the DSG, or equivalent 13p max per hour of the 2020/21 2 year old £5.32 hourly rate in to the DSG). That this funding increase amount is straight passported out and applied through to the Early Year providers on the core hourly rates paid out.

- 7.5 Therefore, on the basis this principle decision is agreed in 7.4, and the DfE make an announcement before the Christmas break the hourly rates for 2021/22 will be set and displayed in the January 2021 DSG EB paper for noting only. This then also enhances the ability for Early Years provider to plan for 2021/22. In the unlikely event, the uplift is higher than 2.5% then there will need to be a separate proposal paper presented to the Education Board in March 2021.

8 High Needs Block

2020/21 Budget to Forecast Outturn – a projected (£1.299M) under spend against allocated services lines expenditure.

- 8.1 The first point to note for 2020/21 is a now further adjustment to the budget allocation, following a revised, apologised and updated allocation from the DfE compared to the original announced July 2020 High Needs funding import and export adjustment caused by a DfE data error that was subsequently recognised. The DfE have now confirmed, that in fact our “net import and export*” high need funding adjustment has reduced from 2019/20 by 8 (from us being a net importer of 84 pupils in 2019/20, to now a net importer of 76 in 2020/21). In funding terms for 2020/21, this reduction means we will now actually receive $8 * £6000$ per place = (£48,000) less funding than previously applied in 2019/20 import and export adjustment.

import and export adjustment - relates to a DfE defined in year High Need funding adjustment compiled from the latest January school census and RO6 Individualised learner record. Whereby a local authority's high needs block funding allocation is compensated if there is a net import increase from the previous year due to more other local authority home based pupils placed in their area, or alternatively reduced if there is a net export increase from the previous year, if more local authority home based pupils are placed in another local authority area..

- 8.2 However, and thankfully, due to our previous treatment of the high need and funding export adjustment which was originally advised and presented as a positive increase of £66,000 (a net increase of 11) as shared in the October 2020 DSG paper. It was simply applied to support future years pressures and therefore no had direct impact on in year service allocations. The now resulting negative adjustment will therefore been treated in the same way, and will reduce our originally planned funding allocation to support future years pressures and again therefore have no impact on in year service budget allocations. This negative funding adjustment therefore further supports our long term DSG budget management position, that a small proportion of High Needs funding should be held back and away from direct Service line allocations in order to absorb any adverse and unavoidable one off funding impacts in that given year which can be either expenditure or income related.

8.3 Appendix 1 – displays the full 2020/21 forecast outturn for High Needs on a line by line basis. Whilst the current forecast underspend (summarized below) has increased from what was presented and planned at the June 2020 EB DSG 2020/21 High Need detail budget allocation paper, you can see the actually increased forecast underspend is mainly on our service provision lines that are more difficult to financially plan, which is due to the nature and volatility of those service lines. We must also remain minded this welcome position is still being achieved after applying much needed funding growth to provision in 2020/21 (following 3 previous years of savings).

Summary table of proposed Original budget and forecast allocation (June 2020 Education Board) to Revised budget and current forecast allocation.

Summary Heading	2020/21 Opening Budget	2020/21 Revised Budget	2020/21 Opening Forecast	2020/21 Revised Forecast
Place funding	£8.064m	£8.064m	£7.857m	£7.823m
Special and PRU/AP top up funding	£6.072m	£6.072m	£5.787m	£5.757m
Subtotal	£14.136m	£14.136m	£13.644M	£13.580m
Schools, early years, post-16 top up funding	£4.112m	£4.112m	£4.112m	£3.927m
Independent Providers	£1.950m	£1.950m	£1.950m	£1.650m
Other Provisions including SLA's	£1.830m	£1.830m	£1.664m	£1.572m
Total services line total	£22.028m	£22.028m	£21.370m	£20.729m
Targeted to High Need DSG reserve balances to support future years funding pressures	£0.532m	£0.484m		
Total	£22.560m	£22.512m	£21.370m	£20.729m

8.4 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 had been made and agreed previous to 2020/21). 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 increased 2020/21 funding allocation.

8.5 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 continue to remain both affordable and considerate.

2021/22 Budget Planning - Indicative allocation of £25.658M (explanation covered in the last October 2020 DSG report, and resulting service expenditure allocations will be set as planned in the pre-agreed June 2021 High Need detailed allocation paper). It remains minded that June was the agreed date through Education Board to set the detail of the high need budget for the following academic year, as this then allows both sufficient time for the most accurate planning of expected top up funding amounts in that year and also therefore considering any affordable uplifts alongside.

9 Central Block

2020/21 Budget to Forecast Outturn – held on line to budget

2021/22 Budget Planning

Indicative Total allocation of £1.454M (Final tbc in January 2021)

9.1 As explained, in depth in the both the October 2019 and October 2020 DSG EB report. The 2021/22 indicative budget allocation (funding into the DSG) for the “Contribution to combined budgets with the Local Authority” is now circa £326,000 less than the original 2019/20 £905,000 allocation, as the DfE have continued to unwind the historic commitment element of the central block funding at rate of 20% from the previous year’s base line.

Financial Year	2019/20	2020/21	2021/22
Funding remaining	£905,000	£724,000	£579,000
% unwound*		20%	20%
Funding loss*		£181,000	£145,000
Cumulative loss		£181,000	£326,000

% and amount unwound* from the previous year.

9.2 As referenced, in the October 2020 DSG EB paper, it quickly remains minded, in 2020/21 due to the lateness of the first funding reduction announcement the EB helpfully agreed for 2020/21 a top slice from the Schools to Central block to cover the first £181,000 funding loss, but on the conditional basis a local authority long term plan was developed to meet this continued funding loss.

9.3 In October 2020, the Education Board was presented with three possible options for 2021/22 which could have required a part or full mitigation requirement. Options 1 and/or 3 requiring Education Board consultation and approval (all key points of each option highlighted below):

9.4 **Option 1 – transfer 2021/22 funding from the Schools Block to part cover or cover this loss in full.** Which was not advised or recommended on the following basis:

9.4.1 That the Education Board helpfully approved the top slice to the schools block to cover this loss in 2020/21 (given the late announcement) but only on the conditional basis a long term plan was developed to manage the continued funding losses from 2021/22 onwards.

9.4.2 That any further school block top slices are simply not a long term sustainable funding option and do divert resources away directly from mainstream schools who themselves are facing additional funding pressures.

9.4.3 That the government have confirmed their commitment to continue with the implementation of a hard NFF which could and will likely remove the ability to top slice school block funds regardless in future years.

9.4.4 That the Central Block Historic commitments for combined budgets were originally formed by top slicing mainstream school funds previous to 2013/2014, so in theory should not to be top sliced again, a DFE view point as well.

9.5 **Option 2 – Do nothing (i.e no funding transfer from another block):**

9.5.1 As the local authority is the lead commissioner of those services, it is the local authority that will need to decide the priority of those services moving forward. Ofcourse, the local authority has the option to cover or part cover the central block funding losses (from other resources), but given both the local and national context of funding pressures within local authorities, these services are therefore unfortunately placed at risk and will need to be considered alongside other wider services in terms of priority to continue to support. The Local Authority has already started to plan for this eventually and this will need to be concluded for 2021/22 by the end of November.

9.6 **Option 3 – Seek a funding transfer from the 2021/22 High Needs block to either cover or part cover this loss:**

9.6.1 However, again this could not be a long term sustainable option as the spend attributable to high needs will always be a subject to volatility and risk. These services have also never been funded by a transfer from High Needs. It would therefore only be possible that this could be considered on a year by year basis, given the context of the overall affordability to the high needs block alongside the schools and providers that funding supports, plus in recognition the required £326,000 funding loss cover in 2021/22 will also be a larger sum in 2022/23. The local authority will therefore continue to need to plan the long term mitigation of these funding losses from the Central Block.

9.7 The 3 options were discussed at the Education Board in October 2020, it was also rightly pointed out that the Education Board have adopted the boarder NFF principles of each block of DSG being affordable within its own funding allocation, a position that the DSG budget management position has moved to over the last few years – which has also been to the benefit of sustainability within each block. It was also rightly raised that the High Needs block was only now in this financial position because of the dedicated and effective work of the Local Authority, Education Board and Schools involved, so should therefore not be penalized for this position.

9.8 Whilst not easy, and in view of boarder funding considerations and recognition of long term sustainability of funds associated within block of the DSG, the Local Authority (As the lead commissioner of the Central Block historic commitment services) has now planned the unwinding of the Central Block funds for a further 3 years 2021/22, 2022/23 and 2023/24. And this is on the assumption the DfE continue to unwind this funding at a rate of 20% for each of those years from the previous years baseline. The full details of that plan are within the Part 2 – Appendix 4 Central block historic commitments funding plan 2021/22 to 2023/24 and this plan therefore supports **option 2**. In pure financial terms, the plan itself, does enable the isolated DSG Central block reserve to increase in 2021/22, which therefore allows the revised 2021/22 DSG contributions levels to stay at the same rate for the next 3 years, i.e. by drawing remaining funds down from the Central block reserve.

9.9 Whilst, this plan does present a position for next 3 years, which is a sensible and balanced position. It does mean further reduced funding plans from

2024/25 do need to continue to be planned. However, it is not advised these are brought to the Education Board in detail until during 2022/23 or even 2023/24, as this allows further time for wider Local Authority funding considerations in view of any further Government funding announcements.

