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SOUTHEND-ON-SEA BOROUGH COUNCIL

Policy and Resources Scrutiny Committee

Date: Thursday, 10th February, 2022

Time: 6.30 pm

Place: Council Chamber - Civic Suite

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 1 December 2021 (Pages 1 - 6)

**** **ITEMS CALLED-IN/REFERRED DIRECT BY CABINET - 13 JANUARY 2022**

- 5 **Resourcing Better Outcomes - Financial Performance Report for November (Period 8)** (Pages 7 - 60)

Minute 602 (Cabinet Agenda Item No. 6 refers)
Called-in by Councillors Cox and Davidson

- 6 **Draft Housing Revenue Account (HRA) Budget and Rent Setting Report 2022/23** (Pages 61 - 84)

Minute No. 604 (Cabinet Agenda Item No. 8 (Report Books 1a and 1b, circulated separately) refer)
Referred direct by Cabinet

- 7 **Draft Prioritising Resources to Deliver Better Outcomes – 2022/23 to 2026/27** (Pages 85 - 282)

Minute No. 605 (Cabinet Agenda Item No. 9 (Report Books 1a and 1b, circulated separately) refer)
Referred direct to all three Scrutiny Committees

**** **ITEMS CALLED-IN FROM THE FORWARD PLAN**

None

**** **ITEMS FOR PRE-CABINET SCRUTINY**

None

**** **OTHER SCRUTINY MATTERS**

8 Joint In-Depth Scrutiny Project 2021/22

To receive an update on the progress of the joint in-depth scrutiny project for 2021/22.

TO: The Chair & Members of the Policy and Resources Scrutiny Committee:

Councillor D Garston (Chair), Councillor S Habermel (Vice-Chair)
Councillors S Buckley, D Cowan, T Cox, P Collins, T Cowdrey, M Davidson,
M Dent, S George, M Kelly, D McGlone, J Moyies, D Nelson, I Shead,
A Thompson, S Wakefield and P Wexham

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SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Policy and Resources Scrutiny Committee

Date: Wednesday, 1st December, 2021

Place: Council Chamber - Civic Suite

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Present: Councillor D Garston (Chair)
Councillors S Habermel (Vice-Chair), A Bright*, D Cowan, J Courtenay*,
T Cox, M Dent, S George, M Kelly, D McGlone, K Mitchell*, J Moyies,
D Nelson, I Shead, A Thompson, S Wakefield and P Wexham

*Substitute in accordance with Council Procedure Rule 31.

In Attendance: Councillors I Gilbert, P Collins, C Mulroney and R Woodley (Cabinet Members), P Bates, A Richards, J Williams and S Tautz

Start/End Time: 6.30 pm - 10.35 pm

505 Apologies for Absence

Apologies for absence were received from Councillor S Buckley (Substitute: Councillor J Courtenay), Councillor T Cowdrey (Substitute: Councillor K Mitchell) and Councillor M Davidson (Substitute: Councillor A Bright).

506 Declarations of Interest

The following interests were declared at the meeting:

- (a) Councillors I Gilbert, P Collins, C Mulroney 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, P Collins, C Mulroney 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) Councillor D Nelson – Minute 510 (Seaway Leisure) – Member of a team that competes in a visually impaired tenpin bowling league - Non-pecuniary interest.
- (d) Councillor P Wexham – Minute 513 (SO46 Report) Trustee of Beecroft Art Trust - Non-pecuniary interest.

507 Questions from Members of the Public

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

508 Minutes of the Meeting held on 7 October 2021

Resolved:

That the minutes of the meeting of the Committee held on 7 October 2021 be confirmed as a correct record and signed.

509 Annual Report - Comments, Complaints and Compliments 2020/21

The Committee considered Minute 424 of the meeting of the Cabinet held on 2 November 2021, which had been referred directly to each of the three scrutiny committees, together with a report of the Executive Director (Legal and Democratic Services that provided performance information about comments, complaints and compliments received across the Council for 2020/21.

Resolved:

That the following decisions of the Cabinet be noted:

“1. That the Council’s performance in respect of comments, complaints, and compliments and Ombudsman investigations for 2020/21, be noted.

2. That the matter be referred to all three Scrutiny Committees (Sections 4 and 5 of the submitted report referred to the People Scrutiny Committee only).”

Note: This is an Executive Function

Cabinet Members: Councillor P Collins (Overarching), Councillor C Nevin (Section 4) and Councillor L Burton (Section 5).

510 Seaway Leisure

The Committee considered Minute 417 of the meeting of the Cabinet held on 2 November 2021 that had been called-in to the Policy and Resources Committee, together with a joint report of the Deputy Chief Executive and Executive Director (Finance and Resources) that proposed a financial and commercial structure to enable the delivery of the Seaway Leisure development whilst also providing greater ownership and an improved, long-term sustainable commercial return for the Council.

The Leader of the Council undertook to provide a written response to questions raised by members of the Committee prior to the next meeting of the Council, with regard to any requirement for the seasonal closure of some car parking facilities at the proposed Seaway Leisure development specified in the grant of planning permission for the development.

Resolved:

(1) That the following decisions and recommendations of the Cabinet be noted:

“1. That the significant economic benefits that the proposed Seaway Leisure development will bring as outlined in the approved 25 February 2020 Cabinet report and that the project is a clear Council commitment and a Southend 2050 Roadmap project, be noted.

2. That it be noted that the Council has commissioned CBRE to undertake a review of the development, specifically in relation to the elements at a) to c) below:

a) Undertake financial due diligence on Turnstone Estates Ltd (and its company structure, including Turnstone Southend Ltd, the subsidiary special purpose vehicle for Seaway Leisure) and to advise on their suitability as a partner for the Council;

b) Review the proposed Seaway development and its appropriateness including reviewing the anticipated economic benefits; and

c) Look at the most suitable and deliverable funding models for the development and consider the risks and benefits associated with them.

3. That officers proceed with the final negotiations of terms with Turnstone Southend Limited (TSL), and Turnstone Estates Ltd (as parent company guarantor as appropriate) to enable the proposition to be presented to the funding market on the basis set out in sections 7.12 to 7.15 of the submitted report and at the same time proceed to secure the necessary legal and financial advice on those terms to robustly protect the Council's position.

4. That it be noted that officers will update terms with Homes England in relation to the grant funding associated with the Rossi Factory, 1-3 and 29 Herbert Grove, having regard to the proposed revisions.

5. That it be noted that officers will look to identify grant funding opportunities which enable the Council's proposed equity investment to be reduced and/or replaced with grant funding.

6. That authority be delegated to the Executive Director (Finance and Resources), in consultation with the Leader of the Council and the Cabinet Member for Corporate Services and Performance Delivery, to:

a) approach the market for funding at the relevant time;

b) finalise and agree (with independent advice as required) any final terms following responses to the proposition from the funding market; and

c) authorise any relevant actions including the execution of all necessary documentation including that arising from the decisions in 2 to 5 above and recommendation 8 below.

7. That it be noted that the Executive Director (Finance and Resources) will report the exercise of the above specific delegations to a relevant Cabinet meeting.

Recommended:

8. That the use of up to a maximum of £10m (Ten Million Pounds) of the Council's capital reserves as equity in the proposed development to enable the different and significantly improved commercial terms as illustrated in the Financial Implications section of the report, and thereby significantly reduce the Council's financial risk and an improved annual income stream, be approved." ||

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

Note: This is an Executive Function save that the recommendation in 8 above constitutes a Council Function.

Cabinet Members: Councillor I Gilbert and Councillor P Collins

511 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 (Seaway Leisure - Confidential Matters), on the grounds that it 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.

512 Seaway Leisure - Confidential Matters

The Committee considered confidential matters in relation to Minute 510 above. The Committee moved into Part 2 business in order that the confidential matters concerning the proposed Seaway Leisure development could be discussed. The Committee moved back into Part 1 for the decision on these matters and the remaining items of business.

513 SO46 Report

The Committee considered Minute 429 of the meeting of the Cabinet held on 2 November 2021, which had been called-in to the Policy and Resources Scrutiny Committee, together with a report setting out action that had been taken in accordance with Council Procedure Rule 46 in respect of the former Beecroft Art Gallery building in Station Road, Westcliff.

The Executive Director (Legal and Democratic Services) expressed a preliminary view that the decision taken under Council Procedure Rule 46 (CPR 46) not to exercise the right of first refusal to purchase the former gallery building, did not constitute a key decision. The Executive Director agreed that the position would be confirmed to all members of the Committee and that the full CPR 46 consultation letter would also be circulated.

During consideration of the matter the hour of 10.00pm having been reached the Committee, in accordance with Standing Order 44.2, agreed to proceed with the remaining business on the agenda.

Resolved:

(1) That the following decision of the Cabinet be noted:

“That the submitted report, be noted.”

(2) That the Committee notes with concern that the executive decision not to exercise the right of first refusal to purchase the former Beecroft Gallery building in Station Road was dealt with under CPR46, rather than as a decision of the Cabinet.

(3) That the Cabinet be recommended that all future reports advising of action that has been taken in accordance with CPR46, should include the full decision letter prepared for consultation with the relevant Cabinet Member(s), rather than just a summary of the action taken.

Note: This is an Executive function
Cabinet Member: As appropriate to the item

514 Association of South Essex Local Authorities - Joint Committee

The Committee received the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities (ASELA) held on 28 October 2021.

Resolved:

That the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities held on 28 October 2021, be noted.

515 Joint In-Depth Scrutiny Project 2021/22

The Committee received a report of the Executive Director (Legal and Democratic Services) on progress with regard to the joint in-depth scrutiny project for 2021/22.

It was reported that work on the in-depth scrutiny project had been delayed as a result of recent events and that the next meeting of the Project Team was due to be held on 15 December 2021 when members would receive presentations around the improvement of

the 'My Southend' platform and the Council's website. The Committee was advised that it might also be necessary for the Project Team to review the timescale for the delivery of the scrutiny project.

Resolved:

That the report be noted.

Note: This is a Scrutiny function

Chair: _____

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Southend-on-Sea Borough Council

Report of Executive Director (Finance & Resources)

To

Cabinet

On

13th January 2022

Report prepared by:

Pete Bates, Interim Director of Financial Services

Caroline Fozzard, Senior Finance Lead (Strategy,
Sustainability and Governance)

Agenda
Item No.

5

Resourcing Better Outcomes - Financial Performance Report 2021/22 – Period 8

Policy and Resources Scrutiny Committee

Cabinet Members: Councillor Ian Gilbert and Councillor Paul Collins

Part 1 (Public Agenda Item)

1 Purpose of Report

The Resourcing Better Outcomes financial performance report is a key tool in scrutinising the Council's financial performance. It is designed to provide an overview to all relevant stakeholders. It is essential that the Council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives, managing its resources appropriately and to take reasonable mitigation to try to deliver a balanced position by the end of the year.

2 Recommendations

That, in respect of the 2021/22 Revenue Budget Performance as set out in appendix 1 to this report, Cabinet:

2.1 Note the forecast outturn for the General Fund and the Housing Revenue Account as at November 2021 and the intention to defer the previously approved use of £2.5M from Reserves to support the 2021/22 budget.

That, in respect of the 2021/22 Capital Budget Performance as set out in appendix 2 of this report, Cabinet:

2.2 Note the expenditure to date and the forecast outturn as at November 2021 and its financing.

2.3 Approve the requested changes to the capital investment programme for 2021/22 and future years, as set out in section 4 of appendix 2.

3 Unprecedented Level of Uncertainty

Some commentators have described the last couple of years as potentially one of the most volatile and unpredictable periods in recent history. Clearly Brexit considerations initially and then the response and impact of the pandemic have caused huge disruption and concern to everyday life. Public health worries and economic impacts, together with levels of Government borrowing never seen before in peace time years have all contributed to huge extra fiscal challenges for the country. This context has created additional pressure and uncertainty locally and made effective financial and service planning for Southend-on-Sea challenging.

COVID-19 Recovery and Implications

- 3.1 The overall health and economic impact of COVID-19 is still under assessment. The challenge is clearly worldwide, and national governments continue to wrestle with putting in place the right package of measures to save lives and to try to minimise the spread of the virus and its impact across the population. Countries have adopted different strategies and tactics to safely get their respective economies working again. These challenges have been exacerbated recently with the world-wide concern over the potential impact of the new mutant variant - Omicron.
- 3.2 The pandemic continues to have a major 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. Several local authorities are showing signs of significant additional financial stress. Most of the demand and financial pressures highlighted in this report are still inextricably linked directly or indirectly to COVID-19.
- 3.3 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. This report will focus on providing some detail and commentary of the financial variances at a portfolio level that are currently forecast for 2021/22. It should be noted that these estimates have been based on the best information we currently have available. We still have one third of the financial year remaining and some spending patterns and service demands remain volatile.
- 3.4 One of our other major areas of concern is the potential impact on service demand 'post COVID-19' or 'living with COVID-19' in the future. This could manifest itself in many ways from increased demand and support because of long COVID-19 symptoms or increased demands on services due to family tensions and breakdown, residents experiencing additional stress and mental wellbeing needs or changing employment issues. The Council and its partners will continue to monitor the situation locally.

- 3.5 The Government has provided a varied range of different financial support mechanisms for the Local Government Sector over the last 18 months. These have been designed to help to support the local management of the pandemic and alleviate some of the financial impact of COVID-19. A huge concern is once this temporary support has been withdrawn then what will be the impact on the Council and local area.
- 3.6 A good example is the Control Outbreak Management Fund (COMF) specific grant that was announced in 2020/21 and has continued into 2021/22. Confirmation has been received that any remaining uncommitted funding at the end of this financial year can be carried over into 2022/23. Authorities are also enquiring if any additional future funding will be available. The Council is deploying this resource locally against the strict eligibility criteria that was set by the Government for its use. Headlines of some of the initiatives that this grant has been used for is summarised below.
- Communicable Disease Consultant providing clinical advice and guidance
 - Contact Tracing service to manage higher risk areas, plus digital outreach
 - Communications and social marketing to enhance COVID-19 awareness
 - Community support capacity for those who may need to isolate
 - Some supplementary redeployment of skilled staff locally
 - Compliance and enforcement such as additional COVID-19 Ambassadors
- 3.7 The second quarter of the financial year witnessed the start of a global supply chain crisis in what some economists described as “a perfect storm”. All three elements of the supply chain were impacted: supply side, transport, and labour. Another concern has been the increase in energy costs, with wholesale gas prices across the world rising by more than 250% since January 2021. This has affected around 15 million households who have seen their energy bills rise by 12%. This is because the energy price cap has risen, and according to Ofgem it will go up again in April 2022, this increases the maximum price suppliers can charge domestic customers.
- 3.8 It is clear that there are still significant inflationary pressures ‘in the system’ with some commentators now predicting that general inflation could reach 6% in 2022. This will directly impact all public services, local businesses and residents, putting more pressure on Local Authority budgets and household incomes.

Comprehensive Spending Review

- 3.9 The Local Government Sector was hoping for a 3-year financial settlement from the Comprehensive Spending Review for 2022/23 - 2024/25 to at least try to provide some certainty for future financial planning parameters. The provisional finance settlement was published on 16th December 2021 and disappointingly it was effectively for 1 year only, with major reform planned which potentially could result in a significant re-distribution of resources across Local Authority areas for years 2 and 3.

- 3.10 The Council remains in a relatively strong financial position for 2021/22 but the size of the financial challenge for the future was already estimated to be significant. The added uncertainty caused by the provisional finance settlement and the potential impact for ‘winners and losers’ of the reform intentions adds even greater uncertainty to the local financial planning challenge. The ‘Draft Prioritising Resources to Deliver Better Outcomes – 2022/23 to 2026/27’ report on this Cabinet agenda will provide an insight into the potential local implications and future risks associated with this national 'levelling up' strategy.
- 3.11 The Council’s strategy will be to continue to aim to achieve financial sustainability by growing local income sources and relying less on grant support from Central Government in the future. The Council will continue to work collaboratively with its partners, increase its focus on the delivery or joint commissioning of services in a targeted way to ensure that those in most need and who will receive the greatest benefit are the recipients of services. It is vital that we learn from our COVID-19 experience and tailor our services and working practices accordingly.

4 Revenue – General fund

- 4.1 In February 2021, the Council approved a General Fund Revenue Budget requirement for 2021/22 of £136.290M. This report provides details of the current projected outturn position for 2021/22 based on information as at the end of November 2021 (Period 8). In headline terms Council Corporate Budgets and Service Portfolios are currently forecasting a gross overspend of £4.945M for 2021/22, an improvement from the £8.305M overspend, that was reported at Period 6. This represents a forecast overspending of around 1.5% of the gross expenditure budget. This updated estimated position is inextricably linked to the extra demands and costs incurred by the Council due to the impact of the pandemic. In recognition of these circumstances additional financial support has been provided from the Government for COVID-19 in terms of one-off additional grant and compensation for loss of income of around £6.087M. This reduces the net forecast overspend for 2021/22 at this stage of the year to £1.358M.
- 4.2 Although the actual level of COVID-19 Grant support may still vary as reconciliations and compliance returns are submitted and validated with various Government Departments, we are currently not expecting to receive any major new financial support for COVID-19 in 2021/22. This assumption is predicated on the continuing success of the national vaccination and booster programmes. This assumes that no further restrictions or additional local burdens are imposed that would have a direct financial impact on the Council. With the recent outbreak of Omicron and the added uncertainty this brings - the situation will continue to be closely monitored throughout the remainder of the financial year. Any new funding announcements or any forced changes to local service arrangements and the corresponding financial impact will be summarised within the Provisional Outturn report scheduled to be considered by Cabinet in June 2022.

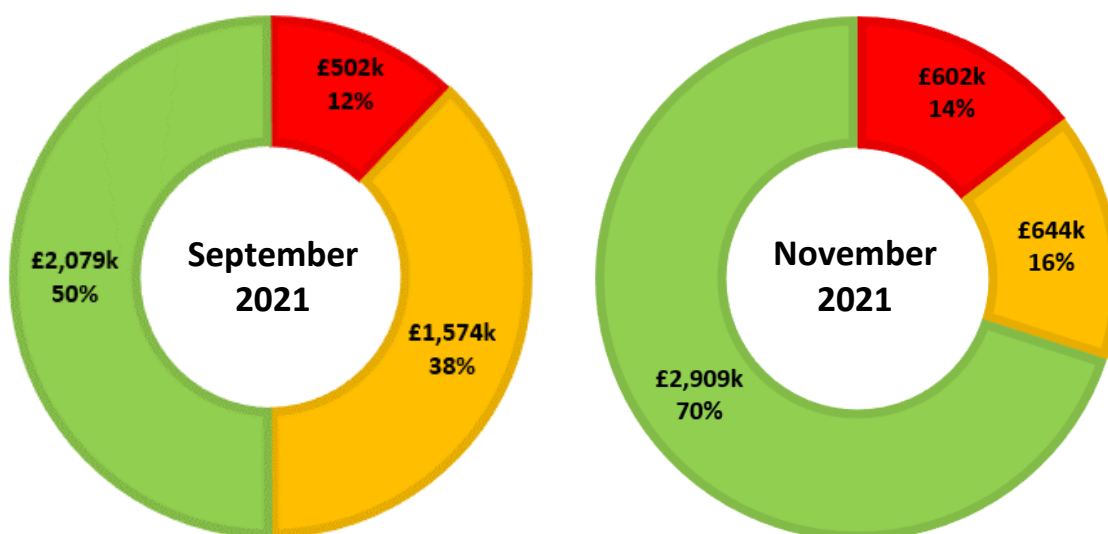
- 4.3 The Council is trying to deal with many of the same uncertainties and financial challenges that all other upper tier authorities right across the country are experiencing. It is still difficult to untangle and isolate specific demand and cost pressures that exist across the Authority due to the impact of COVID-19. It is possible that part of the current financial challenge is a continuation of some of the service pressures that were prevalent and first highlighted back in 2019/20. This possibility should have been minimised and reduced by the extra investment that was approved for key services as part of the budget setting processes for 2020/21 and 2021/22.
- 4.4 The Government announced a 1.25% increase in both Employer and Employee National Insurance (NI) contributions with effect from 1st April 2022, to provide more funding for Health and Social Care. In September 2021 HM Government published its Building Back Better: Our Plan for Health and Social Care report. In this it says, “We expect demographic and unit cost pressures will be met through Council Tax, social care precept, and long-term efficiencies.” It has now been confirmed that the Council will receive additional support for 2022/23 but a significant proportion of that increased funding is for 1 year only and could change for 2023/24 onwards.
- 4.5 The Chancellor had previously announced his expectation that generally national public sector pay (except for the NHS) would be frozen for 2021/22. This has proved not to be the case and negotiations over a ‘cost of living’ rise for the Local Government Sector are currently still ongoing. The employer’s negotiating body on behalf of local government have made a ‘final pay rise offer’ of 1.75% for 2021/22. At the time of writing this report members of the trade unions had voted against this ‘offer’ and the trade unions are still consulting on potential industrial action.
- 4.6 As part of its approved budget setting arrangements the Council did make provision in an earmarked reserve for the circa £1.3M this pay settlement is estimated to cost. If the final pay rise is agreed at this level, then this amount can be accommodated in 2021/22. It must be highlighted though that this settlement is still under negotiation. When final agreement is reached it will also create a permanent pressure of equivalent value in the Council’s revenue base budget from 2022/23 onwards.
- 4.7 Given the level of financial uncertainty over the medium term the Council has continued to work hard to try to reduce the financial pressures highlighted in this and previous financial monitoring reports to deliver a balanced outturn by the end of the year. Members will recall that when the Council set its 2021/22 budget in February 2021 it approved that £2.5m of reserves would be used to support the Council’s spending plans for the year. The possibility of deferring the use of reserves for this purpose was highlighted in the Period 6 monitoring report, and it is now confirmed that the Council’s intention at this stage is to NOT apply the £2.5M in 2021/22. This strategy provides some flexibility for financial planning considerations for 2022/23 onwards and is now reflected in the draft budget report elsewhere on this agenda.

- 4.8 To achieve the deferral of the originally planned £2.5M use of reserves a combination of measures have been implemented. These include, maximising the eligible use of Government Support, focus on essential spending only, mitigate pressures where possible and targeted use of the Council's revenue contingency. Within this report £1.4M of contingency has now been applied and circa £1M remains uncommitted. The Council is also in receipt of Government funding that has not yet been distributed to fund eligible activities within services to control and manage the impact of the pandemic. Based upon the most up to date information available then a balanced outturn for 2021/22 is now a realistic outcome. Obviously given the unprecedented circumstances that the Council is operating in, the situation will continue to be rigorously monitored for the remainder of the financial year. The approved budget did also include a one-off £2.5M earmarked support for Children's Services which has not yet been released or included in the forecast outturn assessment at this stage of the year.
- 4.9 The Council's new 'Getting to Know Your Business' programme continues to be embedded. This programme helped to establish a baseline for all services in terms of their costs, income generation potential, value for money and performance. This data will highlight key lines of enquiry where benchmarking may suggest that either our costs or income levels are above or below average. This will lead to potential changes in operation or highlight areas for Cabinet to consider a review of existing policies.
- 4.10 Services will continue to develop further recovery and mitigation plans to try to improve the current forecast financial situation but more critically prepare for the significant future financial challenge. Adult Social Care is exploring innovative 'strengths based' initiatives to improve outcomes, residents maintaining their independence and VFM. All services are being challenged to try to improve efficiency and productivity to ensure that the resourcing of better outcomes for our residents are achieved at the best value for the local taxpayer.

Status of Approved Budget Savings and Income Generation Initiatives

- 4.11 It is vital that the range of budget savings and income generation initiatives that were approved as part of the setting of the 2021/22 budget, totalling £4.155M are delivered or alternative options are considered. The ongoing operational challenges caused by COVID-19 and managing the implications of the pandemic locally has had an impact on the delivery of some of the approved proposals. An overall assessment of progress based on the likelihood of delivery is summarised in the following graphic. Each initiative is being regularly monitored by the Corporate Management Team and the likelihood of successful delivery of the targeted value rated as either Red (High Risk), Amber (Medium Risk) or Green (Very Low Risk).

4.12 Overall levels of confidence for delivery of the approved savings programme in September 2021 (Period 6) and November 2021 (Period 8) are shown in the doughnut charts below.



4.13 The proposals that are currently rated as highest risk are summarised in the following table. The major saving area is linked to ICT enabling additional organisational capability and productivity. Progress against the ICT SMART Programme has been severely disrupted due to COVID-19 and the need to prioritise the continuation and resilience of remote safe working. It is expected that the saving target will be delayed. The delay in fully implementing the planned redesign of the Council’s Business Support Function has now been reclassified as a high risk (Approved Saving was £500k). A final status update will be provided in the 2021/22 Provisional Outturn Report to Cabinet in June 2022.

CS02	Saving	ICT: Smart programme	320	R
FW10	Saving	Business Support Function Service Redesign	200	R
FW04	Saving	Rent Deposit Loans Scheme review	40	R
FW05	Saving	Single Property Visits: Council Tax & Planning	40	R
PJ01	Income	Contactless donation points within Parks	2	R

4.14 Despite the clear and obvious financial challenges and uncertainty highlighted in this report the Council remains in a much stronger and financially resilient position than many other Local Authorities. We clearly cannot be complacent and there will undoubtedly be some very tough choices and decisions to make as part of the Council’s budget development for 2022/23 and Medium Term Financial Strategy. In this context it was pleasing to see that Southend-on-Sea Borough Council was ranked in the upper quartile (13th out of 56) of all Unitary Authorities across the country in CIPFA’s independent Financial Resilience Index which was published in February 2021.

Transport, Asset Management & Inward Investment

- 4.15 A fundamental review of parking charges and operations was undertaken in 2020/21 to standardise and rationalise parking tariffs in similar locations across the Borough. An extensive review of permits was also undertaken, together with an agreement to trial the new Southend Pass.
- 4.16 As the country continued to operate under some level of COVID-19 related restrictions in the early part of the year, parking income along with most of the Council's income generating activities was impacted. The Council also proactively took a local decision to directly support car parking for NHS health and care workers by providing free parking permits until the end of July 2021. In recognition of the national impact on income, the Government extended the sales, fees and charges compensation scheme until the end of June 2021. Positively - in response to the relaxation of COVID-19 restrictions, the increase in 'staycations' this summer, along with an expanded programme of events in the town (in part due to the Welcome Back Fund), parking income has recovered considerably during the 2nd quarter of the financial year.
- 4.17 The improvement in car parking income experienced in Q2, against the backdrop of low activity in April and May has resulted in an overall estimated loss for the year against our approved budget of around £0.45M. This was partly offset by the Government's Sale, Fees and charges compensation scheme. The situation will be continuously monitored and with plans to extend the tourist season into the autumn / winter, together with a variety of additional events scheduled it was hoped that this forecast position may still improve as the year progresses. The unknown impact of the new mutant variant Omicron remains a major risk.

Adult Social Care & Health Integration

- 4.18 Adult Social Care & Health Services are reporting an improved position for 2021/22 as at Period 8. The main factors that have contributed to this improvement have been the confirmation of funding support to facilitate quicker discharges from hospital, other additional Government support and a reduction in demand for services from older people. This combination of factors has contributed to a forecast underspend of £0.503M on a net expenditure budget of circa £41M at this stage of the year, an improvement of circa £1.581M from Period 6. The ever-changing impact of the pandemic means that the situation remains volatile and will continue to be closely monitored for the rest of the financial year. There remains significant financial pressure for care and support services to people with mental health & learning disabilities aged 18-64.
- 4.19 The medium to longer term impact of COVID-19 on budgets and service demand remains uncertain as people impacted by this are potentially required to have support earlier and for longer than would have previously been the case.

- 4.20 Levels of service use amongst older people remains lower than was previously the case due to ongoing COVID-19 concerns, particularly in the use of residential and home care. This has reduced the budget pressure for 2021/22. Clearly the needs of this group of people have not gone away and cost pressures and demand are likely to return to their upward trend over the medium term.
- 4.21 National Hospital Discharge funding in support of COVID-19 pressures is now assured until 31st March 2022. This will fund costs incurred during the first 4 weeks post discharge and has enabled clients to be released from hospital earlier. This should help to sustain the current improved forecast financial position for 2021/22.

Children & Learning

- 4.22 As replicated in many upper tier authorities around the country Children & Learning Services remains a high spend pressure area. It is currently forecasting a net overspend of circa £2.430M, excluding the one-off £2.5M put aside to support the service as part of the approved 2021/22 budget. Although still a concern in headline terms this is a positive financial improvement from both 2019/20 and 2020/21. Most of this reported pressure is shown on Children Services and it must be noted that this forecast position does remain subject to further risk should external care placements increase further.
- 4.23 Looked After Children (LAC) numbers reached a peak in 2019/20, reduced through 2020/21 and now have a broadly sustained reduction in 2021/22. There were 291 LAC as at the end of November 2021. This reduction in LAC numbers is having a positive effect on improving previous and significant spend pressures. Whilst this spend reduction is positive, reliance on LAC external care placements (the most expensive type of provision) remains high as a proportion of overall LAC placements with 98 placements as at the end of November 2021, equivalent to 34% of all LAC placements. This is clearly the main cause of the spend pressure within Children Services. Work continues to re-build capacity for additional inhouse foster care placements with the aim of reducing these costs over time and improve outcomes for children in the care system.
- 4.24 The service is also anticipating additional funding pressures following requests from Government for local authorities to meet increased support for unaccompanied asylum seeker placements.
- 4.25 Additionally, there is funding pressure on leaving care accommodation placement costs and there are also increased costs related to COVID-19 resulting from both placement extensions and extra staffing to respond to the crisis.

Corporate Services & Performance Delivery

- 4.26 Approved budget proposals in relation to Council Tax and Business Rates income has increased costs on the service line but upon delivery this will have a higher positive impact and increase the net level of income collectable by reviewing all discounts and exemptions. This 'extra' income will be reported within the Council's funding line. Whilst e-billing is unavailable printing costs continue to be a cost pressure, together with card processing fees as the transition to payments on the website and other electronic methods increase. The net forecast overspend is currently estimated to be £0.210M.
- 4.27 The most significant forecast financial pressure is within ICT, at this stage of the year £0.795M overspend is predicted. This is due to a combination of reducing levels of external income generated, significant delays experienced in the delivery of planned savings due to the impact of COVID-19 and extra costs associated with maintaining safe, resilient, remote working capabilities.
- 4.28 Proactive vacancy management across several services within the finance and resources directorate is helping to reduce the total level of forecast overspend at this stage of the year.

Environment, Culture, Tourism & Planning

- 4.29 The shoreline has been subjected to several significant storms and as a result there has been a requirement for an increased level of remedial works to maintain key structures. Significant work is also underway to replace the groynes along the seafront.
- 4.30 Additional support has continued to be required to assess the Sustainable Drainage Systems (SuDS) impact of any relevant planning applications and specialist geotechnic expertise is required to assess the stability of the cliffs.
- 4.31 Culture, sport and tourism are currently reporting a forecast overspend of around £0.513M. COVID-19 has had a major impact across all income generating activities but the most significant has been on our leisure contractor (Fusion Lifestyle). It has been assumed that approval for the waiving of the management fee for 2021/22 will be agreed as recommended on a separate report elsewhere on this Cabinet agenda. This proposal is designed to assist in ensuring that our leisure centre provision remains open for visitors and residents. The loss of footfall has significantly impacted on their income generating capability.

Public Protection

- 4.32 Whilst many people continue to work from home and could do so for the foreseeable future in some way, there has been a significant increase in the volume of household waste which is being collected and disposed of. This has been even higher than during the early formal COVID-19 lockdown periods. As a waste disposal authority, the financial consequences of this significant increase in tonnage are borne by the Council. The situation is now forecast to improve from Period 6 but this remains a significant challenge for the Authority and it is vital that ideally less waste is generated by residents and/or recycling rates are improved locally.
- 4.33 This is a major challenge as Southend-on-Sea remains as one of only a handful of Authorities across the Country that continues to operate a weekly bin collection at significant extra cost.
- 4.34 Income received on the pier and foreshore in Quarter 1 was impacted by pandemic restrictions, although the extension of the sales, fees and charges compensation scheme up to the end of June 2021 will assist in recovering some of this loss. Income during the second quarter and to date has improved.

Budget Virements

- 4.35 All budget transfers (virements) over £250,000 between portfolios or between pay and non-pay budgets are considered and approved by Cabinet. These budget transfers have a net nil impact on the Council's overall budget. There are no budget transfers proposed for Cabinet approval this period.

5 Revenue – Housing Revenue Account

- 5.1 In February 2021, the Council approved a balanced 2021/22 Housing Revenue Account budget for 2020/21. This report details the projected outturn position for this year based on actual activity and financial performance as at the end of November 2021 (Period 8).
- 5.2 The forecast for the Housing Revenue Account (HRA) as at the end of November 2021 indicates that it will have a net surplus of (£119,000) in 2021/22, a positive variance of around (-0.5%) of gross operating expenditure.
- 5.3 This positive position is due to increased levels of rental income received (£488,000) because of a lower level of voids within the housing stock. This demonstrates good housing management practice. As the planned affordable homes acquisitions programme progresses through the year there is also an anticipated increase in the numbers of units within the housing stock that will further increase the HRA's rental income streams in the future. It must be noted that there remains a risk on the levels of rent arrears due to the impact of COVID-19 on tenant's income and their continuing ability to pay. This situation will be kept under constant review and work is ongoing with tenants to try and provide appropriate support and mitigate any impact.

5.4 Offsetting this additional income is an anticipated pressure of £369,000 on the HRA revenue repairs budget. This is due to a combination of increasing contractor costs, additional compliance requirements as well as works that were delayed from 2020/21 due to COVID-19 and the national lockdown.

5.5 It is currently anticipated that any surplus will be transferred to the HRA Capital Investment Reserve at the year-end for future planned investment into improving the housing stock.

6 Capital

6.1 Successful and timely delivery of the capital investment programme is a key part of achieving the Southend 2050 ambition and delivering priority outcomes. The investment contributes to the five main themes in the following way:

6.2 Pride and Joy – the key investment areas are the ongoing refurbishment and enhancement of Southend’s historic pleasure pier and the town’s cultural, and tourism offer, including parks, libraries, and theatres.

6.3 Safe and Well – the key investment areas are: the construction and acquisition of new council homes and the refurbishment of existing ones via the decent homes programme; social care with the building of a new care facility and day centre, Brook Meadows House, to provide high quality services for people with high and complex needs.

6.4 Active and Involved – the key investment area is the Cart and Wagon Shed for the coastal community team to use as part of their community interest company.

6.5 Opportunity and Prosperity – the key investment areas are the Airport Business Park to deliver benefits for both local businesses and local communities, creating thousands of job opportunities and attracting inward investment; the secondary schools expansion programme which is entering its fifth year and when completed will see an additional 1,100 permanent places for 11-16 year old pupils.

6.6 Connected and Smart – the key investment areas are the investment in the borough’s highways and transport network, including the improvements to the A127 Growth Corridor funded by the Local Growth Fund; investment in the Council’s ICT infrastructure and networks to enable and transform outcome focussed service delivery.

6.7 In March 2021 the Council agreed a capital investment programme budget for 2021/22 of £79.9M. The outturn for 2020/21 showed a final spend of £66.1M against a revised budget of £71.9M, an underspend of £5.8M. The proposed budget carry-forwards accelerated delivery requests and other budget re-profiles and amendments resulted in a revised budget for 2021/22 of £94.7M. It was clear that not all this programme was deliverable directly by the Council and so the programme was split so that the schemes to be delivered by South Essex Homes Limited and Porters Place Southend-on-Sea LLP are separately identified. This left a capital investment programme of £77.6M to be delivered by the Council at June Cabinet.

- 6.8 In line with the approach where schemes can enter the programme during the financial year and not just annually at budget setting, priority projects were approved at the June Cabinet meeting for inclusion into the capital investment programme. This increased the 2021/22 budget deliverable by the Council to £77.8M.
- 6.9 The Council's capital investment programme plans are ambitious but capital resources are finite, both in terms of affordability and capacity to deliver. We need to ensure that investment is focussed on priorities and that priority projects have viable delivery plans. A MoSCoW review has been undertaken to re-assess and re-prioritise the capital investment programme. This enables prioritisation by categorising capital projects as 'must have', 'should have', 'could have' or 'will not have' (at this time). The results of this review were included in the Period 4 and Period 6 financial performance reports to September and November Cabinet respectively.
- 6.10 Capital challenge sessions have also been held with the Cabinet Member for Corporate Services and Performance Delivery. The first sessions were held in late September and early October and the results of these were included in the Period 6 financial performance report to November Cabinet.
- 6.11 As a result of the above there were further changes requested at both September and November Cabinets. At November Cabinet a 2021/22 budget of £70.9M was approved for schemes to be delivered by the Council and £14.2M for schemes to be delivered by subsidiary companies, partners, and joint ventures.
- 6.12 £68.2M of these budgets are identified as strategic schemes such as the Airport Business Park, Brook Meadows House, Footways and Carriageways Schemes and Highways Schemes funded by the Local Growth Fund and via the Local Transport Plan.
- 6.13 Follow up capital challenge sessions were held with the Cabinet Member for Corporate Services and Performance Delivery in early December and any resulting requested changes to the capital investment programme have been included in this report.
- 6.14 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.
- 6.15 Just over 30% of the programme deliverable by the Council is financed by Government grants and external developer and other contributions and at the end of November over half of that had been received. The rest of the programme is funded by capital receipts, the use of reserves or by borrowing. Funding schemes by borrowing has a revenue consequence of approximately £70k for every £1M borrowed.

- 6.16 This report details the projected outturn position for 2021/22 based on information as at the end of November (period 8). The report includes details of progress in delivering the 2021/22 capital investment programme and in receiving external funding relating to that year.
- 6.17 Since the September (period 6) position was reported to November Cabinet, the Council has been successful in its Levelling Up Fund bid for visitor economy improvements, focussed on Leigh Port, the Cliffs Pavilion and wider seafront and town centre safety measures. As a result of the above and the follow up capital challenge sessions, this report includes any virements between schemes, re-profiles across years, new external funding, scheme deletions, proposed new schemes and additions and transfers to the 'subject to viable business case' section of the programme.
- 6.18 The progress of schemes for 2021/22 is detailed in sections 1 to 3 of Appendix 2 with Section 4 setting out the resulting requests to:

For schemes to be delivered by the Council:

- Carry forward £6,337,000 of 2021/22 scheme budgets into 2022/23, 2023/24, 2024/25 and 2025/26 and £879,000 of 2022/23 scheme budgets into 2023/24.
- Bring forward £2,500,000 of budget from 2022/23 into 2021/22.
- Add scheme budgets totalling £4,544,000 into 2021/22, £14,372,000 into 2022/23 and £2,050,000 into 2023/24, where new external funding has been received.
- Add scheme budgets totalling £146,000 into 2021/22, £1,398,000 into 2022/23, £775,000 into 2023/24 and £25,000 into 2024/25, for new schemes and additions to the capital investment programme.
- Remove £142,000 from 2021/22 for scheme budgets no longer required.
- Action virements of budget between approved schemes.
- Transfer £1,282,000 from the main Capital Investment Programme to the 'Subject to Viable Business Case' section.

For schemes to be delivered by Subsidiary Companies, Partners and Joint Ventures:

- Carry forward £2,285,000 of 2021/22 scheme budgets into 2022/23 and 2023/24.
 - Bring forward £923,000 of budget from 2022/23 into 2021/22.
- 6.19 As at the end of November the capital outturn for 2021/22 is currently estimated at £71,390,000 for schemes to be delivered by the Council and £12,860,000 for schemes to be delivered by subsidiary companies, partners and joint ventures.
- 6.20 The 2021/22 capital budget is part of the wider capital investment programme spanning several years. The following table below shows the revised programme if all the above requests are approved:

Programme to be delivered by the Council (GF and HRA):

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
At November Cabinet	70,852	50,322	18,508	10,108	6,919	156,709
Levelling Up Fund amendments*	4,275	15,110	3,705	25	0	23,115
Other amendments	(3,737)	1,537	830	102	39	(1,229)
Revised programme	71,390	66,969	23,043	10,235	6,958	178,595

* £880,000 of match funding from the Council's capital resources had already been included in the programme at an earlier Cabinet.

Programme to be delivered by Subsidiary Companies, partners and Joint Ventures:

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
At November Cabinet	14,222	21,549	15,559	9,598	3,250	64,178
Amendments	(1,362)	534	828	0	0	0
Revised programme	12,860	22,083	16,387	9,598	3,250	64,178

7 Other Options

7.1 The Council could choose to monitor its budgetary performance against an alternative timeframe, but it is considered that the current reporting schedule provides the appropriate balance to allow strategic oversight of the budget by members and to also formally manage the Council's exposure to financial risk. More frequent monitoring is undertaken by officers and considered by individual service Directors and the Council's Corporate Management Team (CMT) including the implementation of any necessary remedial actions.

8 Reasons for Recommendations

8.1 The regular reporting of Revenue and Capital Budget Monitoring information provides detailed financial information to members, senior officers, and other interested parties on the financial performance of the Council. It sets out the key variances being reported by budget holders and the associated management action being implemented to address any identified issues.

8.2 It also informs decision making to ensure that the Council's priorities are delivered within the approved budget provision.

- 8.3 It is important that any adverse variances are addressed for the Council to remain within the approved budget provision or where this cannot be achieved by individual service management action, alternative proposals are developed, and solutions proposed which will address the financial impact. Members will have a key role in approving any actions if the alternative proposals represent significant changes to the service delivery arrangements originally approved by them.

9 Corporate Implications

9.1 Contribution to the Southend 2050 Road Map

The robustness of the Council's budget monitoring processes and the successful management of in-year spending pressures are key determinants in maintaining the Council's reputation for strong financial probity and effective stewardship. This approach also enables the Council to redirect and prioritise resources to ensure the delivery of agreed outcomes for the benefit of residents, local businesses, and visitors to Southend-on-Sea.

9.2 Financial Implications

As set out in the body of the report and accompanying appendices.

9.3 Legal Implications

The report provides financial performance information. It is good governance and sensible management practice for the Council to consider monitoring information in relation to plans and budgets that it has adopted.

Section 3 of the Local Government Act 1999 requires the Council as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Monitoring of financial and other performance information is an important way in which that obligation can be fulfilled.

The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council is also required by section 28 of the Local Government Act 2003 to monitor its budget and take corrective action, as necessary. The Council's chief finance officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for effective budgetary control. To comply with these best practice arrangements, it is important that Cabinet receive information and comment accordingly on the performance of the revenue and capital budgets as set out in the report.

9.4 People Implications

None arising from this report

9.5 Property Implications

None arising from this report

9.6 Consultation

None arising from this report

9.7 Equalities and Diversity Implications

None arising from this report

9.8 Risk Assessment

Sound budget monitoring processes underpin the Council's ability to manage and mitigate the inherent financial risks associated with its budget, primarily caused by the volatility of service demand, market supply and price.

The primary mitigation lies with the expectation on CMT and Directors to continue to take all appropriate action to keep costs down and optimise income. Any adverse variances will require the development of remedial in year savings plans and appropriate spending reductions wherever possible. The ultimate back-stop mitigation would be to draw on reserves to rebalance the budget, but this will only be done at year end and will only be considered should all other in year measures fail.

With the likely scale of funding pressures and future resource reductions continuing, it is important that the Council holds a robust position on reserves and maintains the ability to deal positively with any issues that arise during this and future financial years.

9.9 Value for Money

The approved budget reflects the Council's drive to improve value for money and to deliver significant efficiencies in the way it operates. Monitoring the delivery of services within the budget helps to highlight areas of concern and to assist in the achievement of improved value for money.