9.10 The Education board are therefore asked to approve the allocation of the Central Block 2021/22 funds as follows:

	2021/22 Amount
From Central Services Block	
Combined Budgets (historic commitments)	£579,129
CLA/MPA Licences	£138,779
Schools Admissions	£275,617
Servicing of Schools Forum	£18,700
ESG Retained Duties*	£441,536
	£1,453,762

ESG Retained Duties * - ongoing funding (former Education Service Grant) to support LA Statutory duties - Child and Educational Leadership, Planning and Budget planning, monitoring, Education Welfare and Asset Management

10 DSG Funding

2020/21 Budget to Forecast Outturn – £151,000 additional income, relating to the previously explained Early years DSG funding adjustment for 2020/21

2021/22 Budget Planning

10.1 The current indicative DSG funding allocation for 2021/22, is shown as £170.629M. However, we continue to note that the total school block funding allocation will also be updated once the October 2020 census has been processed by the DfE, with the results released late December 2020, and therefore will be displayed in the next January 2021 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	Schools – de-delegated	Early Years	High Needs	Central	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Reserves surplus / (deficit)							
1 April 2020 B'fwd	0	(18)	8	776	410	73	1,248
Issued to 2021 budget	0	0	0	(112)	0	0	(112)
19/20 Early years funding adj	0	0	0	151	0	0	151
2020/21 forecast Variance	0	224	2	(310)	1,783	0	1,750
Transferred in year	0	0	0	0	0	0	0
31 March 2021	0	206	10	506	2,193	73	2,988

12 Conclusion

- 12.1 Overall, it has to continue to be recognised that the 2021/22 funding announcements for both the Schools and High Needs block, are both a positive and welcome message for Dedicated School Grants funds and therefore the children and educational services provision those funds support.
- 12.2 And both the positive in year forecast and DSG reserve balance position does also continue to highlight current and effective management of DSG funds over recent years through both the Local Authority and Education Board. This continues to therefore further support long term and sustainable funding, of course a very welcome and positive position for Southend, Southend Schools, pupils and our educational community.

13 Appendices

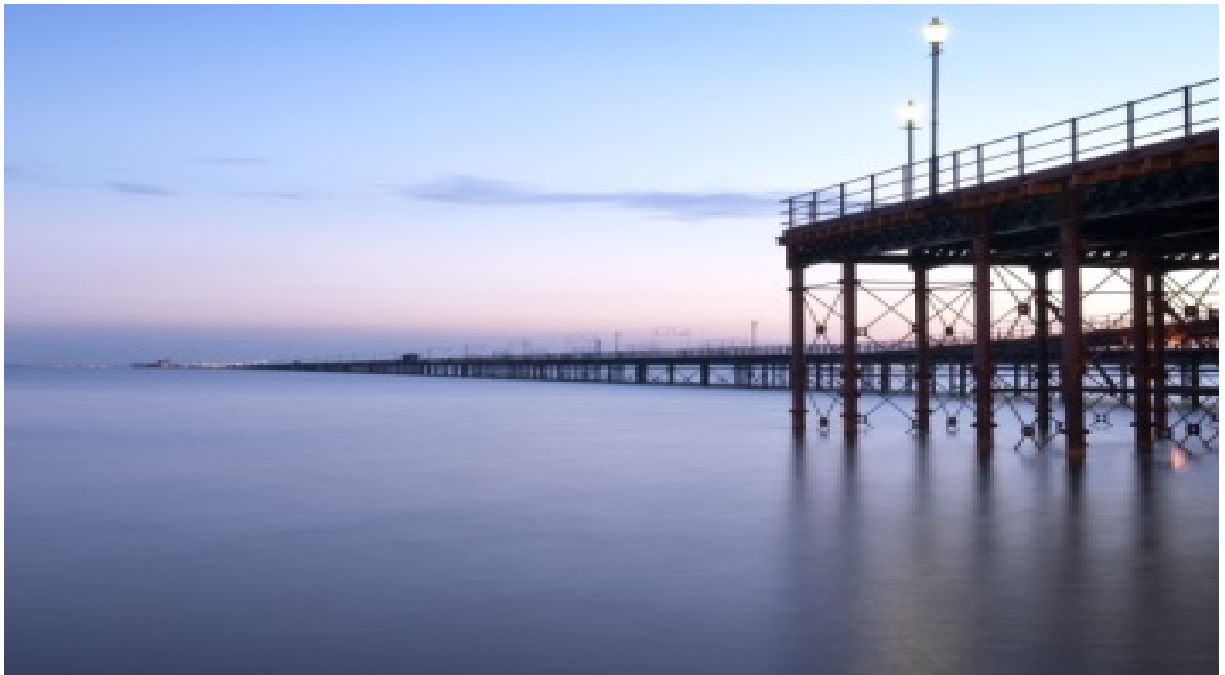
Appendix 1 - DSG Budget 2020/21 and 2021/22 and Outturn 2020/21

Appendix 2 - DSG Illustrative Individual School Budget per pupil led rate funding rate 2021/22

Appendix 3 - Early years funding rates 2020/21

Part 2:

Appendix 4 - Central Block historic commitments funding plan 2021/22 to 2023/24



Capital Investment Strategy

2021/22 – 2025/26

January 2021



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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, housing, regeneration or transformation 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, housing and regeneration 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 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 and in 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 Council 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 finite available resources and there is a limit on the number and value of schemes that are affordable and deliverable.

The average capital investment delivered over the last 12 years has been circa £60m. Therefore on average it has been assumed to be the deliverable level of programme each year. There will always be exceptions over and above this amount, for example where the Council is passporting grant or providing loans to partner organisations or purchasing

property for strategic and regeneration purposes. These must form part of the capital investment programme but they do not create an issue with deliverability.

In order to aim for a deliverable level of programme each financial year there will need to be prioritisation and re-sequencing of projects to ensure that resources are being directed into projects that will best 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;
- 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;
- Recovery priorities:
 - economic focus on a stronger and safer town;
 - green city and climate change;
 - travel and transport;
 - people and communities;
 - major projects;
 - how we learn and recover as an organisation;

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.

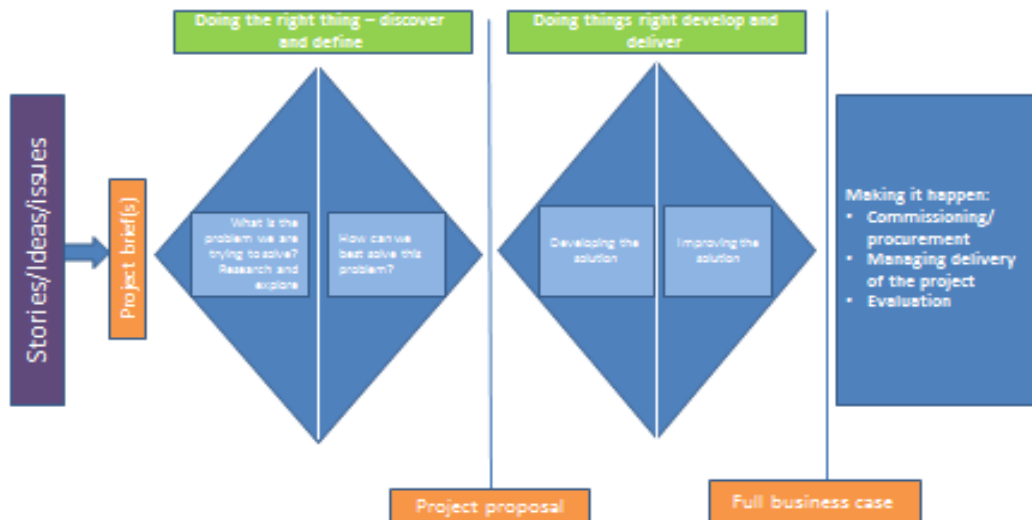
- Service areas prepare plans for the delivery and improvement of their services which align with or enable the 2050 outcomes;
- The Corporate Asset Management Strategy and the Education and Schools Asset Management Plans highlight deficiencies in the condition, suitability and sufficiency of the Council's 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

Within the Council we promote an agile approach to project management. As such we are happy that we apply different methodologies to make our projects work. Whatever approach we take all projects should follow a standard project development and approval process which embeds the principles of the Commissioning Framework.

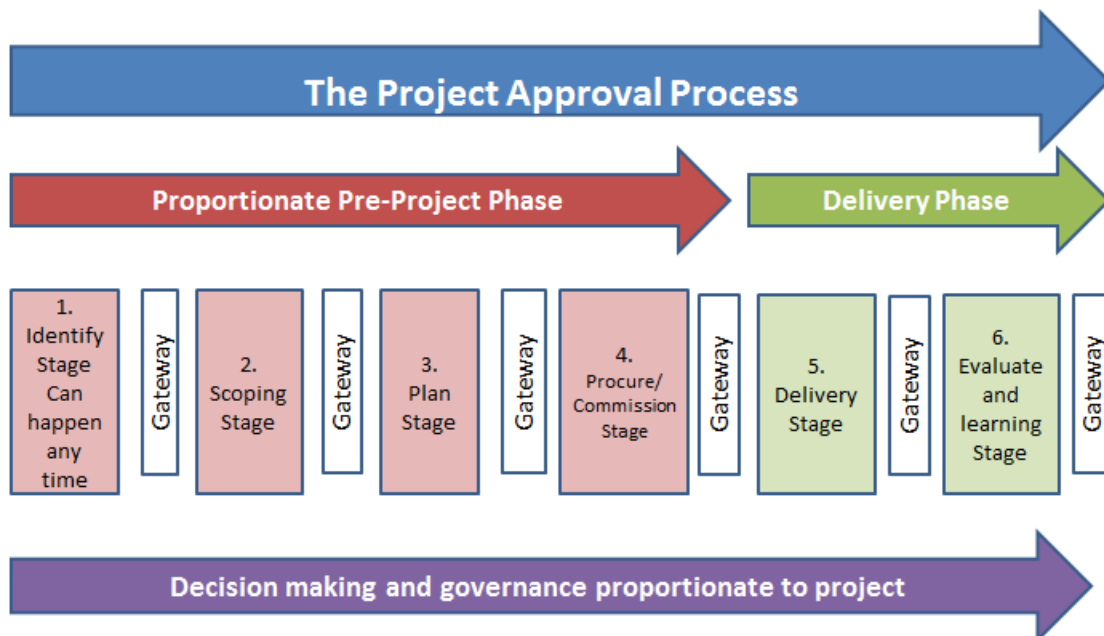
Our design and approval process is based on the Double Diamond design model developed by the British Design Council. The process is divided into four phases: Discover, Define, Develop and Deliver. The main feature of the Double Diamond is the emphasis on "divergent" and "convergent thinking", where first many ideas are created, before refining and narrowing down to the best idea. This is happening twice in this model—once to confirm the problem definition and once to create the solution.

Project development and 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.

The capital investment programme is split into the main approved programme and 'subject to' sections, for schemes that are subject to the completion of a process or event. This could be the agreement of a viable business case, the outcome of an application to a committee or board, agreement of external funding or property purchase due diligence and negotiations. This allows schemes to be brought into the programme at the appropriate time.

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 objectives 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 an 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 provide an optimum contribution to Southend 2050 priorities and service improvement;
- Projects are more likely to be delivered on time and within budget;

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 that have an element of financial return. 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 and the recovery priorities. 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 they 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 three 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 and will consider possibilities for disinvestment where appropriate. 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 are not aligned to the delivery of the Southend 2050 outcomes and can be removed from the programme;
- There are any opportunities for disinvestment;
- 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;
- Any projects in the main programme need to be moved to the 'subject to viable business case' section;
- 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 financing 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, additions where new external funding has been received or transfers between the main programme and the 'subject to' section. 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 2021

SOUTHEND-ON-SEA BOROUGH COUNCIL

CAPITAL INVESTMENT POLICY

1 Scope of this policy

- 1.1 This investment policy covers capital investments, including service spending, housing, regeneration projects 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 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, desired outcomes or the Council's recovery priorities.
- 3.2 Before capital investments can be entered into, they must be included as part of the approved capital investment programme, by either having a specific budget or via a pooled budget (e.g. strategic and regeneration acquisitions).
- 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 housing.

5 Regeneration and transformation projects

- 5.1 These will be investments entered into as part the Council's wider strategy, for example regeneration, transformation, economic recovery, development and growth. These may include investments arising as part of a 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 will not be the primary purpose of the investment.

- 5.3 Investment may include property purchases for strategic and regeneration purposes. These would not be primarily for yield but would be part of the wider strategic, regeneration, transformation or recovery aims of the Council. These types of investment take time to get underway so in the short term the resulting fixed assets may be held as investment properties on the Council's balance sheet to ensure compliance with the CIPFA Code of Practice on Local Authority Accounting.

- 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 Although not the primary purpose, where capital investment, property purchases and loans do 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 Chief Finance Officer, relevant officers of 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/or the Chief Finance Officer (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 strategic and regeneration property purchases an overall unspecified budget will be put forward for approval as part of the capital investment programme and individual acquisitions can then be acquired within that budget envelope. Decisions will need to be made, which will be commercially confidential and often made quickly and efficiently but only after undertaking the necessary due diligence of the appropriate extent and depth. Therefore, these decisions will need to be directed by the Chief Finance Officer who will follow the most appropriate governance route to expedite any acquisition and in line with the constitution and/or any necessary delegation. These decisions will be included as part of the next scheduled capital reporting to Cabinet and also part of any necessary reporting requirement to Cabinet (e.g. SO46, etc).

Type of investment	Primary purpose	Secondary purposes	Legal power to undertake investment
Service investments	Contribute to the delivery of Southend 2050 and the Council's ambition, strategic delivery plans, recovery plans and desired outcomes.	Provision of operational services, including housing	Notes 1 and 2
Regeneration and transformation		To support the Council's wider strategy, for example regeneration, transformation, economic recovery, development and growth.	Notes 1, 2 and 3
Strategic and Regeneration Acquisitions		As part of the Council's wider strategic, regeneration, transformation or recovery aims. To make a financial surplus.	Notes 1, 2 and 5
Loans		To support wider strategy whilst also generating an income stream.	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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ADDITIONAL CAPITAL INVESTMENT PROPOSALS**2021/22 to 2025/26****1. Summary of Proposed Additional Investment**





Theme	Proposed additional Investment (£)	Proposed additional investment subject to viable business cases (£)	Total (£)
Safe and Well	-	24,125,000	24,125,000
Connected and Smart	21,000,000	29,000,000	50,000,000
Total	21,000,000	53,125,000	74,125,000
<i>General Fund:</i>	<i>21,000,000</i>	<i>53,125,000</i>	<i>74,125,000</i>
<i>Housing Revenue Account (HRA)</i>	-	-	-

Proposed additional investment	<u>2021/22</u> <u>(£'000)</u>	<u>2022/23</u> <u>(£'000)</u>	<u>2023/24</u> <u>(£'000)</u>	<u>2024/25</u> <u>(£'000)</u>	<u>2025/26</u> <u>(£'000)</u>	<u>5 Year Total</u> <u>(£'000)</u>
Proposed investment each year	5,000	4,000	4,000	4,000	4,000	21,000
Financed by:						
Borrowing	5,000	4,000	4,000	4,000	4,000	21,000

Proposed additional investment subject to viable business cases	<u>2021/22</u> <u>(£'000)</u>	<u>2022/23</u> <u>(£'000)</u>	<u>2023/24</u> <u>(£'000)</u>	<u>2024/25</u> <u>(£'000)</u>	<u>2025/26</u> <u>(£'000)</u>	<u>5 Year Total</u> <u>(£'000)</u>
Proposed investment each year	5,000	6,000	6,000	6,000	6,000	29,000
Proposed investment – profile across years to be determined						24,125
Financed by:						
Borrowing	5,000	6,000	6,000	6,000	6,000	29,000
Better Queensway - borrowing where the financing costs will be reimbursed by Porters Place Southend-on Sea LLP						19,925
External funding						4,200
Total						53,125

ADDITIONAL CAPITAL INVESTMENT PROPOSALS
2021/22 to 2025/26







2. Proposed Additional Investment by Southend 2050 Theme

Theme		Total (£)	Proposed Initiatives
	C1 <i>Additional</i>	14,000,000 <i>Funded by: Corporate borrowing</i>	<p>Footways Improvements (21/22 - £4,000,000, 22/23 to 25/26 - £2,500,000 p.a.)</p> <p>Improving local pavements is a priority for local people and for this council. This investment is to create better conditions for walking and improve public safety by reducing instances of trips and falls. This is in addition to the combined budget of £3million already in the approved capital investment programme in 20/21 for carriageways and footways.</p> <p>The programme of works includes some of the highest priority pavements that need repair, across a range of wards and is part of more major investment across future years that will be needed to enable all the highest priority pavements to be brought up to standard across the borough.</p>
	<div style="border: 1px solid black; padding: 5px; width: fit-content;"> People have a wide range of transport options. </div>	Roadmap 2025: 	
	C2 <i>Additional</i>	7,000,000 <i>Funded by: Corporate borrowing</i>	<p>Carriageways Improvements (21/22 - £1,000,000, 22/23 to 25/26 - £1,500,000 p.a.)</p> <p>Improving local roads 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 combined budget of £3million already in the approved capital investment programme in 20/21 for carriageways and footways.</p> <p>The programme of works includes some of the highest priority roads that need repair, across a range of wards and is part of more major investment across future years that will be needed to enable all the highest priority roads to be brought up to standard across the borough.</p>
	<div style="border: 1px solid black; padding: 5px; width: fit-content;"> People have a wide range of transport options. </div>	Roadmap 2025: 	
Connected and Smart	Total	21,000,000	
		21,000,000	TOTAL CAPITAL INVESTMENT PROPOSALS