9.10 Community Safety Implications

None arising from this report

9.11 Environmental Impact

None arising from this report

10 Background Papers

Approved 2021/22 Budget – Report to Council 25th February 2021

Medium Term Financial Strategy 2021/22 – 2025/26

11 Appendices

Appendix 1 Period 8 – November 2021 Revenue Budget Performance
2021/22

Appendix 2 Period 8 – November 2021 Capital Investment Programme
Performance 2021/22

Appendix 1

Budget Monitoring & Reporting 2021/2022

Period 08 - November 2021 Revenue Budget Performance

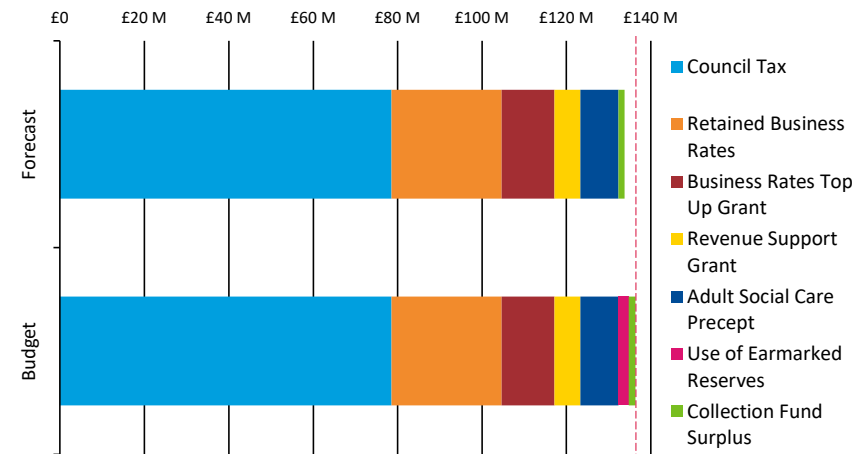
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Summary

Last Reported Variance £M	Portfolio	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.105)	Leader: Economic Recovery & Regeneration	7.145	7.005	(0.140)
1.491	Deputy Leader: Transport, Asset Management & Inward Investment	0.767	2.080	1.313
1.078	Adult Social Care & Health Integration	41.704	41.201	(0.503)
2.459	Children and Learning	31.690	34.120	2.430
0.071	Communities & Housing	4.311	4.356	0.045
0.555	Corporate Services & Performance Delivery	18.369	18.928	0.559
0.919	Environment, Culture, Tourism & Planning	8.220	9.122	0.902
1.556	Public Protection	14.172	15.547	1.375
8.024		126.378	132.359	5.981
0.281	Corporate Budgets	19.650	18.614	(1.036)
8.305		146.028	150.973	4.945
0.000	Contribution to / (from) earmarked reserves	(3.223)	(3.223)	0.000
0.000	Revenue Contribution to Capital	1.409	1.409	0.000
(1.387)	COVID-19 Income Compensation	0.000	(1.387)	(1.387)
(4.700)	Non Service Specific Grants	(7.924)	(12.624)	(4.700)
2.218	TOTAL	136.290	135.148	(1.142)
0.000	Funding (including Collection Fund)	(133.790)	(133.790)	0.000
0.000	Planned contributions from reserves	(2.500)	0.000	2.500
2.218		0.000	1.358	1.358

Sources of funding (£s)



26

There is still a huge amount of uncertainty around the transition to a world with less restrictions as communities and local economies open up again. It is also expected that we will all have to get used to living with COVID-19 and the Council may have to manage the potential hidden longer term impacts on demand for services and support required for our local residents and businesses. These issues have been exacerbated recently with the world-wide concern over the potential impact of the new mutant variant - Omicron.

The Local Government Sector was hoping for a 3-year settlement from the Comprehensive Spending Review for 2022/23 - 2024/25. The provisional finance settlement was published on 16th December 2021 and disappointingly it was for 1 year only, with major reform planned which potentially could result in a significant re-distribution of resources across Local Authority areas for years 2 and 3. The draft budget on this Cabinet agenda will provide an insight into the potential local implications and future risks associated with this national 'levelling up' strategy.

The Council has continued to mitigate expenditure and demand pressures throughout the year in order to try to create as much financial flexibility as possible in these uncertain times. As shown in the table above the headline Corporate Budgets and Service Portfolios are currently forecasting a combined reduced estimated overspend of £4.945M as at Period 8. This includes a decision to release around £1.4M of corporate contingency. The commentary to explain other forecast variances for individual portfolios are summarised in the appropriate section within this Appendix. Local service delivery, planning and financial performance have continued to be impacted by COVID-19 throughout 2021/22.

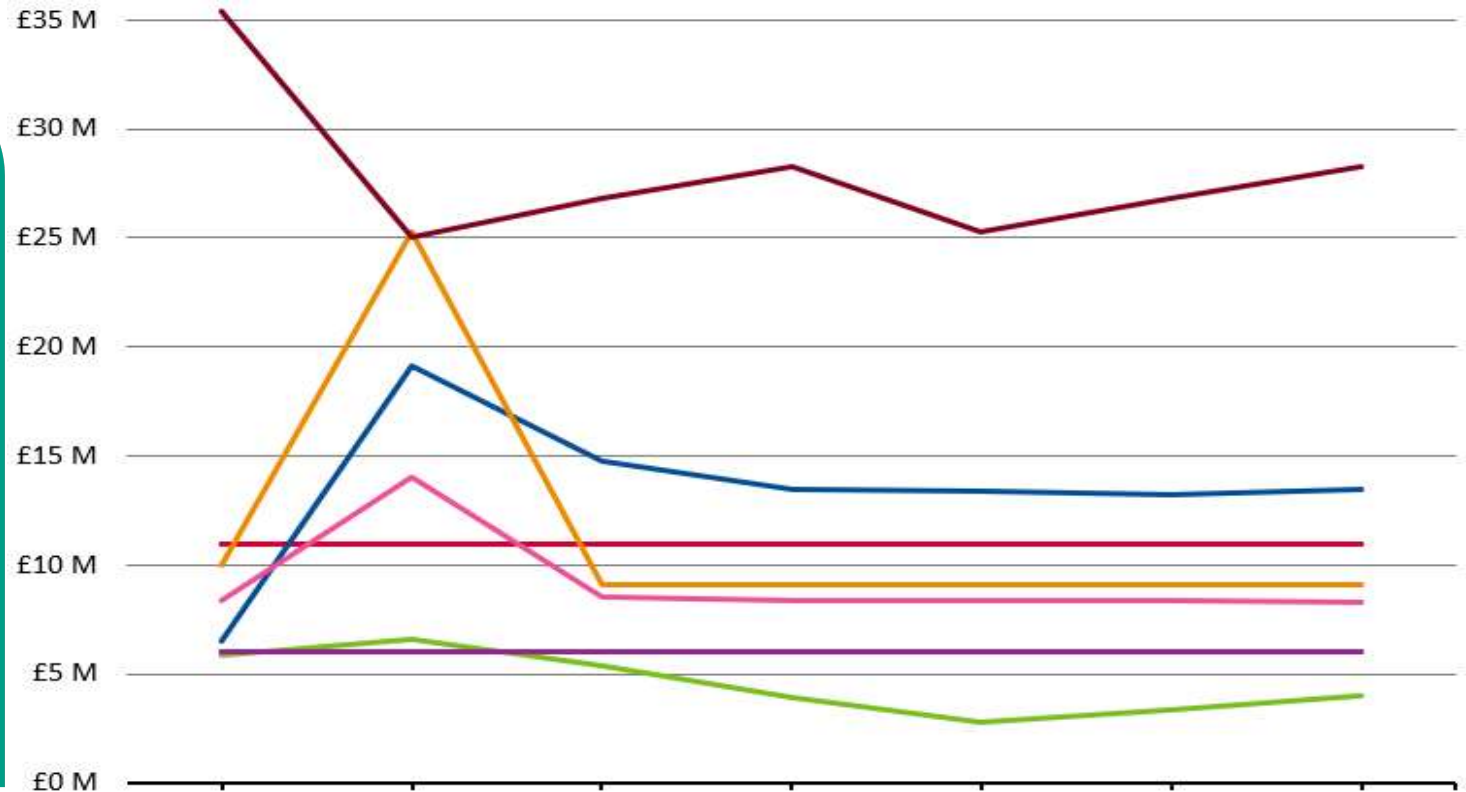
Due to the success of robust financial management during the year, the Council is now planning to defer the application of the approved £2.5M use of reserves to support the budget in 2021/22. This strategy will provide some flexibility for financial planning considerations for 2022/23 onwards. The overall net forecast overspend at Period 8 of £1.358M can currently be accommodated by the remaining uncommitted corporate contingency (circa £1M) and some Government funding that has not yet been distributed to fund eligible activities within services to control and manage the impact of the pandemic. With the recent outbreak of Omicron and the added uncertainty this brings - the situation will continue to be closely monitored through the remainder of the financial year.

Reserves

The Council maintains General Fund reserves at £11.0M in line with the Medium Term Financial Forecast. This provides a working cashflow balance and allows a degree of financial security in the case of unexpected events or emergencies.

In addition, Earmarked Reserves are set aside to fund future projects and to mitigate specific risk. The level of these reserves will fluctuate as grants are received, risk is realised and projects progress.

The increased balances in 2020-21 reflect the funding received in relation to COVID-19. Balances in 2021-22 are expected to return to more 'normal' levels as these reserves are used to support committed costs incurred during this year.

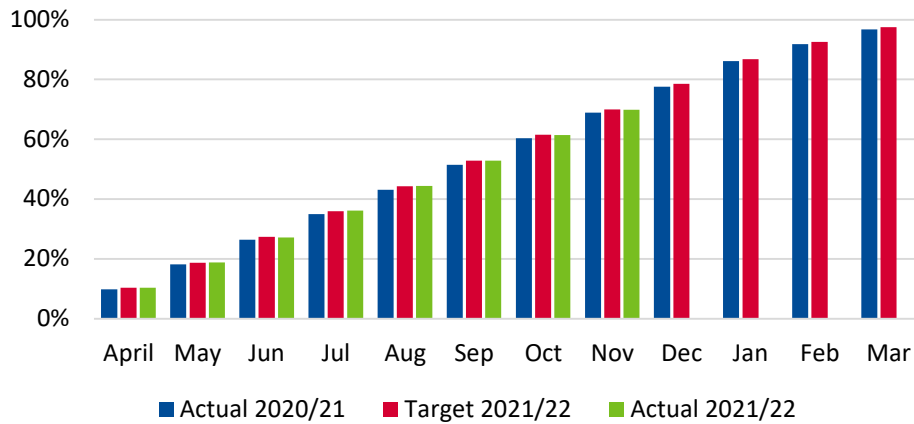


Reserves in £M	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
General Reserves	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Capital Reserves	5.9	6.6	5.4	3.9	2.8	3.4	4.0
Corporate Reserves	6.5	19.1	14.8	13.5	13.4	13.2	13.5
Grant Reserves	10.0	25.3	9.1	9.1	9.1	9.1	9.1
Insurance Reserves	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Service Reserves	8.4	14.0	8.5	8.4	8.4	8.4	8.3
Technical Reserves*	35.4	25.0	26.8	28.3	25.3	26.8	28.3
	83.2	107.0	81.6	80.2	76.0	77.9	80.2

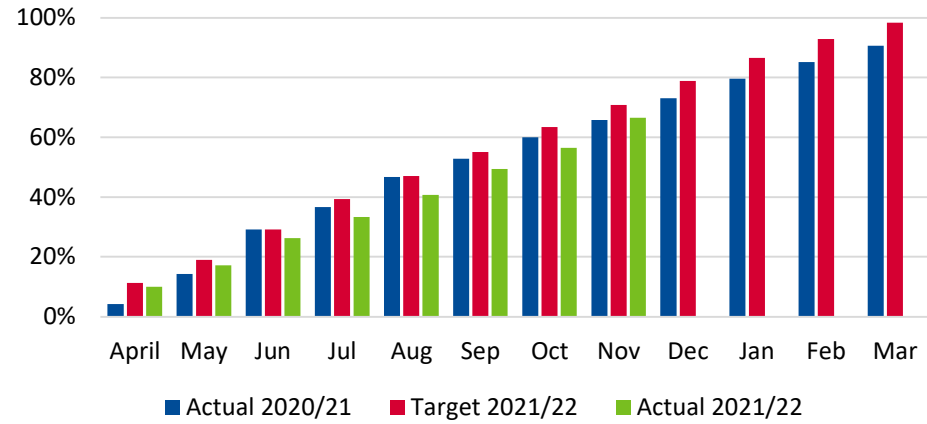
* Technical Reserves are held to even out the Council's finances and reduce in year volatility

Collection Rates

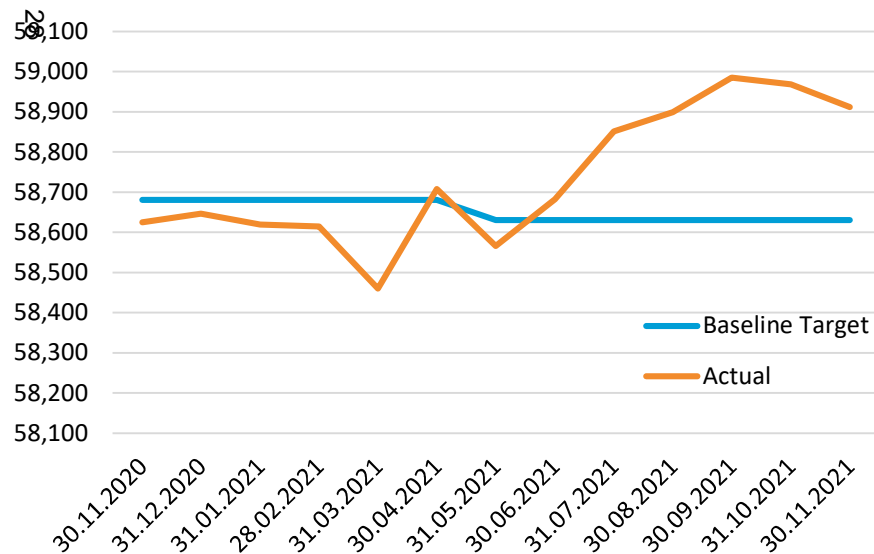
Council Tax Collection



Business Rates Collection



Council Tax Base



The Council Tax Base has increased by circa 280 Band D equivalents due to a combination of the CTR Scheme (Council Tax Reduction) being in a much better position (CTR dropped from £12.1M in Apr 21 to £11.7M in Nov 21 (excluding the new £150 Hardship)) and fluctuations in the number of exemptions awarded in the month.

Council Tax collection is 69.9% (0.1% below target) for the current year (£0.142M) but 6.2% lower than target for arrears (£0.563M).

Business rates in year collection is 4.3% (£1.4M) below target & arrears 2.9% (£0.116M) above target. This performance is primarily due to the timing, value and changing of the levels of national reliefs. Retail & Leisure rate reliefs are now 66% from 01.07.21 until 31.03.22 which resulted in new bills being issued. November's collection saw an increase in collection of 2.7% (£0.9M) to the monthly target.

Leader: Economic Recovery & Regeneration

3.64%

of Total Gross Revenue
Service Budget

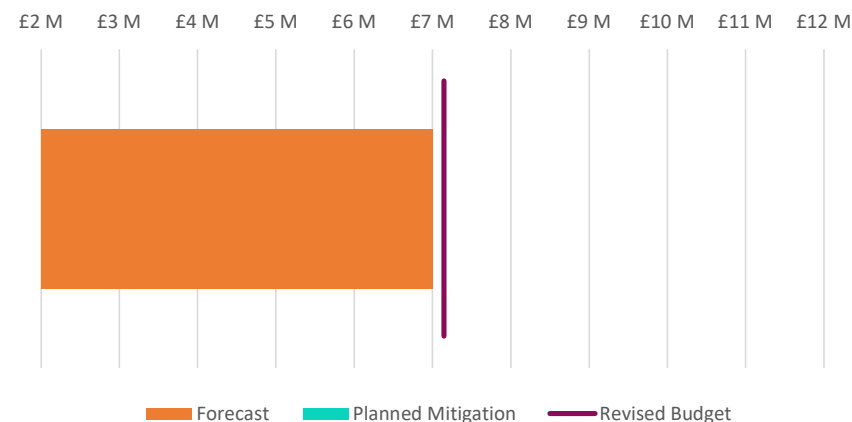
(£0.1M)

Forecast Favourable Variance

-0.11%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.000	Adult and Community Learning	0.473	0.473	0.000
0.000	Civic Affairs	0.951	0.951	0.000
(0.020)	Corporate Budget and Resources Planning (Strategic Lead)	1.208	1.238	0.030
0.055	Corporate Planning and Strategic Direction	2.088	2.008	(0.080)
0.000	Emergency Planning	0.222	0.222	0.000
(0.033)	Housing Strategy	0.447	0.418	(0.029)
(0.060)	Other Services	0.827	0.847	0.020
(0.087)	Private sector housing standards and grants	0.490	0.355	(0.135)
0.000	Queensway Development	0.000	0.000	0.000
0.040	Regeneration and business growth	0.439	0.493	0.054
(0.105)		7.145	7.005	(0.140)
(0.105)	Gross Expenditure	11.695	11.555	(0.140)
0.000	Gross Income	(4.550)	(4.550)	0.000
(0.105)		7.145	7.005	(0.140)



There are currently a number of staffing vacancies in the Housing team which is offsetting staffing pressures caused by the engagement of interim agency placements. There are some additional costs in relation to the service redesign team, which has been created to improve the efficiency and productivity of services. Strong overall budget management continues and a positive outturn is forecasted to be delivered by the year-end.

Our Southend 2050 ambition remains strong and has helped to inform and focus our immediate economic recovery plans. The original programme for 2021/22 has been reshaped as a direct response to the impact of the pandemic which is shown in the Other Services line. New opportunities have arisen as a result of additional Government funding being made available to facilitate a number of events in the town in an attempt to boost local footfall and economic growth. This external funding is being utilised to provide additional support when secured.

Our commitment to wider networks such as the LGA, East of England LGA and ASELA (Association of South Essex Local Authorities) remains strong, especially during the recovery from COVID-19 and as such the subscriptions to be members of these organisations is planned to continue.

Deputy Leader: Transport, Asset Management & Inward Investment

4.94%

of Total Gross Revenue
Service Budget

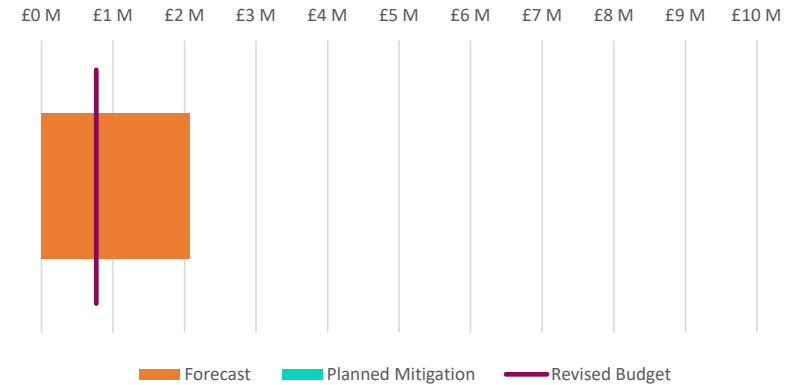
£1.3M

Forecast Adverse Variance

1.04%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.868	Car parks and all car parking matters	(7.098)	(6.644)	0.454
0.000	Concessionary Fares	3.140	3.140	0.000
0.000	Engineering (Bridges and Structures)	0.051	0.051	0.000
0.200	Highways (including maintenance)	3.302	3.710	0.408
0.091	Highways and Transport	(0.363)	(0.322)	0.041
0.131	Passenger Transport / Vehicle Fleet	0.159	0.290	0.131
0.111	Property and Commercial	(0.669)	(0.555)	0.114
0.000	Street signs and all signage (Highways)	0.059	0.059	0.000
0.090	Transport (including Transport Policy and Licensing)	2.186	2.351	0.165
1.491		0.767	2.080	1.313
0.836	Gross Expenditure	15.880	17.554	1.674
0.655	Gross Income	(15.113)	(15.474)	(0.361)
1.491		0.767	2.080	1.313



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Due to the impact of COVID-19 national restrictions, car parking income was reduced in the opening quarter of the year and the Government's Local Authority Sales, Fees and Charges Compensation Scheme has been extended into the 1st quarter of this year to reflect that. Positively, income received in Q2 was above historic levels, showing that demand to visit and stay in Southend during the Summer was strong. This will be continually assessed and monitored throughout the year.

One lasting impact from the pandemic is the rapid transition from cash to card or electronic payments. These methods of payment incur card processing fees and due to the high volume of car parking transactions via this method it is adding a significant extra cost to the service. Security also continues at University Square car park to ensure a safe environment for its users. Increased costs associated with the security and cleaning in the Travel Centre are still being experienced.

Street lighting columns and other street furniture are replaced when damaged and although there is an increase in insurance claims to recover monies where possible there remains a financial pressure for this issue within the service overall.

The approved increase to the Highways establishment assumed an increase in the level of work undertaken to deliver the ambitious Capital Programme. Further analysis is required to ensure all legitimate capitalisation of salaries and associated costs is undertaken to appropriately charge all eligible expenditure to the Capital Programme.

As a result of the continuation of working from home practices, the Tickfield Centre is forecast not to generate as much income as anticipated this year. Overall this portfolio shows a slightly improved forecast position on what was reported at Period 6.

Adult Social Care & Health Integration

23.19%

of Total Gross Revenue
Service Budget

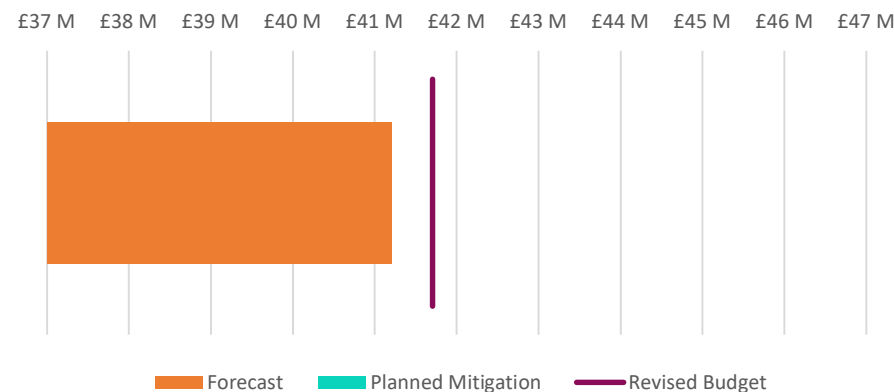
(£0.5M)

Forecast Favourable Variance

-0.40%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.055	Adult Social Care	33.397	32.214	(1.183)
0.108	Commissioning	5.218	5.090	(0.128)
0.915	Mental Health Services	3.089	3.897	0.808
1.078		41.704	41.201	(0.503)
1.189	Gross Expenditure	74.509	75.893	1.384
(0.111)	Gross Income	(32.805)	(34.692)	(1.887)
1.078		41.704	41.201	(0.503)



Adult Social Care & Health Services are reporting an improved position for 2021/22 as at Period 8. The main factors that have contributed to this improvement have been the confirmation of funding support to facilitate quicker discharges from hospital, other additional Government support and a reduction in demand for services from older people. This combination of factors has contributed to a forecast underspend of £0.503M on a net expenditure budget of circa £41M at this stage of the year, an improvement of circa £1.581M from Period 6. The ever changing impact of the pandemic means that the situation remains volatile and will continue to be closely monitored for the rest of the financial year. There remains significant financial pressure for care and support services to people with mental health & learning disabilities aged 18-64.

The medium to longer term impact of COVID-19 on budgets and service demand remains uncertain as people impacted by this are potentially required to have support earlier and for longer than would have previously been the case.

Levels of service use amongst older people remains lower than was previously the case due to ongoing COVID-19 concerns, particularly in the use of residential and home care. This has reduced the budget pressure for 2021/22. Clearly the needs of this group of people have not gone away and cost pressures and demand are likely to return to their upward trend over the medium term.

National Hospital Discharge funding in support of COVID-19 pressures is now assured until 31st March 2022. This will fund costs incurred during the first 4 weeks post discharge and has enabled clients to be released from hospital earlier. This should help to sustain the current improved forecast financial position for 2021/22.

Children and Learning

25.54%

of Total Gross Revenue
Service Budget

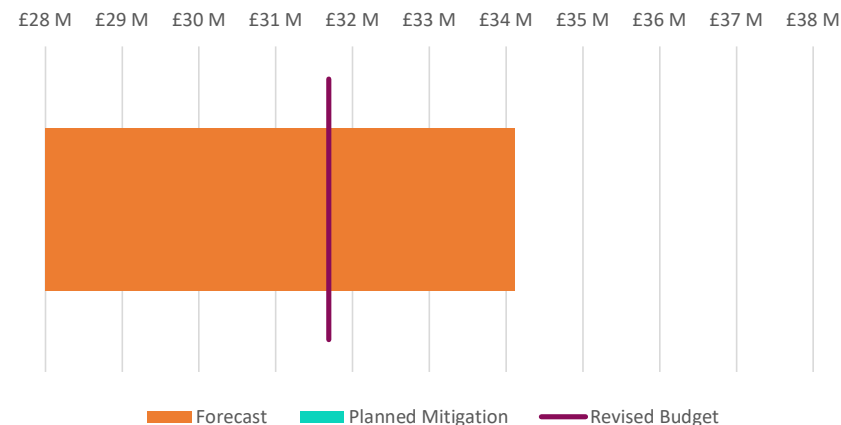
£2.4M

Forecast Adverse Variance

1.92%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.045)	Schools, Education and Learning	2.873	2.719	(0.154)
2.321	Children's Services	24.558	27.063	2.505
0.208	Special Educational Needs and Children with Disabilities	2.117	2.196	0.079
0.014	Youth Offending Service	1.460	1.474	0.014
(0.039)	Youth and Connexions	0.682	0.668	(0.014)
2.459		31.690	34.120	2.430
2.739	Gross Expenditure	82.061	84.985	2.924
(0.280)	Gross Income	(50.371)	(50.865)	(0.494)
2.459		31.690	34.120	2.430



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As expected, Children & Learning Services remains a high spend pressure area and is currently forecasting a net overspend of circa £2.430M, excluding the one-off £2.5M put aside to support the service as part of the approved 2021/22 budget. Although still a concern in headline terms this is a positive financial improvement from both 2019/20 and 2020/21. Most of this pressure is shown on Children Services.

Looked After Children (LAC) numbers reached a peak in 2019/20, reduced through 2020/21 and now have a broadly sustained reduction in 2021/22. There are 291 LAC as at the end of November 2021. The reduction in LAC numbers is having a positive effect on improving previous and significant spend pressures. Whilst this spend reduction is positive, reliance on LAC external care placements (the most expensive type of provision) remains high as a proportion of overall LAC placements with 98 currently projected ongoing placements as at the end of November 2021, equivalent to 34% of all LAC placements. This is the main cause of the spend pressure within Children Services. Work continues to re-build capacity for inhouse foster care placements with the aim of reducing these costs over time and improve outcomes for children in the care system.

It is currently proving difficult to recruit permanent staff, so this forecast includes a sustained pressure on the budget due to the use of agency staff to cover social work vacancies and maternity leave. The service is also anticipating additional funding pressures following requests from Government for local authorities to meet increased support for unaccompanied asylum seeker placements. Additionally, there is a funding pressure on Leaving Care accommodation payment costs and there are also increased costs related to COVID-19 resulting from both placement extensions and extra staffing to respond to the crisis.

The Children's service financial position remains subject to further volatility and spend pressure should the number of LAC increase again. The situation will continue to be closely monitored throughout the remainder of the financial year.

Communities & Housing

7.42%

of Total Gross Revenue
Service Budget

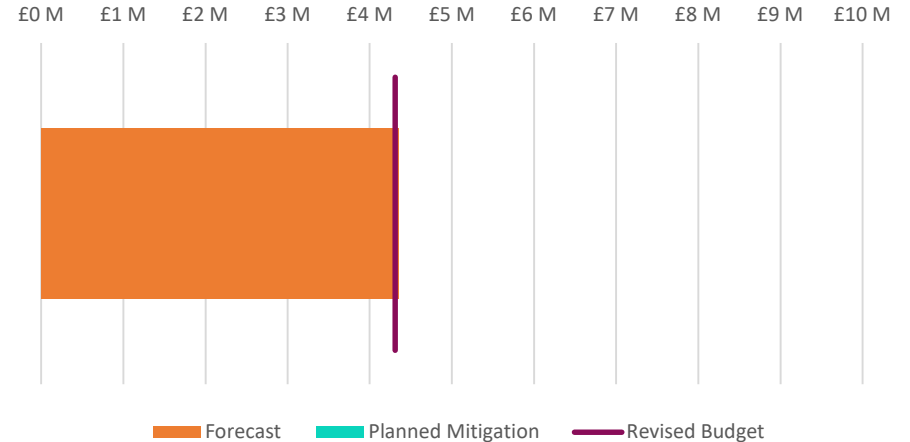
£0.0M

Forecast Adverse Variance

0.04%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.000	Better Start and Early Years	0.612	0.612	0.000
0.000	Children’s Centres, Nurseries, Child Care	0.784	0.784	0.000
0.000	Community Cohesion and community assets	0.016	0.016	0.000
0.000	Domestic Abuse	0.151	0.126	(0.025)
0.060	Homelessness	0.231	0.326	0.095
0.011	Library Services	2.565	2.540	(0.025)
0.000	Public Health	(0.048)	(0.048)	0.000
0.071		4.311	4.356	0.045
(0.135)	Gross Expenditure	23.852	23.690	(0.162)
0.206	Gross Income	(19.541)	(19.334)	0.207
0.071		4.311	4.356	0.045



An historic saving target relating to hostel income generation remains challenging to deliver and as a result alternative savings proposals are currently being explored. Additional one-off ICT development charges have been incurred to update the Housing system to reflect changes to the Housing Allocation Policy. The service remains broadly on track for this financial year.

Corporate Services & Performance Delivery

25.59%

of Total Gross Revenue
Service Budget

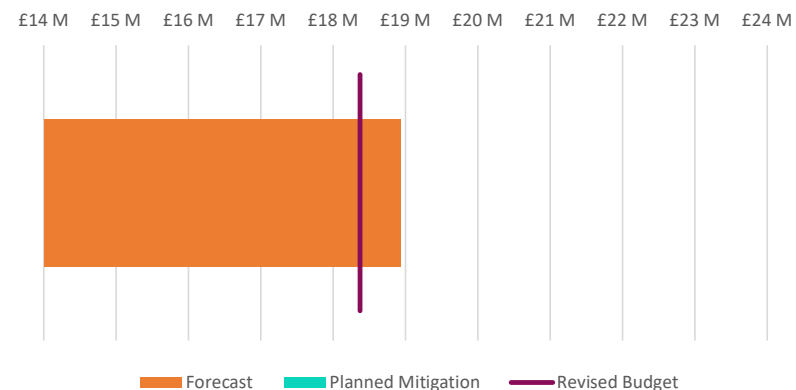
£0.6M

Forecast Adverse Variance

0.44%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.070	Corporate Budget and Resource Planning (monitoring, Capital Programme Delivery)	2.129	2.194	0.065
0.000	Corporate Procurement	0.866	0.841	(0.025)
0.305	Council Tax and Business Rates	(0.015)	0.195	0.210
0.790	Digital and Technology	3.622	4.417	0.795
0.060	Elections and Electoral Registration	0.401	0.461	0.060
0.005	Financial Services (including Insurance etc.)	0.396	0.396	0.000
(0.265)	Housing Benefit	1.764	1.389	(0.375)
0.065	Human Resources	1.999	2.129	0.130
(0.300)	Internal Audit	0.753	0.498	(0.255)
(0.083)	Learning and Workforce Development	0.945	0.945	0.000
(0.095)	Legal Services, Land Charges & Democratic Services	1.804	1.709	(0.095)
0.003	Performance Delivery	3.705	3.754	0.049
0.555		18.369	18.928	0.559
(0.657)	Gross Expenditure	82.214	81.518	(0.696)
1.212	Gross Income	(63.845)	(62.589)	1.256
0.555		18.369	18.929	0.560



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Planned budget proposals in relation to Council Tax and Business Rates income should increase the net level of debt collectable by reviewing all discounts and exemptions. This 'extra' income will be reported in the summary table under the "Funding" section. Whilst e-billing is unavailable printing costs continue to be a pressure to this budget line, together with card processing fees as the transition to electronic payments on the website continue to increase. There are a number of vacancies within the Council Tax and Housing Benefit teams that are putting pressure on the teams but also providing some compensating savings.

As is being seen across a number of other teams, schools are reducing their use of SBC support services as they work across Academy trust portfolios. This is impacting the amount of income generated by ICT. As a result of further scoping works across the ICT estate, the savings delivery programme for 2021/22 has been delayed. These combined factors have created a significant pressure for 2021/22. Positively the planned laptop replacement programme is now complete which will result in extra income generated from the sale of older machines. Human Resources income is also impacted by a reduction in income from Schools.

There continues to be a significant number of vacancies within the Internal Audit function and to a lesser degree in other areas. It is still anticipated that the audit programme will be delivered this year, with the assistance of the addition of some temporary resource / external support.

Environment, Culture, Tourism & Planning

3.66%

of Total Gross Revenue
Service Budget

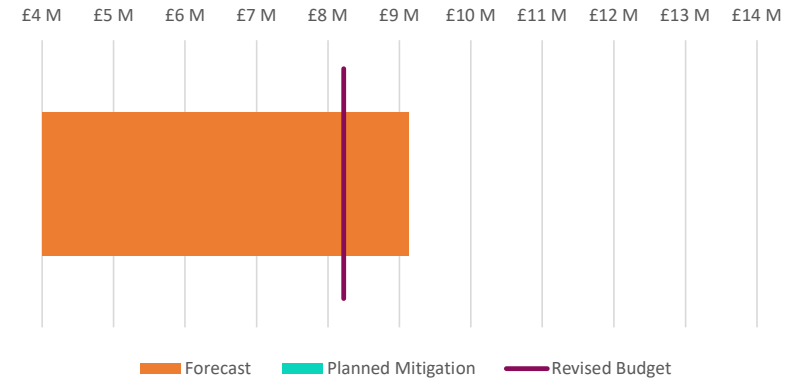
£0.9M

Forecast Adverse Variance

0.71%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.000	All matters relating to trees, plants, grass verges and other flora	0.556	0.518	(0.038)
0.030	Building Control (planning)	(0.017)	0.003	0.020
0.036	Climate Change, Renewable energy and Energy Saving	0.092	0.182	0.090
0.117	Grounds Maintenance	3.463	3.409	(0.054)
0.109	Museums and Galleries	1.278	1.388	0.110
(0.006)	Parks and Open Spaces	1.044	1.040	(0.004)
0.126	Planning Policy and Planning Control	1.115	1.343	0.228
0.200	Sea and Foreshore Defences	0.401	0.549	0.148
0.000	Southend Theatres	0.027	0.027	0.000
0.308	Sport Development	(0.122)	0.186	0.308
0.000	Tourism	0.383	0.478	0.095
0.920		8.220	9.123	0.903
0.505	Gross Expenditure	11.762	12.223	0.461
0.415	Gross Income	(3.542)	(3.100)	0.442
0.920		8.220	9.123	0.903



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Coastal damage from storms has resulted in additional maintenance requirements along our shoreline. Increased inspections are also identifying defects more promptly. External support continues to be required to support the Sustainable Drainage Systems (SuDS) elements of planning applications and to provide geotechnical expertise as required.

Interim staff and specialist external / professional support are currently in place to support both the Planning and Climate change services with regards to the significant planning schemes underway (Better Queensway, Fossetts Farm), and the variety of externally funded projects the Council is currently engaged in.

In order to support the leisure provision recovery in the Borough the management fee payable from the operator has been waived for 2021/22.

Additional leasing and repairs and maintenance costs were initially incurred in the Grounds Maintenance service to ensure that there is enough equipment available to staff to operate safely during the pandemic but a rationalisation exercise has contributed to minimising these costs from Period 6. Income in this service area has also recovered as we have progressed through the year.

Income in the museums service has suffered this financial year, firstly due to national restrictions, and then from a lower number of visitors during the summer period. The first quarter of lost income has been included in the MHCLG (now DLUHC) sales, fees and charges compensation scheme claim.

Public Protection

6.00%

of Total Gross Revenue
Service Budget

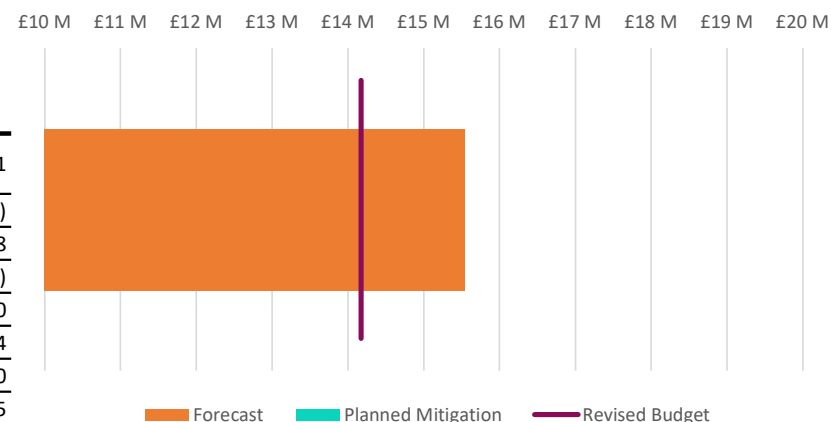
£1.38M

Forecast Adverse Variance

1.01%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.089	Cemeteries, Crematoria and Bereavement Services	(1.646)	(1.585)	0.061
(0.078)	Cleansing of highways and public realm	1.670	1.597	(0.073)
0.033	Closed Circuit Television	0.491	0.549	0.058
(0.050)	Community Safety	0.795	0.721	(0.074)
0.000	Domestic Abuse	0.000	0.000	0.000
0.113	Pier and Foreshore	0.431	0.545	0.114
0.000	Public Toilets and alleyways	0.510	0.510	0.000
0.020	Registration Services	(0.118)	(0.093)	0.025
0.019	Regulatory services	1.229	1.250	0.021
(0.028)	Town Centre Management	0.127	0.089	(0.038)
1.438	Waste collection, disposal, management, recycling & sanitation	10.683	11.964	1.281
1.556		14.172	15.547	1.375
1.445	Gross Expenditure	19.274	20.309	1.035
0.111	Gross Income	(5.102)	(4.762)	0.340
1.556		14.172	15.547	1.375



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Whilst many people continue to work from home and could do so for the foreseeable future in some way, there has been a significant increase in the volume of household waste which is being collected and disposed of. This has been even higher than during the early formal COVID-19 lockdown periods. As a waste disposal authority, the financial consequences of this significant increase in tonnage is borne by the Council. The situation is now forecast to improve from Period 6 but this remains a significant challenge for the Authority and it is vital that ideally less waste is generated by residents and/or recycling rates are improved locally.

Income received on the pier and foreshore in Quarter 1 was impacted by pandemic restrictions, although the extension of the sales, fees and charges compensation scheme up to the end of June 2021 will assist in recovering some of this loss. Income during the second quarter and to date has improved.

The requirements for additional equipment at the cemetery and crematorium to ensure operations can be carried out respectfully and safely is currently resulting in a budget pressure. A wider review of the service is underway to attempt to accommodate additional costs from next year within current resource allocations.

Housing Revenue Account

(£0.1M)

Forecast Favourable Variance

-0.5%

Variance as % of Gross Operating Expenditure

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.000	Gross Expenditure	25.040	25.409	0.369
(0.450)	Gross Income	(29.102)	(29.590)	(0.488)
(0.450)	NET OPERATING EXPENDITURE	(4.062)	(4.181)	(0.119)
0.000	Revenue Contribution to Capital	8.334	8.334	0.000
0.450	Contribution to / (from) Earmarked Reserves	(4.272)	(4.153)	0.119
0.000	TOTAL	0.000	0.000	(0.000)

HRA Reserves 2021/22	Opening Balance	Forecast Movement	Closing Balance
Capital Investment Reserve	27.1	(4.2)	22.9
Major Repairs Reserve	6.9	0.0	6.9
Repairs Contract Pension Reserve	0.6	0.1	0.7
HRA Reserve	3.5	0.0	3.5
HRA Reserves Total	38.2	(4.2)	34.0

The forecast for the Housing Revenue Account (HRA) as at the end of November 2021 indicates that it will have a net surplus of (£0.119M) in 2021/22, a positive variance of around (-0.5%) of gross operating expenditure.

This position is due to increased levels of rental income received (£0.488M) as a result of a lower level of voids within the housing stock. This demonstrates good housing management practice. As the planned affordable homes acquisitions programme progresses through the year there is also an anticipated increase in the numbers of units within the housing stock that will further increase the HRA's rental income streams in the future.

There is an anticipated pressure on HRA revenue repairs budget of £0.369M. This is due to a combination of increasing contractor costs, additional compliance requirements as well as works that were delayed from 2020/21 due to COVID-19 and national lockdown implications.

It is currently anticipated that any surplus will be transferred to the HRA Capital Investment Reserve at the year-end for future planned investment into improving the housing stock.

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Budget Monitoring & Reporting 2021/22

Period 8 – November 2021 Capital Investment Programme Performance



Capital Investment Programme Performance Report

1. Overall Budget Performance by Investment Area

The revised Capital budget for the 2021/22 financial year which includes all changes agreed at November 2021 cabinet is as follows:

Schemes	Revised Budget 2021/22 £'000
Total Schemes Delivered by General Fund	61,025
Total Schemes Delivered by General Fund Funded by the Levelling Up Fund	220
Total Schemes Delivered by Housing Revenue Account	9,607
Total Schemes Delivered by Subsidiary Companies and Joint Ventures	14,222

Actual capital spend as at 30th November 2021 is £40.435 million representing approximately 48% of the revised budget. This is shown in section 5. (Outstanding creditors totalling £0.506 million have been removed from this figure).

The expenditure to date has been projected to year end and the outturn position is forecast to reflect the Project Manager's realistic expectation. This is broken down by type of investment area on the following pages.