ADDITIONAL CAPITAL INVESTMENT PROPOSALS
2021/22 to 2025/26

3. Proposed Additional 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
	C3	19,000,000	<p>Footways Improvements (21/22 - £3,000,000, 22/23 to 25/26 - £4,000,000 p.a.)</p> <p>Improving local pavements is a priority for local people and for this council. This investment is to create better conditions for walking and improve public safety by reducing instances of trips and falls.</p> <p>Inclusion in the main programme is subject to approval of a viable business case.</p>
	<i>Additional</i>	<p><i>Funded by:</i> Corporate borrowing</p> <p>Roadmap 2025:</p> 	
	C4	10,000,000	<p>Carriageways Improvements (21/22 to 25/26 - £2,000,000 p.a.)</p> <p>Improving local roads 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.</p> <p>Inclusion in the main programme is subject to approval of a viable business case.</p>
	<i>Additional</i>	<p><i>Funded by:</i> Corporate borrowing</p> <p>Roadmap 2025:</p> 	
	C5	Roadmap 2021:	<p>Tree Planting</p> <p>As part of the current tree planting policy an additional 1,000 trees are being planted up to the 2021/22 planting season. 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.</p> <p>It is recognised that consideration needs to be given to extending this planting policy beyond 2021/22 and is subject to the approval of a viable business case.</p>
	<i>Additional</i>		
<p>We act as a Green City with examples of energy efficient and carbon neutral buildings, streets, transport and recycling</p>			

ADDITIONAL CAPITAL INVESTMENT PROPOSALS**2021/22 to 2025/26**

 <p>We are well on our way to ensuring that everyone has a home that meets their needs</p>	<p>C6 <i>Additional</i></p>	<p>19,925,000</p> <p>Roadmap 2021:</p> 	<p>Better Queensway – Housing and Commercial Property acquisitions (£19,925,000 – profile across years to be determined)</p> <p>This investment is for the acquisition of properties to facilitate delivery of the Better Queensway regeneration project. The purchases will be subject to negotiations and sufficient budget can be brought up into the main programme at the appropriate time.</p> <p>The purchases and any associated financing costs will be reimbursed by Porters Place Southend-on Sea LLP.</p>
 <p>We act as a Green City with examples of energy efficient and carbon neutral buildings, streets, transport and recycling</p>	<p>C7 <i>New</i></p>	<p>4,200,000</p> <p>Roadmap 2021:</p> 	<p>Better Queensway – Energy Centre (£4,200,000 – profile across years to be determined)</p> <p>The Council has been awarded £4,200,000 from the Government's Get Building Fund to power the Better Queensway project with a modern, efficient electric heating system.</p> <p>This funding is subject to planning permission and at the appropriate time it can be brought up into the main programme so that the monies can be passported to the Porters Place Southend-on-Sea LLP for them to match fund.</p>
	<p>C8 <i>Additional</i></p>		<p>Regeneration Pipeline Schemes</p> <p>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.</p> <p>It is recognised that consideration needs to be given to extending this pipeline beyond the current commitments in the capital investment programme and schemes are subject to the approval of a viable business case.</p>
 <p>Southend is a leading digital city with world class infrastructure that reflects equity of digital provision.</p>	<p>C9 <i>Additional</i></p>		<p>ICT Operational Requirements</p> <p>Capital investment of £3,000,000 is included in the 21/22 programme for ICT and includes a device refresh, application transformation, digital enablement, security and resilience and a project to stabilise the estate.</p> <p>It is recognised that consideration needs to be given to more operational investment 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.</p>
		<p>53,125,000</p>	<p>TOTAL SCHEMES SUBJECT TO VIABLE BUSINESS CASES (plus investment yet to be costed)</p>

Summary

	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Approved Capital Investment Programme - November 2020 Cabinet	62,275	66,766	46,356	17,010	21,978	0	214,385
Carry Forwards	(3,605)	(99)	3,500	0	(8,559)	8,763	0
Accelerated Deliveries	905	2,655	(1,641)	(1,819)	0	(100)	0
Additions to the Programme	1,694	121	0	0	0	0	1,815
Schemes Removed from Programme	(115)	(246)	0	0	0	0	(361)
Virements	0	0	0	0	0	0	0
New External Funding	2,570	109	0	0	0	0	2,679
Transfer from 'Subject to Viable Business Case'	10,900	500	500	0	0	0	11,900
Transfer to 'Subject to Viable Business Case'	0	(714)	(6,769)	(685)	0	0	(8,168)
Proposed Investment Programme - following amendments	74,624	69,092	41,946	14,506	13,419	8,663	222,250

Total budget for 2021/22 to 2025/26: 147,626

Carry Forwards to Future Years

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Improving Resilience of the Borough to Flooding from Extreme Weather Events	(125)	125					0
Chalkwell Hall Infants - New Classroom Demountables	(5)	5					0
Chalkwell Hall Infants Energy Project	(300)	300					0
Playground Gates	(20)	20					0
Relocation of Badger Sett	(50)	50					0
Real Time Air Quality Measurement - Feasibility	(56)	56					0
Electronic Vehicle Projects	(80)	80					0
Delaware and Priory New Build	(2,500)	2,500					0
Gas Works Car Park	(115)	115					0
Disabled Facilities Grant					(1,459)	1,459	0
Better Queensway - Loan to Joint Venture					(7,100)	7,100	0
Disabled Facilities Grant	(204)					204	0
Housing Construction Scheme - Phase 3		(1,500)	1,500				0
Housing Construction Scheme - Phase 4		(1,500)	1,500				0
Housing Construction Scheme - Modern Methods of Construction (MMC)		(500)	500				0
ICT - Digital Enablement	(150)	150					0
Total Carry Forwards	(3,605)	(99)	3,500	0	(8,559)	8,763	0

Accelerated Deliveries

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Better Queensway - Loan to Joint Venture	100					(100)	0
Southend Pier - Pier Head development Phase 1	25	(25)					0
Belton Way Highways Protection		990	(990)				0
Bridge Strengthening - Challenge Fund		417	(417)				0
Energy Efficiency Projects	80	(80)					0
Housing Construction Scheme - Land Assembly Fund (S106)	700		(234)	(466)			0
ICT - Application Transformation		1,353		(1,353)			0
Total Accelerated Deliveries	905	2,655	(1,641)	(1,819)	0	(100)	0

Schemes Removed from Programme

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Southend Pier - Pier Entrance Enhancement		(131)					(131)
Southend Pier - Pier Pavilion Platform Detailed Design (Gateway Review One)	(107)						(107)
Joint Theatres and Leisure Centres – Asbestos		(115)					(115)
Civic Centre CHP/Lifts Feasibility	(3)						(3)
Leigh Energy Appraisal	(3)						(3)
Priory Park Workshop Lighting	(2)						(2)
Total Schemes Removed from Programme	(115)	(246)	0	0	0	0	(361)

Virements

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Chalkwell Hall Infants replace relocatables (SBC 50%)		(109)					(109)
Chalkwell Hall Infants - New Classroom Demountables		409					409
Chalkwell Hall Infants Energy Project		(300)					(300)
Housing Construction Scheme - Land Assembly Fund (S106)	(700)						(700)
Next Steps Accommodation Programme	700						700
Cliffs Pavilion - Power Supply Equipment	25						25
Palace Theatre - Power Supply Equipment	(25)						(25)
Virements already actioned under delegated authority							
Priority Works	(100)						(100)
Civic Plant Room, Heating & Hot Water	20						20
Southchurch Car Park - Land Contamination Works	33						33
Sea Wall - Remedial Repairs	47						47
Total Virements	0	0	0	0	0	0	0

New External Funding

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Chalkwell Hall Infants replace relocatables (SBC 50%)		109					109
Next Steps Accommodation Programme	1,624						1,624
Emergency Active Travel Fund (Tranche 2)	742						742
Disabled Facilities Grant	204						204
Total New External Funding	2,570	109	0	0	0	0	2,679

Additions to the Programme

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Next Steps Accommodation Programme	1,574						1,574
ICT - Childrens and Adults Social Care - Implementation of ContrOCC modules	120	121					241
Total Additions to the Programme	1,694	121	0	0	0	0	1,815

Transfer from 'Subject to Viable Business Case' to main Capital Investment Programme

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Victoria Centre	10,900	500	500				11,900
Total Transfer from 'Subject to Viable Business Case' Section	10,900	500	500	0	0	0	11,900

Transfer to 'Subject to Viable Business Case' from main Capital Investment Programme

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Private Sector Housing Strategy		(250)	(250)	(285)			(785)
Cliffs Pavilion - External Refurbishment works		(214)					(214)
Coastal Defence (Shoebury Common Sea Defence Scheme)		(250)	(3,619)				(3,869)
ICT - Application Transformation				(400)			(400)
Airport Business Park			(2,900)				(2,900)
Total Transfer to 'Subject to Viable Business Cases'	0	(714)	(6,769)	(685)	0	0	(8,168)

**Proposed Capital Investment Programme 2020/21 to 2025/26 and future years -
Summary by Area of Investment**

Appendix 13

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
General Fund Housing	435	827	761	762	500	1,663	4,948
Social Care	5,819	6,735	-	-	-	-	12,554
Schools	5,082	1,953	900	300	262	-	8,497
Enterprise and Regeneration	14,491	9,681	6,900	1,500	1,500	7,000	41,072
Southend Pier	5,365	6,583	5,300	1,250	1,250	-	19,748
Culture and Tourism	2,216	582	-	-	-	-	2,798
Community Safety	410	2,199	66	-	-	-	2,675
Highways and Infrastructure	16,917	20,204	5,213	4,495	4,000	4,000	54,829
Works to Property	2,370	2,997	6,720	2,100	2,100	-	16,287
Energy Saving	333	713	769	336	-	-	2,151
ICT	5,247	3,012	-	-	-	-	8,259
S106/S38/CIL	152	372	35	35	166	-	760
TOTAL CAPITAL INVESTMENT PROGRAMME - GENERAL FUND	58,837	55,858	26,664	10,778	9,778	12,663	174,578

179 Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Council Housing Refurbishment	7,518	9,382	8,127	6,663	6,741	-	38,431
Council Housing Acquisitions and New Build Programme	8,269	8,852	11,155	1,065	900	-	30,241
TOTAL CAPITAL INVESTMENT PROGRAMME - HRA	15,787	18,234	19,282	7,728	7,641	0	68,672

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
TOTAL CAPITAL INVESTMENT PROGRAMME - GENERAL FUND AND HRA	74,624	74,092	45,946	18,506	17,419	12,663	243,250

Total budget for 2021/22 to 2025/26:

168,626

Proposed Capital Investment Programme 2020/21 to 2025/26 and future years - Summary by Strategic and Other Schemes

Appendix 13

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Strategic schemes							
Airport Business Park (including Local Growth Fund)	1,500	5,601	4,900	-	-	-	12,001
Airport Business Park - Acquisition	200	1,000	-	-	-	-	1,200
Better Queensway - Programme Management	641	830	-	-	-	-	1,471
Better Queensway - Loan to Joint Venture	1,250	1,500	1,500	1,500	1,500	7,000	14,250
Victoria Centre	10,900	500	500	-	-	-	11,900
Delaware and Priory New Build	4,699	6,700	-	-	-	-	11,399
School Improvement and Provision of School Places	3,689	600	-	-	-	-	4,289
Southend Pier schemes	5,365	6,583	5,300	1,250	1,250	-	19,748
Civic Campus - Efficient Use of Space	133	114	100	-	-	-	347
ICT schemes	5,247	3,012	-	-	-	-	8,259
Footways and Carriageways Schemes	3,353	5,587	4,588	4,200	4,000	4,000	25,728
Parking Schemes	1,531	465	200	100	-	-	2,296
Highways and Infrastructure - Local Growth Fund and Local Transport Plan Schemes	9,604	9,245	-	-	-	-	18,849
Total Strategic - General Fund	48,112	41,737	17,088	7,050	6,750	11,000	131,737
Other General Fund Schemes	10,725	14,121	9,576	3,728	3,028	1,663	42,841
TOTAL CAPITAL INVESTMENT PROGRAMME	58,837	55,858	26,664	10,778	9,778	12,663	174,578

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Strategic schemes							
HRA Decent Homes Programme	7,269	7,882	7,057	6,663	6,741	-	35,612
HRA Affordable Housing Acquisitions Programme	3,500	3,000	2,976	-	-	-	9,476
Next Steps Accommodation Programme	3,898	-	-	-	-	-	3,898
Construction of New Housing on HRA Land	499	5,679	7,296	165	-	-	13,639
Acquisition of tower block leaseholds - Queensway	200	-	883	900	900	-	2,883
Total Strategic - HRA	15,366	16,561	18,212	7,728	7,641	-	65,508
Other HRA Schemes	421	1,673	1,070	-	-	-	3,164
TOTAL CAPITAL INVESTMENT PROGRAMME - HRA	15,787	18,234	19,282	7,728	7,641	-	68,672

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
TOTAL CAPITAL INVESTMENT PROGRAMME - GENERAL FUND AND HRA	74,624	74,092	45,946	18,506	17,419	12,663	243,250

Total budget for 2021/22 to 2025/26:

168,626

Proposed Capital Investment Programme 2020/21 to 2025/26 and future years

Appendix 13

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
General Fund Housing							
Disabled Facilities Grant	300	500	500	500	500	1,663	3,963
Private Sector Housing Strategy - Empty Homes	-	262	261	262			785
12a Ceylon Road Refurbishment Works	35						35
Housing and Development Pipeline Feasibility - GF	100	65					165
Total General Fund Housing	435	827	761	762	500	1,663	4,948
Social Care							
Community Capacity	134						134
Children's Residential Care Provision	695						695
Liquid Logic Portals	65	3					68
AHDC Short Breaks for Disabled Children	64						64
Mental Health Funding Stream	-	32					32
Transforming Care Housing	162						162
Delaware and Priory New Build	4,699	6,700					11,399
Total Social Care	5,819	6,735	-	-	-	-	12,554
Schools							
Chalkwell Hall Infants - New Classroom Demountables	5	523					528
Chalkwell Hall Infants – G3 & G2 Flat Roof	20						20
Chalkwell Hall Juniors roofs	1						1
Eastwood Primary boiler	150						150
Eastwood Primary roof	25						25
Fairways Primary roof	14						14
Fairways Primary curtain walling	86						86
Fire condition projects	109	500	500				1,109
Milton Hall Fire Alarm replacement (H&S)	10						10
West Leigh Infant Boiler	10						10
Devolved Formula Capital	100	100	100				300
Expansion of 2 yr old Childcare Places	3						3
Prince Avenue Extended Nursery Provision	780						780
School Improvement and Provision of School Places	3,689	600					4,289
Special Provision Capital Fund	80	230	300	300	262		1,172
Total Schools	5,082	1,953	900	300	262	-	8,497
Enterprise and Regeneration							
Airport Business Park (including Local Growth Fund)	1,500	5,601	4,900				12,001
Airport Business Park - Acquisition	200	1,000					1,200
Better Queensway - Programme Management	641	830					1,471
Better Queensway - Loan to Joint Venture	1,250	1,500	1,500	1,500	1,500	7,000	14,250
Housing Infrastructure Feasibility	-	250					250
Victoria Centre	10,900	500	500				11,900
Total Enterprise and Regeneration	14,491	9,681	6,900	1,500	1,500	7,000	41,072
Southend Pier							
Southend Pier - Bearing Refurbishment (Phase One)	1,250	706					1,956
Southend Pier - Condition Works Engineers	121	1,250	1,250	1,250	1,250		5,121
Southend Pier - Condition Works Surveyors	704						704
Southend Pier - Pier Entrance Enhancement	1	-					1
Southend Pier - Pier Head development Phase 1	25	1,175					1,200
Southend Pier - Pier Pavilion Platform Detailed Design (Gateway Review One)	3						3
Southend Pier - Prince George Extension (Phase Two)	200	1,008	1,008				2,216
Southend Pier - Replacement of Pier Trains	2,500	308					2,808
Southend Pier - Timber Outer Pier Head	361	2,000	3,042				5,403
Pier Pavilion Bar Conversion	200	136					336
Total Southend Pier	5,365	6,583	5,300	1,250	1,250	-	19,748
Culture and Tourism							
Southend Cliffs - Replacement of Handrails	15						15
Wheeled Sports Facility Central Southend Area	29						29
Allotments Water Supply Upgrade	85	-					85
Chalkwell Park and Priory Park Tennis Courts	20	17					37
Parks Feasibility and Options Appraisals	24						24
Playground Gates	-	120					120

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Relocation of Badger Sett	-	50					50
Replacement and Upgrade of Parks Furniture	59						59
Shoebury Common Regeneration	50	185					235
Sidmouth Park - Replacement of Play Equipment	50						50
Southend Tree Policy Review - additional trees	90	57					147
Kiosks in Libraries	140						140
Branch Library Refurbishments	79	98					177
Cliffs Pavilion – Auditorium Air Handling Unit	94	21					115
Cliffs Pavilion – Boiler Flues	8						8
Cliffs Pavilion – Chiller	171						171
Cliffs Pavilion - Power Supply Equipment	236						236
Palace Theatre - Power Supply Equipment	35						35
Central Museum Works	197						197
Cart and Wagon Shed	824						824
Energy Improvements in Culture Property Assets	-	24					24
"Make Southend Sparkle" Initiative	3	10					13
Queen Victoria statue - security fence	1						1
Resorts Services Signage	6						6
Total Culture and Tourism	2,216	582	-	-	-	-	2,798
Community Safety							
CCTV Equipment Renewal	400	1,789	66				2,255
Security Measures	10	410					420
Total Community Safety	410	2,199	66	-	-	-	2,675
Highways and Infrastructure							
<u>Cliff Stabilisation schemes:</u>							
- Cliff Slip Investigation Works	51						51
<u>Flood Prevention and Resilience schemes:</u>							
- Coastal Defence (Shoebury Common Sea Defence Scheme)	117	-	-				117
- Improving Resilience of the Borough to Flooding from Extreme Weather Events	75	125					200
- Flood Prevention Works	7	-	-				7
- Sea Wall - Remedial Repairs	47						47
<u>Footways and Carriageways schemes:</u>							
- Footways and Carriageways Improvements	2,963	-					2,963
- Footways Improvements		4,000	2,500	2,500	2,500	2,500	14,000
- Carriageways Improvements		1,000	1,500	1,500	1,500	1,500	7,000
- Highways Maintenance - Potholes	65						65
- Junction Protection	75	287	288				650
- Zebra Crossing Surfacing Replacement	100	150	150	200			600
- Improve Footway Condition Around Highway Trees	150	150	150				450
<u>Highways Infrastructure schemes:</u>							
- Street Lighting Infills	131	125	125				381
- Belton Way Highways Protection	250	2,990	-				3,240
- Bridge Strengthening - Challenge Fund	150	817	-				967
- Town Centre Redevelopment Improvements - Highways (NPIF)	50						50
- Emergency Active Travel Fund	1,032						1,032
- Traffic Signs Upgrade	80	215	100	100			495
- Vehicle Restraint Replacement	220	175					395
<u>Parking schemes:</u>							
- Car Park Improvements	105	100	100	100			405
- Car Park Resurfacing	150	250	100				500
- Improved Car Park Signage and Guidance Systems	213						213
- Gas Works Car Park	400	115					515
- Parking Signage Replacement	180						180
- Southchurch Car Park	450						450
- Southchurch Car Park - Land Contamination Works	33						33
<u>Local Transport Plan schemes:</u>							
- LTP (Integrated Transport block) - Bridge Strengthening	572						572
- LTP (Integrated Transport block) - Better Sustainable Transport	749						749
- LTP (Integrated Transport block) - Better Networks	616						616
- LTP (Integrated Transport block) - Traffic Management Schemes	400						400
- LTP (Integrated Transport block) - Traffic Control Systems	387						387