Total Schemes Delivered by General Fund

Investment Area	Revised Budget 2021/22	Outturn to 30 th November 2021	Current Variance to 30 th November 2021	Expected outturn 2021/22	Latest Expected Variance to Revised Budget 2021/22	Amended Budget 2022/23 to 2025/26
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing	959	280	(679)	834	(125)	5,279
Social Care	6,487	5,237	(1,250)	6,400	(87)	203
Schools	1,684	895	(789)	1,515	(169)	2,778
Enterprise & Regeneration	8,553	3,917	(4,636)	10,815	2,262	7,228
Southend Pier	5,235	2,916	(2,319)	5,235	-	10,600
Culture & Tourism	1,647	454	(1,193)	1,544	(103)	145
Community Safety	3,427	1,337	(2,090)	3,177	(250)	250
Highways & Infrastructure	24,443	11,937	(12,506)	22,678	(1,765)	25,712
Works to Property	2,778	1,092	(1,686)	1,943	(835)	10,393
Energy Saving	405	93	(312)	232	(173)	625
ICT	4,741	3,016	(1,725)	4,357	(384)	2,256
S106/S38/CIL	666	236	(430)	707	41	236
Total	61,025	31,410	(29,615)	59,437	(1,588)	65,705

Total Schemes Delivered by General Fund – Funded by the Levelling Up Fund

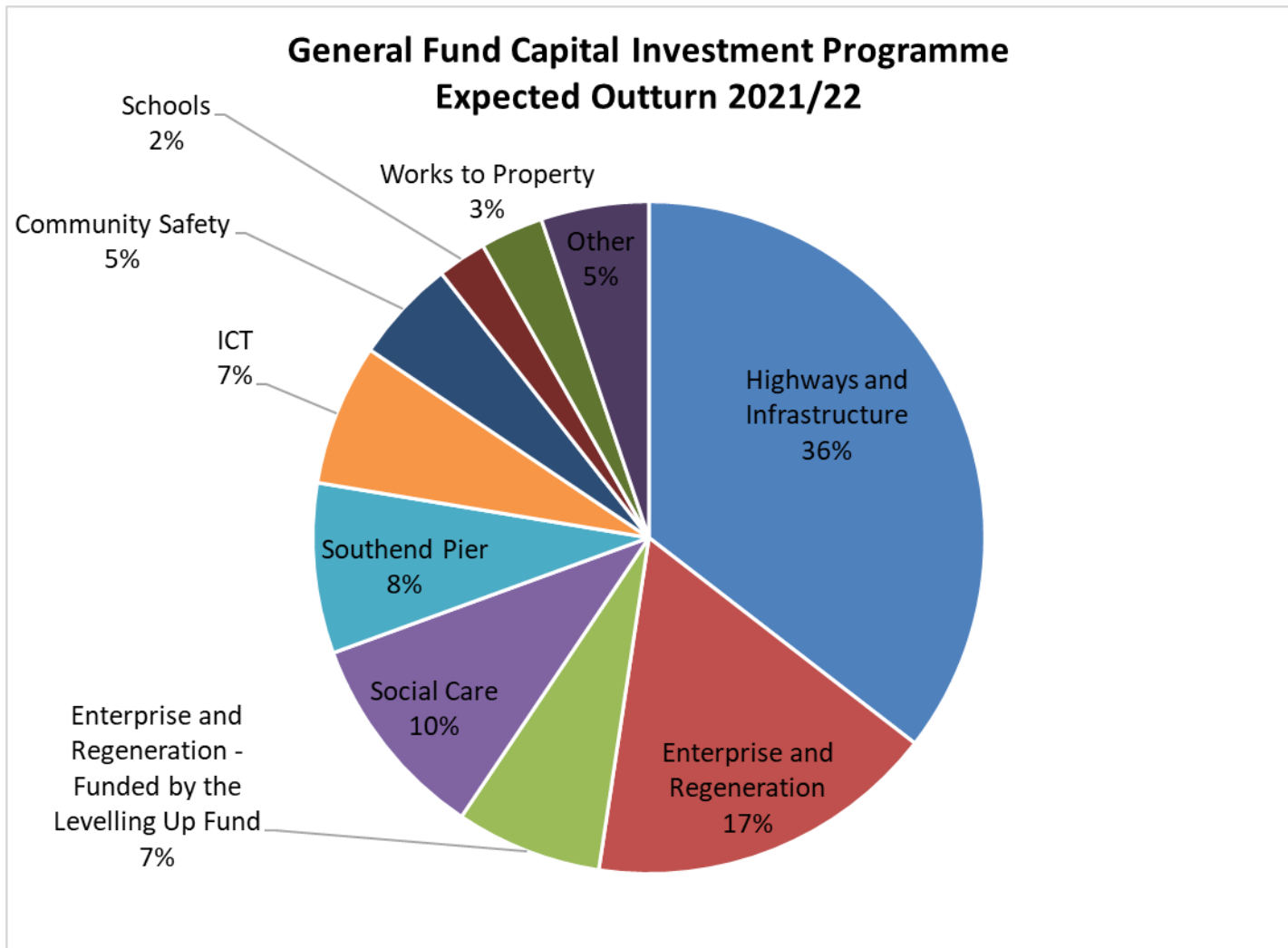
Investment Area	Revised Budget 2021/22	Outturn to 30 th November 2021	Current Variance to 30 th November 2021	Expected outturn 2021/22	Latest Expected Variance to Revised Budget 2021/22	Amended Budget 2022/23 to 2025/26
	£'000	£'000	£'000	£'000	£'000	£'000
Enterprise & Regeneration	220	2	(218)	4,495	4,275	19,500
Total	220	2	(218)	4,495	4,275	19,500

Total Schemes Delivered by Housing Revenue Account

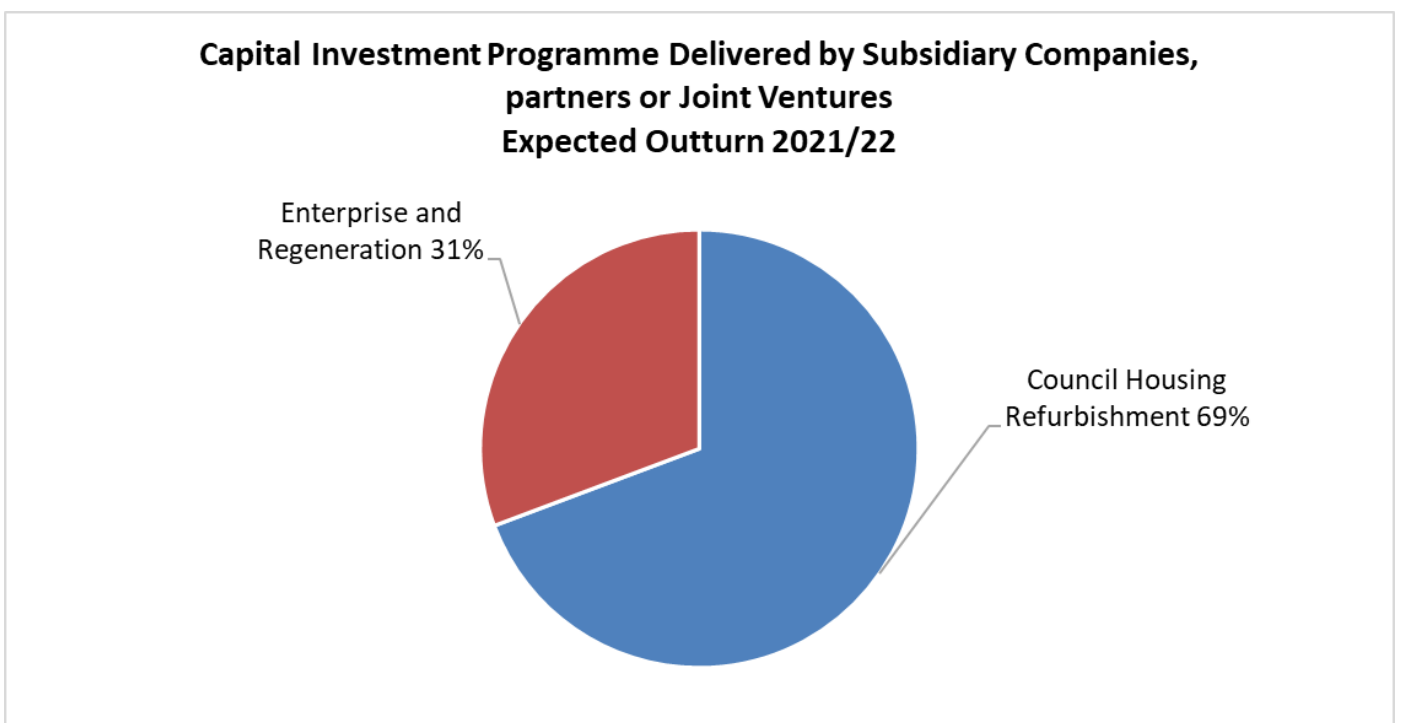
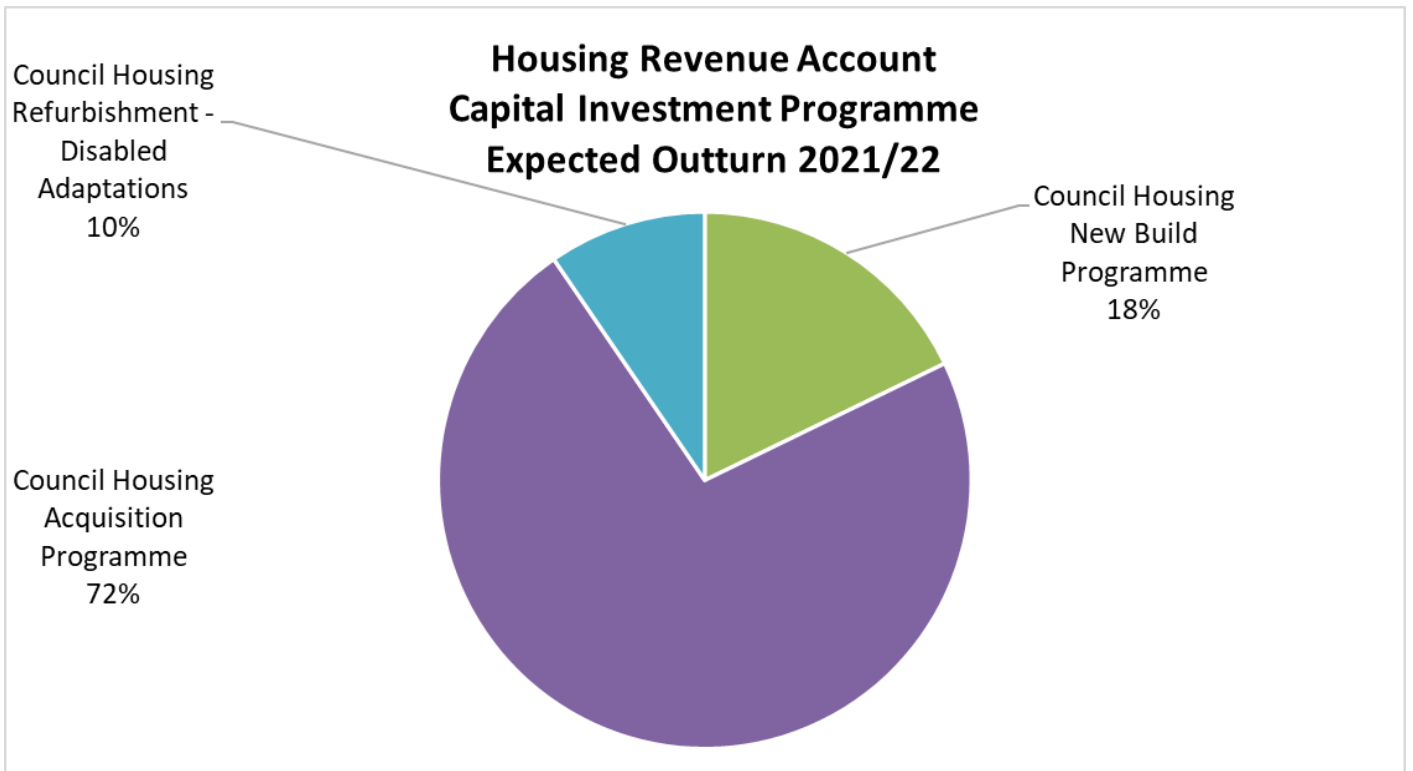
Investment Area	Revised Budget 2021/22	Outturn to 30th November 2021	Current Variance to 30th November 2021	Expected outturn 2021/22	Latest Expected Variance to Revised Budget 2021/22	Amended Budget 2022/23 to 2025/26
	£'000	£'000	£'000	£'000	£'000	£'000
Council Housing New Build Programme	2,224	668	(1,556)	1,330	(894)	12,364
Council Housing Acquisitions Programme	6,668	3,404	(3,264)	5,413	(1,255)	7,320
Council Housing Refurbishment – Disabled Adaptations	715	333	(382)	715	-	2,316
Total	9,607	4,405	(5,202)	7,458	(2,149)	22,000

Total Schemes Delivered by Subsidiary Companies and Joint Ventures

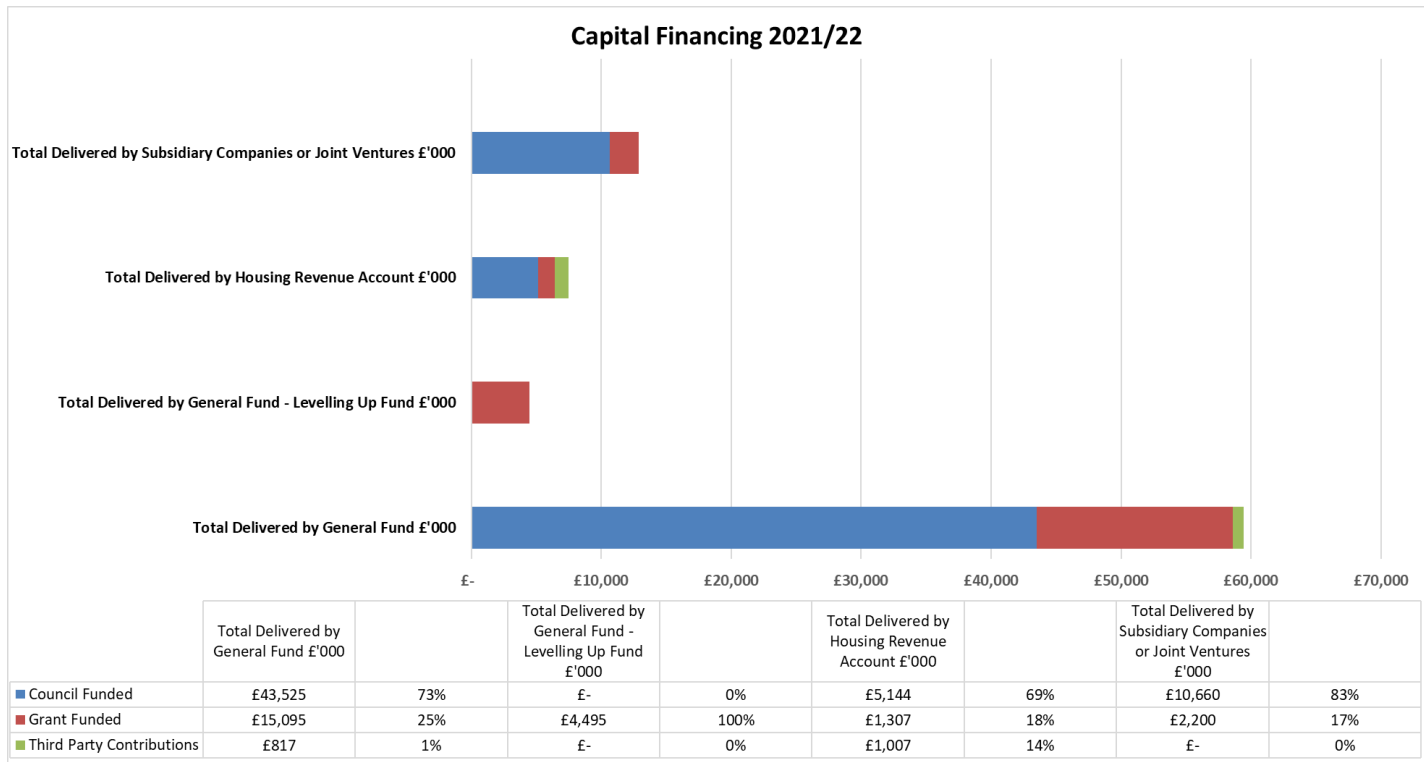
Investment Area	Revised Budget 2021/22	Outturn to 30th November 2021	Current Variance to 30th November 2021	Expected outturn 2021/22	Latest Expected Variance to Revised Budget 2021/22	Amended Budget 2022/23 to 2025/26
	£'000	£'000	£'000	£'000	£'000	£'000
Council Housing Refurbishment	9,672	3,393	(6,279)	8,910	(762)	21,118
Enterprise and Regeneration	4,550	1,225	(3,325)	3,950	(600)	30,200
Total	14,222	4,618	(9,604)	12,860	(1,362)	51,318



Other	Expected Outturn 2021/22
Culture and Tourism	£ 1,544
General Fund Housing	£ 834
S106/S38/CIL	£ 707
Energy Saving	£ 232
	£ 3,317



The capital investment for 2021/22 is proposed to be funded as follows:



Third party contributions are non-grant funding from external sources such as S106 contributions.

Of the £24.921million of external funding expected, £14.321 million had been received by 30th November 2021. The outstanding amounts mainly relate to Local Growth Fund schemes and the Levelling Up Fund.

2. Strategic Schemes

Successful and timely delivery of the capital investment programme is a key part of achieving the Southend 2050 ambition and delivering its outcomes.

£68.226 million of this relates to strategic schemes and approximately 51% spend has been achieved to date for these strategic schemes.

Investment Area	Scheme	Revised Budget 2021/22 £000	Outturn to 30th November 2021 £000	Expected outturn 2021/22 £000	Latest Expected Variance to Revised Budget 2021/22 £000	Budget 2022/23 to 2025/26 £000
Strategic Schemes						
Enterprise and Regeneration	Airport Business Park (including Local Growth Fund)	5,647	2,519	8,147	2,500	5,300
Enterprise and Regeneration	Airport Business Park - Acquisition	1,036	861	1,036	-	-
Enterprise and Regeneration	Better Queensway - Programme Management	1,058	320	908	(150)	1,140
Enterprise and Regeneration	Victoria Centre	762	216	722	(40)	540
Social Care	Brook Meadows House	6,250	5,153	6,250	-	-
Schools	School Improvement and Provision of School Places	160	1	160	-	-
Southend Pier	Southend Pier schemes	5,235	2,916	5,235	-	10,600
ICT	ICT schemes	4,741	3,016	4,357	(384)	2,256
Highways and Infrastructure	Footways and Carriageways Schemes	11,469	7,656	11,275	(194)	16,844
Highways and Infrastructure	Parking Schemes	805	324	467	(338)	748
Highways and Infrastructure	Highways and Infrastructure - Local Growth Fund and Local Transport Plan Schemes	8,724	3,189	7,678	(1,046)	2,549
Total General Fund Strategic Schemes		45,887	26,171	46,235	348	39,977
Enterprise and Regeneration	Leigh Port Detailed Design	220	18	4,000	3,780	11,070
Enterprise and Regeneration	Cliffs Pavillion	-	-	420	420	7,740
Enterprise and Regeneration	City Beach	-	-	75	75	690
Total General Fund - Funded by Levelling Up Fund Strategic Schemes		220	18	4,495	4,275	19,500
Council Housing New Build Programme	Council Housing New Build Programme	2,224	668	1,330	(894)	12,364
Council Housing Acquisitions	HRA Affordable Housing Acquisitions Programme	3,000	578	2,000	(1,000)	4,706
Council Housing Acquisitions	Next Steps Accommodation Programme	3,123	2,654	3,123	-	-
Council Housing Acquisitions	Acquisition of Tower Block Leaseholds - Queensway	250	97	250	-	2,359
Total HRA Strategic Schemes		8,597	3,997	6,703	(1,894)	19,429
Council Housing Refurbishment	HRA Decent Homes Programme	9,672	3,393	8,910	(762)	21,118
Enterprise and Regeneration	Better Queensway - Loan to Joint Venture	1,750	725	1,750	-	11,000
Enterprise and Regeneration	Housing Infrastructure Funding	500	500	1,000	500	14,000
Enterprise and Regeneration	Better Queensway Energy Centre	1,600	-	500	(1,100)	3,700
Total Delivered by Subsidiary Companies and Joint Ventures Strategic Schemes		13,522	4,618	12,160	(1,362)	49,818
Total Strategic Schemes		68,226	34,804	69,593	1,367	128,724
Other Schemes						
Other General Fund Capital Investment Schemes		15,138	5,223	13,202	(1,936)	25,728
Other HRA Capital Investment Schemes		1,010	408	755	(255)	2,571
Other Delivered by Subsidiary Companies and Joint Ventures Capital Investment Schemes		700	-	700	-	1,500
Total Schemes						
TOTAL GENERAL FUND SCHEMES		61,245	31,412	63,932	2,687	85,205
TOTAL HRA SCHEMES		9,607	4,405	7,458	(2,149)	22,000
TOTAL DELIVERED BY SUBSIDIARY COMPANIES AND JOINT VENTURES SCHEMES		14,222	4,618	12,860	(1,362)	51,318
		85,074	40,435	84,250	(824)	158,523

General Fund

Enterprise and Regeneration

All site enabling works at the Airport Business Park are now complete with the only remaining element to be completed being the construction of the Launchpad. As at end of November 2021 the construction was progressing well and slightly quicker than expected. It is currently expected that completion of the Launchpad is likely to be May 2022. Procurement for an operator went live in September 2022 with a decision expected late December 2021.

Included in this report is an accelerated delivery of £2.5 million from 2022/23 to financial year 2021/22 as works at the Launchpad have progressed at a faster pace than previously planned.

The Better Queensway Programme team are currently reviewing the Business and Programme Plan as the current Business Plan runs up until 31st December 2021. In order to reflect this revised plan, included in this report is a carry forward request of £150,000 to be carried forward from 2021/22 to 2022/23. This funding relates in the main, to works around Highways and Planning and their delivery.

Work is progressing at the Victoria Centre situated in the Town Centre and there are a number of contractors currently on site. Due to some unexpected delays some works are not expected to complete until after the end of the financial year 2021/22. A carry forward request of £40,000 from 2021/22 to 2022/23 is included in this report.

Social Care

The works at Brook Meadows House are progressing well on site and all works are currently on programme for a handover of the new building in January 2022.

Demolition of Priory House and residual parking and landscape works will commence upon decant of Priory House residents into the new building and these works are expected to complete in June 2022.

Schools

All projects in relation to School Improvement and Provision of School Places have now completed with final payments expected that relate to works at two schools within the borough. In total, we have achieved expansions across 6 secondary schools, meeting statutory duties to ensure sufficiency.

Southend Pier

Southend Pier Schemes have progressed well throughout the year.

Structural consultants were appointed to review pier condition works and structural condition survey works. A structural condition survey has been received in draft format and some urgent works have subsequently been identified.

The first schedule of the bearing refurbishment programme has been completed and the next phase was out to tender. Tenders have been received and reviewed and works are expected to start mid-January 2022.

The first pier train was received at the pier in September and commissioning works commenced mid-October. Some technical issues were experienced but dealt with quickly and it is expected that train one will be fully running by the end of December. Train 2 is expected to be fully running in early January.

ICT Schemes

Projects within the service continue to be delivered at pace.

The programme to roll out new laptops to the business is now complete and works have now moved to the replacement of desktops.

The connected and smart capital project is well under way, a project which is focussed on setting up new infrastructure in the “cloud” and will enable the council to facilitate new ways of working. The bulk of this project is expected to complete in this financial year. There is a carry forward of £150,000 requested in this report for a small part of this project which will not be delivered in 2021/22 as a result of delays experienced due to COVID-19.

A further review of project delivery plans has meant that there are a number of other carry forward requests requested in this report, as some works have been delayed into future financial years.

The project in place to upskill our current security infrastructure has progressed well. There have been some delays due to the implementation of the Microsoft suite and this work will now be completed in early 2022 so a carry forward request is included within this report of £130,000 from 2021/22 to 2022/23.

The works that are underway in relation to the new modules for the ContrOCC system have also been reviewed with the services involved and the delivery schedule has been revised. It is requested that £270,000 be carried forward from 2021/22, £105,000 into 2023/24 and £102,000 into 2024/25.

Further carry forwards of £43,000 are also requested in this report in relation to some more minor works. £4,000 from 2021/22 to 2022/23 is in relation to some minor improvements to Business World. £39,000 is in relation to some connectivity works needed for NHS systems that will be needed in the future to further facilitate new ways of working. This is included within the report as a request to carry forward the budget from 2021/22 to 2024/25 and will be accelerated if needed earlier.

A business case was brought to Investment Board in October 2021 which detailed a proposal to move the council to a smart model of IT infrastructure. Further work has been done to improve the clarification of the type of spend required and whether it is revenue or capital spend. It was agreed that a request for additional budget of £146,000 for 2021/22 would be included in this report. £136,000 has been requested for equipment and £10,000 for software licences.

Footways and Carriageway Schemes

The main Footways and Carriageways programmes continue at pace and all works are expected to be delivered to budget in this financial year.

Funding received from the Department for Transport that can be used for repairing and maintaining pot holes within the borough has been fully utilised within this financial year.

As a result of some unexpected delays, included within this report are £194,000 of carry forward requests 2021/22 to financial year 2022/23. These relate to Junction Protection programme of works £170,000 and Zebra Crossing Surfacing Replacement works of £24,000.

Parking Schemes

A feasibility study is currently underway in relation to car parks and signage to ensure that the borough isn't cluttered unnecessarily with signage on roads, roundabouts, and car parks. Whilst the service awaits the outcome of this study, included within this report is a request to carry forward some of these budgets into financial year 2022/23.

The carry forwards relate to the following schemes: £188,000 for Car Park Resurfacing, £100,000 for Parking Signage Replacement and £50,000 for Car Park Improvements.

Highways and Infrastructure – Local Growth Fund and Local Transport Plan Schemes

Capital works funded by the Local Growth Fund and the Local Transport plan have continued to progress. This is grant funded and we have received confirmation from both funding parties that the funding can be carried forward into future years if not fully utilised in 2021/22.

Works at the Bell Junction are now in the final stages. Included in this report is a £150,000 carry forward to move budget from 2021/22 into 2022/23 to finance final account payments for this scheme.

Works in relation to the Southend Town Centre Interventions have slowed over recent months in the main due to the impact of COVID-19. Works have been further impacted by the difficulties currently being experienced in the supply of building materials and resources.

SELEP accountability board have recently granted an extension of funding availability for a further nine months. To reflect this, included in this report is a carry forward request of £896,000 from 2021/22 to 2022/23.

General Fund - Funded by the Levelling Up Fund

Enterprise & Regeneration

The Council has been successful in one of its bids for the Levelling Up Fund. A total of £19.9million has been awarded for visitor economy improvements focussed on Leigh Port, the Cliffs Pavilion and wider seafront and town centre safety measures. The £19.9million external funding will be match funded by £4.1million from the Council's Capital Investment Programme and works will be completed by March 2024.

Budget requests of £23,115,000 across the three projects have now been included within this report. This includes: £19,917,000 of new grant funding to be applied across the financial years 2021/22 to 2023/24; £1,000,000 of new third party contributions from HQ Theatres for the Cliffs Pavilion project in 2022/23; £2,198,000 of match funding from the Council's capital resources. £880,000 of match funding from the Council's capital resources had already been included in the programme at an earlier Cabinet. A request is included within this report to re-profile that budget into 2023/24 so that the project budgets are aligned to the correct years for each of the three projects.

Housing Revenue Account

Construction of New Housing on HRA Land

These schemes have been progressing well and as a result of updated information the programme of works have been reviewed and budget reprofile requests have been included in this report accordingly.

Council Affordable Housing Development phase 2 project that related to properties built in Rochford Road & Audley Close is now complete and the project has been closed. The remaining budget of £3,000 is included within this report as a deletion.

Council Affordable Housing Development (Phase3) relates to 29 units being built in Shoebury. The project has been reprofiled to reflect the tenders received and the current procurement timetable. It is envisaged that works will start on site towards the end of January 2022. These budgets may need to be reprofiled again once the tender has been awarded but included in this report is a carry forward request of £515,000 from 2021/22 and £219,000 from 2022/23, carrying forward £734,000 to 2023/24.

The first property has now been acquired under the Housing Construction Scheme - Land Assembly Fund (S106). Another property is required by November 2022 in order to account for time sensitive monies. The remainder of S106 for this year can be reprofiled to 2022/23 and therefore a request to carry forward £356,000 from 2021/22 to 2022/23 has been included in this report.

Whilst works continue to progress in relation to the Housing Construction Scheme - Phase 5/6 feasibility (S106), it is requested in this report that £20,000 be carried forward from 2021/22 to 2022/23 to reflect the current programme of feasibility works.

HRA Affordable Housing Acquisitions Programme

The funding for the HRA Affordable Housing Acquisitions Programme has time constraints which used to be quarterly and have now been amended to an annual target. This is funding in relation to our generic housing programme and most often these are Right to Buy, Buy Backs - where we purchase and bring ex-Council stock back into the HRA portfolio. This spend has slowed as the housing market is particularly buoyant at the moment and properties are not as affordable as they were. We have completed purchases in 2021/22 and have 7 more in solicitor's hands.

It is therefore recommended within this report that a carry forward of £1million be actioned and carried forward, £500,000 to 2022/23 and £500,000 to 2023/24. Funds will be accelerated if required at future cabinet cycles.

Subsidiary Companies and Joint Ventures

HRA Decent Homes Programme

The Decent Homes programme of works has been reviewed by South Essex Homes and budgets have been reprofiled to reflect spend to date and current full year forecasts.

£423,000 of accelerated deliveries is also included within this report in relation to the Decent Homes programme specifically in relation to Common Area improvement works and Health and Safety works. This is to correct carry forwards previously actioned.

Contractors are now on site to begin the Balmoral Estate Improvement and Structural works. The first block is due to complete at the end of March 2022 or the beginning of April 2022. There are three tower blocks that are affected by the works so it is expected that the scheme will continue well into financial year 2022/23. It is requested that £1.185 million of this funding be carried forward to 2022/23 in order to reflect the current programme of delivery.

Included within this report is a virement to move £270,000 from the Tower Blocks Boroughwide Annunciation System project which is currently under review. This funding has been moved to the Balmoral Estate Improvement and Structural works to fund a shortfall within this budget.

Housing Infrastructure Funding

This is Homes England funding and is time limited. The monies can be drawn from Homes England when required but is dependent on the activity of Porters Place Southend-on-Sea LLP.

Having received an updated spending plan from the LLP, included within this report is an accelerated delivery of £500,000 from 2022/23 to 2021/22.

The Council are currently in discussions to extend the funding availability period. The spend deadline is currently March 2023 and we are looking to extend this to December 2023. Following the outcome of these discussions the £14 million budget in future years may need to be reprofiled.

Better Queensway Energy Centre

This is funding from the Local Enterprise Partnership (LEP) and the Council have an agreement with the LEP that money comes to us and we will pass it on to Porters Place Southend-on-Sea LLP as and when they draw it down.

The funding relates to the upgrade of the infrastructure to improve resilience of energy networks as part of the Better Queensway development.

The Council have applied to the SELEP accountability board for an extension to the funding deadline until September 2022. As a result of this extension a £1.1million carry forward is requested so that the budget profile matches the reprofiled spend submitted by the LLP.

3. Progress of other schemes

General Fund

General Fund Housing

The Empty Homes Strategy continues to be worked on whilst the service await the outcome of a Job Evaluation process to help improve the capacity of the team. It was proposed that the remaining budget would be used to make loans to property owners to do the capital works needed to bring the homes into a decent homes state. The uptake of this hasn't been at the pace expected so a request is included in this report to carry forward £25,000 from 2021/22 to financial year 2022/23.

The Housing and Development Pipeline Feasibility project has focused on smaller housing sites and development works. The contract with our advisors who were working on this has now been terminated and therefore spend has slowed significantly. It is therefore requested within this report that a carry forward of £100,000 be actioned moving funds into financial year 2022/23.

Social Care

Final Capital works are underway in relation to the scheme that purchased 90 Caulfield Avenue for the provision of Children's Residential Services. The project is therefore complete and included within this report is a deletion of £87,000 as this budget is no longer needed.

Schools

The School Conditions work programme has progressed well throughout 2021/22 with a number of projects complete or planned to complete over the remaining scheduled Half Terms of this financial year. Included in this report is a virement request to move budget for the Future conditions project to a new project set up for Kitchen works at Eastwood Primary.

Funding has been made available under the Special Provision Capital Fund to increase the number of specialised places in specialist or mainstream schools. Southend on Sea Borough Council have identified three autism resource bases to be built within schools in the borough. These projects required Department for Education approval.

Works at Temple Sutton Primary are now complete. Works at Blenheim Primary were initially delayed by COVID-19 but are now progressing well with a September 2022 scheduled opening date. Tenders have been awarded for works at Southend High School for Boys with a programme of works due to start early in 2022.

Based on this update, included in this report is a request to carry forward £169,000 from 2021/22 into 2022/23 to enable the capital project budget profile to reflect the revised programme of works.

Enterprise and Regeneration

Infrastructure Feasibility Studies is a project linked to the delivery of the Local Plan. As a result of a revised procurement plan it is not expected that these works will begin until 2022/23. To reflect this change, it is requested that the remaining budget of £48,000 be carried forward into 2022/23.

Culture and Tourism

A thorough review of projects took place at the recent challenge meetings held in December.

Projects within this portfolio have progressed well during this financial year. A number of them have been completed or are near completion and will therefore be delivered by the end of March 2022.

£44,000 is included within this report as deletions in order to remove budget that is no longer required.

The main works of the building at the Cart and Wagon Shed are now finished and we are now in the defects liability period. Any potential payments are therefore likely to be in future financial years as the council works through this period. To reflect this, it is requested in this report that £132,000 be carried forward from 2021/22 into 2022/23.

The Council have received some external funding that is being used to replace ageing lights at the indoor Tennis Centre and Garons Leisure Centre. These works are underway but are unlikely to be complete by March 2022. It is therefore requested in this report that £13,000 be carried forward from 2021/22 to 2022/23 to reflect the delivery of these works.

There have been some additional emergency works required on Southend Dive Pool Flooring and in order to fund this an additional £86,000 budget has been allocated from the Priority Works budget. This request has been included within the virement section of this report.

Community Safety

The CCTV project is well underway. Cameras have been purchased and installed around the borough. Testing of the system is also taking place and associated works are being carried out by City Fibre. It is expected that some of the final works will be completed in 2022/23 and therefore a carry forward request of £250,000 is included in this report.

The Security Measures scheme is progressing well and is expected to complete by the end of this financial year.

Highways and Infrastructure

The outcome of recent capital challenge meetings has led to the further review of some projects. In light of this review carry forward requests totalling £462,000 is included in this report:

It is requested that £192,000 be carried forward to 2022/23 for the provision of the Active Travel Plan – Tranche 2. This is funded through external funding from the Department for Transport (DfT) who have agreed that this funding can be used in future years. Some of the works planned within this programme require future Cabinet decisions so this revised profile will reflect the timing of the project delivery.

It is requested that £150,000 be carried forward to 2022/23 in relation to Bridge Strengthening works as we await Marine Management Organisation (MMO) licences and planning permission when it is hoped that works can then be completed in financial year 2022/23.

A carry forward of £100,000 into financial year 2022/23 for the Traffic Signs Upgrade Scheme is requested in this report whilst we await the outcome of the feasibility study in relation to car parks and signage.

It is requested that £20,000 be carried forward to 2022/23 when works will be completed in relation to the Vehicle Restraint Replacement scheme.

Works have begun on the Groyne Field Refurbishment project. The winter beach processes have uncovered more damage than previously expected on the Groyne Refurbishment programme. Due to the immediate need for this work to continue and be completed £275,000 has been transferred from the Priority Works budget and has been included within the virement section of this report.

Works to Property

The Fire Improvement Works have been completed throughout a number of council buildings during the year including an extensive programme at the new Beecroft building.

The Property Refurbishment Programme is also progressing well and the current programme for 2021/22 is expected to be delivered within budget.

Planned works at Aviation Car Park have not progressed as planned due to delays in planning. Discussions continue with Rochford Council and in order to reflect this delay a carry forward request of £384,000 is included within this report. It is requested that these funds are carried forward to 2022/23.

Works within the Civic Campus - Efficient Use of Space project are ongoing and good progress has been made in relation to spend required on infrastructure to support future ways of working. It is unlikely that the full budget available within the programme will be utilised in 2021/22 due the timing of delivery and availability of required equipment. It is requested that £90,000 is carried forward from 2021/22 to 2022/23 in order to reflect the current programme of works.

Virements included in this report include £361,000 allocated from Priority Works. £86,000 additional funds have been allocated to Southend Dive Pool Flooring - Emergency Works and £275,000 additional funds have been added to the Groyne Field Refurbishment Programme.

Energy Saving

Work is still underway to review the Energy Saving capital projects and funding available to the Council currently within the Capital Investment Programme.

Early works have identified two projects that can be moved from the main Capital Programme into the "Subject to Business Case section". This relates to two projects for Solar Panels. It is requested that £1,282,000 be moved to the Subject to Business Case section of the programme whilst the review of the projects continues. £173,000 from 2021/22, £600,000 from 2022/23 and £509,000 from 2023/24.

S106/S38/CIL

Various S106, S38 and CIL schemes have been reviewed.

£8,000 in relation to Street Furniture Improvement is included in the deletion section of this report as the scheme is complete and budget no longer required.

£49,000 of new External Funding has been received in relation to various CIL schemes and have been included as New External Funding within this report.

Housing Revenue Account**HRA Affordable Housing Acquisitions Programme**

Within the programme there is a Housing and Development Pipeline Feasibility Project which is a rolling programme required and used to identify pipeline work. The spend of this budget is dependent on the preliminary works required and there are some survey works programmed for this financial year but it is requested that some of these funds be carried forward into future financial years to enable the utilisation of funds. £255,000 is included in this report to be carried forward from 2021/22 to 2022/23.

4. Requested Changes to the Capital Investment Programme

Carry Forwards to Future Years - programme to be delivered by the Council

Scheme	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
Local Growth Fund - A127 Growth Corridor	(150)	150				0
ICT - Connected and Smart	(150)	150				0
N3 Connectivity in the Civic Building	(39)				39	0
Empty Homes strategy	(25)	25				0
Housing and Development Pipeline Feasibility - GF	(100)	100				0
Affordable Housing Acquisitions Programme	(1,000)	500	500			0
Housing Construction Scheme - Land Assembly Fund (S106)	(356)	356				0
Housing Construction Scheme - Phase 5/6 feasibility (S106)	(20)	20				0
Business World - Bank Reconciliation Module Improvements	(4)	4				0
Infrastructure Feasibility Studies	(48)	48				0
Cart and Wagon shed	(132)	132				0
Chalkwell Park and Priory Park Tennis Courts	(13)	13				0
Civic Campus - Efficient Use of Space	(90)	90				0
ICT - Cybersecurity	(130)	130				0
ICT - Childrens and Adults Social Care - Implementation of ContrOCC modules	(207)		105	102		0
Victoria Centre	(40)	40				0
Better Queensway - Programme Management	(150)	150				0
Housing and Development Pipeline Feasibility - HRA	(255)	255				0
Council Affordable Housing Development (Phase3) - Shoebury	(515)	(219)	734			0
Aviation Way Car Park	(384)	384				0
Special Provision Capital Fund	(169)	169				0
Zebra Crossing Surfacing Replacement	(24)	24				0
Challenge Fund - Bridge Strengthening	(150)	150				0
DfT Active Travel - Tranche 2	(192)	192				0
Traffic Signs Upgrade	(100)	100				0
Junction Protection	(170)	170				0
Car Park Resurfacing	(188)	188				0
Vehicle Restraint Replacement	(20)	20				0
Parking Signage Replacement	(100)	100				0
Local Growth Fund - Southend Town Centre Interventions	(896)	896				0
Car Park Improvements	(50)	50				0
Leigh Port	(220)	(660)	880			0
CCTV Equipment Renewal	(250)	250				0

Total Carry Forwards - programme to be delivered by the Council **(6,337)** **3,977** **2,219** **102** **39** **0**

Carry Forwards to Future Years - programme to be delivered by subsidiary companies and joint ventures

Scheme	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
Balmoral Estate Improvement and Structural works	(1,185)	357	828			0
Better Queensway Energy Centre	(1,100)	1,100				0

Total Carry Forwards - programme to be delivered by subsidiary companies and joint ventures **(2,285)** **1,457** **828** **0** **0** **0**

Accelerated Deliveries - programme to be delivered by the Council

Scheme	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
Airport Business Park (including Local Growth Fund)	2,500	(2,500)				0

Total Accelerated Deliveries - programme to be delivered by the Council **2,500** **(2,500)** **0** **0** **0** **0**

Accelerated Deliveries - programme to be delivered by subsidiary companies and joint ventures

Scheme	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
Common Areas Improvement	341	(341)				0
Environmental Health and Safety works	82	(82)				0
Housing Infrastructure Funding	500	(500)				0
Total Accelerated Deliveries - programme to be delivered by subsidiary companies and joint ventures	923	(923)	0	0	0	0

Additions to the Programme - programme to be delivered by the Council

Scheme	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 - Technology Device Refresh	94					94
ICT - Stabilise the Estate	42					42
Software Licencing	10					10
Cliffs Pavilion - Levelling up Funding		1,015	775	25		1,815
City Beach - Levelling up Funding		383				383
Total Additions to the Programme - programme to be delivered by the Council	146	1,398	775	25	0	2,344

Deletions from the Programme - programme to be delivered by the Council

Scheme	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
CIL Ward NA – Thorpe – Street furniture improvement	(8)					(8)
Housing Construction Scheme - Phase 2	(3)					(3)
Parks Feasibility and Options Appraisals	(24)					(24)
Sidmouth Park - Replacement of Play Equipment	(8)					(8)
Wheeled Sports Facility Central Southend Area	(12)					(12)
Children's Residential Care Provision	(87)					(87)
Total Deletions from the Programme - programme to be delivered by the Council	(142)	0	0	0	0	(142)

Virements between schemes - programme to be delivered by the Council

Scheme	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
Balmoral Estate Improvement and Structural works	270					270
Tower Blocks Boroughwide Annunciation System	(270)					(270)
Bathroom Refurbishment	(23)					(23)
Common Areas Improvement	490					490
Central Heating	(84)					(84)
Roofs	(233)					(233)
Windows and Doors	(308)					(308)
Sprinkler System Installation Pilot	(10)					(10)
Tower Blocks Boroughwide Annunciation System	18					18
Environmental HandS works	150					150
Essential Crematorium/Cemetery Equipment	(1)					(1)
Pergola Walk Memorial Scheme	1					1
Future condition projects Post 10 11	(15)					(15)
Eastwood Primary - kitchen works	15					15
Virements already actioned						
Priority Works	(361)					(361)
Southend Dive Pool Flooring - Emergency Works	86					86
Groyne Field Refurbishment Programme	275					275
Total Virements between schemes - programme to be delivered by the Council	0	0	0	0	0	0

New External Funding - programme to be delivered by the Council

Scheme	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
CIL Ward NA – Chalkwell – Chalkwell Speedwatch	1					1
CIL Ward NA – Eastwood Park – Rochford Corner power connection	1					1
CIL Ward NA – Milton – Milton railway bridge artwork	4					4
CIL Ward NA – Prittlewell – Priory Park fountains restoration	25					25
CIL Ward NA – St Laurence – Street sign cleaning	1					1
CIL Ward NA – St Laurence – Eastwood Community Centre replacement water heaters	2					2
CIL Ward NA – Thorpe – Southchurch Bowls Club Irrigation System	9					9
CIL Ward NA – Belfairs – Belfairs Memorial Bench	2					2
CIL Ward NA – St Laurence – Eastwood Community Centre LED lighting project	4					4
Leigh Port - Levelling up Funding	4,000	8,140	2,050			14,190
Cliffs Pavilion - Levelling up Funding	420	5,925				6,345
City Beach - Levelling up Funding	75	307				382
Total New External Funding - programme to be delivered by the Council	4,544	14,372	2,050	0	0	20,966

Transfers to 'Subject to Viable Business Case' section from main Capital Investment Programme - programme to be delivered by the Council

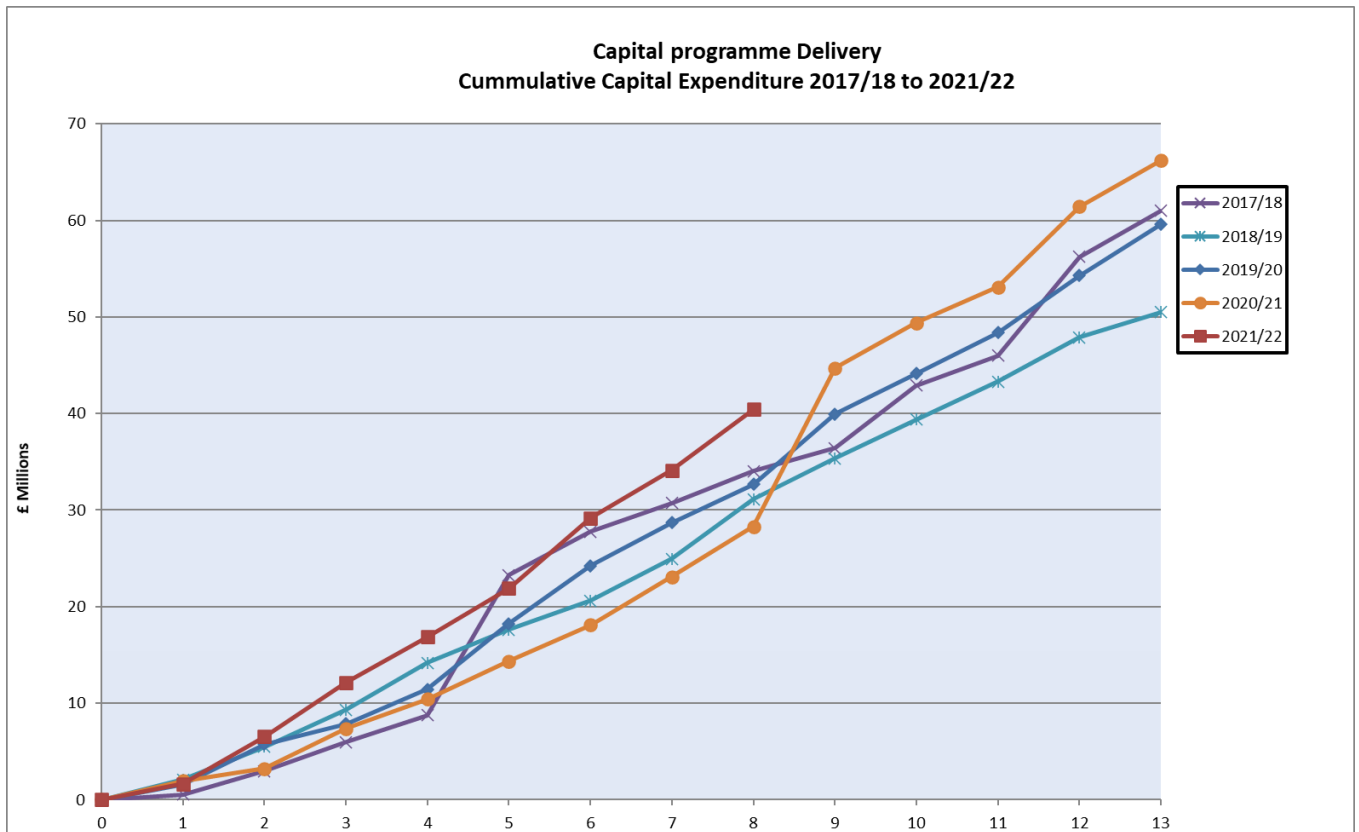
Scheme	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 and future years Budget £000	Total Budget (all years) £000
Schools and Council Buildings Solar PV	(73)	(200)	(73)			(346)
Solar PV Projects	(100)	(400)	(436)			(936)
Total Transfers from 'Subject to Viable Business Case' Section - programme to be delivered by the Council	(173)	(600)	(509)	0	0	(1,282)

5. Summary of Capital Expenditure at 30th November

	Original Budget 2021/22 £000	Revisions £000	Revised Budget 2021/22 £000	Actual 2021/22 £000	Forecast outturn 2021/22 £000	Forecast Variance to Year End 2021/22 £000	% Variance
General Fund Housing	827	132	959	280	834	(125)	29%
Social Care	6,735	(248)	6,487	5,237	6,400	(87)	81%
Schools	1,953	(269)	1,684	895	1,515	(169)	53%
Enterprise and Regeneration	7,681	872	8,553	3,917	10,815	2,262	46%
Southend Pier	6,748	(1,513)	5,235	2,916	5,235	-	56%
Culture and Tourism	940	707	1,647	454	1,544	(103)	28%
Community Safety	2,199	1,228	3,427	1,337	3,177	(250)	39%
Highways and Infrastructure	25,398	(955)	24,443	11,937	22,678	(1,765)	49%
Works to Property	3,114	(336)	2,778	1,092	1,943	(835)	39%
Energy Saving	713	(308)	405	93	232	(173)	23%
ICT	3,012	1,729	4,741	3,016	4,357	(384)	64%
S106/S38/CIL	372	294	666	236	707	41	35%
TOTAL PROGRAMME TO BE DELIVERED BY THE GENERAL FUND	59,692	1,333	61,025	31,410	59,437	(1,588)	51%
TOTAL PROGRAMME TO BE DELIVERED BY THE GENERAL FUND - FUNDED BY THE LEVELLING UP FUND	-	220	220	2	4,495	4,275	1%
TOTAL PROGRAMME TO BE DELIVERED BY THE HOUSING REVENUE ACCOUNT	9,622	(15)	9,607	4,405	7,458	(2,149)	46%
Council Housing New Build Programme	5,679	(3,455)	2,224	668	1,330	(894)	30%
Council Housing Acquisitions Programme	3,173	3,495	6,668	3,404	5,413	(1,255)	51%
Council Housing Refurbishment - Disabled Adaptations	770	(55)	715	333	715		47%
TOTAL PROGRAMME TO BE DELIVERED BY SUBSIDIARY COMPANIES OR JOINT VENTURES	10,568	3,654	14,222	4,618	12,860	(1,362)	32%
Council Approved Original Budget - February 2021 Programme to be delivered by the Council	79,882						
General Fund Housing	132						
Social Care	(248)						
Schools	(269)						
Enterprise and Regeneration	1,092						
Southend Pier	(1,513)						
Culture and Tourism	707						
Community Safety	1,228						
Highways and Infrastructure	(955)						
Works to Property	(336)						
Energy Saving	(308)						
ICT	1,729						
S106/S38/CIL	294						
Council Housing New Build Programme	(3,455)						
Council Housing Acquisitions Programme	3,495						
Council Housing Refurbishment - Disabled Adaptations	(55)						
Programme to be delivered by Subsidiary companies or Joint Ventures							
Council Housing Refurbishment	354						
Enterprise and Regeneration	3,300						
Council Approved Revised Budget - June 2021	85,074						

Actual compared to Revised Budget spent is £40.435M or 48%

6. Capital Programme Delivery



Year	Outturn £m	Outturn Against Budget %
2016/17	48.8	89.0
2017/18	61.0	95.0
2018/19	50.9	96.7
2019/20	59.5	83.8
2020/21	66.1	81.0

Southend-on-Sea Borough Council

Agenda
Item No.

6

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

To
Cabinet

On
13th January 2022

Report prepared by Pete Bates
Interim Director of Financial Services

Draft Housing Revenue Account (HRA) Budget and Rent Setting Report 2022/23
Policy and Resources Scrutiny Committee
Cabinet Members: Councillor Ian Gilbert and Councillor Anne Jones
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 proposals for all council dwellings within the HRA for 2022/23. This report also sets out the HRA budget for 2022/23 – 2026/27, together with the information necessary to set a balanced budget as required by legislation.
- 1.3 To present proposals to amend 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 4th April 2022: -

- 2.1 **An average rent increase of 4.10% on all tenancies;**
- 2.2 **An average rent increase of 4.10% on shared ownership properties;**

2.3 **An increase of 4.10% for garage rents to £12.70 per week for tenants and £15.24 for non-tenants (being £12.70 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 £6,648,000 for 2022/23;**

2.5 **South Essex Homes proposals for average increases of 10.88% in service charges be agreed;**

2.6 **South Essex Homes proposals for an average 16.95% reduction in heating charges for sheltered housing tenants and an average 4.42% increase in heating charges for hostel tenants to reflect the actual costs incurred be agreed;**

2.7 **The following appropriations be agreed;**

- **£60,000 to the Repairs Contract Pensions Reserve;**
- **£2,978,000 to the Capital Investment Reserve and**
- **£8,309,000 from the Capital Investment Reserve**

2.8 **Subject to item 2.1 through to 2.6 above, the HRA budget for 2022/23 as set out in Appendix 1 be agreed and**

2.9 **The value of the Council's capital allowance for 2022/23 be declared as £76,915,000 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. All local authorities continue to struggle 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. At the time of writing this report the Omicron variant is spreading across the country and restrictions are once again being considered. There are major concerns over the speed of transmission of this new mutant variant strain and the ability of the NHS to cope with the potential increased volume of admissions

to hospital at what is notoriously a very busy and demanding time in any normal year.

- 3.4 Following the Grenfell tragedy in 2017, an independent review of Building Regulations and Fire Safety was undertaken. They found that the current arrangements were not fit for purpose and this has led to some legislative changes, the recently enacted Fire Safety Act 2021 and the Building Safety Bill published in July 2020. As the landlord, this legislation requires the Council to have in place a named Accountable Person and a Building Safety Manager for each High Risk Residential Building (any building over 18 meters in height or 6 storeys). They will have direct accountability to residents for all aspects of safety management of the property. There are significant additional compliance requirements resulting from this new legislative and regulatory framework which will require additional resources, both as an investment into the housing stock, as well as staffing resources. This is considered at section 7.4 of this report.
- 3.5 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.**
- 3.6 The estimates have been prepared alongside South Essex Homes and incorporate their negotiated management fee for 2022/23.
- 3.7 The HRA Budget for 2022/23 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 an estimated £76,915,000 over the next five years. This will ensure that we maintain decent homes and improve those properties 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 provide 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 2021/22 on HRA secure general needs tenancies was £90.51 and for sheltered accommodation £78.85.



- 5.2 Since 2001, rents for social housing properties have been 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 650 properties that are yet to convert to a formula rent basis.
- 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 105 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 4.10% increase for 2022/23. The new policy, which came into effect from

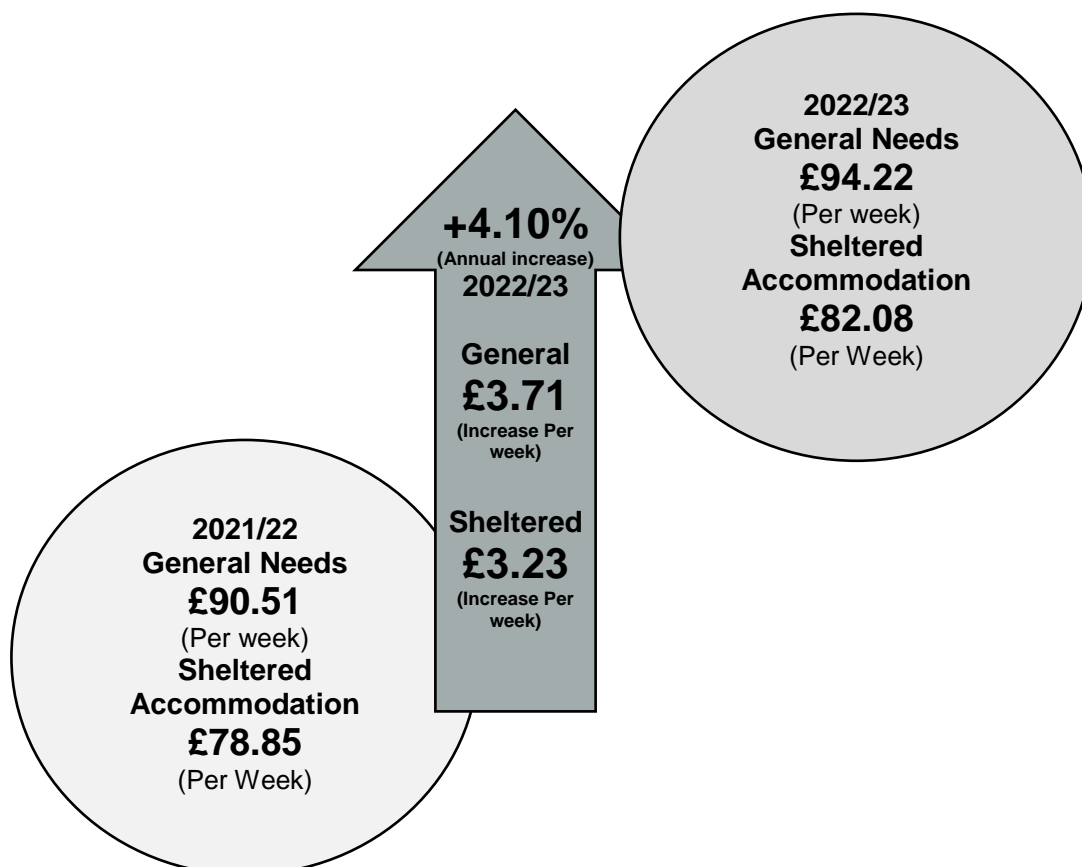
April 2020, recognises the need for a stable financial environment to support the delivery of new homes and to enable registered providers to plan effectively and have a viable future financial investment programme.

- 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 the number of bedrooms per dwelling in the following table.

No. of bedrooms	No. of tenancies	Average Rent 2021/22 (£)	Average Rent 2022/23 (£)	Average weekly increase (£)	Average percentage increase
0	506	72.23	75.19	2.96	4.10%
1	2,506	79.14	82.38	3.24	4.10%
2	1,250	88.52	92.15	3.63	4.10%
3	1,568	106.08	110.43	4.35	4.10%
4	93	113.80	118.47	4.67	4.10%
5	3	121.21	126.18	4.97	4.10%
Total Tenancies	5,926				

- 5.6 The rents for the Council's 12 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 12 properties, the Council's ownership ranges from 10% up to 75%.
- 5.7 Rent in the Council's hostels is currently charged at £171.86 per week. It is recommended that this increases by the prevailing September CPI rate +1%, being consistent with the main rent increase to £178.91. 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% Government support.

5.9 The effective date of any change in rent will be 4 April 2022, 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 2022/23.

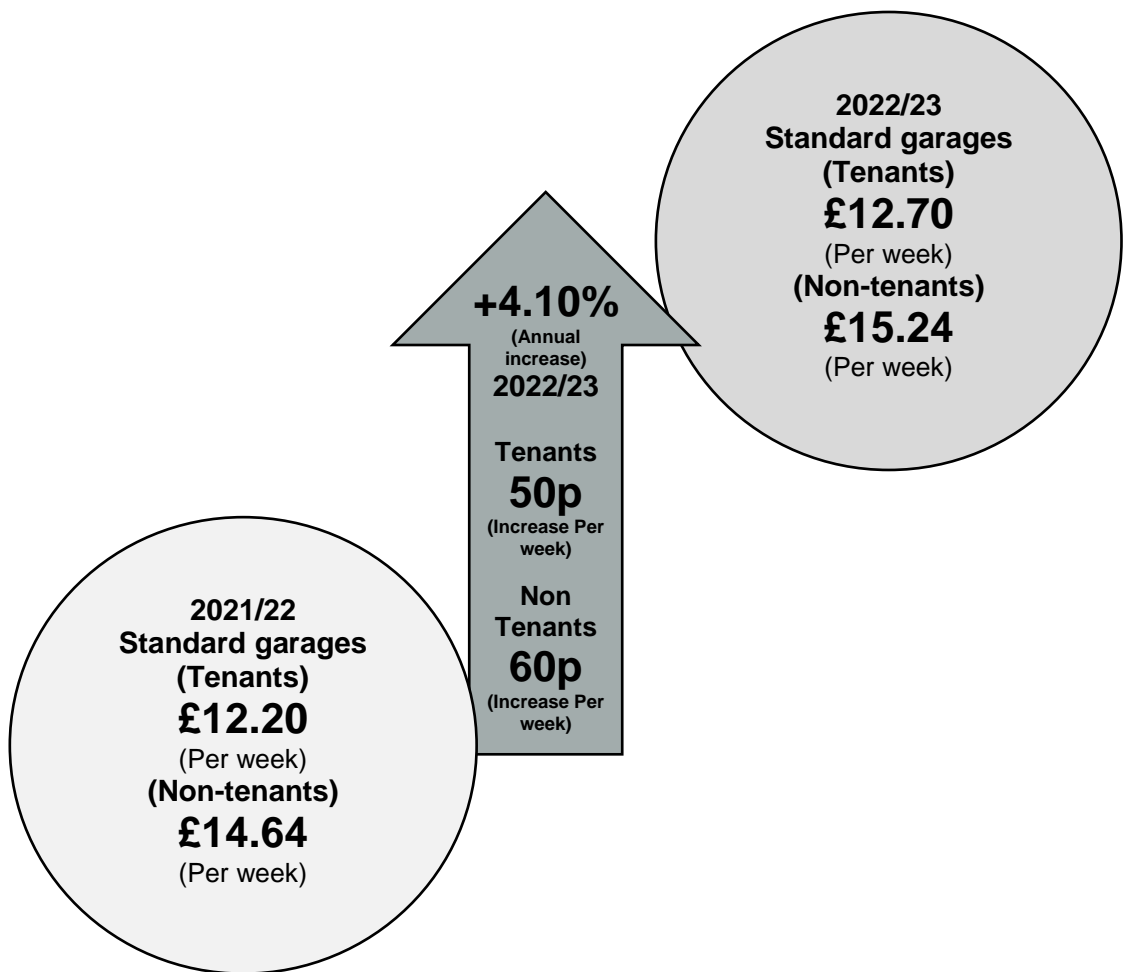


6 Other Fees and Charges

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 £12.20 per week for tenants and £14.64 for non-tenants (being £12.20 plus VAT). It is proposed that both these charges be increased by 4.10%, to be consistent with the proposal for the main rent increase. All variants on a standard garage will receive a proportionate increase. This is illustrated in the following graphic.



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.

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 for 2022/23 is summarised in the following table.

	2021/22 Forecast £000	2022/23 Budget £000
Management Fee	6,047	6,061
Inflationary Pay Pressures	55	288
Fire Safety Management	57	0
Support for increased Hostel Provision	90	94
Professional Support for Residents	23	20
Difficulty Access Co-ordinator	0	33
Complex Needs Support Officer	32	35
Building Safety Engineers/ Manager*	0	117
Total Management Fee	6,304	6,648

**Additional investment will be met 50:50 in 2022/23 and progress will be assessed and evaluated throughout the year on a transparent basis.*

- 7.2 The inflationary pressures for South Essex Homes are primarily in respect of employee related increased costs. The £288,000 includes £114,000 which represents the latest offer of 1.75% for the pay award relating to 2021/22 and £132,000 for 2022/23 being an anticipated 2% increase. There is also £42,000 which has been included for the Health and Social Care Levy (1.25% increase in Employer's National Insurance contributions).
- 7.3 There were four pilot schemes which were approved for 2021/22. These were increased Support for Hostel Provision, Professional Support for Residents, Difficulty Access Co-ordinator (not started in 2021/22) and Complex Needs Support Officer. These initiatives have been extended for further assessment and evaluation into 2022/23.
- 7.4 The recently enacted Fire Safety Act 2021 as well as the Building Safety Bill, provide an added requirement to put in place robust mechanisms to ensure the safety of our properties. A strengthened requirement for robust and effective measures to ensure accountability has also been introduced. A review has recommended that this will require two new Building Safety Engineers and two new Building Safety Managers. These posts will be initially 50% funded by South Essex Homes from their existing resources.

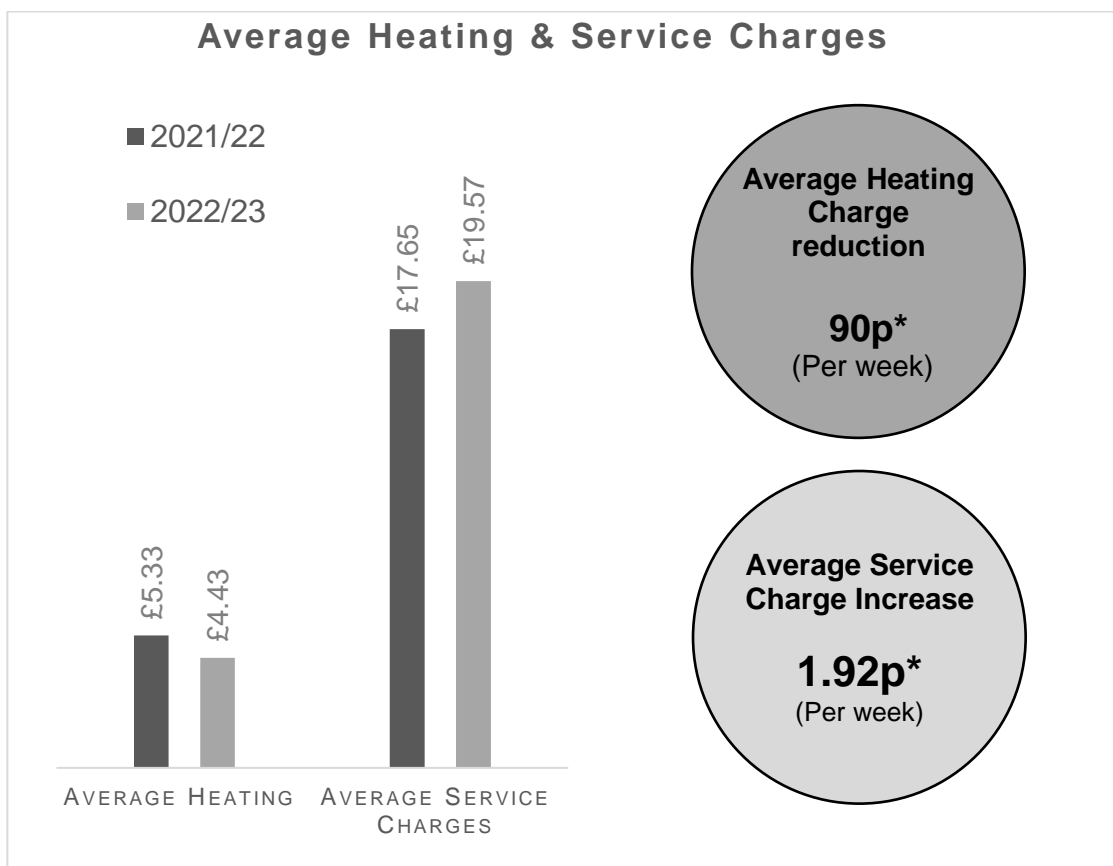
- 7.5 There are further forecast pressures in 2022/23 totalling circa £638,000 for South Essex Homes. These are in respect of improvements to ICT functionality, staff training and development and recognition initiatives, enhancing the commerciality expertise of the business and to support the ambition of the Council and South Essex Homes in becoming carbon neutral by 2030. South Essex Homes plan to use circa £500,000 of their existing reserves to meet these additional pressures. The £138,000 will be delivered via a series of planned efficiencies and productivity improvements.
- 7.6 South Essex Homes strives to deliver the best possible value to the Council and the residents of Southend. They are increasingly seeking to fund some activities from other sources in addition to the management fee, as well as using all available resources prudently and effectively. Their subsidiary, South Essex Property Services, contributes around £150,000 per annum back to South Essex Homes. This has been achieved partly by the joint management arrangement, as well as re-designing the back office and front of house functions. This re-design has also enabled the two organisations to contribute positively towards the new regulatory, legislative and local demographic challenges for Southend-on-Sea.
- 7.7 South Essex Homes takes part in an annual national benchmarking exercise to assess the value that is delivered when compared to a group of peers. Most of the measures that are designed to assess the cost to deliver vital services show that the organisation is consistently above the median position, usually in Quartile 1 or Quartile 2, showing that South Essex Homes continues to deliver good value from the fees that are provided.
- 7.8 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 the responsibility of 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 amendments to these charges as set out below for Member's consideration and endorsement.

Service Charges and Heating Charges (South Essex Homes Charge)

- 7.9 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 10.88% increase in service charges. This increase is due to the protracted pay award negotiations for 2021/22, an anticipated increase in grounds maintenance costs and the significant increase in electricity and gas prices.
- 7.10 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.

- 7.11 Heating charges for sheltered housing and hostel tenants are monitored on a scheme-by-scheme basis, with the aim that each scheme broadly covers its costs.
- 7.12 Based on the actual costs associated with heating, South Essex Homes are proposing that there is an average 16.95% reduction in heating charges for sheltered housing tenants, and an increase of 4.42% for hostel tenants in 2022/23. These proposals are based on the actual costs incurred over the year ending October 2021. Although the usage was up in the year to October 2021 (likely due to COVID related restrictions) the reduction in heating charges is a direct result of a reduction in the unit cost of energy prior to recent changes seen in the utilities market. Given the recent upward inflationary pressure on the energy markets this will be kept under scrutiny and careful monitoring throughout 2022/23.
- 7.13 The actual charge for 2022/23 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 £3,038,000 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 £2,978,000 is proposed to be appropriated to the Capital Investment Reserve. The remaining £60,000 of the surplus is proposed to be appropriated to the Repairs Contract Pensions Reserve under the on-going arrangement put in place when the repairs contract was last let.
- 8.3 Finally, to finance these ambitious plans it will also be necessary to appropriate £8,309,000 from the HRA Capital Investment Reserve. The net overall impact is an appropriation from earmarked reserves of £5,271,000 (£8,309,000 - £3,038,000) in 2022/23.
- 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 HRA budget has been based on a general assumption of an underlying 4.2% CPI (October 2021) with future years general assumption at 2% consistent with the Bank of England's latest forecasts. The bank predicts that the recent increase is short term and forecasts that rates will return to around 2% by the end of 2023 (Monetary Policy Report Nov 2021).
- 9.2 For expenditure, the forecast is generally based on the current year's run rate. The only variations from this 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 continue to increase by CPI at September + 1% from 2021/22 as indicated by the Government. Other income increases will be at 4.2%, 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 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**.
- 9.6 The Major Repairs Allowance is used to support improvements to existing stock and maintain decent homes standards. The Medium Term Financial Strategy currently assumes around £6,500,000 capital expenditure on the decent homes programme per annum from 2022/23. 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 existing 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 – 2022/23 to 2026/27’ budget report, elsewhere on the agenda. This proposes an indicative programme of works over the next 5 years totalling £76,915,000.

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.

Scheme to be delivered by the Council	Project code	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget	Total Budget (all years) £000
Council Housing New Build Programme								
Council Affordable Housing Development (Phase3) - Shoebury	C11098	50	6,049	1,375	150	150		7,774
Council Affordable Housing Development (Phase4) - St Laurence	C11099	30	1,421	1,348	83	83		2,963
Council Affordable Housing Development (MMC) - West Shoebury	C11100	920	832					1,752
Housing Construction Scheme - Phase 5/6 feasibility (S106)	C11101	18	20					38
Housing Construction Scheme - Land Assembly Fund (S106)	C11102	312	1,088	-				1,400
Total Council Housing New Build Programme		1,330	9,410	2,721	233	233		13,927
Council Housing Acquisitions Programme								
HRA Affordable Housing Acquisitions Programme	C11044	2,000	2,500	2,208	1,500	1,500	1,500	11,208
Next Steps Accommodation Programme	C11125	3,123						3,123
Housing and Development Pipeline Feasibility - HRA	C11054	40	255					295
Acquisition of tower block leaseholds - Queensway	C10814	250	559	900	900			2,809
Total Council Housing Acquisitions Programme		5,413	3,314	3,106	2,400	1,500		17,233
Council Housing Refurbishment								
HRA Disabled Adaptations - Major Adaptations	C10015	715	770	770	776			3,031
Total Council Housing Refurbishment - HRA		715	770	770	776	-		3,031
Council Housing Refurbishment - delivered by South Essex Homes Limited								
Bathroom Refurbishment	C10161	146	102	98	105	105	105	659
Central Heating	C10162	745	201	109	93	93	93	1,334
Environmental - H&S works	C10163	806	1,050	1,133	1,134	1,134	1,134	6,391
Kitchen Refurbishments	C10164	669	971	616	972	972	972	5,172
Rewiring	C10165	809	273	380	404	404	404	2,674
Roofs	C10166	620	961	1,074	1,040	1,040	1,040	5,775
Windows and Doors	C10167	756	1,152	1,064	1,013	1,013	1,013	6,011
Common Areas Improvement	C10168	2,833	1,248	1,587	1,587	1,587	1,587	10,427
HRA - SBC Buybacks Refurbishment	C11134	324						324
Sprinkler System Installation Pilot	C11081	488						488
Tower Blocks Boroughwide Annunciation System	C11135	18						18
Sheltered Housing DDA works	C10177		345					345
Balmoral Estate Improvement and Structural Works	C11112	571	1,582	828				2,981
Energy Efficiency Measures	C11033	127						127
Total Council Housing Refurbishment		8,910	7,883	6,887	6,348	6,348	6,348	42,724
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - HRA		16,368	21,377	13,484	9,757	8,081	6,348	76,915

The indicative investment for 2025/26 to 2026/27 and the associated financing via MRR is not currently included in the proposed capital investment programme report and is shown for illustration only.

- 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 and reported through the due processes of the Council.
- 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.

- 10.5 The Government conducted a review of the 'Use of Right to Buy' (RTB) capital receipts which has now been concluded and the reforms announced. Councils have been given 5 years to spend the RTB receipts, increased from 3. Councils will also be able to fund up to 40% of new HRA property. This will reduce the additional contribution needed from other HRA sources. However, a limit on the use of these funds for acquiring existing properties from the open market is being phased in over the next 3 years. The aim is to increase overall housing supply, by constructing new dwellings, rather than acquiring already existing properties.
- 10.6 The HRA Affordable Housing Acquisitions Programme will therefore be 40% financed by retained 'Right to Buy' capital receipts from April 2022. The profile for acquisitions has been programmed as £2,500,000 in 2022/23 and £2,206,000 in 2023/24. The Housing construction programme has been profiled as £9,410,000 in 2022/23 and £2,721,000 in 2023/24. The remaining 60% will be financed from the HRA capital investment reserve.

11 Other Options

- 11.1 There are other options available to Members 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 as well as limiting 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 2022/23 and the future.

12 Future Developments

- 12.1 The Social Housing White Paper published in November 2020 announced a review of the Decent Homes Standard, to understand if it is still appropriate for the social housing sector today. This review will seek to understand the case for any changes to the criteria within the Decent Homes Standard and consider how decency should be defined. Until this review is finalised, it is impossible to quantify the pressure on HRA resources to bring the existing stock up to any revised standard. The Government have not been specific on whether funding will be made available, or at what level. It is hoped that further clarity will be provided by the time the review is finalised.

- 12.2 The Fire Safety Act and Building Safety Bill will require continued capital investment into the existing stock to ensure compliance with the regulations. This is likely to result in an increase in the expenditure on revenue maintenance and any planned programmes of work.
- 12.3 As with many sectors currently, the building services sector is seeing a significant increase in the level of inflation. Most of the existing repairs contracts have annual increases in line with the Building Indices. This measure is currently expected to be around 10% for April 2022 contract increases.
- 12.4 The Council has a clear commitment via its Green City Action Plan and local drive to achieve Net Zero carbon emissions by 2030, the Housing stock managed by South Essex Homes is a critical part of this ambition. The proposed investment programme in this report will help to improve the energy performance of the overall estate and create better, more comfortable and energy efficient homes for our local tenants.

13 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.

14 Corporate Implications

14.1 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'.

14.2 Financial Implications

As set out in the report

14.3 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.

14.4 People Implications

None at this stage.

14.5 Property Implications

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

14.6 Consultation

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

This report will then be directly referred to various scrutiny committees and any comments will be taken into consideration as part of the final report to cabinet on 15th February 2022.

14.7 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.

14.8 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 2022.

14.9 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.

14.10 Community Safety Implications

None at this stage.

14.11 Environmental Impact

None at this stage.

15 Background Papers

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

16 Appendices

Appendix 1 – HRA Budget 2022/23

Appendix 2 – HRA Medium Term Financial Plan 2022/23 to 2026/27

Appendix 3 – HRA Reserves 2022/23 to 2026/27

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Appendix 1

HRA Budget 2022/23

	2021/22		2022/23
	Original	Revised	Budget
	£000	£000	£000
Employees	206	206	206
Premises (excluding repairs)	798	787	787
Repairs	5,664	6,053	6,053
Supplies and Services	141	141	141
Management Fee	6,336	6,336	6,648
MATS	1,475	1,521	1,584
Provision for Bad Debts	455	455	455
Depreciation	6,729	7,993	8,393
Interest and Debt Management Charges	3,236	3,193	3,142
Total Expenditure	25,040	26,684	27,408
Fees and Charges	(349)	(349)	(351)
Dwelling Rents	(26,436)	(26,924)	(27,821)
Other Rents	(1,487)	(1,487)	(1,535)
Other	(20)	(20)	(20)
Interest	(82)	(82)	(136)
Recharged to Capital	(727)	(761)	(584)
Total Income	(29,101)	(29,623)	(30,447)
Net Operating Expenditure/ (Surplus)	(4,061)	(2,939)	(3,039)
Revenue Contribution to capital Outlay	8,334	4,679	8,309
Appropriation to/ (from) Earmarked Reserves	(4,273)	(1,740)	(5,271)
(Surplus) or Deficit in Year	0	0	0

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HRA Budget 2022/23
2022/23 to 2026/27

	2022/23	2023/24	2024/25	2025/26	2026/27
	Budget	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
Employees	206	206	206	206	206
Premises (excluding repairs)	787	789	791	793	795
Repairs	6,053	6,053	6,053	6,053	6,053
Supplies and Services	141	141	141	141	141
Management Fee	6,648	6,781	6,917	7,055	7,196
MATS	1,584	1,505	1,535	1,565	1,597
Provision for Bad Debts	455	455	455	455	455
Depreciation	8,393	8,812	9,253	9,716	10,201
Interest and Debt Management Charges	3,142	3,199	3,259	3,236	3,161
Total Expenditure	27,408	27,940	28,609	29,220	29,804
Fees and Charges	(351)	(356)	(363)	(370)	(377)
Dwelling Rents	(27,821)	(28,447)	(29,016)	(29,596)	(30,188)
Other Rents	(1,535)	(1,568)	(1,598)	(1,629)	(1,660)
Other	(20)	(20)	(20)	(20)	(20)
Interest	(136)	(227)	(357)	(467)	(467)
Recharged to Capital	(584)	(510)	(470)	(470)	(470)
Total Income	(30,446)	(31,127)	(31,824)	(32,552)	(33,182)
Net Operating Expenditure/ (Surplus)	(3,038)	(3,187)	(3,214)	(3,332)	(3,378)
Revenue Contribution to capital Outlay	8,309	3,784	140	140	140
Potential Impact of Queensway	0	200	200	200	200
Appropriation to/ (from) Earmarked Reserves	(5,271)	(797)	2,874	2,992	3,038
(Surplus) or Deficit in Year	0	0	0	0	0

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**HRA Reserves
2022/23 to 2026/27**

	2022/23	2023/24	2024/25	2025/26	2026/27
	Budget	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000
General HRA Balance					
Opening Balance	3,502	3,502	3,502	3,502	3,502
Used to meet Deficit	0	0	0	0	0
Closing Balance	3,502	3,502	3,502	3,502	3,502
Earmarked Reserves					
Opening Balance	26,006	18,348	16,239	18,077	20,194
Appropriation to/ (from) Earmarked Reserves	(5,271)	(797)	2,874	2,992	3,038
Transfer to Major Repairs Reserve	(2,387)	(1,313)	(1,036)	(875)	
Closing Balance	18,348	16,239	18,077	20,194	23,232
Total HRA Balances at year end	21,850	19,741	21,579	23,696	26,734
Major Repairs Allowance					
Opening Balance	7,960	12,014	15,310	18,475	21,942
Depreciation Arising	8,393	8,812	9,253	9,716	10,201
Used to Fund Capital Expenditure	(6,726)	(6,829)	(7,124)	(7,124)	(7,124)
Transfer from Ear Marked Reserves	2,387	1,313	1,036	875	
Closing Balance	12,014	15,310	18,475	21,942	25,019

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Southend-on-Sea Borough Council
Report of Executive Director (Finance & Resources)
To
Cabinet
On
13th January 2022

**Agenda
Item No.**

7

Report prepared by:
Pete Bates, Interim Director of Financial Services
Caroline Fozzard, Senior Finance Lead (Strategy,
Sustainability & Governance)

Draft Prioritising Resources to Deliver Better Outcomes – 2022/23 to 2026/27
All Scrutiny Committees
Cabinet Members: Councillor Ian Gilbert and Councillor Paul Collins
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 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 6th January 2022.

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 15th February 2022 when it considers its final budget proposals.

That Cabinet recommend to Council that it:

- 2.1. Notes that a final version of the updated Financial Sustainability Strategy 2022 - 2032 will be available for consideration in February 2022 (Appendix 1).**
- 2.2. Notes that a Medium Term Financial Strategy for 2022/23 – 2026/27 will be available for consideration in February 2022 and approve the draft Medium Term Financial Forecast and estimated Earmarked Reserves Balances up to 2026/27 (Annexes 1 and 2 to Appendix 2).**
- 2.3. 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 3).**
- 2.4. Approve the appropriation of the sums to earmarked reserves totalling £2.675M (Appendix 4).**
- 2.5. Approve the appropriation of the sums from earmarked reserves totalling £4.494M, which includes £2.500M that was previously approved to support the budget in 2021/22 and is now requested to be used to support the estimated budget gap for 2022/23 instead (Paragraph 11.12) (Appendix 4).**
- 2.6. Approve a General Fund Budget Requirement for 2022/23 of £140.288M and Council Tax Requirement of £91.844M (Appendix 5) and any required commencement of consultation, statutory or otherwise.**
- 2.7. Note that the 2022/23 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 11.12).**
- 2.8. Approve a Council Tax increase of 3.99% for the Southend-on-Sea element of the Council Tax for 2022/23, being 1.99% for general use and 2.00% for Adult Social Care (Paragraph 11.15).**
- 2.9. Note the position of the Council’s preceptors is to be determined:**
 - Essex Police – no indication of Council Tax position**
 - Essex Fire & Rescue Services – no indication of Council Tax position**
 - Leigh-on-Sea Town Council – proposed Band D precept increase of 0.53%**
- 2.10. Approve that no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2022/23.**
- 2.11. Consider and approve the proposed General Fund revenue budget investment of £13.672M (Appendix 6).**

- 2.12. **Consider and approve the proposed General Fund revenue budget savings and income generation initiatives for 2022/23 of £5.087M (Appendix 7).**
- 2.13. **Note the future outline Budget Transformation Programme 2023/24 – 2026/27 (Appendix 8).**
- 2.14. **Consider and approve the proposed range of fees and charges for 2022/23 (Appendix 9).**
- 2.15. **Approve the Dedicated Schools Grant budget and its relevant distribution as recommended by the Education Board (Appendix 10).**
- 2.16. **Consider and approve the Capital Investment Strategy for 2022/23 to 2026/27 (Appendix 11) and the Capital Investment Policy (Annex 1 to Appendix 11).**
- 2.17. **Consider and approve the proposed:**
 - (i) **new schemes and additions to the Capital Investment Programme for the period 2022/23 to 2026/27 totalling £12.6M for the General Fund (Appendix 12)**
 - (ii) **new schemes subject to viable business cases totalling £33.9M (£15.5M for the General Fund and £18.4M for the Housing Revenue Account) (Appendix 12).**
- 2.18. **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 13).**
- 2.19. **Approve the proposed Capital Investment Programme for 2022/23 to 2026/27 of £119.8M to be delivered by the Council and £51.3M to be delivered by Subsidiary Companies, Partners and Joint Ventures (Appendix 14) of which £51.1M is supported by external funding.**
- 2.20. **Approve the Minimum Revenue Provision (MRP) Policy for 2022/23 (Appendix 15) and the prudential indicators (Appendix 16).**
- 2.21. **Approve the operational boundary and authorised limits for borrowing for 2022/23 which are set at £385M and £395M respectively (Appendix 16).**

3. COVID-19 Impact and Implications

- 3.1. This integrated revenue and capital budget report has been developed against the on-going huge fiscal challenges brought about by the pandemic. The overall health and economic impact of COVID-19 is still under assessment. The challenge is clearly worldwide, and national governments continue to wrestle with putting in place the right package of measures to save lives and to try to minimise the spread of the virus and its impact across the population. Countries have adopted different strategies and tactics to safely get their respective economies working again. These challenges have been exacerbated recently with the world-wide concern over the potential impact of the new mutant variant – Omicron.
- 3.2. Alongside this worrying development, the national vaccination programme and more recent booster campaigns do appear to be having a positive impact on limiting the severity of this new strand of the virus on people's health and well-being. Although the data available is still limited at the time of writing this report the virus does seem to be having generally milder effects on fully vaccinated and boosted people, but its speed of transmission is still much quicker than previous strands which is putting more pressure on the NHS and public services. There are widespread concerns over the number of infections which are breaking previous records almost every day, this will have an impact economically across the country as more and more people isolate and stay away from work.
- 3.3. The pandemic continues to have a major 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. Several local authorities are showing signs of significant additional financial stress. 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.
- 3.4. One of our other major areas of concern is the potential impact on service demand 'post COVID-19' or 'living with COVID-19' in the future. This could manifest itself in many ways from increased demand and support because of long COVID-19 symptoms or increased demands on services due to family tensions and breakdown, residents experiencing additional stress and mental wellbeing needs or changing employment issues. The Council and its partners will continue to monitor the situation locally.
- 3.5. The Council's 'Getting to Know Your Business' programme continues to be embedded. This programme helped to establish a baseline for all services in terms of their costs, income generation potential, value for money and performance. This data highlighted 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, administration priorities, 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. Given the huge challenges caused by the pandemic and the uncertainty created by the delay and content of the provisional financial settlement on 16th December 2021 a high-level future Budget Transformation Programme for 2023/24 – 2026/27 will be developed further over the coming months. Suggested themes/areas for initial review are summarised in **Appendix 8**. The intention is to also create a prioritised programme of zero-based service delivery reviews to drive further efficiency and productivity improvements. This Transformation Programme will be designed to support the Council's future financial sustainability ambition and to prepare for the major Local Government 'funding reform' in 2022/23 which was highlighted within the Comprehensive Spending Review 2021 as part of the Government's 'Levelling Up' agenda.
- 3.7. It really has been an unprecedented couple of years and some tough national and local choices and decisions on priorities, particularly non-statutory service levels will be required over the medium-term. The Government have introduced a series of national tax increases and policy changes which will have a significant impact from April 2022 and general inflation is heading to its highest levels for over a decade, with some suggesting it could reach around 6% in 2022. This combination of factors will directly impact all public services, local businesses, and residents, putting more pressure on local authority budgets and household incomes.
- 3.8. In the background, although only occasionally receiving media attention, there is still some concern and uncertainty over what the overall potential medium term impact of the country's negotiated exit from the European Union will be. The full details of Brexit are still being assessed and evaluated nationally. We will continue to monitor the situation and update Cabinet and Council on any specific local implications as appropriate.

4. Comprehensive Spending Review 2021

- 4.1. 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. The Local Government Sector was hoping for a 3 - year financial settlement from the Comprehensive Spending Review for 2022/23 - 2024/25 to at least try to provide some certainty for future financial planning parameters. The provisional finance settlement was published on 16th December 2021 and disappointingly it was effectively for 1 year only, with major reform planned which potentially could result in a significant re-distribution of resources across local authority areas for years 2 and 3.
- 4.2. The Council remains in a relatively strong financial position in comparison to a number of other upper tier authorities but the size of the local financial challenge for the future is already estimated to be significant. The added uncertainty caused by the provisional finance settlement and the potential impact for 'winners and losers' of the reform intentions adds even greater uncertainty to the local financial planning challenge. In headline terms circa £3.250M of the additional Government funding contained within the provisional financial settlement for 2022/23 for Southend-on-Sea could potentially be at risk from 2023/24 onwards. The additional funding provided for 2022/23 has almost entirely being used to meet the financial implications of the recent changes that have been announced in national government policy particularly for social care.

- 4.3. The Government currently have been vague and unclear on what the actual planned 'major funding reform' for the local government sector will be. It is suggested that it will commence in 2022/23 and be implemented for the 2023/24 financial year. The only real reference has been ideological, suggesting 'Levelling up' funding redistribution to the 'Midlands and the North'. It is assumed that any changes to national formulas and distribution of funding methodology will be grounded in evidence and factors such as local need, deprivation, relative strength/weakness of local tax bases and the spending power of local authorities will all form part of the revised approach. At this stage of our local financial planning arrangements the provisional finance settlement just adds further potential risk and uncertainty.
- 4.4. It remains vital to reassess, understand and take responsibility for our financial future. We must remain 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.
- 4.5. Given the unprecedented circumstances experienced this year and the Government's delay in the releasing the provisional finance settlement, our Medium Term Financial Strategy 2022/23 – 2026/27 is still under development and will be presented to Cabinet and Council in February 2022. 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.

5. Southend 2050 Ambition and Economic Recovery Focus

- 5.1. 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 2022/23 – 2026/27. This agreement also continues to help to provide clear direction for the Organisation and has 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 (Figure 1) 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 meet Southend's residents needs.



Figure 1 Southend 2050 Themes

- 5.2. To reflect these aspirations and to support delivery of the early phases of activities to achieve better outcomes for Southend’s residents, the Council for 2022/23 is continuing to try and develop a longer-term view of the use of its resources and financial planning arrangements. This has been hampered by the lack of clarity and certainty contained within the Comprehensive Spending Review 2021 for 2023/24 and 2024/25. Our commitment remains to focus on supporting the local economy and local residents to recover from the pandemic.
- 5.3. Our 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.
- 5.4. 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 Southend’s residents, businesses, and visitors. The years 2020/21 and 2021/22 have been dominated by the impact of the pandemic so 2022/23 is now clearly an important transitional year in our journey towards becoming a more outcome focussed organisation where our resources are prioritised accordingly.
- 5.5. 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.

6. National funding situation

- 6.1. 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.
- 6.2. 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.
- 6.3. Due to the unprecedented health and economic challenges caused by the global pandemic, together with Brexit considerations, the CSR planned for 2021 was the first real major opportunity for the Government to provide a 3-year funding settlement for the Local Government Sector. Unfortunately, only 2022/23 funding has been guaranteed at an individual local authority level.
- 6.4. The key headlines relevant to Local Government are summarised below:
- The Council Tax referendum threshold is expected to remain at 2% per year throughout the Spending Review (SR) period.
 - Social care authorities are expected to receive flexibility to increase the adult social care precept by 1% per annum over the SR period.
 - No announcement was made about the government's plans for funding reform or a reset of the Business Rates Retention (BRR) system, both of which were originally expected to be implemented in 2019/20. Business rates retention pilots are assumed to continue until 2024/25.
 - Business Rates Multiplier to be frozen for 2022/23.
 - The next revaluation will be in 2023, after which they will take place every three years.
 - Transitional Relief and Supporting Small Business schemes have been extended for 2022/23.
 - Retail, Hospitality and Leisure relief has been extended into 2022/23 at 50%, estimated to cost £1.7Bn nationally.
 - There will also be a new relief introduced from 2023, which will allow businesses to benefit from 100% relief for 12 months from when they make improvements to a hereditament. There will be a consultation on this prior to implementation, and then it will be reviewed after five years. A relief will also be introduced for plant and machinery used in onsite renewable energy generation and storage.
 - New Homes Bonus is continued for a further year with no new legacy payments. A consultation was completed in early 2021 but the outcome has not yet been published.
 - There will be £4.8Bn of new grant funding for Social Care and Other Services, although the proportion between these is not yet known.
 - No announcements have yet been made in relation to the Better Care Fund.
 - Public Health Grant will be maintained in real terms, so it should be expected that authorities will receive inflationary increases over the SR period.

- The Core Schools Budget will increase by £4.7Bn over the SR period, with an additional £2.6Bn for new school places for children with special educational needs and disabilities (SEND) over the same period.
- The Holiday Activities and Food Programme, introduced during the pandemic, is being extended at a cost of £200m per year.
- Funding of £38M to support authorities with cyber security and £35M to “strengthen local delivery and transparency.”
- A rise in the National Living Wage of 6.6% to £9.50 an hour.
- The first £1.7Bn of allocations through the Levelling Up Fund have been announced.
- The Rough Sleeping Initiative and Homelessness Prevention Grant will be continued.
- £111M Lower Tier Services Grant introduced in 2021/22 continued in 2022/23.
- £560M announced for youth services.
- £850M for “cultural and heritage infrastructure” over the SR period.

6.5. It is worth noting that the increase in national funding is front-loaded, so increases in 2022/23 will level off. Any increases in spending power for local authorities in subsequent years are likely to be expected to be met from increases in local Council Tax levels.

6.6. The new Department for Levelling Up, Housing and Communities (DLUHC) have announced that major reform for the local government sector will take place in 2022/23 which could impact the distribution of funding at an individual local authority level from 2023/24.