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
- LTP - Maintenance	904						904
- LTP - Maintenance - Street Lighting	204						204
<u>Local Growth Fund schemes:</u>							
- A127 Growth Corridor (Bell Junction and A127 Essential Maintenance Works)	3,272	6,929					10,201
- Extension of London Road Public Realm Improvement to Victoria Circus	2,000	1,316					3,316
- Local Growth Fund - Southend Town Centre Interventions	500	1,000					1,500
<u>Other Transport schemes:</u>							
- HCA Progress Road	15						15
- Southend Transport Model	204	460	200	95			959
Total Highways and Infrastructure	16,917	20,204	5,213	4,495	4,000	4,000	54,829
Works to Property							
62 Avenue Road - demolition	5	39					44
5 Brunel Road - Hoarding	6						6
569 Prince Avenue	15						15
Roof Repairs to Old Beecroft Art Gallery	4						4
Aviation Way Car Park	-	400					400
Belfairs Park Restaurant/Golf Club Preventative Works	54						54
Civic Campus - Efficient Use of Space	133	114	100				347
Clearance and Fencing - Land off Sutton Road	2						2
Futures Demolition	398	50					448
Garons Under Floor Heating	32						32
SACC Access Control System	14						14
Seaways - HCA Condition Funding	-	170					170
SMAC Eastern Esplanade Slipway	-	27					27
Westbarrow Car Park Protection	13						13
Cemetery - Ride on Mower	30						30
Cemetery and Crematorium Road and Path Resurfacing	14						14
Crematorium - Urgent Structural Repairs to Chimney	15						15
Crematorium Refurbishment			2,700				2,700
Cremator Relining	74						74
Essential Crematorium/Cemetery Equipment	1						1
Pergola Walk Memorial Scheme	7						7
Civic Centre Boilers	28	100	1,121				1,249
Public Toilet Provision	-	-	699				699
Fire Improvement Works	532	750	750	750	750		3,532
Property Refurbishment Programme	738	750	750	750	750		3,738
Prittlewell Chapel external lighting	20						20
Civic Plant Room, Hot Water & Heating	20						20
Priority Works	215	597	600	600	600		2,612
Total Works to Property	2,370	2,997	6,720	2,100	2,100	-	16,287
Energy Saving							
Energy Efficiency Projects	180	177	369				726
Priory Park Workshop Lighting	5						5
Real Time Air Quality Measurement - Feasibility	2	56					58
Solar PV Projects	-	200	400	336			936
Schools and Council Buildings Solar PV	146	200					346
Electronic Vehicle Projects	-	80					80
Total Energy Saving	333	713	769	336	-	-	2,151

Proposed Capital Investment Programme 2020/21 to 2025/26 and future years

Appendix 13

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
ICT							
Data Centre	123						123
Employee Engagement Portal (Intranet)	20						20
HR Recruitment Contract Implementation	48						48
N3 Connectivity in Civic Building	-	39					39
ICT - Technology Device Refresh	2,147	150	-				2,297
ICT - Application Transformation	622	1,728	-	-			2,350
ICT - Digital Enablement	160	361	-				521
ICT - Security & Resiliency	203	190	-				393
ICT - Stabilise the Estate	1,588	423	-				2,011
ICT - Core Application and Database Migration	19						19
ICT - Childrens and Adults Social Care - Development of the Liquid Logic Case Management System	82						82
ICT - Childrens and Adults Social Care - Implementation of ContrOCC modules	120	121					241
ICT – Cyber Security/Public Services Network	2						2
Photon (Internet upgrade)	20						20
Replacement and Enhancement to Cash Receipting System	31						31
Software Licencing	62						62
Total ICT	5,247	3,012	-	-	-	-	8,259
S106/S38/CIL							
S106 3-5 High Street 1501496AMDT - affordable housing	-	24					24
S106 23/04/2015 Hinguar and Saxon - public art contribution	13						13
S106 Ajax Works 0300130ful - landscaping maintenance	1	1	1	1	2		6
S106 Avenue Works 1401968AMDT - Public Art	-	15					15
S106 Bellway Homes contribution from Hall Road Development	63						63
S106 Former Balmoral 1400914FULM – public art contribution	-	1					1
S106 Former College 1000225FUL - Tree Replacement	11						11
S106 Garrison 0000777 Depost - 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	4	4	4	4	62		78
S106 North Shoebury Road 0301504out - Shoebury Park Enhancement	-	25					25
S106 North Shoebury Road 0301504out - Shoebury Park Maintenance	30	30	30	30	102		222
S106 Sunlight Ldry 1400411FULM - Public Art	-						-
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	3						3
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 Seec 0200500ful - Highway Works	-	104					104
S106 Univ H-Way0401561ful	1	2					3
S38/S278 Airport 0901960 Fulm	-	26					26
S38 Bellway Homes 14/00943/fulm	-	49					49
S78 Bellway Homes 14/00943/fulm	-	8					8
S38 Fossetts Farm Bridleway	-	1					1
CIL Ward NA – Milton – Milton Park improvements	-	2					2
CIL Ward NA – Milton – Park Street replacement bollards	-	1					1
CIL Ward NA – Eastwood Park – Tree planting	1						1
CIL Ward NA – Southchurch – Southchurch Speedwatch	1						1
CIL Ward NA – Thorpe – Street furniture improvement	8						8
CIL Ward NA - Victoria - Community Mini Bus	8						8
CIL Ward NA – Westborough – Signposting	1						1
Total S106/S38/CIL	152	372	35	35	166	-	760
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND	58,837	55,858	26,664	10,778	9,778	12,663	174,578

Total General Fund budget for 2021/22 to 2025/26:

115,741

Proposed Capital Investment Programme 2020/21 to 2025/26 and future years

Appendix 13

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Council Housing Refurbishment							
Bathroom Refurbishment	95	97	102	96	105		495
Central Heating	1,603	218	201	109	93		2,224
Common Areas Improvement	2,514	1,508	1,337	1,478	1,566		8,403
Environmental - H&S works	813	1,488	1,274	1,076	772		5,423
Kitchen Refurbishments	270	977	971	616	972		3,806
Rewiring	108	326	273	380	404		1,491
Roofs	702	1,066	961	1,074	1,040		4,843
Windows and Doors	754	1,042	1,168	1,064	1,013		5,041
Sprinkler System Installation Pilot	10	390					400
HRA Disabled Adaptations - Major Adaptations	400	770	770	770	776		3,486
Sheltered Housing DDA works	-		345				345
Balmoral Estate Improvement and Structural Works	100	1,500	725				2,325
Energy Efficiency Measures	149						149
Total Council Housing Refurbishment	7,518	9,382	8,127	6,663	6,741	-	38,431
Council Housing Acquisitions and New Build Programme							
Housing Construction Scheme - Phase 2	40						40
Housing Construction Scheme - Phase 3	93	2,276	2,448	73			4,890
Housing Construction Scheme - Phase 4	121	1,940	4,034	92			6,187
Housing Construction Scheme - Modern Methods of Construction (MMC)	200	995	582				1,777
Housing Construction Scheme - Phase 5/6 feasibility (S106)	45						45
Housing Construction Scheme - Land Assembly Fund (S106)	-	468	232	-			700
HRA Affordable Housing Acquisitions Programme	3,500	3,000	2,976				9,476
Next Steps Accommodation Programme	3,898						3,898
Housing and Development Pipeline Feasibility - HRA	172	173					345
Acquisition of tower block leaseholds - Queensway	200	-	883	900	900		2,883
Total Council Housing Acquisitions and New Build Programme	8,269	8,852	11,155	1,065	900	-	30,241
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - HRA	15,787	18,234	19,282	7,728	7,641	-	68,672

Total HRA budget for 2021/22 to 2025/26: **52,885**

Scheme	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND AND HRA	74,624	74,092	45,946	18,506	17,419	12,663	243,250

Total budget for 2021/22 to 2025/26: **168,626**

Proposed Capital Investment Programme 2020/21 to 2025/26 and future years - Schemes subject to viable business cases or grant re-profiling

General Fund Schemes Subject to Viable Business Cases	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Footways Improvements	3,000	4,000	4,000	4,000	4,000	19,000
Carriageways Improvements	2,000	2,000	2,000	2,000	2,000	10,000
Tree Planting						-
Better Queensway - Additional Affordable Housing						10,000
Better Queensway Housing and Commerical Property acquisitions						19,925
Better Queensway Energy Centre						4,200
Regeneration Pipeline Schemes						-
Strategic and Regeneration Acquisitions						10,380
Private Sector Housing Strategy						785
ICT - Operational requirements	Will be profiled across the years as and when viable business cases are agreed					-
Coastal Defence (Shoebury Common Sea Defence Scheme)						3,870
Shoebury Health Centre						-
East Beach Masterplan						-
Town Centre and Seafront Security Works						-
Civic Centre Campus Masterplan						-
Cliffs Pavilion - External Refurbishment Works						-
Airport Business Park						2,900
TOTAL SCHEMES SUBJECT TO VIABLE BUSINESS CASES (plus investment yet to be costed):						81,060

Schemes Subject to Grant Re-profiling	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Housing Infrastructure Funding (profile subject to change)	-	7,500	7,500			15,000
TOTAL SCHEMES SUBJECT TO GRANT RE-PROFILING	-	7,500	7,500	-	-	15,000

SOUTHEND-ON-SEA BOROUGH COUNCIL
MINIUMUM REVENUE PROVISION POLICY 2021/22

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 2021/22 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 2021/2022

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

- 1.3 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.
- 1.4 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.
- 1.5 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.
- 1.6 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

1.7 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 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
General Fund	55,858	26,664	10,778	9,778	12,663
Housing Revenue Account	18,234	19,282	7,728	7,641	0
Total	74,092	45,946	18,506	17,419	12,663

1.8 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).

The estimates for the capital financing requirement are:

	Estimate 31st March 2022 £000	Estimate 31st March 2023 £000	Estimate 31st March 2024 £000	Estimate 31st March 2025 £000	Estimate 31st March 2026 £000
General Fund	303,010	315,661	327,562	338,612	348,844
Housing Revenue Account	99,017	99,917	100,816	101,717	102,616
Better Queensway senior lender (indicative)	0	0	0	0	50,000
Total	402,027	415,578	428,378	440,329	501,460

The Council is only allowed to borrow long term to support its capital investment programme. It is not allowed to borrow long term to support its revenue budget.

1.9 Operational Boundary and Authorised Limit 2021/22 to 2025/26

3.1.2 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 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
Borrowing	371,200	381,400	391,600	396,700	406,900
Liabilities outstanding under credit arrangements	3,800	3,600	3,400	3,300	3,100
Better Queensway – senior lender (indicative)	0	0	0	0	50,000
Total	375,000	385,000	395,000	400,000	460,000

Authorised Limit	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
Borrowing	381,200	391,400	401,600	406,700	416,900
Liabilities outstanding under credit arrangements	3,800	3,600	3,400	3,300	3,100
Better Queensway – senior lender (indicative)	0	0	0	0	50,000
Total	385,000	395,000	405,000	410,000	470,000

1.10 *Gross Debt and the Capital Financing Requirement*

3.1.3 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:

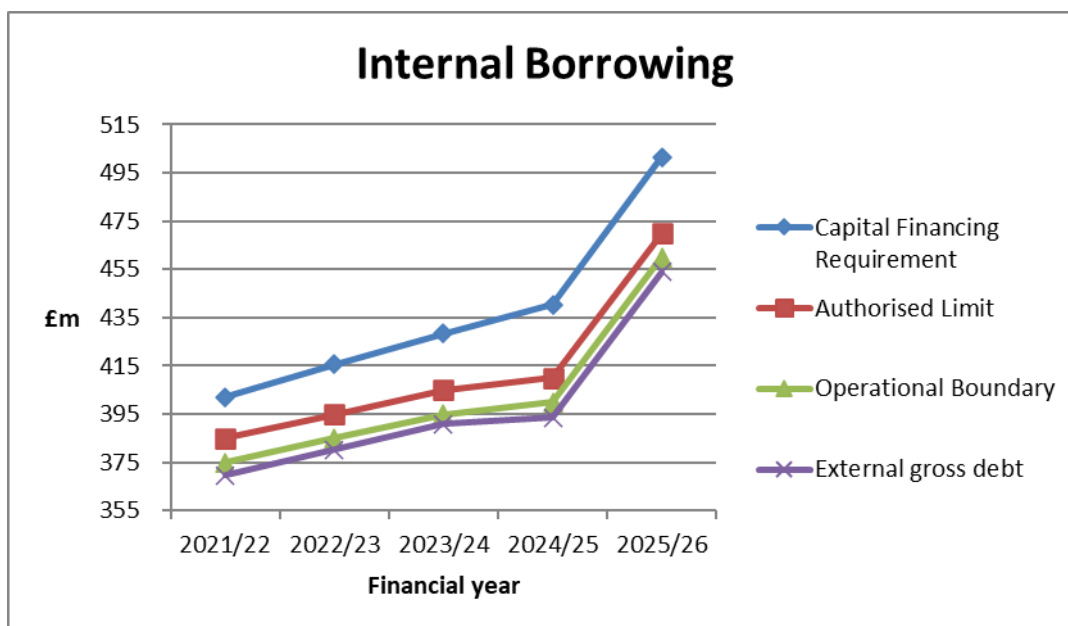
	Estimate 31st March 2022 £000	Estimate 31st March 2023 £000	Estimate 31st March 2024 £000	Estimate 31st March 2025 £000	Estimate 31st March 2026 £000
External gross debt	369,521	380,154	390,765	393,458	454,020

3.1.4 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 £428.378m at 31 March 2022, £440.329m at 31 March 2023 and £501.460m at 31 March 2024.

4 Prudential Indicators for Affordability

1.11 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.

1.12 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 2021/22 %	Estimate 2022/23 %	Estimate 2023/24 %	Estimate 2024/25 %	Estimate 2025/26 %
General Fund	13.57	12.92	13.27	13.71	14.01
Housing Revenue Account	29.14	28.60	28.87	29.05	27.96

5 Prudential Indicators for Treasury Management

1.13 Maturity Structure of Borrowing during 2021/22

5.1.1 The table below shows the limits within which the Council delegates its length of borrowing decisions to the Executive Director (Finance and Resources)/Section 151 Officer in 2020/21.

	Upper limit %	Lower limit %	Estimated outstanding debt maturity at 31st March 2022 %
Under 12 months	20	0	0
12 months and within 24 months	30	0	0
24 months and within 5 years	40	0	3
5 years and within 10 years	60	5	23
10 years and within 20 years	100	15	30
20 years and within 30 years	100	0	4
30 years and above	80	20	40

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.

1.14 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 2021/22 £m	Estimate 2022/23 %	Estimate 2023/24 %	Estimate 2024/25 £m	Estimate 2025/26 £m
Limits on the total principal sum invested to final maturities beyond the period end	25	25	25	25	25

Appendix 16: Summary Equality Analysis supporting budget proposals - 2021-22 to 2025/26

Outlined below is a summary equality analysis which supports budget proposals for 2021/22 and beyond which may have an equality impact for groups with 'protected characteristics'. Findings highlight where a more detailed equality impact analysis (EIA) will be undertaken to accompany development, consideration, and implementation, of proposals. Any service restructures that impact on staff are required to be the subject of an EIA. Proposals should be cross referenced for more information, including levels of saving/investment and indicative timescales.

Theme ref.	1. Revenue proposals – 2021/22	Equality analysis
SW01	Review of Supported Accommodation & Supporting People contracts, to ensure they are targeted, effective and best meet the needs of adults. Developing a better and more agile housing offer to provide clear targeted pathways of support for people living with mental health and learning disabilities.	Full EIA/s required on any changes to service provision that result from the review to assess impact on service users and potential service users - who are vulnerable and span multiple protected characteristics, particularly the elderly, those with physical and learning disabilities, those with mental health issues and the economically deprived or destitute.
SW03	Review and facilitate a reduction in care home placements by gradually increasing support for independent healthy living at home.	Proposals not planned to come into effect until 2024/25 and are intended to provide greater independence and choice for client groups of the mainly elderly, women, those with disabilities and vulnerable clients. Full EIA required as proposals are developed.
SW04	Targeted reviews of low cost home care packages. Ensuring that packages are commensurate with meeting need and, where appropriate, enabling people to become more independent.	Review of low cost home care packages will require a full EIA given potential changes to service provision to provide more appropriate support to vulnerable client group of older people, many with disabilities and a majority who are female.
SW05	Review local and regional learning disability pathways to enable people to move from supported living towards greater independence.	Review of pathway of support for people with learning disabilities to enable greater independence will require a full EIA to assess impact on client group, which can range in age and have higher risk of mental health issues and degenerative conditions.
SW06	A review of the section 75 agreement with Essex	Staffing and potential service impact EIA required for a service

	Partnership University Trust in order to develop a more targeted and efficient offer for people with statutory adult social care needs	providing for a vulnerable client group – where for example men, the economically disadvantaged, mothers, those who are BAME, LGBT and those with learning and other disabilities are at higher risk of having mental health issues and may require support.
SW07	Comprehensive review of the Adult Social Care contributions policy including the rates used to assess contributions, partial disregards on disability benefits and best practice approach to personal allowances.	EIA required to assess potential impact on client groups with multiple needs, where impact may be felt by those with income/savings above Government specified thresholds. Consultation will need to be undertaken with service users, families, providers, advocacy services and voluntary sector.
SW08	Introduce a new strengths based refresh to social care in 2021/22. Based on experience in other areas improvements, better outcomes and cashable savings should start to accrue by 2023/24.	Refresh of promoting a more enabling approach, with the emphasis on prevention and maximising independence, for those in need of social care, including older people, those with long term conditions and those with a learning or sensory disability.
	Investment - Service demand: Adults SW-A: Inflationary Increase for Adult Service Providers-£1.5m SW-B: Older People demographic: £0.48m SW-C: Essential Living Fund (ELF): £0.233m SW-D: Children to Adults Transition (Learning Disability): £0.35m	Additional funding will support the growing demographic pressures from a growing older population, the growing demand for learning disability services and provide more certainty in the ongoing provision of ELF support to those economically disadvantaged or destitute, who are experiencing exceptional pressures.
	Investment - Service demand: Children's SW-E: Leaving Care Support 16+: £0.5m SW-F: Looked After Children: £0.59m SW-H: CAMHS (Child & Adolescent Mental Health Service): £0.21m	Additional funding will support the growing demand for supporting Looked After Children in the care of the Council, including those due to leave care as well as the growing demand for mental health services for children.
	Investment - Service improvement SW-G: In house foster care team: £0.15m SW-I: Special Guardianship Order (SGO) kinship carers: £0.05m SW-J: School uniform grant: £0.025m	Investment will help drive recruitment of in-house foster carers, who can often provide a better experience, for looked after children than independent foster care agencies, through better local knowledge, and greater likelihood of children remaining closer to their communities and same school. Proposals will also provide financial support for kinship carers and provide uniform grants, supporting vulnerable children, many of whom may be financially disadvantaged.