7. Local funding impact

7.1. The key announcements set out in section 6.4 indicate the following provisional allocations for Southend-on-Sea Borough Council:

- Social Care – additional £2.2M to be delivered through grant in addition to the funding received in 2021/22, so for 2022/23 the total grant will be £8.2M.
- The current funding stream of £7.568M iBCF (including the former Winter Pressures Grant) has increased by 3% to £7.797M in 2022/23.
- Public Health Grant is expected to increase by real terms inflation, not yet officially announced. The 2021/22 grant is £9.798M.
- The Revenue Support Grant has increased by 3.1% to £6.244M
- Market Sustainability and Fair Cost of Care Fund – new grant of £0.556m to be received in 2022/23. This comes with new burdens, the cost of which has not yet been calculated.
- Lower Tier Services Grant funding introduced in 2021/22 has increased slightly, so for 2022/23 the grant will be £0.251M

Dedicated School Grant Budget and Schools Revenue funding

- 7.2. The Dedicated School Grant (DSG) budget consists of delegated funding to schools, early years providers and providers for pupils 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.
- 7.3. The current total DSG for 2022/23 is £178.1M (latest allocation for 2021/22 is £171.6M). 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, free special schools and national non-domestic rates for all mainstream schools. These elements are paid directly to those settings from the Education and Skills Funding Agency. The final estimated allocation expected to be awarded to the local authority for 2022/23 is £55.958M, after considering these estimated deductions of £122.189M.
- 7.4. The Department for Education (DfE) announced on the 16th December 2021 the final funding details for 2022/23 which are summarised as below (Table 1). Note there are 4 blocks of funding allocations within the DSG.

Table 1 Dedicated Schools Grant Funding Allocations

Block	Amount £M's	Detail
Schools Block	137.816	Allowing for 14,847 primary and 11,771 secondary pupils plus growth and premises factors
Early Years Block	10.125	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	28.764	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	1.441	Includes Education Support Grant and Council support functions
Total DSG 2022/23	178.147	

Key 2022/23 Dedicated Schools Grant DfE Headline Announcements

- 7.5. 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 2022/23 is now the third year of that three-year commitment. Early notification has supported effective financial planning, but many national and local issues remain, including significant national pressures on high needs funding, some schools that have been struggling historically financially and further increases required for teacher salary increases and pension contributions.
- 7.6. The DfE announced in July 2021, the following key headlines in relation to Individual School Funding for 2022/23 (schools block). The minimum per pupil levels are set at £4,265 for primary schools (£4,180 in 2021/22) and £5,525 for secondary schools (£5,415 in 2021/22). 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 up to 3% on those core factors.
- 7.7. In relation to Early Years funding announced by the DfE on the 25th November 2021 the DfE confirmed an increase of 17p per hour in 2022/23 to help fund childcare places for 3 & 4 year olds and 21p per hour to help fund childcare places for eligible 2 year olds.
- 7.8. In relation to high needs block funding allocations, the funding floor (within the NFF) is set at an 8% uplift with a maximum gains cap of 11%. For Southend, this has meant an additional uplift of 9.14% and an additional indicative allocation of £2.301M. On the 16th December 2021, the DfE also announced an additional supplementary DSG grant to support health and social care levy and wider cost pressures within High Needs, this additional High Need DSG grant for 2022/23 is £1.007M. For mainstream schools, early years and post 16 provision in schools, this additional supplementary grant will be paid outside of the DSG in 2022/23 and directly to those schools by the DfE.
- 7.9. In relation to central block funding included within the July 2021 announcements, the DfE stated in 2022/23 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 implication for Southend’s allocation is a further annual loss of £116,000 from 2021/22 levels.

DSG Education Board Decisions

- 7.10. 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 18th November 2021 and the 15th December 2021 to determine and agree the principle decisions for the allocation of the 2022/23 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 national funding formula locally.
- 7.11. The recommendations of the DSG budget to the Education Board was presented on the 15th December 2021 and **Appendix 10** shows the detailed principle breakdown of the proposed 2022/23 Dedicated Schools budgets. This assessment also includes the considerations to the further reduced Central Block funding announcements. There will be a final 18th January 2022 Education Board report which will set the final funding allocations for 2022/23, based on the funding principle decisions made by the Education Board at its meetings on the 18th November 2021 and 15th December 2021, and the 18th January 2022 board meeting will also consider recommendations for the Early Years provider rates for 2022/23.

Pupil Premium

- 7.12. In addition to funding from the DSG, schools will receive a Pupil Premium grant, which will provide amounts of £1,385 / £985 of funding per primary / secondary pupil in 2022/23 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 £8.4M for schools in Southend-on-Sea (including both Maintained and Academy schools).

8. Financial Sustainability Strategy

- 8.1. This was first introduced and approved by Council in February 2020 to frame the financial future and intentions for Southend-on-Sea. It helped to set the context for the Medium Term Financial Strategy at that time, 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.

8.2. Its primary purpose remains 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 that commenced in 2020/21 and continued into 2021/22 this strategy is currently under review. The Provisional Local Government Financial Settlement was only published on 16th December 2021, so the revised draft of this strategy is still under development. An updated early draft of the strategy is attached for comment and feedback at **Appendix 1**. A final version will be presented to the Cabinet meeting scheduled for 15th February 2022 and it will also form part of the suite of budget papers for consideration and approval at the Council meeting on 24th February 2022.

9. Medium Term Financial Strategy (MTFS) 2022/23 – 2026/27

9.1. Given the unprecedented and constantly changing events in 2020/21 and 2021/22, together with the late publication by the Government of the provisional finance settlement on 16th December 2021, this revised MTFS is still under review and will be presented to Cabinet and Council in February 2022. The updated strategy will build on what was approved in February 2021 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, key pandemic recovery priorities and desired outcomes.

9.2. 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. Clearly this assessment will be based on a range of assumptions – the most significant is that we are currently assuming that the level of Government funding support we are expecting to receive in 2022/23 remains at exactly that same level in future years through to 2026/27.

9.3. Although the full MTFS is still being updated, considerable work has been undertaken to establish a Medium Term Financial Forecast for the years 2022/23 to 2026/27 and this is shown in **Annex 1 to Appendix 2**. Table 2 is a summary showing the forecast budget gap for the next five years.

Table 2 Forecast Budget Gap 2022/23 to 2026/27

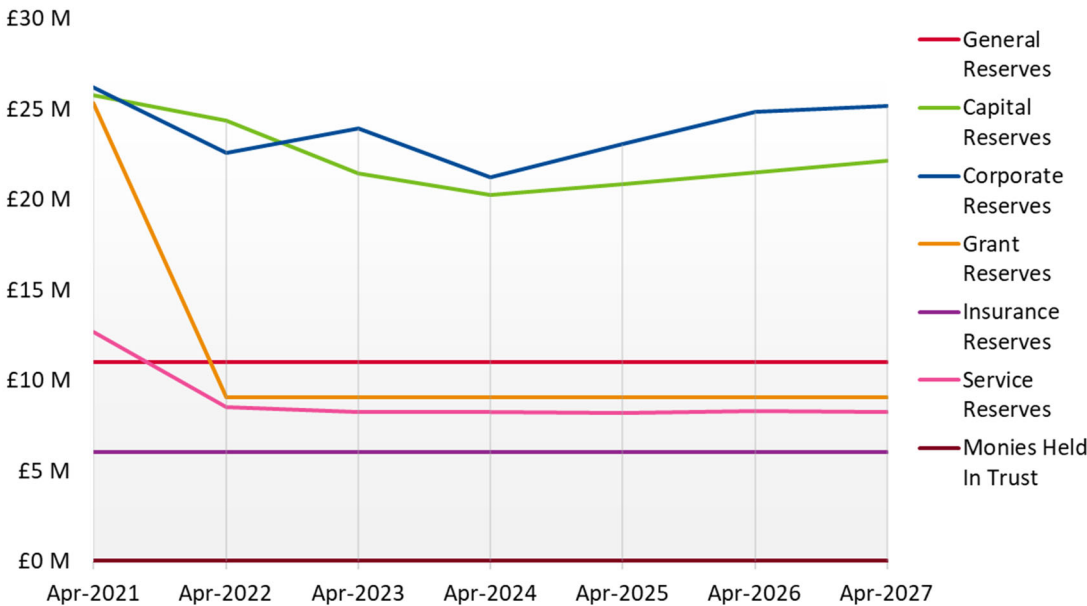
Year	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Budget gap	£0M	£7.6M	£5.2M	£6.2M	£5.2M	£24.2M

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

9.5. The proposed Earmarked Reserves balances (2021/22 – 2026/27) is shown in **Annex 2 to Appendix 2** and it illustrates not only the appropriations to and from Earmarked Reserves but also the transfers between them. The significant fall in grant reserves in April 2022 is due to the prescriptive accounting treatment of Business Rates Section 31 Grant appropriated to reserves in the previous year. These arrangements were stipulated and were designed to primarily account for the support for businesses provided by the Government during the pandemic between the Council’s Collection Fund and General Fund. This is in accordance with national guidance given the exceptional circumstances.

A summary of the forecast reserve balances from 2021/22 to 2026/27 is illustrated in the following graph (Figure 2).

Figure 2 Forecast Reserve Levels 2021/22 to 2026/27



9.6. 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, COVID-19 recovery priorities and first phases of the roadmap.

9.7. 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 value for money impact in providing better outcomes for Southend residents. Analysis of the feedback from the range of extensive consultation and engagement exercises undertaken throughout 2021/22 has also directly influenced the overall proposed budget package (see Section 19.6).

9.8. 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 2022/23 to 2026/27 is attached as **Appendix 11**.

10. Prioritising Resources to Deliver Better Outcomes

- 10.1. 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.
- 10.2. A summary of the revenue investment proposals that form part of this overall budget package is shown in Table 3. The detail of each proposal for 2022/23 is shown at **Appendix 6**. Most of the proposed initiatives are planned to be a permanent increase in the revenue base budget of the Council, except where indicated (* and **).

Table 3 Revenue Investment Proposals

Ref	Description	2022/23 £000s
PJ02-TR	Stop the use of Glyphosate in Parks and Open Spaces	* 120
Pride and Joy Total		120
SW01-UP	Adult Demographic Change	1,080
SW02-UP	Adult Social Care Provider Uplifts – Residential, Supported Living, Day Services	2,161
SW03-UP	Adult Social Care Provider Uplifts – Direct Payments	806
SW04-UP	Essential Living Fund	117
SW05-UP	Safeguarding Board Investment	30
SW06-UP	Independent Health Complaints Advocacy	28
SW07-IA	Adult Social Care Provider Uplifts – Homecare	1,316
SW08-IA	Adult Social Care Provider Uplifts – Residential Care Legacy Rates	125
SW09-IA	Children's Social Work	350
SW10-IA	Housing Staff	200
SW11-IA	Community Safety Investment	250
SW12-IA	Increase in Public Health Burials	20
SW13-IA	Parking Lines and Signs	100
SW14-IA	Street Lighting Column Replacements	100
SW21-TR	Liberty Protection Safeguards	* 60
SW22-TR	Care Home Support	* 100
SW23-TR	Housing Staff	** 150
SW24-TR	Assurance and Inspection	* 75
Safe and Well Total		7,068
OP01-IA	Planning Graduates	80
OP02-TR	Economic Recovery	* 200

Ref	Description	2022/23 £000s
OP03-TR	Events 2022 Programme	* 100
Opportunity and Prosperity Total		380
CS01-UP	ICT increase in annual support / maintenance costs	200
Connected and Smart Total		200
FW01-UP	Pay and Increments	3,650
FW02-UP	Inflation Provision	600
FW03-UP	Investment, Income and Financing Costs Review	1,204
FW04-IA	Loss of School's income across a range of services	250
FW05-IA	Rightsizing of General Fund Council Tax Budget	200
Future Ways of Working Total		5,904
Total Investments		13,672

Key: * investment is for one year only and is funded from the Business Transformation Reserve.

** investment is for one year only and is funded from the New Homes Bonus Reserve.

- 10.3. 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.

The Head of Climate Change will be involved in a range of Council led programmes to ensure that appropriate consideration is given to the climate impact of our activities, especially considering the commitments made by the Government at the recent COP26 summit in Glasgow.

- 10.4. A summary of the proposed savings and income generation proposals for 2022/23 that form part of this overall budget package is shown in **Table 4**. The detail of each proposal for 2022/23 – 2026/27 is shown at **Appendix 7**.

Table 4 Savings and Income Generation Proposals

Ref	Description	2022/23 £000s
PJ02-SP	Expectation of saving from waste disposal procurement	(112)
PJ03-SP	Review of Cemeteries and Crematorium fees and charges	(90)
Pride and Joy Total		(202)
SW15-IS	ABLE2 Team	(90)
SW16-IS	Learning Disability Services Transformation	(225)
SW17-IS	Shared Lives Expansion	(15)
SW18-IS	Commercial Improvement	(60)
SW19-IS	Enhanced In-house Foster Care Offer	0*
SW20-IS	Moving Traffic Enforcement	100*
SW25-SP	Electronic Time Monitoring for Homecare	(150)
SW26-SP	Disabled Facilities Grant and Equipment	(230)
SW27-SP	Increased Client Contributions	(300)
SW28-SP	Early Help staffing review	(27)
PY-SW01	Supported Accommodation & Supporting People Contracts	(300)
PY-SW02	Commercial negotiation and contract review with key providers	(620)
PY-SW04	Review of low-cost home care packages	17
PY-SW06	Review section 75 with Essex Partnership University Trust	(100)
PY-SW07	Review of the Adult Social Care contributions policy	(50)
PY-SW08	Introduce a new strengths-based refresh to adult social care	0*
PY-SW10	CCTV monitoring services for other networks	(10)
Safe and Well Total		(2,060)
PY-AI03	Targeted integration of the Public Health grant	(150)
PY-AI04	Negotiated planned increased in bowls season ticket fees	(20)
Active and Involved Total		(170)
OP04-SP	Advertising on Council waste assets	(5)
PY-OP01	Introduce charging at Pre-Application Advice meetings	(8)
PY-OP02	Fast Track and Premium Services for Planning Applications	(5)
PY-OP03	Potential sponsorship opportunities within parks	(5)
PY-OP04	Ensure all parks buildings either have a lease or charged separately for usage	(10)
PY-OP05	Review of Planning and Building Control Consultancy Service	(38)
PY-OP07	New rental income from the airport business park	(23)
Opportunity and Prosperity Total		(94)
CS02-IS	Public Interface Transformation	150*
CS03-IS	Highway improvements	150*
CS04-SP	Pay & display tariff standardisation	(350)
CS05-SP	Zone 1A Car Park charge extension 6pm to 9pm	(350)
CS06-SP	Reduction of concessionary fares support to match usage	(200)
PY-CS03	Comprehensive review of car parking fees and charges	(150)

Ref	Description	2022/23 £000s
PY-CS04	Review of all Highways fees and charges	0*
Connected and Smart Total		(750)
FW06-SP	Fees and charges increased yield	(800)
FW07-SP	Housing Benefit and Council Tax verification software	(17)
FW08-SP	Financial Services staffing review	(68)
FW09-SP	Council Tax Base additional increase 0.3%	(271)
PY-ES02	Saving from not borrowing during 2021/22	(150)
PY-ES08	Various administrative efficiencies and savings	45*
PY-ES10	Service redesign of the Business Support function	(500)
PY-ES13	New income stream from a formal laptop disposal scheme	0*
PY-ES14	Housing Revenue Account charging review	(50)
Future Ways of Working Total		(1,811)
Savings Initiatives Total		(5,087)

Key: The prefix "PY" indicates a saving which was approved as part of the 2021/22 budget setting process with a multi-year impact.

The suffix "IS" indicates an invest to save proposal.

* Indicates savings/extra income is planned to be delivered in future years.

11. General Fund Revenue Budgets 2022/23 – 2026/27

Forecast revenue outturn 2021/22

- 11.1. The original General Fund revenue budget requirement for 2021/22 totalled £135.847M and was to be met from government grants, available business rates, council tax and adult social care precept and £2.500m planned use of reserves.
- 11.2. Members have been supplied with regular financial monitoring information throughout the year. The latest forecast outturn and supporting narrative for 2021/22 is summarised in the Resourcing Better Outcomes - Financial Performance Report – Period 8, elsewhere on this Cabinet agenda. The year has clearly been dominated again by the impact of COVID-19 on both the finances and operations of the Council.
- 11.3. The latest financial forecast for 2021/22 indicates a projected £1.358M overspend for the Council.
- 11.4. A range of mitigation plans are also in place to try and improve the overall financial position further by the end of the financial year. The situation will continue to be closely monitored. It is anticipated that the current forecast overspend will be met by a combination of additional COVID-19 Government support (Control Outbreak Management Fund) or using corporate contingency if required. This should enable the previously approved £2.5M to support the Council's spending plans in 2021/22 to be deferred and is now proposed to be used to support the 2022/23 Budget package instead. The actual year-end final position for 2021/22 will be considered as part of the outturn report, which will be presented to Cabinet in June 2022.

Fees and Charges Proposals

- 11.5. 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 to be agreed by Cabinet like car parking charges. For 2022/23 the guideline yield has been set at CPI at October 2021 (4.2%) and therefore charges for 2022/23 will be set by Chief Officers within this guideline with a few exceptions.
- 11.6. The proposed overall balanced revenue budget package assumes several new fee charging options within parking and bereavement services. The detailed proposals are summarised at **Appendix 9**. New charging arrangements based on national policy/guidance (Care Act Considerations) and individual financial circumstances of clients are also planned for Adult Social Care services.
- 11.7. The Southend Pass will continue into 2022/23 with feedback from users resulting in the creation of a 1 and 3-month pass purchase option too. As a result of parking services being continually impacted in 2021/22 due to COVID-19, an evaluation of the pass will now be undertaken in 2022/23. Except for the changes to parking charges summarised for Zone 1a in **Appendix 9**, all other pay and display tariffs are proposed to remain at 2021/22 prices. This means that the impact of increasing inflationary factors is not being passed on to parking users in 2022/23.
- 11.8. After the significant piece of work undertaken to create parking zones across the Borough to standardise parking charges within similar areas in 2021/22, it is now proposed to simplify them even further by standardising the hourly rate in Zone 1a in line with all other zones across the Borough. This will provide an even simpler and uniform approach across the whole town. There are also some minor amendments to other parking arrangements, which are outlined in detail at **Appendix 9**.
- 11.9. To alleviate parking pressure for the night-time economy in Southend-on-Sea the applicable charging times in Zone 1a will be extended from 6pm to 9pm. This extension will ensure that existing parking provision is not abused, and safe standards are maintained. Enforcement hours will be increased to support these restrictions which in line with the Highways Act 1980 will aim to avoid danger to persons and damage that has been caused by poor driving and historical inappropriate parking behaviours. Southend Pass Holders will be able to use their pass during these extended hours. It is proposed that the Cliffs Pavilion and Shorefield Road car park will remain chargeable to 6pm only.

- 11.10. The Care Act allows local authorities to charge people a fair contribution towards the cost of care. In any financial assessment, individual circumstances will continue to be considered. People are only charged when they can afford to pay all or part of the actual cost of their care. No one will pay more than the care costs the council to deliver. Each year the cost of care rises because of increased payments to providers, and the amount people have to pay for care also increases. These two factors, together with assumptions about the increase in the aging population mean we are assuming increased charging income in future years.
- 11.11. The charges for our cemetery and crematorium have been benchmarked for the last few years against nearest neighbours and similar facilities and the outcome of this shows that our charges are primarily in the lower quartile. Considering the current increases in utility costs to operate our cremators and the reduced availability of burial plots it seems prudent to review the charges associated with these services. The proposed charges at **Appendix 9** are the result of benchmarking data from competitors as well as the unique demographics of Southend whilst ensuring that the needs of service users are met during the difficult time of a bereavement. These revised proposed charges also ensure that the cost of a basic cremation remains one of the lowest in South Essex.

Overall General Fund Budget

- 11.12. The overall proposed balanced General Fund Revenue Budget package for 2022/23 is summarised in the following table (Table 5).

Table 5 Summary of General Fund Revenue Budget

	2021/22 £M	2022/23 £M
Net Base Budget	131.342	135.960
Net Investment and Reprioritisation	2.005	4.328
Revenue Budget	133.347	140.288
<i>Less Available Funding</i>		
Revenue Support Grant	(6.082)	(6.244)
Business Rates Income	(38.129)	(38.200)
Collection Fund Surplus	(1.500)	(1.500)
To be funded from Council and ASC Precept	87.636	94.344
General Council Tax	78.576	80.945
ASC Precept Income	9.060	10.899
Remaining Budget Gap	0	2.500
Use of Reserves to Balance Budget	0	(2.500)
Balanced Budget	0	0

- 11.13. Table 6 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.

Table 6 Use of Reserves approved in 2020/21

	2022-23 £000
Service Design	185
Community Safety – Summer and Winter Planning	100
Business Transformation Reserve total	285
Outcome Delivery	250
Outcome Delivery Reserve total	250
School Improvement	200
School Improvement Reserve total	200
Total Use of Reserves approved in 2020/21	735

Council Tax 2022/23 and estimated collection fund balance 2021/22

- 11.14. The Council must formally determine the Council Tax Base (the number of Band D equivalent properties) for 2022/23 and any estimated Collection Fund balance at the end of 2021/22. The Council Tax base for 2022/23 is as reported in a separate report on this agenda for approval by Cabinet as delegated by Council at **59,086.74** (equivalent Band D properties) including Leigh-on-Sea Town Council.

The tax base for Leigh-on-Sea Town Council has been calculated for 2022/23 as **8,890.46** Band D equivalents.

The estimated balance on the Collection Fund in respect of Council Tax as at the end of 2021/22 will be formally reported to Cabinet in February 2022. It is currently assumed that £1.5M of the projected accumulated historical surplus will be used to support the budget for 2022/23.

Council Tax

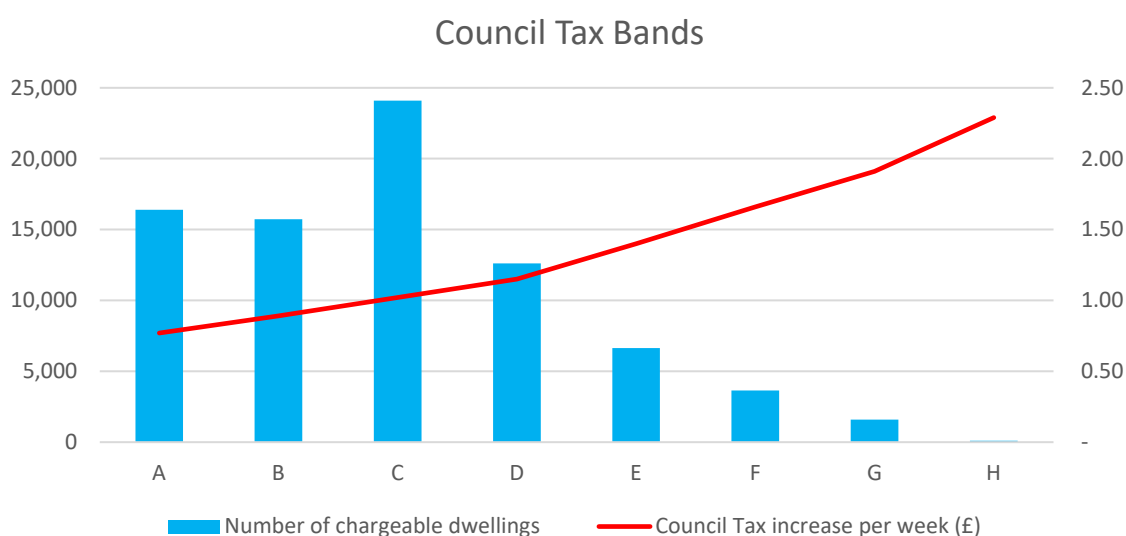
- 11.15. Overall, the draft budget assumes a total increase in the Council Tax of 3.99% (that being 1.99% for general use and 2% for the Adult Social Care precept). This would result in a Band D value of £1,554.39 per annum (the Band D level for 2021/22 is £1,494.72). This equates to an annual increase of £59.67 and a weekly increase of £1.15.

11.16. Table 7 and Figure 3 provide an indicative illustration of the impact of the proposed council tax increase for 2022/23 across the range of properties in Southend-on-Sea. Over 70% of properties in the Borough are in council tax bands A to C.

Table 7 Council Tax Bands

Council Tax Band	A	B	C	D	E	F	G	H
Number of chargeable dwellings	16,394	15,726	24,088	12,604	6,636	3,643	1,584	101
21/22 Council Tax per week (£)	19.16	22.36	25.55	28.74	35.13	41.52	47.91	57.49
Increase per week (£)	0.77	0.89	1.02	1.15	1.40	1.66	1.91	2.29
22/23 Council Tax per week (£)	19.93	23.25	26.57	29.89	36.53	43.18	49.82	59.78

Figure 3 Number of Council Tax Dwellings and the associated proposed increase



This draft proposed budget for 2022/23 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 based on trying to limit the local Council Tax increase to as low a level as realistically possible in the very financially challenging circumstances. The proposal includes 1.0% Adult Social Care Precept deferred from 2021/22 financial year.

For comparative purposes, nearly 70% of all unitary authorities in 2021/22 applied the maximum Council Tax increase possible without a local referendum (4.99%). Southend's approved level placed them within the next 20% of unitary authorities which increased their Council Tax between 3.00 – 3.99% in 2021/22.

The decision to defer the 1% available for the Adult Social Care precept in 2021/22 is now being proposed to be implemented for 2022/23. This strategy has provided a more stable consistent increase to local residents of 3.99% each year, primarily to fund increasing demand and cost pressures for social care. Whereas 70% of residents in other unitary authority areas will have seen a bigger jump of 4.99% in 2021/22 followed by a smaller 2.99% increase in 2022/23.

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

- 11.17. Leigh-on-Sea Town Council has indicated its proposed level of precept for 2022/23 of £452,080 (2021/22 = £443,217) pending approval at their Town Council meeting of 18th January 2022. Based on their council tax base of 8,890.46, the Town Council element of the total Council Tax bill would increase from £50.58 to £50.85 at Band D, equivalent to an increase of 0.53% from 2021/22.
- 11.18. Essex Fire & Rescue Services and Essex Police through the Police, Fire and Crime Commissioner for Essex has by law to set both precepts no later than 1st March 2022 (after consideration by the Essex Police, Fire and Crime Panel on 3rd February 2022). At this stage, no information is available on their proposed Council Tax increase levels for 2022/23.

Levies

- 11.19. The Council is required to pay relevant levying bodies, who have only indicated their draft levy position for 2022/23. Updated levies figures will be included in the final report to Cabinet on 15th February 2022. The final levies will be reported on in the Council Tax report for Council on 24th February 2022. The current position for 2022/23 is identified in Table 8.

Table 8 Levying bodies and their charges

	2021/22 Probable Actual £000	2022/23 Estimate £000	Percentage increase %
Kent and Essex Inshore Fisheries and Conservation Authority (Provisional)	21.9	23.0	5.0
Flood Defence – Environment Agency (Provisional)	209.4	215.7	3.0
Coroners Court (Provisional)	409.7	423.3	3.3
Total	641.0	662.0	

The Kent and Essex Inshore Fisheries and Conservation Authority levy is provisional and is a proposed increase of £1,066 from 2021/22 to 2022/23. 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

- 11.20. The Reserves Strategy is set out in the Section 151 Officer's Statement on the Adequacy of Balances attached at **Appendix 3**. Within the boundaries of this strategy the presentation of the budget reflects proposed net appropriations from earmarked reserves totalling £1.819M for which separate approval is sought. Full details are shown in **Appendix 4**.

Staffing Implications

- 11.21. The investment proposals outlined in **Appendix 6** will result in a permanent increase to the staffing establishment of the Council of circa 16.4 full time equivalent (FTE) posts. In addition to this there will be an estimated 10.0 FTE fixed-term posts supported by one-off investment from reserves.
- 11.22. There are approximately 10 posts/roles proposed to be deleted as part of the budget savings package detailed at **Appendix 7** for 2022/23. 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.
- 11.23. 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.
- 11.24. 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.

12. Capital Investment Programme

- 12.1. 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.
- 12.2. The capital investment programme is prepared and developed in accordance with the Council's Capital Investment Strategy, which is attached as **Appendix 11** 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

- 12.3. 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.
- 12.4. We need to ensure that investment is focussed on priorities and that priority projects have viable delivery plans. A MoSCoW review has been undertaken to re-assess and re-prioritise the capital investment programme. This enables prioritisation by categorising capital projects as 'must have', 'should have', 'could have' or 'will not have' (at this time). The results of this review were included in the Period 4 and Period 6 financial performance reports to September and November Cabinet respectively.
- 12.5. Capital challenge sessions have also been held with the Cabinet Member for Corporate Services and Performance Delivery. The first sessions were held in late September and early October and the results of these were included in the Period 6 financial performance report to November Cabinet. Follow up capital challenge sessions were held with the Cabinet Member for Corporate Services and Performance Delivery in early December, with any resulting requested changes to the capital investment programme included in the Period 8 financial performance report elsewhere on this agenda.
- 12.6. The reviews of the capital investment programme have considered the following:
- re-assess schemes considering 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.
- 12.7. 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.

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

- 13.1. At November Cabinet a 2021/22 budget of £70.9M was approved for schemes to be delivered by the Council and £14.2M for schemes to be delivered by subsidiary companies, partners and joint ventures. At November Cabinet a total budget for financial years 2022/23 to 2025/26 of £85.9M was approved for schemes to be delivered by the Council and £50.0M for schemes to be delivered by subsidiary companies, partners and joint ventures.
- 13.2. Since November Cabinet the capital investment programme review has continued as set out in paragraph 12.5. The Council has also been successful in its Levelling Up Fund bid for visitor economy improvements, focussed on Leigh Port, the Cliffs Pavilion and wider seafront and town centre safety measures. The £19.9M external funding will be match funded by £4.1M from the Council’s Capital Investment Programme, and works will be completed by March 2024.
- 13.3. 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 13**.
- 13.4. The resulting revised capital investment programme for 2021/22 to 2025/26 is shown in Table 9.

Table 9 Capital Investment Programme Summary

Programme to be delivered by the Council (GF and HRA):

	2021/22 (£000)	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	Total (£000)
At November Cabinet	70,852	50,322	18,508	10,108	6,919	156,709
Levelling Up Fund amendments*	4,275	15,110	3,705	25	0	23,115
Other amendments	(3,737)	1,537	830	102	39	(1,229)
Revised programme	71,390	66,969	23,043	10,235	6,958	178,595

* £880,000 of match funding from the Council’s capital resources had already been included in the programme at an earlier Cabinet.

Total proposed budget for 2022/23 to 2026/27 = £107.2M

Programme to be delivered by Subsidiary Companies, Partners and Joint Ventures:

	2021/22 (£000)	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	Total (£000)
At November Cabinet	14,222	21,549	15,559	9,598	3,250	64,178
Amendments	(1,362)	534	828	0	0	0
Revised programme	12,860	22,083	16,387	9,598	3,250	64,178

Total proposed budget for 2022/23 to 2026/27 = £51.3M

- 13.5. Key areas of investment within this programme across the four-year period 2022/23 to 2025/26 are as follows:

Pride and Joy

Southend Pier

- 13.6. Capital investment in this area contributes to the desired outcome that the variety and quality of our outstanding cultural and leisure offer has increased for our residents and visitors, and we have become the region's first choice coastal tourism destination.
- 13.7. Major capital investment in the pier of £10.6M 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 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

- 13.8. Capital investment in this area contributes to the desired outcome everyone has a good quality, sustainable home that meets their needs.
- 13.9. Several sites within the housing development pipeline are currently underway and a major capital investment of £12.4M 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. Phase 3 is to deliver circa 29 units of Council housing across six underutilised garage sites and surrounding land in Shoeburyness. Phase 4 is to deliver circa 9-12 units of Council housing at the North site within the Council owned Lundy Close housing estate. There are also Modern Methods of Construction pilots for off-site delivery methods at Archer Avenue and Saxon Gardens.

- 13.10. Capital investment of £4.7M is included until 2023/24 to continue the affordable housing acquisitions programme. Capital investment of £18.4M 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 common area improvement works. The 5,930 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.
- 13.11. Capital investment of £4.4M is included for Disabled Facilities Grants to provide grants to disabled people make changes to their homes. Adaptations include widening doors, installing ramps, improving access to rooms and facilities and adapting heating and lighting controls to make them easier to use.

Climate change

- 13.12. Capital investment in this area contributes to the desired outcome that we act as a sustainable and green city embracing the challenges of the Climate Emergency Declaration made in 2019.
- 13.13. The Council wants to achieve net zero carbon by 2030 and the Green City Action Plan sets out the initial steps that the Council will undertake to become a Green City and fulfil its obligations after declaring a Climate Emergency in Autumn 2019. The report includes the five key focus areas which will help accelerate the work to create net zero emissions by 2030:
- Climate Leadership and Strategic Approach
 - Establishing a Pathway to Net Zero Carbon
 - Building Climate Resilience across Southend
 - Future Generations
 - Building Partnerships
- 13.14. Southend pier's diesel trains are being replaced with new ultra-modern electric trains as part of a £3.25M capital investment which is due to conclude in early 2022. Electric trains mean significant cuts in carbon emissions compared to diesel and lower energy and maintenance costs.
- 13.15. The Council is monitoring air pollution and uses this information to help inform road transport improvements and major infrastructure projects such as the A127 Kent Elms scheme and the Bell Junction works which help reduce congestion and improve air quality.
- 13.16. A £13.5M project to replace all of Southend's 15,000 streetlights with LEDs was completed in August 2017 which continues to reduce carbon emissions.
- 13.17. 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. The Council's Tree Policy aims to increase the Borough's tree canopy cover to 15%, which is equivalent to 150 football pitches.

- 13.18. The new Launchpad Innovation Centre will be completed in June 2022 as part of the Airport Business Park. Environmental sustainability is core to the design of this building. The design and construction will support the Council's Green City Action Plan and environmental commitments by achieving the highest standards of environmental performance, making it the first council-owned building to achieve Building Research Establishment Environmental Assessment Method (BREEAM) Outstanding Certification.
- 13.19. The other 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).
- 13.20. 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.
- 13.21. 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
- 13.22. 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.
- 13.23. The Council was 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.
- 13.24. 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.

Opportunity and Prosperity

Enterprise and Regeneration

- 13.25. Capital investment in this area contributes to the desired outcome that major regeneration projects are underway and bringing prosperity and job opportunities to the borough.
- 13.26. A major investment of £5.3M included in this capital investment programme is for the completion of the Airport Business Park, a major strategic employment site near 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. The construction of the Launchpad building is underway and the project is expected to be completed during 2022/23.
- 13.27. £11.0M 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.
- 13.28. Capital investment of £1.1M 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.

Housing

- 13.29. Capital investment in this area contributes to the desired outcome everyone has a good quality, sustainable home that meets their needs.
- 13.30. Capital investment of £2.4M 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.

Schools

- 13.31. Capital investment in this area contributes to the desired outcome that our children are school-ready and young people are ready for further education, employment or training.
- 13.32. The schools capital investment programme for 2022/23 onwards totals £2.8M. The programme will continue to be dominated by the schools condition works but also by the high needs and special provision funds. These funds are to enhance the facilities and number of places available for children with special educational needs and disabilities or requiring alternative provision.

Connected and Smart

Highways and Infrastructure

- 13.33. Capital investment in this area contributes to the desired outcome to facilitate a wide choice of transport that improves accessibility, connectivity and mobility to all residents.
- 13.34. Significant capital investment of £16M in the town's footways and carriageways is included in this programme. This includes £10M for footways improvements and £6M for carriageways improvements to reduce long term structural maintenance and improve public safety.
- 13.35. Nearly two thirds of this new investment will be in footways as, over the period to 2021/22, more has 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.
- 13.36. Capital investment of £2.5M is included in this programme for the completion of schemes funded from Local Transport Plan and the Local Growth Fund monies from Government. These include the Bell Junction, A127 essential maintenance works, transport management schemes and town centre interventions.
- 13.37. Capital investment of £3.0M included in this programme is for works to the cliff slip at Belton Way East, funded by a grant received from the Department for Transport.

Future Ways of Working

Works to Property

- 13.38. Capital investment of £4.4M 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.

- 13.39. Capital investment of £2.7M is included in this programme for refurbishment of the crematorium to ensure the Council can continue to provide high quality crematorium services. The works include replacement of the three existing cremators, replacement of plant associated with the cremators, reconfiguring the back of house to accommodate new equipment and to facilitate better working, and reconfiguring the front of house areas including the installation viewing area to accommodate different faiths and beliefs.

ICT

- 13.40. Capital investment of £2.3M included in this programme for ICT includes the ongoing projects for digital enablement and security and resilience and the Council's enterprise agreement licences.

14. New capital investment proposed

- 14.1. Although the capital investment programme for 2022/23 to 2025/26, updated as a result of the changes set out in **Appendix 13**, represents a significant investment of over £158M on the part of the Council in the Southend area, the Council's ambition to improve the lives of residents is undiminished.

ICT – Smart Council

- 14.2. New capital investment of £1,050,000 in the Council's ICT equipment and application and infrastructure licences for 2022/23 is proposed, to enable the Smart Council project to progress whilst the necessary business cases and governance processes are being worked through for the rest of the project. This is in addition to the budget request in **Appendix 13** of £146,000 for the approved capital investment programme in 2021/22. Inclusion of the rest of the Smart Council project in the main programme is subject to approval of appropriate viable business cases.
- 14.3. This capital investment is to continue to provide the ICT core services to the Council (software and hardware). This project proposes a fast-track migration to the cloud which enables the Council's transformation, mitigates the disaster recovery risk, negates the need for a cyclical investment and realises the cost savings that can be achieved from such a strategy. By utilising the cloud for the Council's infrastructure there is no longer a need to replace ICT Infrastructure, resulting in significant cost savings. The additional work has been broken down into projects, which, when delivered together, will achieve quantitative and qualitative benefits and mitigates risk.
- 14.4. Part of the project is to provide regular device refreshes, to ensure the estate does not go beyond the end of its supported life and result in security risks and to enable officers and members to carry on working remotely. The COVID-19 pandemic meant that the Council was required to begin a move to the Cloud, to enable remote working. Reversing this or stopping this will add additional costs.

- 14.5. The ICT Smart Council project has a total estimated cost of £16,396,000 over the years from 2021/22 to 2025/26. The remaining £15,200,000 is estimated to be £5,505,000 of capital investment over the years 2023/24 to 2025/26 and £9,695,000 of revenue investment over the years from 2021/22 to 2025/26.

East Beach Car Park – Phase 1

- 14.6. New capital investment of £355,000 is proposed in 2022/23 for Phase 1 of the East Beach Car Park works. This investment is to widen the existing vehicular entrance/exit and install a height barrier and vehicle flow plates. The footway entrance would be improved to include street lighting and improved access for pedestrians and cyclists. The car parking area would be future proofed to ensure that Electric Vehicle Charging can be accommodated.
- 14.7. Phase 2 of this project would be the construction of the car park and which would require planning permission. Detailed cost estimates for this phase are being sought but it is estimated that the full project cost (phases 1 and 2) would be up to £825,000. In addition to these capital costs, £40,000 has been allocated from the revenue budget for professional fees regarding all relevant surveys and flood risk assessments to enable a more detailed business case to be worked through.
- 14.8. Inclusion of phase 2 into the main programme would be subject to approval of a viable business case.

Footways Improvements

- 14.9. 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.
- 14.10. Investment of £4M for 2022/23 is to be brought up into the main programme from the Subject to Viable Business Case section. £2.5M is to be added to the programme for 2026/27 to ensure the continuation of the rolling programme. This is in addition to the budget of £16million already in the approved capital investment programme for the years 2021/22 to 2025/26.
- 14.11. 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.

Carriageways Improvements

- 14.12. 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.

- 14.13. Investment of £2M for 2022/23 is to be brought up into the main programme from the Subject to Viable Business Case section. £1.5M is to be added to the programme for 2026/27 to ensure the continuation of the rolling programme. This is in addition to the budget of £10million already in the approved capital investment programme for the years 2021/22 to 2025/26.
- 14.14. 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.

Priority Works

- 14.15. New capital investment of £600,000 is proposed for each of the financial years 2025/26 and 2026/27. This investment is to ensure an annual budget is available to deal with any urgent or priority works to Council owned assets that may arise during the year.
- 14.16. This investment is in addition to the £2,274,000 budget already in the approved capital investment programme for the years 2021/22 to 2024/25.

15. Capital investment subject to viable business cases

- 15.1. To ensure that the programme is affordable, deliverable and focussed on the Council's key priorities several 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.

- 15.2. The following schemes (Table 10) are listed as being subject to viable business cases:

Table 10 Capital schemes subject to a viable business case

Scheme	Existing as at November Cabinet or New
Footways Improvements	Existing
Carriageways Improvements	Existing
Tree Planting	Existing
Better Queensway - Additional Affordable Housing	Existing
Better Queensway Housing and Commercial Property acquisitions	Existing
Regeneration Pipeline Schemes	Existing
Strategic and Regeneration Acquisitions	Existing
Private Sector Housing Strategy	Existing
ICT – Smart Council	Existing
Coastal Defence	Existing
Cliffs Stabilisation	Existing
Shoebury Health Centre	Existing
East Beach Masterplan	Existing
Town Centre and Seafront Security Works	Existing
Civic Centre Campus Masterplan	Existing
Cliffs Pavilion Refurbishment and Remodelling	Existing
Seafront Illuminations	Existing
Re-imagination of the Town Centre	Existing
Museums and Galleries	Existing
School Improvement and Provision of School Places	Existing
Seaway Leisure	New
Southend Pier - Condition Works	New
Coastal Defence Refurbishment Programme	New
Schools – Condition Works	New
Property Refurbishment Programme	New
Fire Improvement Works	New
HRA Affordable Housing Acquisitions Programme	New
HRA Future Investment Programme	New
HRA Right to Buy Buybacks Refurbishment	New

- 15.3. Footways Improvements: this investment is to create better conditions for walking and improve public safety by reducing instances of trips and falls. £4M p.a. has been included in this section of the programme for the years 2023/24 to 2026/27.
- 15.4. Carriageways Improvements: this investment is to improve the highways infrastructure, reduce long term structural maintenance and improve public safety. £2M p.a. has been included in this section of the programme for the years 2023/24 to 2026/27.
- 15.5. 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.
- 15.6. 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.
- 15.7. 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.
- 15.8. 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.
- 15.9. 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.
- 15.10. 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 had 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.
- 15.11. ICT – Smart Council: the proposed investment is set out in paragraphs 14.2 to 14.5.
- 15.12. Coastal Defence: this is to support the delivery of the desired outcome that we will assess how to best manage our coastline to protect people, residential and commercial properties, designated habitats, public open spaces and agricultural land from coastal flood and erosion risk. The scope of this is wider than the Coastal Defence Refurbishment rolling programme being proposed in paragraph 15.25.

- 15.13. Cliffs Stabilisation: it is recognised that consideration needs to be given to schemes to remedy ground movement and reduce the risk of cliff slips. Schemes will be prioritised and slopes where there is evidence of ongoing, persistent ground movement, affecting a wide area with the potential to affect adjacent buildings or infrastructure would be considered first.
- 15.14. 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.
- 15.15. 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.
- 15.16. 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.
- 15.17. 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.
- 15.18. Cliffs Pavilion Refurbishment and Remodelling: the Council has been successful in its Levelling Up Fund bid for visitor economy improvements, with one of the projects being the Cliffs Pavilion. Since the bid was submitted there have been changes to the building regulations regarding ventilation and overheating that will be enacted from June 2022. The purpose is to increase the supply of fresh air to new buildings so the new build elements of this project will need to comply. An estimate of the increased costs is in the region of £2M although more exact figures will become available over the following months. It is recognised that an update report to Cabinet would be required when more details are known.
- 15.19. Seafront Illuminations: investment to deliver new seafront illuminations to support the local economy, tourism strategy and long-term recovery of the hospitality sector. The project would help extend the season by giving a greater footprint for visitors to see the destination lit up stretching from the Cliff Lift and gardens through to the Kursaal. Controlled lighting displays allow for seasonal programming of events to add value to festivals and create an attraction in their own right. Part of the project also fulfils expectations of digital display information to update visitors to the area of upcoming events and safety messages. There would be a revenue cost attributed to the ongoing maintenance needs, however the project is not expected to raise any additional utility costs. LED lights are very efficient, and Photovoltaics (PV) would be built into the Pier Hill Lift Tower and with the replacement of older technology.

- 15.20. Re-imagination of the Town Centre: this is to support the delivery of the desired outcome that we have a vibrant, thriving town centre, with an inviting mix of retail, homes, arts, culture, and leisure opportunities. It is recognised that a business case(s) will need to be submitted and assessed for viability.
- 15.21. Museums and Galleries: The Central Museum and Beecroft Gallery require a capital refurbishment programme following condition surveys and accessibility constraints. The service also has insufficient storage space for its growing collection. Items currently stored are blocking valuable display space in prime locations preventing key elements of Southend's history and art collection being shown. Items stored offsite are also over capacity and a flood at the venue in 2020 caused damage to part of the collection. Appropriate works and revised storage space need to be resolved. This could include a new collections centre feature in future years (subject to external project funding) where storage and presentation for groups could be developed. Phased works to undertake building refurbishment and storage improvements would be delivered over the coming few years to enable more of the collection to be presented to the public.
- 15.22. School Improvement and Provision of School Places: this multi-year programme has funded a large secondary school growth plan but is coming to an end as the growth patterns have now been met. There is £400,000 of unspent budget as some school projects have cost less than anticipated. The Local Plan may have an impact on future funding requirements so rather than delete this budget it had been moved to the Subject to Viable Business Case section of the programme.
- 15.23. Seaway Leisure: it was agreed at Council on 9th December 2021 that up to a maximum of £10M of the Council's capital reserves would be used as equity in the proposed development to enable the different and significantly improved commercial terms, thereby significantly reducing the Council's financial risk and providing an improved annual income stream.
- 15.24. Southend Pier – Condition Works: a rolling programme of investment to deliver the ongoing planned approach to addressing the condition works and bearing refurbishment identified within the condition survey. This proactive approach reduces the requirement for urgent and/or reactive condition works and ensures the integrity of this landmark structure that helps drive millions of visitors to Southend-on-Sea each year. £1,250,000 p.a. has been included in this section of the programme for the years 2025/26 to 2026/27.
- 15.25. Coastal Defence Refurbishment Programme: a rolling programme of investment is to deliver a planned approach for the essential refurbishment works to the borough's coastal defences. This proactive approach reduces the requirement for urgent and/or reactive condition works. £500,000 p.a. has been included in this section of the programme for the years 2022/23 to 2026/27.
- 15.26. Schools – Condition Works: a rolling programme at Children Centres and emergency works at schools. These are mainly larger, urgent projects to be agreed between the Council's property team and head teachers. £500,000 p.a. has been included in this section of the programme for the years 2024/25 to 2026/27.

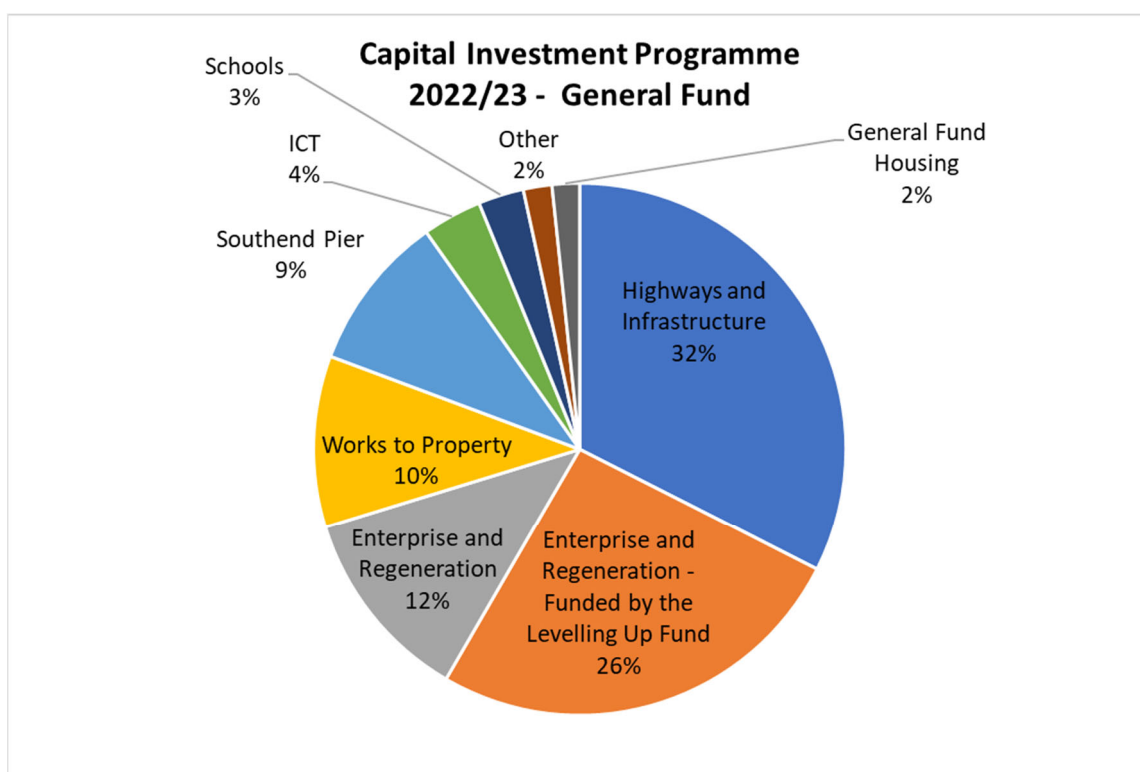
- 15.27. Property Refurbishment Programme: a rolling programme of investment to enable the Council's Property and Estate Management service to take a proactive approach to maintaining the buildings for which it is responsible. This will ensure investment is made in the fabric and services within building before they get to a stage that capital works become urgent or have a detrimental impact on service users' use of the building or leads to urgent repairs and maintenance works which are usually more costs long term. £750,000 p.a. has been included in this section of the programme for the years 2025/26 to 2026/27.
- 15.28. Fire Improvement Works: a rolling programme for the implementation of fire safety and associated compliance works across the Council's corporate property estate arising as a result of any changes to building regulations and/or other standards or updated fire risk assessments. £750,000 p.a. has been included in this section of the programme for the years 2025/26 to 2026/27.
- 15.29. HRA Affordable Housing Acquisitions Programme: through the rolling programme of purchasing suitable private homes for council use, the acquisitions programme helps to ensure that everyone has a home that meets their needs, including those with complex needs. £1,500,000 p.a. has been included in this section of the programme for the years 2024/25 to 2026/27.
- 15.30. HRA Future Investment Programme: a rolling programme of investment to continue the Decent Homes programme to keep the housing stock at decency levels. It includes common area improvements and environmental health and safety works. This investment is wholly funded through the HRA. £6,160,000 p.a. has been included in this section of the programme for the years 2025/26 to 2026/27.
- 15.31. HRA – Right to Buy Buybacks Refurbishment: a rolling programme of investment to support the continuation of the programme to buy back ex-council houses and other properties to increase the stock on the housing register. This investment would be used to refurbish the properties that are purchased in order to bring them up to Decent Homes standard. £325,000 p.a. has been included in this section of the programme for the years 2022/23 to 2026/27.

16. Proposed capital investment programme 2022/23 to 2026/27

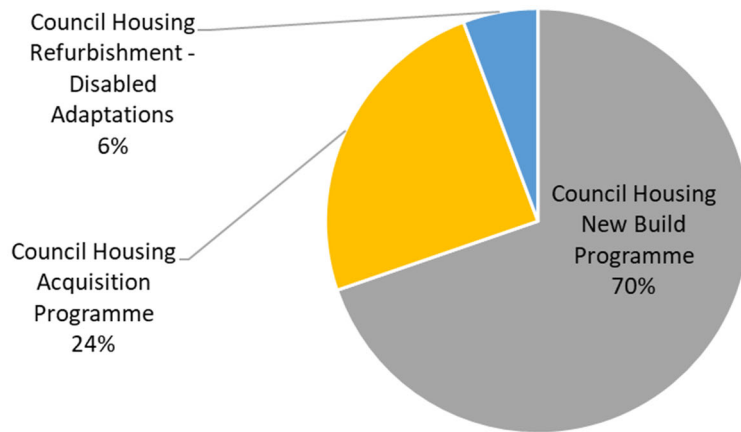
- 16.1. Given all the above, including the new investment, the proposed main capital investment programme for 2022/23 to 2026/27 represents a significant investment of over £171M on the part of the Council in the Southend area with further schemes that could be added subject to viable business cases being approved. The projected investment in 2022/23 alone amounts to over £84M.

- 16.2. 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 2022/23 to 2026/27: £12.6M for the General Fund as set out in **Appendix 12**, 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.
- 16.3. As a result of the strategy around delivery and prioritisation of schemes many new schemes and additions being proposed 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 totalling £15.5M for the General Fund and £18.4M for the Housing Revenue Account are set out in **Appendix 12**. This approach should ensure that the programme is affordable, deliverable and focussed on the Council's key priorities.
- 16.4. **Appendix 13** sets out the budget change requests included in the Resourcing Better Outcomes – Financial Performance Report - Period 8.
- 16.5. The proposed capital investment programme for 2022/23 by investment area is shown below (Figure 4).

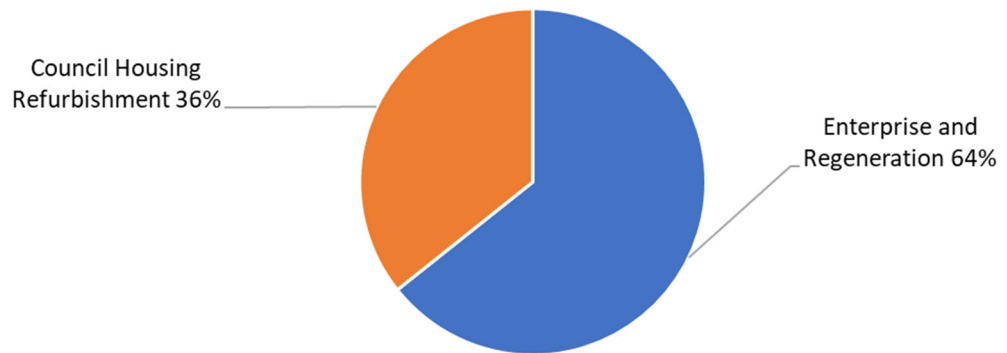
Figure 4 Capital Investment Programme Budget 2022/23 by area



**Capital Investment Programme
2022/23 - Housing Revenue Account**



**Capital Investment Programme
2022/23 - to be delivered by Subsidiary Companies, Partners or Joint Ventures**



- 16.6. The 2022/23 capital budget is part of the wider capital investment programme spanning several years. Table 11 shows the revised programme if all the requests in **Appendices 12 and 13** are approved.

Table 11 Potential revised capital investment programme

Programme to be delivered by the Council (GF and HRA):

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 and future years £000	Total £000
At November Cabinet	70,852	50,322	18,508	10,108	6,919	0	156,709
Amendments in Appendix 13	538	16,647	4,535	127	39	0	21,886
Sub-total	71,390	66,969	23,043	10,235	6,958	0	178,595
New investment in Appendix 12	0	7,405	0	0	600	4,600	12,605
Revised programme	71,390	74,374	23,043	10,235	7,558	4,600	191,200
General Fund	63,932	60,880	16,446	8,326	7,558	4,600	161,742
HRA	7,458	13,494	6,597	1,909	0	0	29,458

Total proposed budget for 2022/23 to 2026/27 = £119.8M

Programme to be delivered by Subsidiary Companies, Partners and Joint Ventures:

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 and future years £000	Total £000
At November Cabinet	14,222	21,549	15,559	9,598	3,250	0	64,178
Amendments in Appendix 13	(1,362)	534	828	0	0	0	0
Sub-total	12,860	22,083	16,387	9,598	3,250	0	64,178
New investment in Appendix 12	0	0	0	0	0	0	0
Revised programme	12,860	22,083	16,387	9,598	3,250	0	64,178

Total proposed budget for 2022/23 to 2026/27 = £51.3M

2021/22 capital expenditure to 31/12/2021 in total (delivered by the Council and by Subsidiary Companies, Partners and Joint Ventures): £46.5M

- 16.7. The proposed amended Capital Investment Programme for 2021/22 to 2026/27 is detailed in **Appendix 14**.

Funding of the capital investment programme

- 16.8. 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.
- 16.9. The proposed estimated funding for the programme (excluding schemes Subject to Viable Business Case) is as shown in Table 12.

Table 12 Proposed funding for capital investment programme

Type of funding	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 & future years £M	Total £M
External funding – capital grant	34.6	10.4	0.8	2.9	0	48.7
External funding – third party contributions	2.2	0	0.2	0	0	2.4
Capital Receipts	4.8	2.0	0.1	0	0	6.9
Major Repairs Reserve (Housing Revenue Account)	6.8	6.8	7.1	0	0	20.7
Earmarked reserves / Revenue Contributions	8.7	3.9	0.2	0	0	12.8
Borrowing – Main Schemes ⁽¹⁾	36.1	12.8	7.3	4.6	4.6	65.4
Borrowing – Invest to Save ⁽¹⁾	3.3	3.5	4.1	3.3	0	14.2
Total	96.5	39.4	19.8	10.8	4.6	171.1

⁽¹⁾ this relates to both internal and external borrowing

The estimated amounts of internal and external borrowing are shown in Table 13.

Table 13 Borrowing to fund capital schemes

	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 & future years £M	Total £M
Internal borrowing	39.4	4.3	0	0	0	43.7
External borrowing	0	12.0	11.4	7.9	4.6	35.9
Total borrowing	39.4	16.3	11.4	7.9	4.6	79.6

- 16.10. 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.
- 16.11. 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 0.86%. 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 2022/23 to 2026/27.
- 16.12. 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 2022/23 is attached as **Appendix 15**.
- 16.13. 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.
- 16.14. 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.
- 16.15. 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.
- 16.16. 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 proportionality, prudence, affordability, and sustainability.

- 16.17. CIPFA published their updated 2021 edition of the Prudential Code on 20th December 2021 with the guidance notes due to be released in January 2022. Although the updated Code applies with immediate effect, due to the late publication dates of the Code and the associated guidance notes, CIPFA has allowed Local Authorities to defer introducing the revised reporting requirements until the 2023/24 financial year. These include changes to the capital strategy, prudential indicators and investment reporting. Given the flexibility allowed by CIPFA, the Capital Investment Strategy (Appendix 11), Capital Investment Policy (Annex 1 to Appendix 11) and the Prudential Indicators (Appendix 16) have been updated as far as time constraints would allow. However, each of these documents will be subject to further update in order to fully comply with the 2021 Prudential Code by 31st March 2023.
- 16.18. To demonstrate compliance with the objectives of the Code each authority is required to produce a set of prudential indicators. These prudential indicators for capital and treasury management are attached as **Appendix 16**.
- 16.19. It is the Chief Finance Officer's view that this capital investment programme is proportionate, prudent, affordable, and sustainable and the risks associated with in it are manageable.

17. Other Options

- 17.1. 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.

18. Reasons for Recommendations

- 18.1. 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.

19. Corporate Implications

19.1. Contribution to the Southend 2050 Road Map

The implementation of a revenue budget and capital investment programme in line with the recommendations in this report will contribute towards the achievement of the Southend 2050 ambition, improved outcomes for local people and key administration priorities.

19.2. Financial Implications

As set out in this report.

19.3. **Legal Implications**

As set out in this report.

19.4. **People Implications**

As set out in paragraphs 11.21 – 11.24 of this report.

19.5. **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.

19.6. **Consultation and Engagement**

There is an expectation that local authorities will engage communities in the difficult choices and decisions that determine the range and level of services that can be delivered by the Council in a financially sustainable way.

The Council has continued to build on last year's success and increase the reach of the online platform - Your Say Southend while ensuring inclusion and variety of ways to provide feedback in alternative ways i.e., printed questionnaires, phone support and direct outreach to seldom heard or affected groups. The range of consultations have primarily focused on understanding the local impacts of COVID-19, assessing options for recovery, service redesign considerations, renewal of contracts for commissioned services to implement previously agreed savings whilst improving the value for money of the service offer.

There have been over 50 consultations and engagements undertaken during the last 12 months with over 6,000 residents, service users and wider stakeholders. These included consultation on: the Local Plan, Adult Social Care strategies (Living Well, Caring Well, Ageing Well), Parking Strategy, Parks and Open Spaces, Public Space Protection Orders, Health & Wellbeing Strategy, Southend on Sea City Status, Licensing Private Properties, new conservation areas, PlastiCity, pollinators strategy, MySouthend, BBQ in public areas, Local Offer Engagement Space, Information Advice and Guidance Service Review, Southend Business Survey, Electrical Vehicle Charging Infrastructure, Active Travel Fund, Net Zero Remedy Project, School Street Scheme, Southend Business survey, Air Quality Action Plan, Soaring2Success South Essex and Drug and Alcohol Treatment Service.

Efforts have also been made to increase resident and stakeholder participation by increasing co-production opportunities as seen in the work in relation to the adult social care strategies, SEND Local Offer, the Health and Wellbeing panel and the establishment of the Learning Disabilities Provider Forum.

The 2021 Resident's Perception Survey showed that the majority (69%) of residents agree that people from different backgrounds get on well together in their local areas. The survey identified several increased priorities for residents following the COVID-19 pandemic. They included parks and open spaces; addressing crime and antisocial behaviour; and clean, safe streets. Coming together with neighbours and getting involved with community events have also become more important to some residents. Concerns about personal safety, the state of roads and pavements and support for rough sleepers remain issues with high visibility (these concerns were also raised in the 2019 Residents' Perception Survey). New areas of concern identified in the 2021 survey include service accessibility and digital exclusion.

Local data and feedback from the community continued to highlight inequality in how COVID-19 has been affecting local communities. Additional focus was given to work with and get feedback from different faith and belief groups, engaging with diverse communities, particularly in areas of lower vaccine uptake through the Community Connectors project. Regular conversations around COVID-19 and its impact via direct outreach arrangements was encouraged.

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 overall budget package have been included because of feedback from our partners and stakeholders, demonstrating collaborative working to deliver our Southend 2050 outcomes.

The overall results, comments and feedback from the range of consultations that have been undertaken in 2021/22 have helped to inform the preparation of the 2022/23 budget and Medium Term Financial Strategy to 2026/27.

19.7. **Equalities and Diversity Implications**

Assessments have been carried out for all proposed revenue investment and reprioritisation proposals in the 2022/23 budget and for all capital investment proposals where appropriate. This is summarised in **Appendix 17**.

19.8. **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 3**.

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.

19.9. **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 and managing contracts with suppliers.

19.10. **Community Safety Implications**

Assessments have been carried out for all revenue and capital investment proposals where appropriate and the revenue budget itself includes additional permanent investment into the Community Safety Service from 2022/23 onwards.

19.11. **Environmental Impact**

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

20. **Background Papers**

Provisional Local Government Finance Settlement 2022/23, DLUHC
Budget working papers held by the Finance and Resources section
Southend 2050 Ambition / Five Year Roadmap

21. Appendices

- Appendix 1 Financial Sustainability Strategy
- Appendix 2 Medium Term Financial Strategy 2022/23 – 2026/27
 - Annex 1 to Appendix 2 – Medium Term Financial Forecast to 2026/27
 - Annex 2 to Appendix 2 – Earmarked Reserves to 2026/27
- Appendix 3 Section 151 Officer’s Statement on the Adequacy of Balances and the Robustness of the Budget
- Appendix 4 Appropriations to and from General Fund Earmarked Reserves
- Appendix 5 General Fund Revenue Budget for 2022/23 (one page summary)
- Appendix 6 Proposed Revenue Investment 2022/23
- Appendix 7 Proposed Savings and Income Generation Initiatives
- Appendix 8 Budget and Transformation Programme 2023/24 to 2026/27
- Appendix 9 Proposed increases or new Fees and Charges
- Appendix 10 Dedicated Schools Grant Budget 2022/23 Budget planning
- Appendix 11 Capital Investment Strategy – 2022/23 to 2026/27
 - Annex 1 to Appendix 11 – Capital Investment Policy
- Appendix 12 Capital Investment Proposals – 2022/23 to 2026/27
- Appendix 13 Other Requested Changes to Approved Capital Investment Programme
- Appendix 14 Amended Capital Investment Programme 2022/23 to 2026/27 (2021/22 shown for information)
- Appendix 15 Minimum Revenue Provision Policy 2022/23
- Appendix 16 Prudential Indicators 2022/23 to 2026/27
- Appendix 17 Equality Analyses supporting budget proposals

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Financial Sustainability Strategy

2022-2032
Southend-on-Sea Borough Council

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Foreword

It is important to reassess, understand and take responsibility for determining our financial future within the City. We must continue to be proactive in the delivery of our agreed Southend 2050 ambition, key priorities, evaluation of the local economic recovery progress and to provide the best possible value for money services to our local residents, businesses and visitors.

Responsible, innovative and outcome based financial management in the medium to long term will ensure the future financial security for the council to continue to deliver services within budget.

A clear and robust financial strategy is important to identify the likely level of funding available to the council, as well as the anticipated level of demand for, and cost of, providing services. Given the recent and anticipated funding pressures facing all councils, as well as the continuing implications of the pandemic, it is also important to identify how we intend to respond to these pressures, and particularly how we will meet projected funding gaps.

Signatures TBC and added

Introduction

Outlining our intentions and principles this Strategy focusses on the future sustainability of Southend-on-Sea City Council and how we remain financially resilient to increasing service demands: Southend City Council is required to maintain its ability to deliver services, provide effective asset management, and deliver appropriate levels community-based services over the long term.

Our Financial Strategy:

Frames our longer term financial, intentions, and principles for the council.

Sets the overall context for the rolling **Medium Term Financial Strategy (MTFS)** and the effective targeting of resources to deliver the ambitions and outcomes contained within our overarching Southend 2050 ambition.

Outlines our approach, desire, and commitment to achieving financial sustainability by embracing Southend's economic potential, growing our local tax base, improving efficiency in service delivery, and increasing our income generating capabilities.

Is designed to enable all staff and councillors within the organisation, together with our stakeholders to understand the route to achieving long term financial sustainability. This will maximise understanding, ownership, and engagement within the local area.

We want to direct our investment, resources and business planning towards activity that will achieve our outcomes, changing the conversation to “where to prioritise” rather than “what to cut”.

In response to future financial uncertainties within the Local Government Sector, the council is committed to achieving long-term financial sustainability by embracing the area's economic potential, sustaining our local tax base and being commercial and business-like in the way we operate. This will enable us to become more self-sufficient and generate the resources necessary to maintain and invest in more effective and efficient public services that meet the needs of our local residents.

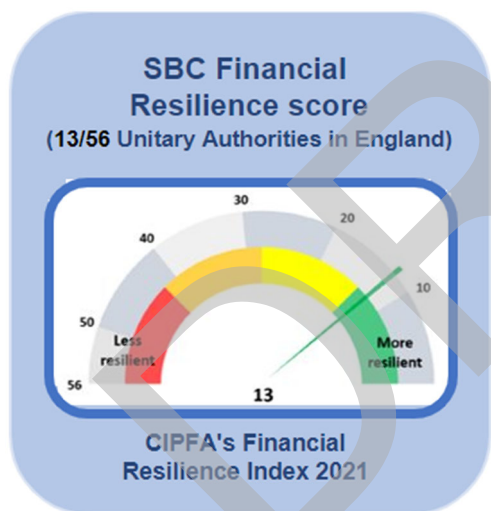
This Strategy sits centrally and is aligned to internal and external future planning influencers and is informed by the drivers and priorities within them.



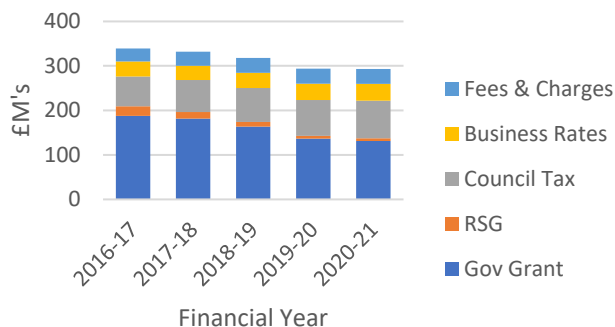
Where are we now?

We have developed a shared vision for Southend which instils boldness, creativity, and strong, place-based leadership. The vision establishes a set of outcomes against which we can measure and communicate progress, bringing partners and budgets together. It helps shift the mind-set from managing decline to place shaping. Given the challenges ahead, the importance of culture and behaviours within our authority is going to be critical.

Despite the pressures presented by the reduced level of central government funding and therefore Core Spending Power, the council's resilience score is in the top quartile of all upper tier local authorities in the country and our aim is to maintain this level of resilience. This is based on many factors including evidence presented by CIPFA's Resilience Toolkit, which was launched in December 2019.



The following funding graph shows the changing nature of our funding sources. There is a clear decline in overall funds and a shift from central to more local funding streams. This is expected to continue throughout the life of this strategy.



The headline external challenges that will impact our financial resilience for Southend:

- National funding and legislative changes
- Deprivation, aging population & rising birth rate leading to an increased demand for services
- The impact of Covid on our economy and community

National funding and legislative changes

This includes the end of the Revenue Support Grant, the Levelling Up White Paper and Adult Social Care Reform.

Like all Local Authorities, Southend-on-Sea Borough Council has seen a decline in the amount of funding it receives from central government grant. Compared to our statistical neighbours for 2018/19, our Spending Power per dwelling was ranked 13th out of 16.

Climate Change - In the UK, the Committee on Climate Change (CCC) sets legally binding science-based carbon budgets and recommends policies and actions to drive change. The CCC estimates that UK emissions will need to be reduced by at least 3% per year from now on.

Financial sustainability and climate sustainability are interlinked, and meeting carbon budgets will incur medium term costs to the council. In both circumstances we must ensure we do not create irreversible impacts by consuming too many resources,

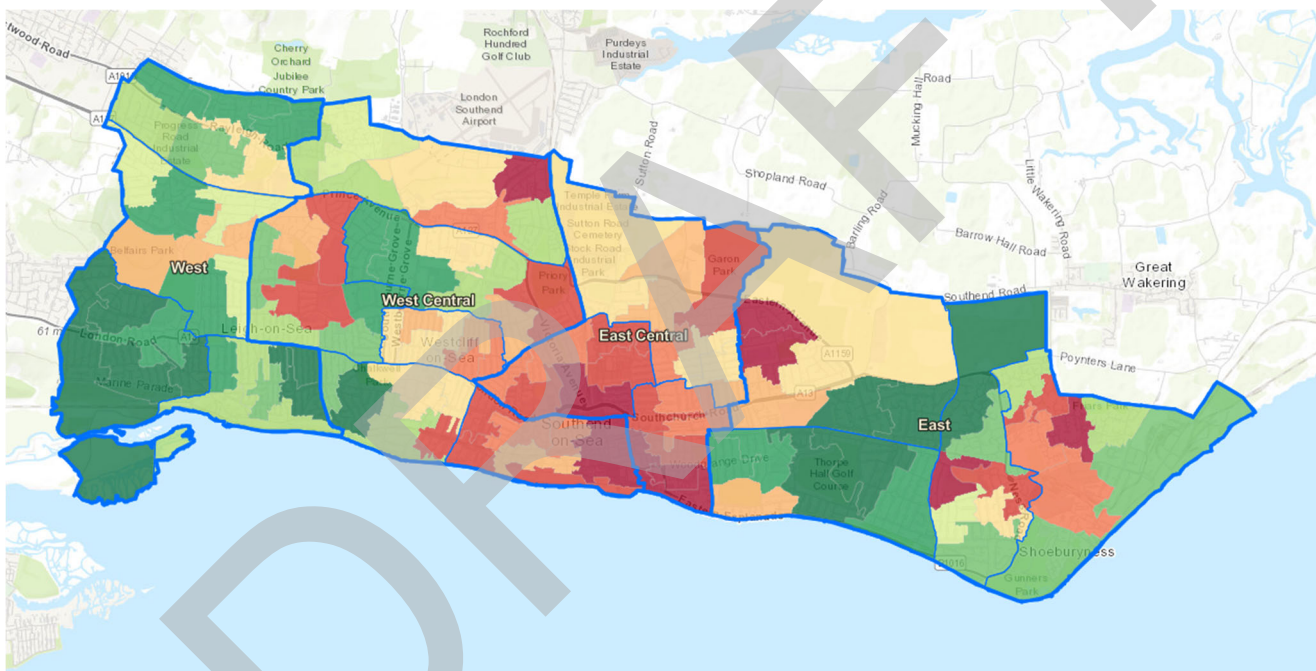
so that others in the future suffer at our expense. Done well, we can ensure that our actions are cost effective, delivering economic and public health benefits, creating jobs, and cutting spending on energy.

becoming more sustainable through our role as community leader, service provider and estate manager.

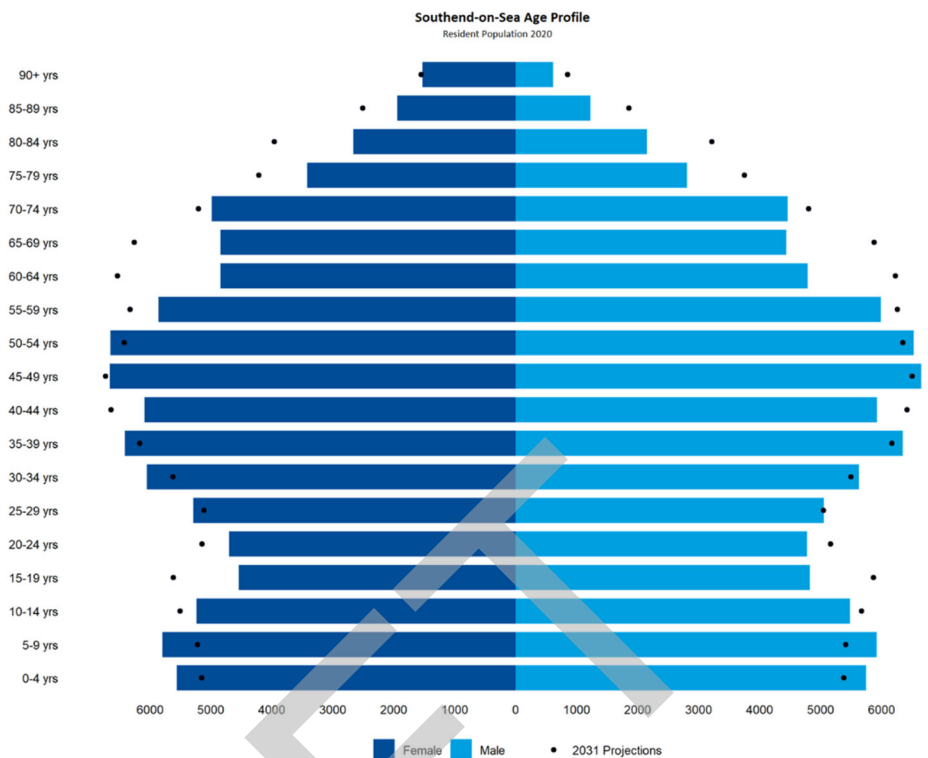
As a council we have an important part to play in acting on climate change and

Deprivation, aging population & rising birth rate leading to an increased demand for services

Southend has varying levels of deprivation across the borough as illustrated in the map below. We use these to target resources and services based on need. There is a direct correlation between deprivation and life expectancy, whereby those living in more deprived areas have a significantly lower life expectancy. Southend is one of the most densely populated areas in the country and includes some of the most affluent and deprived wards when compared nationally.



The adjacent graph illustrates projected population changes in Southend between 2020 and 2030. Whilst the proportion of some middle aged and young people as reduced, those aged 65+ will increase significantly. The change in demographics reinforces the need to prioritise and target resources effectively to deliver better outcomes and invest in activities that have the most positive community-based impact. It also provides an insight into the changing nature and likely demand patterns of residents in Southend, particularly demand on the older population and the importance of ensuring that the council is and remains financially sustainable.



The impact of Covid on our economy and community

The medium- and long-term impacts of Covid are unknown. Currently Southend is a vibrant town, employing approximately 66,200 people, who work in over 6,600 businesses. There is a recognised strong entrepreneurial culture in the area. Most businesses within Southend are small, with 85.5% of companies employing 10 people or fewer.

Pre Covid, Southend attracted 7-million-day visitors each year and over 250,000 longer stay visitors. Southend has significant potential to secure further growth as a major tourism destination. Tourism gives the town its identity centred on its iconic Pier and other seaside city attractions.

The projected economic downturn of the pandemic is likely to have a persistent effect upon investment income & innovation nationally. There are a set of deeper unknown projections on health, wellbeing, communities and cohesion, skills, employment, and the economy which will

have profound effects upon the UK for years to come.

There are likely to be additional pressures on government spending in the medium to long term, because of increasing levels of debt and possible falling tax revenues due to risks around unemployment, failing businesses, decreased consumption, and significant shifts in the structure of the economy.

It will be increasingly important to address the balance of revenue generation and weigh up expenditure against non-economic impacts, considering a diversity of mechanisms to meet societal goals.

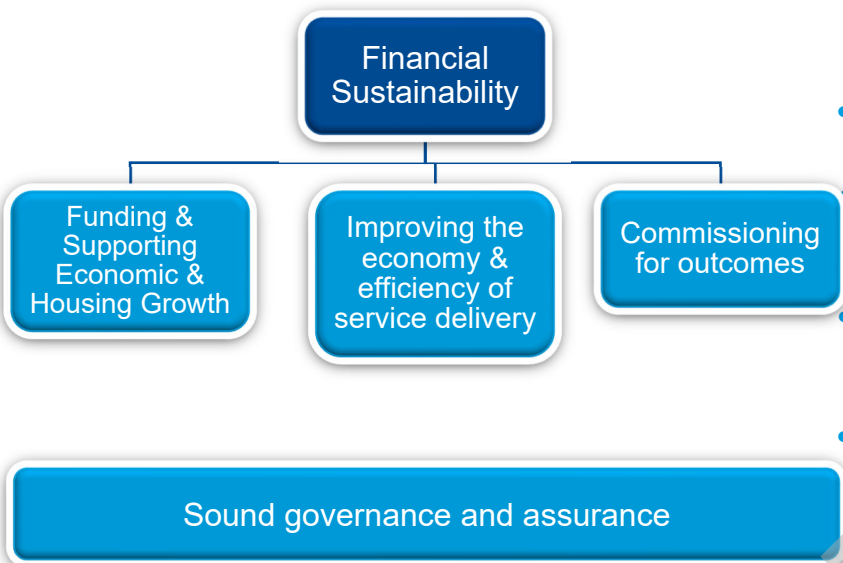
As an organisation we are investing in transformative and innovative service re-design so that we can deliver our 2050 outcome pledges effectively and efficiently. We are also actively working towards obtaining the Real Living Wage accreditation which will benefit local people. Southend does have a very strong Voluntary and Community Sector (VCS) that played a huge role during the early stages of the

pandemic. We are keen to build on this momentum post pandemic.

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

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What Financial Sustainability Looks Like for Southend



Delivering Financial Sustainability:

To achieve financial sustainability, it is important to recognise and overcome the challenges that face local government generally and SBC specifically.

Locally, the council has seen sustained reductions in its core central government funding and over the same period experienced increased and more complex demand across a range of services. This is likely to continue for the foreseeable future.

Achieving greater financial independence will enable us to shape services to meet local needs. The council will be required to move towards resident empowerment, rather than being a universal and direct provider of services.



Resident empowerment/community resilience?

- Embracing Southend's economic potential and creating positive conditions for businesses.
- Enabling others to do more for themselves through asset-based

community development – people taking personal responsibility and enabling them to live fulfilling lives.

Proactively using reserves to better invest in areas that will provide longer term improvements whilst maintaining adequate levels to deal with risks and exploit opportunities.

- Taking an outcome-based investment approach.
- Making the most of opportunities for improvement through capital projects and maximising external grant funding.
- Open channels of communication with key customer groups to monitor financial health against recent performance.
- Establish an active flow of monitoring data as quickly as possible to be able to identify and monitor the critical third parties that are most likely to require support.
- Being clear and decisive about our appetite for risk.
- Taking a measured strategic and planned approach to resourcing.
- Applying customer-led 'Design Thinking' methodology to our services.
- Being an organisation that is well run, creative and financially aware.
- Creating the right conditions for the private sector to invest locally.
- Ongoing development of technology.
- Maximising community capacity.
- Delivery sustainable and place-based housing.
- Delivering sustainable, inclusive place-based growth and housing.

Commercial Opportunities and Income Generation

Having a commercial mind-set is about outcome-based data-led decisions whilst ensuring that we retain a strong public service ethos:

- delivering the best fit to ensure both a financial and social return.

- seeking to grow our income base and make efficiency savings in a variety of ways.
- commission goods and services efficiently to deliver better more cost-effective outcomes.
- explore and create optional traded services for residents and businesses that are competitive and provide value for money.

The introduction of a commercial approach will identify and present opportunities for the council, with due consideration of the risks.

We need to consider and understand all commercial drivers that have a direct revenue benefit, but also wider economic/social benefit felt locally. Examples include business rate generation, quality jobs, spending power, social value, holistic cost/investment understanding etc.

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

Planning Policy

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

Knowing our business

A key intention is that as an organisation we are becoming more effective in understanding our key drivers and are investing to make a difference. We want this

insight and challenge not just to be driven by service and outcome leads but all staff being accountable for how and where we spend our money, how we drive (or not) our outcomes; and what investment/disinvestment options this might give the council as we move to longer term outcome based financial planning. We committed in 2021 that all staff with financial responsibility include in their Annual Conversation an action relating to becoming more financially accountable. We will be carrying out a survey with all staff to measure the impact and accountability of this across organisation.



Future Ways of Working

Our transformation programme underpins the whole approach to organisational design and the culture change needed to deliver the intentions and principles outlined in this strategy. The council is putting in place the conditions that our staff have identified as being necessary to make us 'match fit' for the future. These conditions form an overarching change programme for the organisation:

- Clear vision and delivery strategy.
- Digital enablement to support the vision.
- Trusted, empowered, and engaged workforce.
- Appetite to invest in people, outcomes and to accept risk.
- Closer collaboration with staff, members, citizens, and partners.
- Simple and effective governance.
- Open mind-set that will drive forward transformation and change.



These conditions collectively describe the culture we need to develop and nurture to take our organisation to the next stage in its journey.



This will mean a very different approach to planning and designing our services in the future – one based around outcomes for people, not around the services themselves.



Capital Investment

Successful and timely delivery of our capital investment

programme is a key part in achieving the Southend 2050 ambition and delivering our priority outcomes.

The council has major investment ambitions designed to significantly benefit the people of Southend. There will inevitably be a gap between the scale of our ambition and the level of available resources. This will limit the number and value of viable schemes that are affordable and deliverable. Capital expenditure and investment decisions must take account of the implications for the future financial sustainability of the council. Future sustainability will be achieved through:

- A long-term view of capital expenditure plans, where long term is defined by the financing strategy of, and risks faced to the life of the project/assets.
- Provision for the repayment of debt over the life of the investment as set out in the Minimum Revenue Provision policy.
- An overview of asset management planning including maintenance requirements and planned disposals.
- The Capital Investment Strategy provides a high-level overview of how investment decisions take account of stewardship, value for money, prudence, sustainability, and affordability.
- Capital investment proposals follow a project approval process with the decision making and governance process proportionate to the scale and impact of the project.

Smarter Commissioning & Maximise Social Value



Commissioning is the process by which we understand the collective approach needed to deliver the Southend 2050 outcomes and what we need to do with others to make them happen. In practice, this is not in-

sourcing or out-sourcing but clearly 'right-sourcing'.

Our goal is to drive a robust and balanced framework for commissioning into the fabric of the organisation. Designed alongside the 'creating the conditions' work, our new commissioning framework will embed the values and behaviours required in everything we do as an authority through a set of agreed core principles.

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

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Medium Term Financial Forecast
2022/23 to 2026/27

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000s	£000s	£000s	£000s	£000s
Base Budget					
From prior year	133,347	140,288	147,988	155,537	163,147
LESS					
Appropriations to / (from) reserves in prior year	4,103	(681)	3,914	(2,402)	(2,546)
Revenue Contributions to Capital	(1,409)	(418)	(1,816)	0	0
Less other one-off expenditure / (savings)	(81)	460	(3,000)	1,500	1,500
Adjusted Base Budget	135,960	139,649	147,086	154,635	162,101
Appropriations to / (from) reserves	681	(3,914)	2,402	2,546	902
Revenue Contributions to Capital (Funded from Earmarked Reserves)	418	1,816	0	0	0
Other one-off / time limited expenditure bids	(460)	3,000	(1,500)	(1,500)	0
Unavoidable Pressures	7,847	5,691	5,736	5,786	5,846
Capital Programme Costs	1,204	1,204	1,204	1,204	1,000
Corporate Cost Pressures	661	211	53	(57)	(32)
Directorate (Savings) / Pressures					
Ongoing Executive Directorate investment	3,466	1,665	1,550	850	1,000
Budget reductions proposed	(4,986)	(1,697)	(994)	(317)	0
Better Care Fund					
Funding to Support Social Care and benefit Health	(14,411)	(14,411)	(14,411)	(14,411)	(14,411)
Expenditure relating to the BCF and IBCF	14,411	14,411	14,411	14,411	14,411
Public Health					
Projected Grant Income *	(9,798)	(9,798)	(9,798)	(9,798)	(9,798)
Projected Expenditure	9,798	9,798	9,798	9,798	9,798
Housing Revenue Account					
Projected Expenditure	27,408	27,940	28,610	29,220	29,804
Projected Income	(30,446)	(31,127)	(31,824)	(32,552)	(33,182)
Contributions to / (from) HRA Earmarked Reserves	3,038	3,187	3,214	3,332	3,378
Dedicated Schools Grant					
Projected Grant Income	(55,958)	(55,958)	(55,958)	(55,958)	(55,958)
Projected Expenditure	55,958	55,958	55,958	55,958	55,958
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	144,791	147,625	155,537	163,147	170,817
Changes in General Grants	(4,503)	363	0	0	0
Budget Requirement	140,288	147,988	155,537	163,147	170,817
Funded By					
Council tax increase (1.99% in 22/23, 1.99% onwards) (taxbase +0.8% 2022/23 and +0.5% p.a future years)	(80,945)	(83,183)	(85,478)	(87,833)	(90,247)
Social Care Precept (2.0% in 22/23, 0% onwards)	(10,899)	(10,954)	(11,008)	(11,063)	(11,119)
Business Rates	(38,200)	(38,882)	(38,882)	(38,882)	(38,882)
Revenue Support Grant **	(6,244)	(6,369)	(6,369)	(6,369)	(6,369)
Collection Fund Surplus	(1,500)	(1,000)	(1,000)	0	0
Capital Reserve	(2,500)	0	0	0	0
Total Funding	(140,288)	(140,388)	(142,737)	(144,147)	(146,617)
Funding Gap	0	7,600	12,800	19,000	24,200
Funding Gap (Cumulative)	0	7,600	20,400	39,400	63,600
Core Precept	80,945	83,183	85,478	87,833	90,247
Social Care Precept	10,899	10,954	11,008	11,063	11,119
Band D Council Tax					
Council Tax for a Band D Property	1,554.39	1,585.26	1,616.76	1,648.89	1,681.65
% Increase in Council Tax	3.99%	1.99%	1.99%	1.99%	1.99%
Council Tax Base					
Council Tax Base	59,087	59,382	59,679	59,977	60,277
Increase in Tax Base on prior year	0.78%	0.50%	0.50%	0.50%	0.50%

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Appendix 2 - Annex 2

Earmarked Reserves	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	To Reserves £000s	From Reserves £000s	Transfers £000s	Balance 1/4/27 £000s
Capital Reserves																									
Capital Reserve	6,648		(1,409)	172	5,411		(2,918)		2,493	625	(1,816)		1,302	625			1,927	625			2,552	625			3,177
Interest Equalisation Reserve	3,266			699	3,965				3,965				3,965				3,965				3,965				3,965
MRP Equalisation Reserve	15,871			(871)	15,000				15,000				15,000				15,000				15,000				15,000
Capital Reserves	25,785	-	(1,409)	-	24,376	-	(2,918)	-	21,458	625	(1,816)	-	20,267	625	-	-	20,892	625	-	-	21,517	625	-	-	22,142
Corporate Reserves																									
Business Rates Retention Reserve	3,000				3,000				3,000				3,000				3,000				3,000				3,000
Business Transformation Reserve	3,621		(2,154)		1,467		(940)		527				527				527				527				527
Business World ERP Reserve	2,517		(500)		2,017				2,017				2,017				2,017				2,017				2,017
Climate Change & Green Initiatives	500				500				500				500				500				500				500
COVID-19 Recovery & Response	500		(145)	1,000	1,355				1,355				1,355				1,355				1,355				1,355
Technology Transition & Systems Modernisation	2,900				2,900				2,900				2,900				2,900				2,900				2,900
New Homes Bonus	5,536	1,340	(280)	(4,296)	2,300	675	(150)		2,825		313		3,138		313		3,451		313		3,764		313		4,077
Outcome Delivery Reserve	500		(250)		250		(250)		-				-				-				-				-
Pension Reserve	2,000	2,000			4,000	2,000			6,000	1,500	(4,500)		3,000	1,500			4,500	1,500			6,000				6,000
Rental Equalisation	850				850				850				850				850				850				850
Service Redesign Reserve	3,000		(234)	1,200	3,966				3,966				3,966				3,966				3,966				3,966
Specific Corporate Projects	1,300		(1,300)		-				-				-				-				-				-
Corporate Reserves	26,224	3,340	(4,863)	(2,096)	22,605	2,675	(1,340)	-	23,940	1,500	(4,187)	-	21,253	1,500	313	-	23,066	1,500	313	-	24,879	-	313	-	25,192
Grant Reserves																									
Area Child Protection	32				32				32				32				32				32				32
Business Rates Section 31 Grant	11,933		(11,933)		-				-				-				-				-				-
COVID-19 Reserve	3,300		(3,300)		-				-				-				-				-				-
Dedicated Schools Grant	4,481				4,481				4,481				4,481				4,481				4,481				4,481
General Grants Carried Forward	2,798		(431)		2,367				2,367				2,367				2,367				2,367				2,367
Holiday Activity and Healthy Food Grant	5				5				5				5				5				5				5
Public Health Grant - DAAT	770		(318)		452				452				452				452				452				452
Public Health Grant - Public Health	2,025		(291)		1,734				1,734				1,734				1,734				1,734				1,734
Grant Reserves	25,344	-	(16,273)	-	9,071	-	-	-	9,071	-	-	-	9,071	-	-	-	9,071	-	-	-	9,071	-	-	-	9,071
Insurance Reserves																									
Insurance Reserve	6,033				6,033				6,033				6,033				6,033				6,033				6,033
Insurance Reserves	6,033	-	-	-	6,033	-	-	-	6,033	-	-	-	6,033	-	-	-	6,033	-	-	-	6,033	-	-	-	6,033
Service Reserves																									
Adult Social Care Reserve	(693)			2,693	2,000				2,000				2,000				2,000				2,000				2,000
Children's Social Care Reserve	-			2,500	2,500				2,500				2,500				2,500				2,500				2,500
Elections Reserve	241		(36)		205		(36)		169		(36)		133		(36)		97		108		205		(36)		169
Internal Audit Reserve	355				355				355				355				355				355				355
Local Land Charges Reserve	64				64				64				64				64				64				64
Passenger Transport Joint Venture	1,085		(516)		569				569				569				569				569				569
Health & Social Care Transformation Projects	5,500		(5,500)		-				-				-				-				-				-
Schools Improvement	400		(200)		200		(200)		-				-				-				-				-
Shared Lives - Delayed Respite	117				117				117				117				117				117				117
Social Fund	117		(117)		-				-				-				-				-				-
Southend Adult & Community College	340		(340)		-				-				-				-				-				-
Street Lighting Reserve	105				105				105				105				105				105				105
Supporting People Reserve	341				341				341				341				341				341				341
Waste Management Reserve	4,297		(42)	(2,600)	1,655				1,655				1,655				1,655				1,655				1,655
Welfare Reform Reserve	421				421				421				421				421				421				421
Service Reserves	12,690	-	(6,751)	2,593	8,532	-	(236)	-	8,296	-	(36)	-	8,260	-	(36)	-	8,224	-	108	-	8,332	-	(36)	-	8,296
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	96,129	3,340	(29,296)	497	70,670	2,675	(4,494)	-	68,851	2,125	(6,039)	-	64,937	2,125	277	-	67,339	2,125	421	-	69,885	625	277	-	70,787

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COUNCIL BUDGET 2022/23 TO 2026/27

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 considering:

- 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 was 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 and 2021/22.