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AI01	General efficiency and productivity review of the Libraries & Galleries operations.	Full EIA and consultation required if any significant changes to service result – to assess any potential impact on service users, particularly those with difficulties in accessing transport who are more likely to be elderly, those with young families, those with disabilities and the economically disadvantaged.
AI04	Negotiated planned increase in season ticket fees, following consultation with Bowls Clubs, to reduce the level of subsidy for this discretionary service.	Will impact on service users, who are predominantly older and male.
OP1	Introduce charging for Senior or Specialist Officer Attendance at Planning Pre-Application Advice	Impact expected to be minimal, with all service users expected to continue to receive a very good service. However, equality implications should be assessed to determine the potential impact of a differential service.
OP2	Introduce a new fee for offering a Fast Track or Premium Services for certain Planning Applications	Impact expected to be minimal, with all service users expected to continue to receive a very good service. However, equality implications should be assessed to determine the potential impact of a differential service.
CS02	ICT: Smart programme - a range of technology enabled initiatives to improve efficiency, productivity and the de-commissioning of obsolete products.	More use of technology will enable greater self-service and tailored services. However, impact will need to be assessed on those who find use of on-line access more difficult, notably the elderly and those with physical and learning disabilities. Alternative access and support to services for those unable to use on-line systems will need to be assessed and provided.
CS03	Comprehensive review of car parking fees and charges	Impact of changes to general parking charges will be felt by vehicle users from all equality groups, with potential differential impact on the less well off.
Investment CS-A: Highways Service Redesign: £0.725m		Facilitating increased enforcement, engineering expert capacity, climate change and sustainability ambitions will benefit the whole community, but particularly those more vulnerable to poor highways and climate change, including the elderly, those with disabilities, the less well-off and households with young children.

ES03	Creation of a Corporate Debt Collection Team - Phase 1 consolidation of staffing resources - Phase 2 improved collection rates across all debt streams, reduction in bad debts and write-offs	EIA required for staffing and any client impact, taking into consideration the vulnerability of those in debt, many of whom are socially and economically vulnerable, including those with dependent children and 16-24 year olds who have disproportionately higher levels of debt.
ES04	Rent Deposit Loans Scheme, review potential to move to a more targeted Grant Scheme - phase 1 review policy and eligibility criteria, move to grants and target support more effectively.	EIA required for any staffing restructure and review of impact of the eligibility criteria for a financially stretched client group with a younger (though aging) profile, those with children and higher numbers of those in part time or insecure employment.
ES06	Review all Discounts & Exemptions on Council Tax & Non Domestic Rates - phase 1 recruit 2 officers £80K (invest to save). Target reduction in number and value of eligible exemptions and discounts.	Assessment of equality implications may be required to determine potential impact of measures on claimants, including those on low income.
ES08	Better use of Email for communication. Improved efficiency and productivity by reducing reliance on hybrid mail.	The elderly and those with learning disabilities are disproportionately at risk of digital exclusion when compared to other age groups, which should be considered.
ES12	Explore the creation of expanding the enforcement remit of our internal Corporate Collections & Enforcement Team. This type of initiative has been successfully implemented in other Authorities.	EIA required to assess impact, positive and negative, on different groups, including those who are economically disadvantaged and/or vulnerable.
ES14	Extra income received for eligible services delivered to the Housing Revenue Account.	Impact to be assessed of any potential appropriate charging of certain services (eg ICT) as part of development of proposals.
Investment ES-C: Benefits Payments: £0.550m		Will support anticipated increase in eligible claimants resulting from the economic downturn, including those who are most economically disadvantaged and those subject to sudden changes in income and expenditure.

Theme ref.	2. Future Budget and Transformation Proposals (BTP)	Equality analysis
BTP-PJ01	Review of the Grounds Maintenance service	A full EIA will be required to accompanying any tendering process.

BTP – PJ02	Review the hours of operation and attendance profile at all Household Waste Recycling Centres.	A change of hours could limit the ability of some in using the service, with possible increased risk of more fly tipping which tends to impact on more deprived areas. A full EIA will be required.
BTP- PJ03	Comprehensive review of public toilet provision across the Borough, including new capital investment intentions, current condition surveys, usage levels, environment and social behaviour considerations and explore the potential for targeted charging for some services/facilities.	Users of public toilets tend to be disproportionately the elderly, those with young children, expectant mothers and those with disabilities who would most likely be impacted by any changes, either negatively from loss of provision or positively from enhanced provision. Full EIA required for any resulting change to service provision.
BTP- SW01	Review of all enforcement operations and arrangements.	Full EIA will be required in relation to staffing and, depending on the scale of the review, potentially the impact on residents. Community safety services affect all residents/visitors/businesses, but have a particular impact on those most vulnerable to crime and the fear of crime, including young adults, the elderly, those with disabilities and those in BAME groups, who are often more concentrated in particular parts of the borough.
BTP- SW03	Review of both the equipment and aids & adaptation services to explore if a more joined up, efficient and effective approach can be designed to deliver better outcomes and value for money.	Full EIA will be required to assess any impact both on staffing and services, particularly relating to a client group with disabilities and one that is generally elderly and predominately female.
BTP- CS01	Comprehensive review of the current arrangements for using assistive technology, telecare and other mainstream computerised devices.	Greater use of technology will enable people to access relevant information, advice and guidance and support assessment more themselves. Impact will need to be assessed on those who find use of on-line access more difficult, notably the elderly and those with physical and learning disabilities. Alternative access and support to services will need to be provided for those unable to use on-line systems.
BTP- ES01	Review of the Revenues and Benefits self-service platform for residents, together with a diagnostic of the workflow and relationship arrangements with the Corporate	Greater use of technology will enable people to access relevant information, advice and guidance and support assessment themselves. Impact will need to be assessed on those who find

	Customer Contact Centre.	use of on-line/self-serve access more difficult, notably the elderly and those with physical and learning disabilities. Alternative access and support to services will need to be provided for those unable to use on-line systems.
BTP-ES03	Develop a phased programme of comprehensive reviews of all staffing structures and delivery arrangements across all Council operations.	All staffing restructures will require an EIA.

Ref no.	3. Capital proposals	Equality Analysis
Main programme:		
C1	Footways Improvements (21/22 - £4,000,000, 22/23 to 25/26 - £2,500,000 pa)	Improved footways will result in better conditions for walking, helping younger people, the elderly and those without vehicles in particular and resulting in less trips and falls, which are disproportionately experienced by the elderly and those with disabilities. EIA required to assess full impact.
C2	Carriageways Improvements (21/22 - £1,000,000, 22/23 to 25/26 - £1,500,000 pa)	Will help enhance safety for all road users, aiding, in particular, people with a disability, children and parents with younger children and those who are disproportionately affected by damage to vehicles from poor quality roads. EIA required to assess full impact.
Schemes subject to viable business cases:		
C3	Footways improvements (21/22 - £3,000,000, 22/23 to 25/26 - £4,000,000 pa)	As for C2
C4	Carriageway improvements (21/22 to 25/26 - £2,000,000 pa)	As for C1
C5	Tree Planting	A greener environment can play an important part in enhancing mental health and mitigating the impact of air pollution and heating which disproportionately affects older people, those with chronic lung or heart conditions and those living in more deprived areas. The sensory needs of those with disabilities should be taken into

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		consideration as part of implementation.
C6	Better Queensway – Housing and Commercial Property acquisitions <i>(£19,925,000 – profile across years to be determined)</i>	Supports 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 current 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.
C7	Better Queensway – Energy Centre <i>(£4,200,000 – profile across years to be determined)</i>	Will support more efficient heating provision, which can also assist in mitigating the impact of energy costs that disproportionately impact those on low income, people with children under 16, people with disabilities or suffering from a long-term illness and the elderly.
C8	Regeneration Pipeline Schemes	Will support greater provision of more affordable housing, assisting those on lower income or vulnerable and the regeneration of the borough, providing more employment opportunities for local people, including through apprenticeships.
C9	ICT Operational Requirements	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.

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