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 2022/23 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 2022/23 to 2026/27

- 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 2022/23 (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 2022/23 and the medium term proposed plan is to replenish this amount over 2023/24 – 2026/27.
- i) That the Council has arrangements and resources in place to consider and assess value for money across the delivery of all its services and operations 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 2022/23 to 2026/27.
- b) An optimal level of unallocated General Fund reserves of £10 million over the period 2022/23 to 2026/27 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 2022/23 to 2026/27 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 2022/23 to 2026/27.

2.1.5. The estimated level of unallocated General Fund reserves at 31 March 2022, 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 2021/22, 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 2022/23. This is subject to the cash limited budget for 2022/23 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 2022/23 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 on-going vaccination and booster programme to reduce the spread and impact of COVID-19 as new variants emerge and reduced financial support for the continuing local implications of 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 2022/23.
- d) The Waste Collection and Street Cleansing contract is the largest single contract for the Council, a break clause has been activated for October 2023 and there is a lot of volatility, new legislative and environmental requirements, which will potentially add extra risks and costs nationally in the market, options for reviewing the way forward for the Council will be considered by Cabinet in January 2022.
- e) The financial implications from the Care Act, adult social care and other welfare reform changes or 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 2022/23.
- h) The risk of not comprehensively developing and robustly implementing the Budget and Transformation Programme for 2023/24 – 2026/27.
- 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 given the Government's intended Local Government reform in 2022/23 as part of its 'Levelling Up' agenda and potential redistribution of existing funding levels to other local authority areas from 2023/24.
 - Future Government changes in policy and funding for Local Government, particularly the unknown impact of the next Spending Round in 2024..
 - 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 2022/23 and later years arising from the withdrawal from the European Union on 01/01/2021.

2.1.8. In relation to the Housing Revenue Account (HRA) in 2022/23 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 2022/23 budget has been agreed with South Essex Homes Ltd. to maintain a balanced HRA.
- c) Forward projections for the HRA beyond 2022/23 are being remodelled. In addition, this is linked to the HRA's own Medium Term Financial Strategy for the period 2022/23 to 2026/27.

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 2021/22 to 2026/27 (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 proportionate, 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 2022/23 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 2022/23 – 2026/27.

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. 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 2021 to January 2022.
- g) A review of budget proposals and implications by Cabinet Members from July 2021 to January 2022.
- 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, which was further improved in 2021/22. 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 2022/23.

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 2022/23 budget and Southend 2050 ambition, themes, COVID-19 recovery plans 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 overall 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 2021/22, the Council has committed to reviewing this strategy again as part of the budget process for 2022/23. An updated Financial Sustainability Strategy (2022 -2032) will be developed and considered for approval in February 2022.

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.

3.4.2. An updated Medium Term Financial Strategy (2022/23 – 2026/27) will be developed and considered for approval in February 2022.

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 economising 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 2022/23 and within agreed medium term financial strategy parameters for future years (2023/24 to 2026/27) 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. £70.7 million as at 1st April 2022. This will be compiled of key reserves for Capital at £24.4 million, Corporate at £22.6 million, Grants at £9.1 million, Insurance at £6.0 million and Service Reserves at £8.5 million. Further consideration and potential reassessment of all earmarked reserves will be undertaken considering budget decisions taken in February 2022.

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 £33.8 million as at 1st April 2022. This is compiled mainly of a Capital Investment reserve of £26.0 million and Major Repairs reserve of £7.8 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 – 2022/23 to 2026/27

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 2022/23 (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 proportionate, prudent, affordable, and sustainable.

Appropriations to and from General Fund Earmarked Reserves

Appropriations for 2022/23

The proposed appropriations to and from earmarked reserves included within the 2022/23 budget are:

Appropriations to Reserves

1. £675,000 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 continue to be used to support one-off projects.

2. £2,000,000 to the Pensions Reserve

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

Total Appropriations to Reserves

£2,675,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations from Reserves

1. £2,918,000 from the Capital Reserve

£418,000 to fund several capital projects proposed as part of the 2022/23 budget package plus £2,500,000 to support the overall budget. This £2,500,000 will be repaid into the reserve over the following four years at a rate of £625,000 per annum.

2. £940,000 from the Business Transformation Reserve

To continue to fund £285,000 of one-off investments agreed in prior years and £655,000 of transitional one-off of pilot investments proposed for 2022/23.

3. £150,000 from the New Homes Bonus Reserve

To fund several proposed one-off investments during 2022/23.

4. £250,000 from the Outcome Delivery Reserve

This is to fund proposed interventions in 2022/23 which will provide better improved outcomes in line with our 2050 ambitions.

5. £36,000 from the Elections Reserve

In line with the purpose that this reserve was set up, £36,000 will be released in 2022/23 in support of the costs of staging the Borough elections in May 2022.

6. £200,000 from the Schools Improvement Reserve

To fund proposed investment into Schools Improvement for 2022/23.

Total Appropriations from Reserves

£4,494,000

Summary of General Fund Revenue Estimates

	Original Budget 2021/22	Probable Outturn 2021/22	Draft Budget 2022/23
	£000s	£000s	£000s
Portfolios			
Leader: Economic Recovery & Regeneration	6,593	7,005	7,259
Deputy Leader: Transport, Asset Management & Inward Investment	373	2,080	203
Adult Social Care & Health Integration	40,768	41,201	45,032
Children and Learning	30,871	34,120	32,404
Communities & Housing	4,127	4,356	4,734
Corporate Services & Performance Delivery	18,167	18,928	18,061
Environment, Culture, Tourism & Planning	8,044	9,122	9,038
Public Protection	13,859	15,547	13,956
Portfolio Net Expenditure	122,802	132,359	130,687
Levies	645	645	662
Contingency	3,688	2,064	3,616
Pensions Triennial Review	(2,000)	(2,000)	(2,000)
Financing Costs	17,530	17,905	18,651
Total Net Expenditure	142,665	150,973	151,616
Contribution to / (from) earmarked reserves	(303)	(3,223)	681
Revenue Contribution to Capital	1,409	1,409	418
Non Service Specific Grants	(7,924)	(14,011)	(12,427)
Total Budget Requirement	135,847	135,148	140,288
Met from:			
Revenue Support Grant	(6,082)	(6,082)	(6,244)
Business Rates	(38,129)	(38,572)	(38,200)
Collection Fund Surplus	(1,500)	(1,500)	(1,500)
Capital Reserve	(2,500)	0	(2,500)
Council Tax Requirement	87,636	88,994	91,844
Council Tax	(78,576)	(78,576)	(80,945)
Adult Social Care Precept	(9,060)	(9,060)	(10,899)
	(87,636)	(87,636)	(91,844)

The probable outturn is as reported elsewhere on the agenda to Cabinet on 13th January 2022. It is anticipated that the current forecast overspend will be met by a combination of additional COVID-19 Government support (Control Outbreak Management Fund) or using corporate contingency if required.

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Reference	Reason for Investment	Estimated Staffing Implications	Total £
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Unavoidable Pressures**Safe and Well**

SW01-UP	<p>Adult Demographic Change</p> <p>Every year the number of people eligible for adult social care increases. This increase is made up of people receiving services as children who turn 18 and are eligible for adult social care, adults of working age and older people who become newly eligible for support through a change in personal circumstances, and people whose needs increase as a result of increased frailty or complexity. This amount is calculated from known costs for children turning 18, and a set of assumptions about population change for older people and adults of working age.</p>	n/a	1,080,000
SW02-UP	<p>Adult Social Care Provider Uplifts - Residential, Supported Living, Day Services</p> <p>This additional investment is to cover the increases in costs for providers of adult social care. It is intended to cover costs relating to increases in National Living Wage, National Insurance, and other costs increases. This will help to improve the pay and conditions of the social care workforce and support the stability of the provider market. 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. Detailed modelling has been carried out and the intention is to award increases as set out below. This is subject to final review and confirmation and individual providers may receive different amounts depending on individual circumstances.</p> <ul style="list-style-type: none"> • Residential Care 7.7% • Supported Living 7.4% • Interim Residential/Respite 7.1% • Day Services 7.8% 	n/a	2,161,000
SW03-UP	<p>Adult Social Care Provider Uplifts - Direct Payments</p> <p>Direct payments are funds provided to individuals to purchase their own care and support. Then majority of these funds are spent on services provided by individuals or companies and an estimate of the impact of wage and cost increases has been allowed for to enable direct payment recipients to increase their payments to providers at the same rate as the council, including taking homecare and PA support, to the equivalent hourly increase.</p>	n/a	806,000
SW04-UP	<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 proposal ensures that there is a permanent budget to continue to fund this main programme of activity for vulnerable residents.</p>	n/a	117,000

Reference	Reason for Investment	Estimated Staffing Implications	Total £
SW05-UP	Safeguarding Board Investment This represents an additional contribution to the cost of the safeguarding boards covering adult safeguarding and children's safeguarding. The safeguarding boards are funded by a partnership of agencies across Southend.	n/a	30,000
SW06-UP	Independent Health Complaints Advocacy The independent health complaints advocacy service is funded by a grant from central government. This investment will cover an increase in cost caused by the move of the service to South Essex Advocacy Services. This change will provide a clear and more consistent route to advocacy for people who need it.	n/a	28,000
Safe and Well Total		-	4,222,000
Connected and Smart			
CS01-UP	ICT increase in annual support / maintenance costs This investment supports the significant investment in the ICT network infrastructure and the connections to a wide variety of sites across the Borough which is more critical than ever with the significant increase in mobile working.	n/a	200,000
Connected and Smart Total		-	200,000
Future Ways of Working			
FW01-UP	Pay and Increments Provision has been included for a pay award for all staff and spinal point increments for all eligible staff. If the cost of the pay award settlement is more than this provision then it will have to be funded from reserves for 2022/23 and then built into the Council's base budget the following year. The investment also provides for the 1.25% increase in Employer National Insurance contributions during 2022/23.	n/a	3,650,000
FW02-UP	Inflation Provision Provision for the impact of inflation on existing contracts, e.g. energy.	n/a	600,000
FW03-UP	Investment, Income and Financing Costs Review The budget includes provision for financing costs of the Council's Capital Investment Programme, offset by investment income and other interest receivable.	n/a	1,204,000
Future Ways of Working Total		-	5,454,000
Unavoidable Pressures Total		-	9,876,000

Reference	Reason for Investment	Estimated Staffing Implications	Total £
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Investment Asks

Safe and Well

SW07-IA	<p>Adult Social Care Provider Uplifts - Homecare</p> <p>Homecare is a key element of the support that the council offers to vulnerable people and has faced considerable issues over the last year. The impact of both increases demand (approximately 15% more care over the last year) and workforce challenges have resulted in a significant shortage of home care staff.</p> <p>This has had a substantial impact on people needing care – some of whom have had to wait longer than they should for permanent care packages and may have had to remain in a hospital or care home for longer than they need, on the health and social care system – where the reduction in capacity has led to flow issues, and on providers – who are having to work harder than ever to recruit staff and ensure visits are covered.</p> <p>Because of the current concerns about the homecare market, and the broad shortage of staff we are recommending an increase in our home care rate from £16.57 an hour to £19 an hour. This increase takes into account increases in National Living Wage, National Insurance, and other cost increases, as well as the particular circumstances of the homecare market in Southend.</p>	n/a	1,316,000
SW08-IA	<p>Adult Social Care Provider Uplifts - Residential Care Legacy Rate</p> <p>This corrects a historical position where some care home placements are funded at a lower rate than the standard agreed basic rate, and uplifts these payments to the new agreed minimum level for care home placements in Southend. This will ensure a good quality of care for people receiving these services.</p>	n/a	125,000

Reference	Reason for Investment	Estimated Staffing Implications	Total £
SW09-IA	<p>Children's Social Work Creation of five additional Children's Social Worker (SW) posts and the introduction of a qualified SW Advanced Practitioner scheme. The additional posts are planned in the following areas; Children with Disabilities, Adolescence Intervention and Children in Need/Looked After Children (three posts). The Advanced Practitioner (AP) scheme will introduce flexibility in the number of AP posts in frontline Children's Social Worker teams. This will reduce expenditure on agency social workers by making it easier to recruit and retain experienced qualified social workers. Up to ten SW posts will convert to AP posts in the frontline Children's Social Worker teams that are hard to recruit to. When an AP post is vacated there will be opportunity for current SW post holders to be promoted, provided the criteria and competitive interviewing process is successfully completed. The SW post will then be recruited to through the normal routes. The teams to be included will be those that are hard to recruit to, that are large enough to support more than one AP post and that deliver frontline statutory social work services to Children subject to Child Protection Plans and Looked After Children.</p>	5.00	350,000
SW10-IA	<p>Housing staffing Due to legislative changes, the Housing team are facing unprecedented demand. This investment will fund a number of staff in both the Housing Register and Housing Solutions teams. This increased capacity will provide a more responsive and transparent service which users understand and are engaged with.</p>	4.00	200,000
SW11-IA	<p>Community Safety Investment Increased capacity is required within the Community Safety team to respond to a wide variety of issues across the Borough. This investment will provide additional Community Safety Officers, as well as an Operations Coordinator to deliver office based functions allowing the team to remain visible across the Borough.</p>	5.00	250,000
SW12-IA	<p>Increase in Public Health Burials In 2019/20 the team were asked to assist with 41 public health burials. Arrangements were made for 21 with the remainder being arranged once next of kin had been found or someone else had agreed to undertake the burials. In 2020/21 there was an increase in referrals to 78, with arrangements being made for 34 and the remainder again being arranged by other persons. Midway through 2021/22, there had been 42 referrals, which extrapolates to 84 for the year, again an increase. This investment will allow us to increase the officer resource from 0.2 FTE to 0.6 FTE, the level required to meet current need.</p>	0.40	20,000

Reference	Reason for Investment	Estimated Staffing Implications	Total £
SW13-IA	Parking lines and signs The maintenance of lining and signage across the Borough is currently reactive. This investment will facilitate a proactive maintenance programme of road markings and signs. This will improve safety and also ensure that valid Penalty Charge Notices remain enforceable.	n/a	100,000
SW14-IA	Street Lighting column replacements A number of street lighting columns are damaged each year by vehicles. Where possible these costs are recovered from insurance companies but where suitable evidence is not available or the driver is uninsured we remain responsible for incurring the cost of replacing the damaged street furniture. This will bring the budget into line with the average expenditure incurred over the last 4 years.	n/a	100,000
Safe and Well Total		14.40	2,461,000
Opportunity and Prosperity			
OP01-IA	Planning Graduates There has been a significant increase in planning applications over the last few years and this investment seeks to alliviate some of the pressure faced by our Planners. Recruitment in this sector is notoriously difficult and this proposal intends to 'grow our own' by offering roles to graduates with a training package in place to support their planning qualifications.	2.00	80,000
Opportunity and Prosperity Total		2.00	80,000
Future Ways of Working			
FW04-IA	Loss of school's income across a range of services As more school's in the Borough have converted to Academy status, and become part of multi-academy trusts, there has been a corresponding reduction in the purchase of services from the Council. This investment will remove what are now unachievable income targets.	n/a	250,000
FW05-IA	Rightsizing of General Fund Council Tax Budget An expected increase in income during 2021/22 was reflected in the Collection Fund, where Council Tax and Business Rates are accounted for. This additional income was originally accounted for in the General Fund and is now being transferred to Collection Fund.	n/a	200,000
Future Ways of Working Total		-	450,000
Investment Asks Total		16.40	2,991,000

Reference	Reason for Investment	Estimated Staffing Implications	Total £
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Transitional (Pilots & One-Offs)

Pride and Joy

PJ01-TR	<p>Stop the use of Glyphosate in parks and open spaces</p> <p>The majority of weed control is currently undertaken by the use of systemic herbicide with the active ingredient of glyphosate.</p> <p>The Council has received comments from interest groups and individuals relating to the use of glyphosate-based herbicides calling for a reduction or a complete end to their use on Council managed land in the Borough due to their concerns over potential impact on bees and other insects and people's health. As a result of this representation alternative methods of control will be investigated.</p> <p>To eliminate the use of glyphosate in the Borough's parks and green spaces, with a minimum impact on the appearance of the sites, a mixed approach is seen as the best option. This will include manual removal of weeds, the application of mulch on shrub beds, hot water/foam used on hard surfaces in Children's play areas and where necessary the application of non-glyphosate based weed killer using knapsack sprayers on other hard surfaces.</p>	n/a	120,000
Pride and Joy Total		-	120,000

Safe and Well

SW21-TR	<p>Liberty Protection Safeguards</p> <p>In April 2022 the Deprivation of Liberty Safeguards (DoLS) will be replaced by the Liberty Protection Safeguards (LPS). The Liberty Protection Safeguards (LPS) will provide protection for people aged 16 and above who are, or who need to be, deprived of their liberty in order to enable their care or treatment and lack the mental capacity to consent to their arrangements. People who might have a LPS authorisation include those with dementia, autism and learning disabilities who lack the relevant capacity. DOLS and LPS are the bedrock of the protection of Human Rights and safe practice. This transitional investment is for co-ordinating the implementation of LPS through the management and oversight alongside organisational governance and reporting.</p>	1.00	60,000
SW22-TR	<p>Care Home Support</p> <p>Investment in additional resource (1 FTE post) for 12 months to provide support to residents of care homes where the provider chooses to close the home. This support will enable people to find alternative placements quickly and efficiently and will be offered to both Council funded and self-funding residents.</p>	1.00	100,000
SW23-TR	<p>Housing staffing</p> <p>Investment is required to support the key strategic developments and direction of the Housing department in light of a number of legislative changes in the Social Housing White Paper. The arrangements will be re-evaluated prior to the end of 2022/23.</p>	3.00	150,000

Reference	Reason for Investment	Estimated Staffing Implications	Total £
SW24-TR	<p>Assurance and Inspection</p> <p>The government has announced a new process for inspection of local authority adult social care. This will be led by the Care Quality Commission and will involve a national assurance and reporting process. This funding puts in place some preparation resource for the first year of the new inspection regime.</p>	1.00	75,000
Safe and Well Total		6.00	385,000

Opportunity and Prosperity

OP02-TR	<p>Economic Recovery</p> <p>This one-off investment will add capacity to ensure that the Council effectively manages relationships with key strategic and delivery partners. It will add additional capability to engage in direct delivery of business, skills and employment activity, which is a key element of the Government's 'Levelling Up' agenda.</p>	4.00	200,000
OP03-TR	<p>Events 2022 Programme</p> <p>This one off funding will deliver a programme of events throughout 2022 as part of Southends new City Status, bringing additional visitors to the town and an enhanced level of civic pride.</p>	n/a	100,000
Opportunity and Prosperity Total		4.00	300,000
Transitional (Pilots & One-Offs) Total		10.00	805,000

Unavoidable Pressures Total	-	9,876,000
Investment Asks Total	16.40	2,991,000
Transitional (Pilots & One-Offs) Total	10.00	805,000
Revenue Investment Total	26.40	13,672,000

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Introduction

Reference	Detail of Proposal	Staffing Implications	Financial Impact				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £

Saving Proposals

Pride and Joy							
PJ02-SP	Expectation of saving from waste disposal procurement We intend to reduce the Council's waste disposal burden by running a procurement for the disposal of non-recyclable waste, currently sent to landfill. Soft market testing already performed has indicated a good level of interest in the market, offering Value for Money, capacity and environmentally sustainable solutions, e.g. energy from waste (EFW) and solutions that deliver carbon benefit.	n/a	(112,000)	(250,000)	(250,000)	(250,000)	(250,000)
PJ03-SP	Review of Cemeteries and Crematorium fees and charges It is important to ensure that our fees and charges are regularly reviewed and are kept in line with other providers. Indications are that we are currently below similar authorities and an increase is therefore advisable. For a schedule of proposed changes see Appendix 9.	n/a	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
Pride and Joy Total		-	(202,000)	(340,000)	(340,000)	(340,000)	(340,000)

Safe and Well							
SW25-SP	Electronic Time Monitoring for Homecare Expansion of the existing electronic time monitoring system for homecare providers, including shifting new providers into using the service, moving to mobile entry, and expanding outcomes recording will generate efficiencies in homecare delivery. <i>This saving is dependent on SW07-IA.</i>	n/a	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
SW26-SP	Disabled Facilities Grant and Equipment The equipment service provides an essential function - providing people small pieces of equipment that are essential to independent living. This saving is generated by increased NHS contributions to the cost of the service, with a 50% funding from each partner in place, and the use of the Disabled Facilities Grant to fund elements of the service. <i>Linked to 2021/22 Budget Transformation Programme, reference BTP-SW03.</i>	n/a	(230,000)	(230,000)	(230,000)	(230,000)	(230,000)
SW27-SP	Increased Client Contributions The Care Act allows local authorities to charge people a fair contribution towards the cost of care. In any financial assessment individual circumstances will continue to be taken into account. People are only charged when they can afford to pay all or part of the actual cost of their care. No one will pay more the care actually costs the council to deliver. Each year the cost of care rises as a result of increased payments to providers, and the amount people have to pay for care also increases. These two factors, together with assumptions about the increase in the aging population mean we are assuming increased charging income in future years.	n/a	(300,000)	(609,000)	(927,000)	(1,255,000)	(1,255,000)
SW28-SP	Early Help staffing review Our commitment at the Early Help Single Front Door (EH SFD) is to provide children and families with help as soon as needs present themselves, regardless of age, to prevent those needs from escalating and requiring more intensive help and support later. Co-location of teams has proved very successful over the last three years and during this time the EH SFD has become more of an administrative role than a decision making one. The saving is achieved through a small restructure re-aligning management resource to a front-line worker.	-	(27,000)	(27,000)	(27,000)	(27,000)	(27,000)
Safe and Well Total		-	(707,000)	(1,016,000)	(1,334,000)	(1,662,000)	(1,662,000)

Reference	Detail of Proposal	Staffing Implications	Financial Impact				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Opportunity and Prosperity							
OP04-SP	Advertising on council waste assets Sale of advertising space on litterbins, waste vehicles, public toilet cubicles and other assets.	n/a	(5,000)	(7,000)	(10,000)	(10,000)	(10,000)
Opportunity and Prosperity Total		-	(5,000)	(7,000)	(10,000)	(10,000)	(10,000)
Connected and Smart							
CS04-SP	Pay & display tariff standardisation After the significant piece of work undertaken to create parking zones across the Borough to standardise parking charges within similar areas in 2021/22, it is now proposed to simplify them even further by standardising the hourly rate in zone 1a which reflects the same approach as all other zones across the Borough. This will provide a standard approach across the Borough where the relevant hourly charge applies for each hour within the appropriate zone. For a schedule of charges for zone 1a see Appendix 9.	n/a	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
CS05-SP	Zone 1A Car Park charge extension 6pm to 9pm To alleviate parking pressure for the night-time economy, the applicable charging times in zone 1a will be extended from 6pm to 9pm. This will ensure that parking provision is not abused, and safe standards are maintained. This proposal is applicable across all zone 1a car parking facilities except for Shorefield Road car park and Cliffs Pavilion Underground, which will remain chargeable to 6pm only.	n/a	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
CS06-SP	Reduction of concessionary fares support to match usage We are currently paying at pre-covid levels of usage. Over the next few years, in line with DfT guidance we can adjust the payments to meet current actual usage levels. This is in line with the payment calculator method. However, if ridership returns to at, or near pre-covid levels, then the concessionary fare payments will increase.	n/a	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Connected and Smart Total		-	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Future Ways of Working							
FW06-SP	Increased fees & charges yield To increase fees & charges by October 2021's Consumer Price Index of 4.2% unless they are already being changed significantly, as detailed elsewhere in the budget papers.	n/a	(800,000)	(1,400,000)	(2,000,000)	(2,600,000)	(3,200,000)
FW07-SP	Housing Benefit & Council Tax verification software Removal of Risk Based Verification software for the processing of Housing Benefit (HB) and Council Tax Reduction (CTR) claims. This will provide a faster turnaround on processing HB and CTR applications ensuring vulnerable residents receive the support they need in a timely manner. This change will remove unnecessary contact and processes for the resident and reduce bureaucracy. The minimal risk that a fraudulent claim could be submitted is considered to be mitigated by our involvement in the national fraud initiative (NFI) and HB award accuracy scheme (HBAA). <i>Linked to 2021/22 Budget Transformation Programme, reference BTP-ES01.</i>	n/a	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)

Reference	Detail of Proposal	Staffing Implications	Financial Impact				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
FW08-SP	Financial Services staffing review An update to the Financial Services staffing structure has released establishment budget. The new structure has been designed to support the new Senior Management structure of the Council more effectively and build on the inherent strengths of the previous arrangements, ensuring greater integration and synergy, increasing resilience whilst also building new capabilities and expertise. Modernising the historical structural arrangements also provides greater clarity of purpose and clear accountability which will enable the finance team to respond more positively and effectively to new demands and requirements. <i>Linked to 2021/22 Budget Transformation Programme, reference BTP-ES03.</i>	-	(68,000)	(68,000)	(68,000)	(68,000)	(68,000)
FW09-SP	Council Tax Base additional increase 0.28% The number of Band D equivalent properties in the Council Tax Base has increased by 0.78% in 2021/22, against the original estimate of 0.5%. This saving represents the increased amount of Council Tax which we expect to collect as a result.	n/a	(271,000)	(542,000)	(813,000)	(1,084,000)	(1,355,000)
Future Ways of Working Total		-	(1,156,000)	(2,027,000)	(2,898,000)	(3,769,000)	(4,640,000)
Savings Proposals Total		-	(2,970,000)	(4,290,000)	(5,482,000)	(6,681,000)	(7,552,000)

Invest to Save

Safe and Well							
SW15-IS	ABLE2 Team Able 2 is an innovation site that has adopted an Occupational Therapist led approach whereby care is observed, and conversations are focussed on the person's aims for excellence in care and living their life as independently as possible. Focussing on what is important to the person, what strengths and goals they have and what may need to be changed has resulted in care being replaced with new equipment or advice and new methods or change in care calls (generally reductions). The reduction in care packages has freed up care capacity which can then be offered to other individuals as well as resulting in a saving to the care purchasing budget. One year investment of £60,000 to continue an OT post will generate savings of £150,000 each year.	1.00	(90,000)	(150,000)	(150,000)	(150,000)	(150,000)
SW16-IS	Learning Disability Services Transformation We will work with people with learning disabilities to transform services so that they are local, strengths based, and independence n focused, bringing people back to the borough and enabling them to live in their local community. This will be combined with a focus on effective service pathways and tighter control of contracts and frameworks. It is expected this will generate £300,000 of savings each year, with an initial investment of £75,000 in the first year. <i>This figure includes the agreed saving from 2020/21 with reference SW05.</i>	1.00	(225,000)	(300,000)	(300,000)	(300,000)	(300,000)
SW17-IS	Shared Lives Expansion Shared Lives Schemes offer people with learning disabilities the chance to live in ordinary family homes. This investment will expand the Southend Care Limited Shared Lives Scheme, enabling the service to grow by four long term placements per year (plus two placements over the term). This will deliver a better life for people in the placements, and a saving to the council as shared lives placements are at a lower cost than equivalent other placements.	n/a	(15,000)	(25,000)	(11,000)	(20,000)	(20,000)

Reference	Detail of Proposal	Staffing Implications	Financial Impact				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
SW18-IS	Commercial Improvement Commercial negotiation and contract reviews with key providers to deliver efficiencies and an increased commercial focus.	1.00	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
SW19-IS	Enhanced In-house Foster Care Offer There has been a decline in the availability and quality of local in-house fostering households over the past couple of years this investment will support the reverse of this trend and allow local children/young people to be placed with high quality local foster carers. Due to the decline within the Council's own fostering provision the number of external placements have increased, we are using more independent fostering agencies and more residential placements. Often where external provision is used children/young people are placed at a distance from the Borough – this is not in keeping with legislation nor our own values and principles. The invest to save proposal will enable us to provide a better financial/support offer to current foster carers but will also attract new carers to the service thus reducing the dependency of private high cost providers. Investment of £250,000 will generate a saving of £250,000 in the same year, increasing by £150,000 in each of the following three years.	n/a	-	(150,000)	(300,000)	(450,000)	(450,000)
SW20-IS	Moving Traffic Enforcement This investment will enable us to be proactive in our approach to parking enforcement and parking operations across the borough. This would include moving traffic enforcement cameras, to improve compliance at locations with banned turns/no entry/box junctions etc., and safety initiatives around schools, to improve compliance in the immediate vicinity of schools. The proposal assumes that there will be amendments made in parking legislation which will create parity to that in London. To adopt such powers, SBC will be able to introduce enforcement that will proactively seek to improve compliance. Moving traffic enforcement has been actively and effectively carried out in London for well over 10 years. There is an abundance of evidence which demonstrates that some non-compliance continues but that fixed enforcement cameras do see driver behaviour improve, acting as a deterrent and in turn improving the safety for all other drivers and pedestrians. Investment of £100,000 in year one which is expected to result in £100,000 income from fines for non-compliance each year from year two. From 2023/24 the activity is expected to at least break even.		100,000	-	-	-	-
Safe and Well Total		3.00	(290,000)	(685,000)	(821,000)	(980,000)	(980,000)

Reference	Detail of Proposal	Staffing Implications	Financial Impact				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Connected and Smart							
CS02-IS	<p>Public Interface Transformation</p> <p>The proposal is to review the operation of some of the most labour intensive and frequent enquiries/transactions with Southend residents related to traffic and highways. Once the processes are fully mapped out, a lean approach will be used to develop investment cases for:</p> <p>1) Improvements to the MySouthend portal – allowing public to find answers to most traffic and highways service-based questions</p> <p>2) Artificial intelligence (AI) – allowing automation of frequent transactions/interaction</p> <p>3) Customer engagement officer – key contact where technical input is required outside the scope of 1) & 2) above.</p> <p>4) Customer relationship officer – this role would be used to support 1,2 and 3 above, including AI automation, self-service and using methods such as social media to identify ‘education’ opportunities to promote greater self-service and reduce calls on the service. The investment to review the process and develop the AI automation will take place in the first 12 months, as will our support of the SBC project to redevelop the MySouthend portal. The customer relationship role will also start in year one, with the engagement officer in year two. The following year will start to see the improvements and savings as detailed above.</p>	2.00	150,000	100,000	(70,000)	(200,000)	(200,000)
CS03-IS	<p>Highway Improvements</p> <p>The key to effective asset management is data; the more we have, the better the results that can be delivered. With improved data we can become much more proactive in our approach and spot defects early or even predict where they might occur in the future. The Highways Improvement process hopes to utilise this approach by not only reducing the poor condition of our network but working proactively in producing integrated schemes that address multiple issues, target areas of decline before they reach a poor state and develop a better street scene. All these schemes are intended to deliver greater value for money, reduce disruption to residents and reduce our carbon footprint.</p> <p>This investment will allow the expansion and improvement of condition surveys to cover all network assets, as well as the integration of other data, e.g. footfall data.</p>		150,000	(150,000)	(150,000)	(150,000)	(150,000)
Connected and Smart Total		2.00	300,000	(50,000)	(220,000)	(350,000)	(350,000)
Invest to Save Total		5.00	10,000	(735,000)	(1,041,000)	(1,330,000)	(1,330,000)

Reference	Detail of Proposal	Staffing Implications	Financial Impact				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £

Agreed Savings from Prior Year (2021/22)

Safe and Well							
PY-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	(300,000)	(300,000)	(500,000)	(500,000)	(500,000)
PY-SW02	Commercial negotiation and contract reviews with key providers to deliver efficiencies and an increased commercial focus.	n/a	(620,000)	(620,000)	(620,000)	(620,000)	(620,000)
PY-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. A saving of £267,000 was made in the 2021/22 budget which is reduced by £17,000 in year two to £250,000 and then by £142,000 in year three to £108,000.	n/a	17,000	142,000	142,000	142,000	142,000
PY-SW06	Mental health social work support for people in Southend is delivered by EPUT under a section 75 agreement. This is a standard partnership agreement. The current agreement has not been reviewed for some time and needs updating. We will work with EPUT to identify a shared way of delivering more effective and targeted support for people with statutory adult social care needs in relation to their mental health. We will also work to increase the focus on the delivery of prevention and support for the general population. We will develop these plans through coproduction and in light of changes patterns of both demand and support. This will take into account increased availability of community and voluntary sector delivered services.	n/a	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
PY-SW07	The Care Act allows local authorities to charge people a fair contribution towards the cost of care. We will carry out a review of rates used to assess contributions to care, alongside the current policy in relation to partial disregards on disability benefits and our approach to personal allowances. We will use both local evidence and national guidance in relation to a fair and consistent way of ensuring parity in contributions towards the cost of care. In any financial assessment individual circumstances will continue to be taken into account. People are only charged when they can afford to pay all or part of the actual cost of their care. No one will pay more the care actually costs the council to deliver. Any policy changes will be subject to an equality assessment prior to implementation.	n/a	(50,000)	(220,000)	(220,000)	(220,000)	(220,000)
PY-SW08	The aim is a refresh of our Strength based approach to Social Care that focusses on what really matters to people, their families and their communities. The commitment to co-design through conversation, innovation and engagement recognising that people and families just want to get on with their lives and a strength based approach to conversations can significantly reduce their reliance on formal care. Our current model of social care support brings in people to service before they actually need them. This reduce both independence, self reliance, and ignores the capacity of our local community to support each other. We will move to a right time right care right person approach. This will reduce the overall delivery of funded care support for individuals by delaying the start of care until a person actually needs it, and by sustaining independence as long as possible.	n/a	-	(200,000)	(200,000)	(200,000)	(200,000)
PY-SW10	Explore the provision of CCTV monitoring services for other networks.	n/a	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Safe and Well Total			-	(1,063,000)	(1,308,000)	(1,508,000)	(1,508,000)

Reference	Detail of Proposal	Staffing Implications	Financial Impact				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Active and Involved							
PY-AI03	Further targeted integration of eligible expenditure and use of the Public Health grant to support Southend 2050 Ambitions and Outcomes.	n/a	(150,000)	(200,000)	(200,000)	(200,000)	(200,000)
PY-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	(20,000)	(30,000)	(39,000)	(39,000)	(39,000)
Active and Involved Total		-	(170,000)	(230,000)	(239,000)	(239,000)	(239,000)
Opportunity and Prosperity							
PY-OP01	Introduce charging for Senior or Specialist Officer Attendance at Planning Pre-Application Advice Meetings.	n/a	(8,000)	(14,000)	(14,000)	(14,000)	(14,000)
PY-OP02	Introduce a new fee for offering a Fast Track or Premium Services for certain Planning Applications	n/a	(5,000)	(16,000)	(16,000)	(16,000)	(16,000)
PY-OP03	Explore the potential sponsorship opportunities of a number of parks.	n/a	(5,000)	(10,000)	(10,000)	(10,000)	(10,000)
PY-OP04	Ensure all parks buildings either have a lease or charged separately for usage.	n/a	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
PY-OP05	Review of Planning and Building Control Consultancy Service charges	n/a	(38,000)	(56,000)	(56,000)	(56,000)	(56,000)
PY-OP07	New rental income from the Costa Coffee development at the airport business park	n/a	(23,000)	(23,000)	(23,000)	(23,000)	(23,000)
Opportunity and Prosperity Total		-	(89,000)	(129,000)	(129,000)	(129,000)	(129,000)
Connected and Smart							
PY-CS02	ICT: Smart programme - a range of technology enabled initiatives to improve efficiency, productivity and the de-commissioning of obsolete products.	n/a	(150,000)	(440,000)	(440,000)	(440,000)	(440,000)
PY-CS04	Review of all Highways fees and charges	n/a	-	(50,000)	(100,000)	(100,000)	(100,000)
Connected and Smart Total		-	(150,000)	(490,000)	(540,000)	(540,000)	(540,000)
Future Ways of Working							
PY-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) <i>The Council has intentionally externally borrowed less than it theoretical needs based on expert treasury management advice. Given the exceptional low borrowing rates that were available late in 2021 the Council did take the opportunity to borrow from the PWLB. The net position for financing costs fully incorporates this.</i>	n/a	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
PY-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. In 2021/22 £91,000 was removed from the budget, the planned reintroduction of 50% is reflective of the fact that some costs are expected to increase again with the easing of COVID-19 restrictions. This will remain under review.	n/a	45,000	42,000	34,000	34,000	34,000

Reference	Detail of Proposal	Staffing Implications	Financial Impact				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
PY-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. This is the second half of a saving totalling £1m. The first £0.5m was removed from the budget in 2021/22.	- 15.00	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
PY-ES13	New income stream by securing a formal Laptop Disposal contract. An income target of £50,000 was introduced in the 2021/22 budget. The level of income is expected to fluctuate over the following years, driven by the need to upgrade the equipment staff have been issued with.	n/a	-	50,000	(100,000)	50,000	50,000
PY-ES14	Extra income received for eligible services delivered to the Housing Revenue Account.	n/a	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Future Ways of Working Total		- 15.00	(655,000)	(608,000)	(766,000)	(616,000)	(616,000)
Agreed Savings from Prior Year (2021/22) Total		- 15.00	(2,127,000)	(2,765,000)	(3,182,000)	(3,032,000)	(3,032,000)
Savings Proposals Total		-	(2,970,000)	(4,290,000)	(5,482,000)	(6,681,000)	(7,552,000)
Invest to Save Total		5.00	10,000	(735,000)	(1,041,000)	(1,330,000)	(1,330,000)
Agreed Savings from Prior Year (2021/22) Total		- 15.00	(2,127,000)	(2,765,000)	(3,182,000)	(3,032,000)	(3,032,000)
Revenue Savings Total		- 10.00	(5,087,000)	(7,790,000)	(9,705,000)	(11,043,000)	(11,914,000)

Reference	Proposed Themes/Areas for Review
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
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-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.
BTP-AI02	Review of Leisure Service provision
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-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.

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Parking Charges 2022/23

All amendments to the 2021/22 parking charges are highlighted

Location/Description	Unit	Zone 1a 8am - 9pm	Zone 1b 8am - 6pm	Zone 2 8am - 6pm	Zone 3 8am - 6pm	Description of change
On-Street Pay and Display *applies to Electric vehicles & bays	Up to 1 hr	£2.50	£1.10	£1.00	£1.00	
	Up to 2 hrs	£5.00	£2.20	£2.00	£2.00	Standardised to £2.50 per hour
	Up to 3 hrs	£7.50	£3.30	£3.00	£3.00	
	Up to 4 hrs	£10.00	£4.40	£4.00	£3.50	
	Up to 5 hrs	£12.50	£5.50	£5.00	£4.50	
	Up to 6 hrs	£15.00	£6.60	£6.00	£5.50	
	Up to 10 hrs	£17.50	£12.00	£12.00	£10.00	
	Up to 13 hours	£20.00	-	-	-	Maximum number of hours per day increased
Off-Street (Car Parks) *applies to Electric vehicles & bays (VAT applicable)	Up to 1 hr	£2.50	£1.10	£1.00	£1.00	
	Up to 2 hrs	£5.00	£2.20	£2.00	£2.00	Standardised to £2.50 per hour
	Up to 3 hrs	£7.50	£3.30	£3.00	£3.00	
	Up to 4 hrs	£10.00	£4.40	£4.00	£3.50	
	Up to 5 hrs	£12.50	£5.50	£5.00	£4.50	Standardised to £2.50 per hour / Zone 3 hours extended
	Up to 6 hrs	£15.00	£6.60	£6.00	£5.50	
	Up to 10 hrs	£17.50	£12.00	£12.00	£10.00	
	Up to 13 hours	£20.00	-	-	-	
Parks & Open Spaces - where applicable. Refer to signage in car park (VAT applicable)	Up to 1 hr	£2.50	£1.10	£1.00	£1.00	Updating charging framework. No plans to introduce further charging in parks at current time
	Up to 2 hrs	£5.00	£2.20	£2.00	£2.00	
	Up to 3 hrs	£7.50	£3.30	£3.00	£3.00	
	Up to 4 hrs	£10.00	£4.40	£4.00	£3.50	
	Up to 5 hrs	£12.50	£5.50	£5.00	£4.50	
	Up to 6 hrs	£15.00	£6.60	£6.00	£5.50	
	Up to 10 hrs	£17.50	£12.00	£12.00	£10.00	
Pre-booked coach parking (VAT applicable)	Daily (until closing time)	£20.00	£10.00	£10.00		Increased in zone 1a
Coach parking (pay on the day) (VAT applicable)	Daily (until closing time)	£40.00	£30.00	£30.00		Increased in zone 1a
Seafront Permit	Annual	£400.00	£400.00	£200.00		

Location/Description	Unit	Zone 1a 8am - 9pm	Zone 1b 8am - 6pm	Zone 2 8am - 6pm	Zone 3 8am - 6pm	Description of change
Season Ticket for a Named Car Park** (VAT applicable)	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 Parks within a specified Zone ** (VAT applicable)	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 - Baxter Avenue Car Park **	Annual	£1,200 per bay				

Location/Description	Unit	1 month	6 months	12 months	Description of change
Business Permit	Scheme specific	-	£135.00	£250.00	
Operational Permit (On-street) - 4 Hours max stay	All Zones	-	-	£65.00	
Operational Permit (On-street) - 6 Hours max stay	All Zones	-	-	£130.00	New charge
Operational Permit (On-street) - Generic/Transferable - 4 hours max stay	All Zones	-	-	£200.00	New charge
Operational Permit (On & Off Street) - 6 Hours max stay	All Zones	-	-	£500.00	New charge
South Essex Homes Permit (Operational Permit) - 4 hours max stay	SEH locations only	-	-	£65.00	
Resident Carer Permit (1 permit per household only)	Scheme specific	-	-	£15.00	
Resident Permit - Electric Vehicle				£8.00	New charge
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 Concessionary Permit (in RPS*)	Scheme specific	-	-	£50.00	
Tradesperson Permit	All Zones	£30.00	£150.00	£300.00	Reduced charge

Location/Description	Unit	1 month	3 months	12 months	Description of change
Southend Pass (VAT applicable)		£8.50	£25.50	£102.00	New 3 month charge

** Terms & Conditions Apply to all charges noted

Location/Description	Unit	Charge	Description of change
Visitors Vouchers (Book of 20)	Daily	£10.00 for Books 1-5	Increased charge
		£20.00 books 6 - 8 (at Councils discretion)	
Parking Dispensation	Daily	£12.00	
Parking Dispensation	Weekly (7 days)	£50.00	
Car Park unlock tariff	Each occasion	£75.00	
Suspension (Admin Fee)		£30.00	
Suspension (on-street)	Per day, per bay, per metre	£30.00	Increased charge
	Per week	£200.00	New charge
Suspension (off-street) (VAT applicable)	Per day, per bay, per metre	£20.00	
	Per week	£120.00	New charge
Amendment to existing permit	Vehicle changes	£15.00	Increased charge
Replacement permit	Loss	£15.00	Reduced charge
Replacement or Duplicate season ticket (paper permit)	Loss or duplicate request	£25.00	New charge
Permit refund admin fee	Administrative cost	£15.00	
Voluntary Sector Permit	3 hours per day	£8.50 per month	New charge
Cliffs Pavillion Staff (excluding Shorefield Car park)	3 hours per day Cliffs Pavillion car park only	£8.50 per month	New charge
Hotels and guesthouses discount rate	Daily, up to end of charging period	50% of max daily parking tariff	
Authorised copy of car park key	Issuance	£50.00	Reduced charge
	Replacement key (for any purpose)	£200.00	
Free Parking	To provide free parking in Council car parks all day on Sundays in December and Christmas Day (except those with barriers)		
Small Business Day	Free Parking in Zones 2 and 3 car parks - 1 day per annum only		
Market Trader Season Ticket	20 weeks	£66.00	New charge
New Road Church Permit	Specifically for Wesleyan Methodist church (New Road) land agreement 1932.	Free	
Honorary Alderman or Persons Permit	Specifically for Honorary personnel only	Free	
PCN Charges as per legislative permissions			

Zone 1a	The following car parks will charge until 6pm; Shorefield Road & Cliffs Pavillion Underground	
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Cremation fees

	Current 21/22	Proposed 22/23	% Change	
Full memorial service & cremation	840	915	9%	*
Committal Family Attendance & Cremation	660	720	9%	
Committal No Family Attendance & Cremation	460	500	9%	
Extended Chapel Service or a Memorial Service	205	225	10%	
Scatter in Garden of Remembrance (cremated elsewhere)	150	160	7%	
Interment in Garden of Remembrance (cremated elsewhere)	150	160	7%	
Saturday scatter in Garden of Remembrance	100	110	10%	
Saturday interment in Garden of Remembrance	100	110	10%	
Storage of cremated remains	35	37	6%	

* the average charge in 2021/22 of this service in the local region is £955, with the nearest crematorium to Southend charging £1,015. Southend's proposed charge for 2022/23 for this service would still rank in the bottom quartile of all comparators, even if there was no increase in charges for 2022/23 by other providers.

Burial fees

	Current 21/22	Proposed 22/23	% Change	
Resident				
Private Adult Lawn Grave including exclusive right of burial for 50 years	920	1,200	30%	*
Private Adult Traditional Grave including exclusive right of burial for 50 years	2,550	2,650	4%	
Childrens graves including exclusive right of burial for 50 years	665	700	5%	
Adult interment fee	920	950	3%	
Child interment fee	635	650	2%	
Non Resident				
Private Adult Lawn Grave including exclusive right of burial for 50 years	1,840	2,400	30%	**
Private Adult Traditional Grave including exclusive right of burial for 50 years	5,100	5,300	4%	
Childrens graves including exclusive right of burial for 50 years	965	1,000	4%	
Adult interment fee	920	950	3%	
Child interment fee	635	650	2%	
Resident				
Cremated remains graves (inc. interment fee)	910	950	4%	
Right to erect a momument or memorial	200	210	5%	
Non Resident				
Cremated remains graves (inc. interment fee)	1,320	1,400	6%	
Right to erect a momument or memorial	200	210	5%	
Other fees				
4 ft Memorial benches	1,850	2,000	8%	
6 ft Memorial benches	2,100	2,400	14%	
Extension of burial rights	460	600	30%	
Surcharge bookings after 2:15pm (Oct - Mar)	60	100	67%	

* the average charge of this service in the local region is £1,230 based on 2021/22 prices. Southend's proposed charge for 2022/23 would still rank in the lower half of the comparators even if there was no increase in charges for 2022/23 by other providers.

** the average charge of this service in the local region is £2,505 based on 2021/22 prices. Southend's proposed charge for 2022/23 would still rank in the middle of the comparators even if there was no increase in charges for 2022/23 by other providers.

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Southend-on-Sea Borough Council

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

To
Education Board

On
15th December 2021

Agenda
Item No.

Report prepared by:
Paul Grout, Senior Finance Business Partner

Dedicated School Grant Budget Planning 2022/23 And Forecast Outturn 2021/22

1 Purpose of Report

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

- Final indicative 2022/23 DSG budget allocations for any de-delegated maintained school block allocations and central block funded services.
- Updated forecast outturn for 2021/22.

2 Recommendations

Education Board (EB) are asked to agree for 2022/23:

- 2.1 The amounts and services that will continue to be funded centrally from the Central Block where the local authority holds a statutory responsibility for all schools (As referenced in 9.3).
- 2.2 [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 cover costs (public duties)
- 2.3 And therefore on the basis of the decisions undertaken through both this and the previous October 2021 EB DSG paper, that this December 2021 DSG paper and the following January 2022 DSG EB paper (which is for EB noting only), will be recommended to Council for final approval in February 2022.

Asked to Note:

- 2.4 In line with the EB decision of the October 2021 EB DSG paper, that the per pupil rates of individual school block allocations for 2022/23 will continue to adopt the principles of the National Funding formulae (NFF) in full and therefore (As referenced in 4.1.1 to 4.1.3):
- 2.4.1 Any mainstream school that attracts their core NFF pupil led funding factors (i.e. with no MFG or funding floor protections applied), to benefit from the full NFF applied circa 3% increase to those core funding factors per pupil.
- 2.4.2 And all remaining mainstream schools whose per 2021/22 per pupil led funding rates are either above the revised NFF mandatory 2022/23 minimum funding amounts per pupil or core NFF funding rate per pupil as referenced in 2.1.1, will receive the same NFF maximum allowable 2% uplift per pupil.
- 2.5 In line with the EB 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 Background

- 3.1 This reports follows on from the previous October 2021 “DSG 2022/23 budget planning and DSG budget update 2021/22” paper, presented and agreed at the EB on 18th November 2021. That paper ultimately set the continued and agreed NFF trajectory for Individual School block allocations in 2022/23 and highlighted the then known Department for Education (DfE) indicative DSG budget changes for 2022/23 covering the Schools Block, High Needs block, Central block with the exception of the Early Years block which at the time of writing that and this paper, still remains outstanding subject to further detailed DfE announcements and will now be considered at the January 2022 EB.
- 3.2 The Government’s Autumn term 2021 budget announcements released on the 27th October 2021 have also provided head line **national** funding allocations for the DfE up to and including 2024/25. Specific announcements related or linked to national DSG funds are highlighted as follows:
- 3.2.1 The DfE’s overall funding allocation presents a real terms average growth rate of 2% per year from 2021/22 to 2024/25
- 3.2.2 An additional £4.7 billion targeted to core schools budgets by 2024/25.
- 3.2.3 Reaffirmed their intention to rebuild 500 schools over the next decade.
- 3.2.4 Reaffirmed their commitment to increase teacher starting salaries to £30,000 per year (date yet to be confirmed).
- 3.2.5 For early years entitlements, an additional £160 million in 2022/23, £180 million in 2023/24 and £170 million in 2024/25, compared to 2021/22, to increase the hourly rate paid to early years providers and anticipated changes in eligible children.
- 3.2.6 £2.6 billion in capital funding from 2021/22 to 2024/25 for school places for children with special educational needs and disabilities.

- 3.2.7 The DfE have also at a subsequent funding event on the 25th November 21 announced an additional per pupil funding grant of 2% from 2021/22 (which didn't make it in time to be built into the DSG NFF funding allocations for 2022/23) to contribute towards the costs of the Health and Social Care National Insurance Levy, increase teacher pay and other inflationary pressures. The actual funding distribution mechanism for this grant itself has yet to be announced.
- 3.2.8 We of course await the detail in terms of specific future year DSG funding allocations 2023/24 and 2024/25 for Southend following these national announcements. It is also worth noting outside of DSG funding allocations, there has yet been no specific detailed announcements relating to mainstream Post 16 educational funding for 2022/23.

4 Schools Block – Individual School Block (ISB) allocations

2021/22 Budget to Forecast Outturn – on line to budget

2022/23 Individual Schools Budgets

Indicative DSG funding allocation £135.824M (Final tbc in January 2022)

- 4.1 As per the recommendations approved in the last DSG EB October 2021 paper report and associated Appendix 2. The 2022/23 per pupil funding amounts for each school will be set on the following basis continuing with the principles of the NFF:
- 4.1.1 The minimum per pupil levels will be set at £4,265 for primary schools (£4,180 in 2021/22) and for secondary schools £5,525 (£5,415 in 2021/22), both with an equivalent circa 2% increase from 2021/22. And to simply remind, from 2020/21 the minimum amounts per pupil are also now a mandatory funding factor.
- 4.1.2 Where schools are attracting their underlying core NFF allocations, the NFF has built in an increase of circa 3.0% from the 2021/22 Pupil led funding factors: basic entitlement, free school meals at any time in the last 6 years, income deprivation affecting children index (IDACI). Lower prior attainment (LPA), English as an additional language (EAL), a circa 2% increase on Free Schools Meals (FSM) from 2021/22, and separately a 3.0% increase on the lump sum from 2021/22.
- 4.1.3 And for those Schools whose per pupil led funding rate is already above both 5.2.1 and 5.2.2, the NFF funding floor per pupil led rate has been set at a 2.0% increase from their 2021/22 per pupil led base line.
- 4.2 And as referenced, in the last DSG EB paper, with the exception of those schools who will attract the 2022/23 minimum per pupil funding levels or a 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 2021 school census data. **And please note** - the then actual final

2022/23 individual school allocations will be subsequently shown in the January 2022 EB DSG paper which will include the updated numbers of pupils on roll at each school (based on the DfE's October 2021 census) multiplied by these now 2022/23 per pupil led funding rates to form the final 2022/23 funding allocations.

- 4.3 Following the DfE's 2021/22 consultation in relation to the physical payment of School Business Rates. From 2022/23 and onwards Schools are still required to retain the liability and income for School Business rates within their accounts as annual notional accounting entries, but the physical payment will now be paid by the ESFA direct to those billing authorities. From 2022/23, therefore Local Authorities are no longer required to include a funding estimate for School Business Rates within the Individual School Block allocations and instead asked to simply list them for 2022/23 only as an aid to the new process. After 2022/23 they will no longer be shown as part of the Individual School Block allocations. Local Authorities and Schools will have observer access to an online rates billing portal and the information it holds to inform their accounting figures. Liable parties will continue to retain responsibility for any late payment where they are at fault, i.e. for example if an academy converter fails to inform their billing authority of their conversion.

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

2021/22 Budget to Forecast Outturn – on line to budget

- 5.1 The final in year 2021/22 balance on this small fund will be confirmed at year end, currently 4 academy schools are expected to buy in for the academic year 2021/22, in addition to the de-delegate sum from the maintained schools and a couple of claims have been processed so far.

2022/23 Indicative DSG funding allocation £2,783 (Final tbc in January 2022)

- 5.2 In continuation of the decision undertaken last year, and the only current proposed item for de-delegation, Maintained Schools are asked to approve the continued de-delegation of public duties funds at the continued rate of £0.50 per pupil for 2022/23 (£0.50 rate at 2021/22), which will be multiplied by their Numbers on Roll as at the October 2021 Census to form the final 2022/23 de-delegated sum for each school. The continued rate of £0.50 per pupil in 2022/23 is proposed, given the fund itself continues to hold an adequate reserve balance as at the 1st April 2021 of £14,280 compared to the in year size of the fund and previous claims processed. The indicative de-delegated amount for each maintained School (based on October 2020 numbers on roll), are expected to continue in a range for each maintained school from £122 per year up to £334 per year, so they remain a very small sum.
- 5.3 To remind, this is an historical fund that enables Maintained schools within the Borough to reclaim staff cover cost paid at standard hourly rates, 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

2021/22 and 2022/23 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 September 2022 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 2022/23 will be shown by the DfE in late December 2021, separated and shown within the Final 2022/23 School Block funding allocations.
 - 6.1.3 Therefore, in accordance with the previous agreement and conditions, the growth fund rates from September 2022 will be presented in the next January 2022 DSG paper, alongside any potential for growth funding rates to be increased from September 2021 if affordable over the planned life of the growth. The growth model will therefore be revised and displayed as an Appendix in that paper.
- 6.2 The current £44,000 overspend on 2021/22 growth remains as stated in the October 2021 DSG paper, whereby the growth spend forecast has been updated from the January 2021 DSG paper following a required additional secondary school intake class from Sept 2021. Again as above, any considerations to over or underspend in year will simply be factored into the funding model on a longer term basis. We would also expect the DfE DSG funding formulae for growth in 2022/23 to be increased as the projected numbers on roll between the October 2021 and October 2020 school census’s should therefore have also increased incorporating this additional growth.
- 6.3 As part of the governments consultation proposals to move to a Hard NFF, it is intended at the point the Hard NFF is to be implemented growth funding will be allocated on a national and standardised criteria basis. We therefore just have to wait further announcements to understand any impact in terms of transitioning from our currently agreed local growth distribution model, to a nationalized basis and from what year that would take effect.

7 Early Years Block

2021/22 Budget to Forecast Outturn – held on line to budget

- 7.1 In terms on any further budget updates for 2021/22, the position remains the same at the time of writing this paper as explained in the last EB DSG October 2021, whereby we are awaiting any funding adjustments to be announced by the DfE for 2021/22. However, from headcount payment data we are aware that in board terms currently, 2 year old funding remains fairly consistent to 2019/20's allocation (pre-Covid), both 3 and 4 year old universal and extended entitlement are lower than 2019/20 by 10% to 15%, where as Early Years pupil premium claim have increased from 2019/20 by nearly 70%. And as previously highlighted, the DfE will be adjusting 2021/22 funding now on a termly basis for headcount submissions. Therefore the position will continue to presented on line to budget until we have any further updates relating to final funding adjustments for each term.

2022/23 Budget Planning

- 7.2 At the time of writing this paper, we are also still awaiting the 2022/23 early years funding announcements from the DfE. Given these announcements have now fallen late into the Autumn term, and to therefore allow appropriate Local Authority time for planning and considerations to early years funding rates for 2022/23, they will now have to be presented for recommendation at the next Education Board in January 2022.

8 High Needs Block

2021/22 Budget to Forecast Outturn – a projected (£0.925M) under spend against current services lines expenditure.

8.1 Appendix 1 – displays the most up to date 2021/22 forecast outturn for High Needs on a line by line basis, which is also summarized in the table below including a comparison to the previous forecast as shared at the June 2021 EB DSG High need budget setting paper. It has to remain heavily caveated, that these forecasts do remain subject to material change, particularly as always on independent providers placements but also including final EHCP banded top up funding amounts paid for the Autumn 2021 term which await final adjustments.

Summary Heading	2020/21 Final Spend	2021/22 Final Budget (B)	2021/22 Opening Forecast (June 21)	2021/22 Current forecast (Dec 21)
Place funding	£7.854m	£8.254m	£8.188m	£8.217m
Special and PRU/AP top up funding	£5.502m	£6.781m	£6.770m	£6.758m
Subtotal	£13.356m	£15.035m	£14.958m	£14.957m
Schools, early years, post-16 top up funding	£3.718m	£4.480m	£4.480m	£4.100m
Independent Providers	£1.400m	£1.950m	£1.950m	£1.750m
Other Provisions including SLA's	£1.444m	£1.964m	£1.907m	£1.729m
Total services line total	£19.918m	£23.429m	£23.295m	£22.554m
Funding allocations to support required future permanent growth in high need provision		£1.800M		
Remaining balance held aside from service provision to support any in year high need funding pressures		£0.177m		
Total	£19.918m	£25.456m	£23.295m	£22.554m

8.2 Although, heavily caveated, the table does indicate that all current spend forecasts positively remain within their budgeted allocation. LA lead officers Head of SEND and Head of Access and Inclusion continue to work on plans relating to funding allocations held aside to support permanent future growth, and they will be shared with EB when they are in a position for required EB consultation.

2022/23 Budget Planning - Indicative allocation of £27.718M (explanation covered in the last October 2021 DSG report, and resulting service expenditure allocations will be set as planned in the pre-agreed June 2022 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 banded top up funding amounts in 2022/23 and also therefore considering any affordable uplifts alongside.

9 Central Block

2021/22 Budget to Forecast Outturn – held on line to budget

2022/23 Budget Planning

Indicative Total allocation of £1.435M (Final tbc in January 2021)

- 9.1 EB approval is required each year to approve the amounts and funded services listed within the Central Block DSG allocation.
- 9.2 In the last October 2021 EB DSG paper and previous papers, it was explained about the continuation of DfE funding losses in the combined budgets (historic commitments), but with the current expectation and plan as agreed in EB DSG December 2020 paper agreed, that the now funded commitments for individual service allocations moving forward at this time within the combined budgets can hopefully be sustained until 2025/26 through drawing on remaining reserve balances with the Central block. And it remains minded, those remaining service allocations were presented as a Part 2 Appendix (not for public view) in the December 2020 paper, given natural sensitivities around those proposals.
- 9.3 The Education board are therefore asked to approve the allocation of the Central Block 2022/23 funds as follows, which distributes the full amount available to these services lines and in line with previous years decisions and no new commitments are being entered into:

	2022/23 Indicative Amount
From Central Services Block	
Combined Budgets (historic commitments)	£463,303
CLA/MPA Licences	£137,486
Schools Admissions	£275,617
Servicing of Schools Forum	£18,700
Centrally employed teacher contr.	£95,322
ESG Retained Duties*	£444,790
	£1,435,228

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

2021/22 Budget to Forecast Outturn – £45,000 final 2020/21 adjustment for Early Years DSG income

- 10.1 On the 18th November 2021, the DfE have now announced the final DSG funding adjustment for the 2020/21. And, as previously explained in the June 2021 EB DSG 2020/21 Final Outturn paper this was based on the Early Years headcount funding adjustment for the spring term of 2021 only. The funding adjustment itself was a reclaim of £255,322 (naturally due to the lower EY headcount due to the pandemic). Although, as before, with praise to Southend early years providers funded provision in 2020/21 still remained above 90%. Again, as highlighted in the June 2021 EB DSG paper, an estimated 2020/21 accounting adjustment was made of £210,000 expecting a reclaim, so the difference of £45,322 between the estimated figure and now final figure will naturally fall to the Early Years DSG reserve balance to cover reducing the previous reserve forecast. The funding adjustment has no effect on ongoing payments and again simply continues to support the need to hold reserve balances to absorb any funding adjustments.

2022/23 Budget Planning

- 10.2 The current indicative DSG funding allocation for 2022/23, is shown as £176.524M. However, we continue to note that the total school block funding allocation will also be updated once the October 2021 census has been processed by the DfE, with the results released late December 2021, and therefore will be displayed in the next January 2022 DSG EB paper.

11 Latest forecast DSG reserve balances

- 11.1 The table below updates the current expected DSG reserve balance by year end, reflecting any updated forecasts for 2022/23 presented within this paper. The reserve balance table now also includes as formally agreed through the last EB DSG October 2021 paper, the presentation of recommended minimum reserve balances for each block, and where reserve forecast balances are now above those minimum recommended balances the following DSG expenditure conditions apply for the one off use of those reserve balances:
- 11.1.1 That any one off cumulative use of reserve balances below £50,000 in any one financial year has the required LA lead officer approval to proceed, but on the conditional basis this is reported through to EB.
- 11.1.2 That any single expenditure item or where the cumulative use of reserve balance was to fall above £50,000 in any one financial year then EB approval is firstly required. If the item or the matter is urgent, then approval can be given by an urgent virtual EB agreement but with a subsequent note to the actual and following scheduled EB meeting for formal minuting.

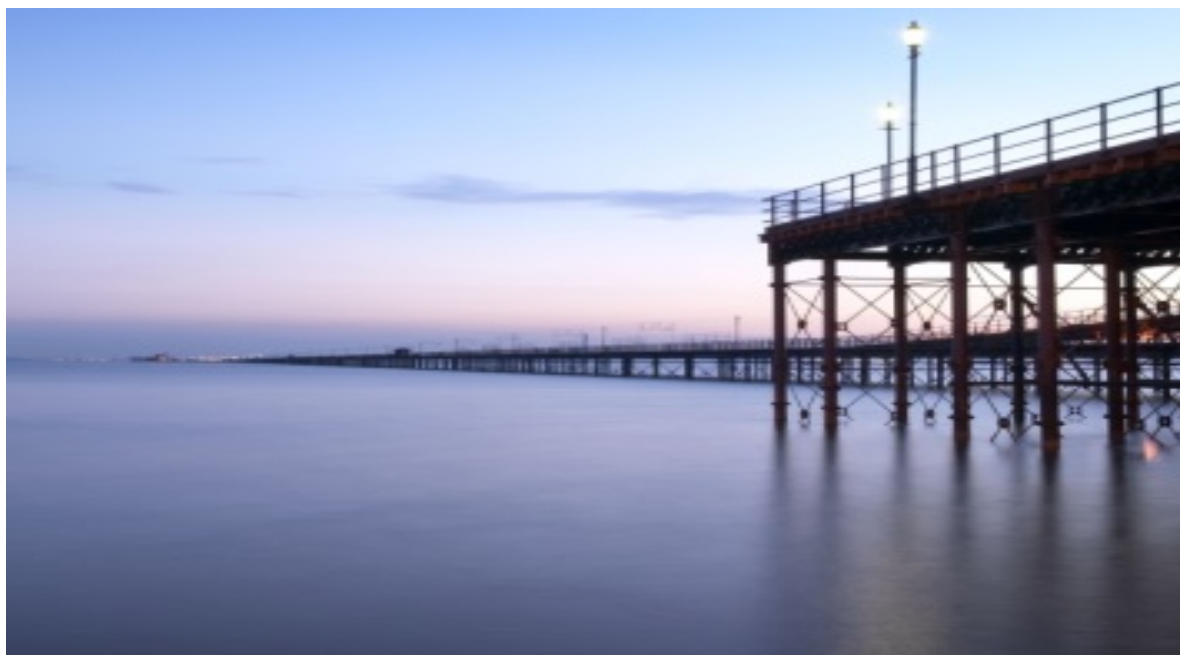
Block	Schools – ISB	Schools - growth	Schools – de- delegated	Early Years	High Needs	Central	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Reserves surplus / (deficit)							
1 April 2021 B'fwd	0	182	14	1,105	3,003	177	4,481
Agreed Issue to 2021/22 budget	0	0	0	(112)	0	0	(112)
Early years funding adjustment 2020/21	0	0	0	(45)	0	0	(45)
2021/22 current forecast variance	0	(44)	0	0	2,903	149	3,008
31 March 2022	0	138	14	948	5,906	326	7,332
Recommended Minimum Reserve balance	0	138	14	500	2,217	326	3,196
One off Funding Available for DSG Conditional Use	0	0	0	448	3,689	0	4,136

12 Conclusion

- 12.1 Overall, it has to continue to be recognised that the 2022/23 funding announcements for both the Schools and High Needs block are a welcome message for Dedicated School Grants funds and therefore the children and educational services provision those funds support.
- 12.2 And both the positive 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 for Southend pupils and our educational community.

13 Appendices

Appendix 1 - DSG Budget 2021/22 and Forecast Outturn 2021/22 and Indicative budget allocation for 2022/23



Capital Investment Strategy

2022/23 – 2026/27

January 2022



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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 service objectives 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 capital expenditure, borrowing and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

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 investments for service purposes (e.g. housing, regeneration and local infrastructure) or investments for commercial purposes (e.g. commercial property). 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 proportionality, 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.

Not all the capital investment programme is deliverable directly by the Council and so the programme is split so that the schemes to be delivered by subsidiaries, partners and joint ventures are separately identified.

Capital investment must be focussed on priorities and priority projects must have viable delivery plans. An on-going MoSCoW review will be undertaken to re-assess and re-prioritise the capital investment programme. This enables prioritisation by categorising capital projects as ‘must have’, ‘should have’, ‘could have’ or ‘will not have’ (at this time).

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;
- Streets and public spaces;
- Transport and accessibility;
- Sustainable and green city projects;
- Addressing coastal flood and erosion risk;
- Schools and skills;
- Health and active lifestyles;
- Social care;
- Smart use of technology;
- Financial Sustainability.

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;
- Economic Recovery and Regeneration;
- Environment, Planning, Tourism and Culture;
- Communities and Housing;
- Public Protection;
- Transport, Asset Management and Inward Investment;
- Adult Social Care and Health Integration;
- Children and Learning
- Corporate Services and Performance Delivery.

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.

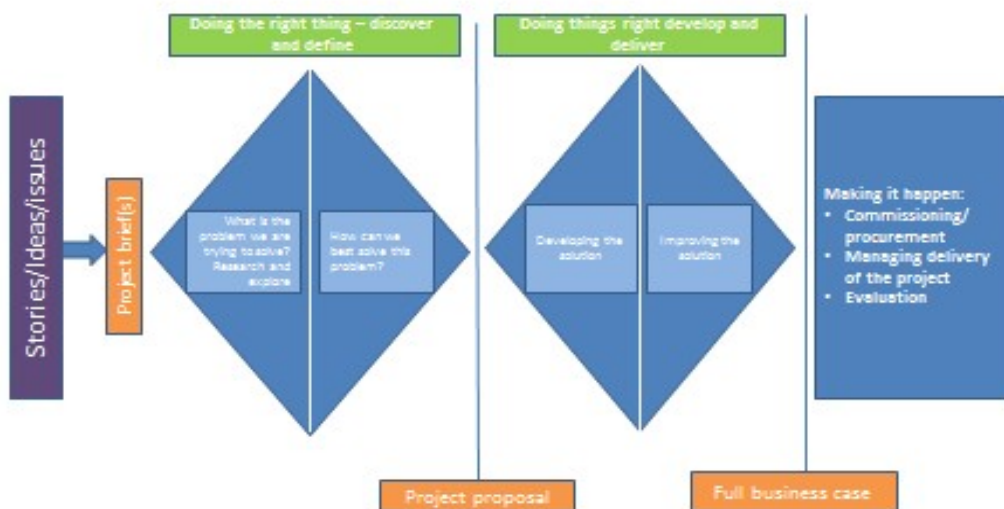
- Service areas prepare plans for the delivery and improvement of their services which align with or enable the 2050 outcomes;
- The Corporate Asset Management Strategy and the Education and Schools Asset Management Plans highlight deficiencies in the condition, suitability and sufficiency of the Council's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

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.

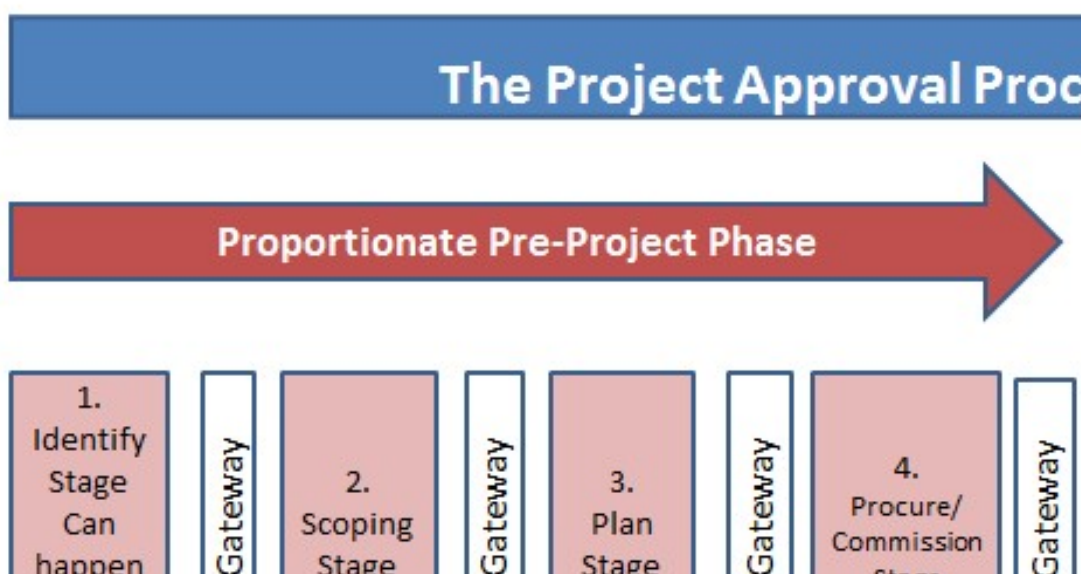
Our design and approval process is based on the Double Diamond design model developed by the British Design Council. The process is divided into four phases: Discover, Define, Develop and Deliver. The main feature of the Double Diamond is the emphasis on "divergent" and "convergent thinking", where first 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 the Subject to Viable Business Case section, 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.

Proportionality:

- The risks associated with investments for service and commercial purposes are proportionate to the Council's financial capacity.

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 2022

SOUTHEND-ON-SEA BOROUGH COUNCIL

CAPITAL INVESTMENT POLICY

1 Scope of this policy

- 1.1 This investment policy covers capital investments, including:
- investment for service purposes which are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services;
 - investments for commercial purposes which are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services;
- 1.2 Investments for Treasury Management purposes 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 taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.
- 4.2 Service investments may or may not involve financial returns. However, obtaining those returns will not be the primary purpose of the investment.
- 4.3 It may be appropriate to borrow to finance service investments.

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.

6 Commercial investments

- 6.1 These are investments taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services. This includes non-financial assets such as commercial property. These are any property which is bought and held primarily for financial return.

- 6.2 No new commercial investments will be entered into, where the primary purpose is to make a financial return.
- 6.3 Borrowing will not be undertaken to invest primarily for financial return.
- 6.4 The Council holds an existing portfolio of commercial land and property that were bought before these new rules came into force. The Council is permitted to invest in maximising its value, including repair, renewal and updating of the properties. These assets are held as Investment Properties on the Council's balance sheet.
- 6.5 The Council's Commercial Property Investment Strategy (including the purpose of the Investment Portfolio) is set out in the Corporate Asset Management Strategy.
- 6.6 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.

7 Loans

- 7.1 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.
- 7.2 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.
- 7.3 Any overdue payments would be recovered using the credit control arrangements set out in the Council's Debt Management Strategy.
- 7.4 The total level of loans will be formally agreed as part of the process for inclusion in the capital investment programme.

8 Financing of Capital Investments

- 8.1 As capital investments that exclude Commercial Investment, the above will be financed by any of the sources in the funding strategy section of the Capital Investment Strategy.
- 8.2 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.

9 Due Diligence

9.1 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.

9.2 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.

9.3 The Chief Finance Officer will ensure that Members are adequately informed and understand the risk exposures being taken on.

10 Governance and Scrutiny of Capital Investments

10.1 The approach to capital investment is set out in the Corporate Asset Management Strategy and includes Members and Chief Officers at key stages.

10.2 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.

10.3 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.

10.4 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.

**ADDITIONAL CAPITAL INVESTMENT PROPOSALS, INCLUDING THOSE
SUBJECT TO VIABLE BUSINESS CASES: 2022/23 to 2026/27**

1. Summary




Theme	Proposed additional investment (£000)	Proposed additional investment subject to viable business cases – Rolling Programmes (£000)
Pride and Joy	-	5,000
Safe and Well	-	18,445
Connected and Smart	11,405	6,000
Opportunity and Prosperity	-	1,500
Future Ways of Working	1,200	3,000
Total	12,605	33,945
<i>General Fund:</i>	12,605	15,500
<i>Housing Revenue Account (HRA)</i>	-	18,445

Proposed additional investment – main programme	<u>2022/23 (£'000)</u>	<u>2023/24 (£'000)</u>	<u>2024/25 (£'000)</u>	<u>2025/26 (£'000)</u>	<u>2026/27 (£'000)</u>	<u>5 Year Total (£'000)</u>
Proposed investment each year	7,405			600	4,600	12,605
Financed by:						
Borrowing	7,405			600	4,600	12,605


Proposed additional investment subject to viable business cases – Rolling programmes	<u>2022/23 (£'000)</u>	<u>2023/24 (£'000)</u>	<u>2024/25 (£'000)</u>	<u>2025/26 (£'000)</u>	<u>2026/27 (£'000)</u>	<u>5 Year Total (£'000)</u>
Proposed investment each year	825	825	2,825	11,735	17,735	33,945
Financed by:						
Borrowing	500	500	500	3,250	9,250	14,000
External Funding			500	500	500	1,500
Right to Buy Capital Receipts			600	600	600	1,800
HRA Reserves	325	325	1,225	7,385	7,385	16,645

**ADDITIONAL CAPITAL INVESTMENT PROPOSALS, INCLUDING THOSE
SUBJECT TO VIABLE BUSINESS CASES: 2022/23 to 2026/27**





2. Proposed Additional Investment into the main Capital Investment Programme

Theme		Total (£)	Proposed Initiatives
	<p align="center">C1</p> <p align="center"><i>Additional</i></p>	<p align="center">355,000</p> <p align="center"><i>Funded by: Corporate borrowing</i></p> <p>Roadmap 2025:</p> 	<p>East Beach Car Park – Phase 1 (22/23 - £355,000)</p> <p>This investment is to widen the existing vehicular entrance/exit and install a height barrier and vehicle flow plates. The footway entrance would be improved to include street lighting and improved access for pedestrians and cyclists. The car parking area would be future proofed to ensure that Electric Vehicle Charging can be accommodated.</p> <p>Phase 2 of this project would be the construction of the car park and which would require planning permission. Detailed cost estimates for this phase are being sought but it is estimated that the full project cost (phases 1 and 2) would be up to £825,000. In addition to these capital costs, £40,000 has been allocated from the revenue budget for professional fees regarding all relevant surveys and flood risk assessments to enable a more detailed business case to be worked through.</p> <p>Inclusion of phase 2 into the main programme would be subject to approval of a viable business case.</p>
	<p align="center">C2</p> <p align="center"><i>Additional</i></p>	<p align="center">1,050,000</p> <p align="center"><i>Funded by: Corporate borrowing</i></p>	<p>ICT – Smart Council (22/23 - £1,050,000)</p> <p>This investment is for the equipment and application and infrastructure licences for the 22/23 financial year to enable the project to progress whilst the necessary business cases and governance processes are being worked through for the rest of the project.</p> <p>This investment is in addition to the budget request of £146,000 for the approved capital investment programme in 21/22.</p> <p>Inclusion of the rest of the Smart Council project in the main programme is subject to approval of appropriate viable business cases.</p> <p>This capital investment is to continue to provide the ICT core services to the Council (software and hardware). This project proposes a fast-track migration to the cloud which</p>
<p>Southend is a leading digital city with world class infrastructure that reflects equity of digital provision.</p>			

**ADDITIONAL CAPITAL INVESTMENT PROPOSALS, INCLUDING THOSE
SUBJECT TO VIABLE BUSINESS CASES: 2022/23 to 2026/27**

			<p>enables the Council's transformation, mitigates the disaster recovery risk, negates the need for a cyclical investment and realises the cost savings that can be achieved from such a strategy. By utilising the cloud for the Council's infrastructure there is no longer a need to replace ICT Infrastructure, resulting in significant cost savings. The additional work has been broken down into projects, which, when delivered together, will achieve quantitative and qualitative benefits and mitigates risk.</p> <p>Part of the project is to provide regular device refreshes, to ensure the estate does not go beyond the end of its supported life and result in security risks and to enable officers and members to carry on working remotely.</p> <p>The COVID-19 pandemic meant that the Council was required to begin a move to the Cloud, to enable remote working. Reversing this or stopping this will add additional costs.</p> <p>The ICT Smart Council project has a total estimated cost of £16,396,000 over the years from 21/22 to 25/26. The remaining £15,200,000 is estimated to be £5,505,000 of capital investment over the years 23/24 to 25/26 and £9,695,000 of revenue investment over the years from 21/22 to 25/26.</p> <p>This proposed solution offers stable costs after initial investment, reduces risk and offers the ability to transform the Council.</p>
	<p align="center">C3 <i>Additional</i></p>	<p align="center">1,200,000 <i>Funded by: Corporate borrowing</i></p>	<p>Priority Works <i>(25/26 to 26/27 - £600,000 p.a.)</i></p> <p>This investment is to ensure a £600,000 annual budget is available to deal with any urgent or priority works to Council owned assets that may arise during the year.</p> <p>This investment is in addition to the £2,274,000 budget already in the approved capital investment programme for the years 21/22 to 24/25.</p>




**ADDITIONAL CAPITAL INVESTMENT PROPOSALS, INCLUDING THOSE
SUBJECT TO VIABLE BUSINESS CASES: 2022/23 to 2026/27**

	<p align="center">C4</p> <p align="center"><i>Additional</i></p>	<p align="center">6,500,000</p> <p align="center"><i>Funded by: Corporate borrowing</i></p>	<p>Footways Improvements (22/23 - £4,000,000, 26/27 - £2,500,000)</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>The 22/23 amount is to be brought up into the main programme from the Subject to Viable Business Case section. The 26/27 amount is to ensure the continuation of the rolling programme. This is in addition to the budget of £16million already in the approved capital investment programme for the years 21/22 to 25/26.</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>
<p align="center">Deliver on the ambitious programme of investment in improving our pavements and highways.</p>		<p>Roadmap 2020:</p> 	
	<p align="center">C5</p> <p align="center"><i>Additional</i></p>	<p align="center">3,500,000</p> <p align="center"><i>Funded by: Corporate borrowing</i></p>	<p>Carriageways Improvements (22/23 - £2,000,000, 26/27 - £1,500,000)</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>The 22/23 amount is to be brought up into the main programme from the Subject to Viable Business Case section. The 26/27 amount is to ensure the continuation of the rolling programme. This is in addition to the budget of £10million already in the approved capital investment programme for the years 21/22 to 25/26.</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>
<p align="center">Deliver on the ambitious programme of investment in improving our pavements and highways.</p>		<p>Roadmap 2020:</p> 	
<p align="center">Total</p>		<p align="center">12,605,000</p>	<p align="center">General Fund</p>





**ADDITIONAL CAPITAL INVESTMENT PROPOSALS, INCLUDING THOSE
SUBJECT TO VIABLE BUSINESS CASES: 2022/23 to 2026/27**

**3. Proposed Additional Investment Subject to Viable Business Cases
– Rolling Programmes**





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
	C6	2,500,000	<p>Southend Pier – Condition Works (25/26 to 26/27 - £1,250,000 p.a.)</p> <p>This investment is to deliver the ongoing planned approach to addressing the condition works and bearing refurbishment identified within the condition survey. This proactive approach reduces the requirement for urgent and/or reactive condition works and ensures the integrity of this landmark structure that helps drive millions of visitors to Southend-on-Sea each year.</p> <p>This investment is in addition to the £4,976,000 budget already in the approved capital investment programme for the years 21/22 to 24/25.</p> <p>Inclusion in the main programme is subject to approval of a viable business case.</p>
	Additional	Funded by: Corporate borrowing	
<div style="border: 1px solid black; padding: 5px;"> Promote the cultural and tourism life of the Borough creating a true Destination Southend. </div>			
	C7	2,500,000	<p>Coastal Defence Refurbishment Programme (22/23 to 26/27 - £500,000 p.a.)</p> <p>This investment is to deliver a planned approach for the essential refurbishment works to the borough's coastal defences. This proactive approach reduces the requirement for urgent and/or reactive condition works.</p> <p>This investment is in addition to the £150,000 budget already in the approved capital investment programme for 21/22.</p> <p>Inclusion in the main programme is subject to approval of a viable business case.</p>
	Additional	Funded by: Corporate borrowing	
		Roadmap 2022:	
			



**ADDITIONAL CAPITAL INVESTMENT PROPOSALS, INCLUDING THOSE
SUBJECT TO VIABLE BUSINESS CASES: 2022/23 to 2026/27**

 <p>Deliver on the ambitious programme of investment in improving our pavements and highways.</p>	<p align="center">C8</p> <p align="center"><i>Additional</i></p>	<p align="center">4,000,000</p> <p align="center"><i>Funded by: Corporate borrowing</i></p> <p>Roadmap 2020:</p> 	<p>Footways Improvements (26/27 - £4,000,000)</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 budget of £16million already in the Subject to Viable Business Case section of the capital investment programme for the years 21/22 to 25/26.</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> <p>Inclusion in the main programme is subject to approval of a viable business case.</p>
 <p>Deliver on the ambitious programme of investment in improving our pavements and highways.</p>	<p align="center">C9</p> <p align="center"><i>Additional</i></p>	<p align="center">2,000,000</p> <p align="center"><i>Funded by: Corporate borrowing</i></p> <p>Roadmap 2020:</p> 	<p>Carriageways Improvements (26/27 - £2,000,000)</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 budget of £8million already in the Subject to Viable Business Case section of the capital investment programme for the years 21/22 to 25/26.</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> <p>Inclusion in the main programme is subject to approval of a viable business case.</p>


**ADDITIONAL CAPITAL INVESTMENT PROPOSALS, INCLUDING THOSE
SUBJECT TO VIABLE BUSINESS CASES: 2022/23 to 2026/27**

 <p>Maintain our commitment to school improvement</p>	<p>C10 <i>Additional</i></p>	<p>1,500,000 <i>Funded by: External funding</i></p> <p>Roadmap 2020:</p> 	<p>Schools – Condition Works <i>(24/25 to 26/27 - £500,000 p.a.)</i></p> <p>This investment is for condition works at Children Centres and emergency works at schools. These are mainly larger, urgent projects to be agreed between the Council's property team and head teachers.</p> <p>This is funded from Government Grant (subject to final Government capital funding announcements).</p> <p>This investment is in addition to the budget of £1,710,000 already in the approved capital investment programme.</p>
	<p>C11 <i>Additional</i></p>	<p>1,500,000 <i>Funded by: Corporate borrowing</i></p>	<p>Property Refurbishment Programme <i>(25/26 to 26/27 - £750,000 p.a.)</i></p> <p>This investment is to enable the Council's Property and Estate Management service to take a proactive approach to maintaining the buildings for which it is responsible. This will ensure investment is made in the fabric and services within building before they get to a stage that capital works become urgent or have a detrimental impact on service users' use of the building or leads to urgent repairs and maintenance works which are usually more costs long term.</p> <p>This investment is in addition to the budget of £2,639,000 already in the approved capital investment programme for the years 21/22 to 24/25.</p> <p>Inclusion in the main programme is subject to approval of a viable business case.</p>
	<p>C12 <i>Additional</i></p>	<p>1,500,000 <i>Funded by: Corporate borrowing</i></p>	<p>Fire Improvement Works <i>(25/26 to 26/27 - £750,000 p.a.)</i></p> <p>This scheme is for the implementation of fire safety and associated compliance works across the Council's corporate property estate arising as a result of any changes to building regulations and/or other standards or updated fire risk assessments.</p> <p>This investment is in addition to the budget of £3,211,000 already in the approved capital investment programme for the years 21/22 to 24/25.</p> <p>Inclusion in the main programme is subject to approval of a viable business case.</p>
<p>Total</p>		<p>15,500,000</p>	<p>General Fund</p>

**ADDITIONAL CAPITAL INVESTMENT PROPOSALS, INCLUDING THOSE
SUBJECT TO VIABLE BUSINESS CASES: 2022/23 to 2026/27**

	<p align="center">C13</p> <p align="center"><i>Additional</i></p>	<p align="center">4,500,000</p> <p align="center"><i>Funded by: 40% Right to Buy Receipts and 60% Capital Investment Reserve</i></p>	<p>HRA Affordable Housing Acquisitions Programme (24/25 to 26/27 - £1,500,000 p.a.)</p> <p>Housing is a clear priority of this council and through purchasing suitable private homes for council use, the acquisitions programme is already helping to ensure that everyone has a home that meets their needs, including those with complex needs.</p> <p>It is 40% financed by retained Right to Buy capital receipts. To ensure all these receipts can be used within the timeframes set by central Government the above amount needs to be spent during the next five financial years with targets in each quarter. The balance of 60% is financed from the HRA capital investment reserve.</p> <p>If the Council exceeds any of the quarterly targets the excess will count towards the next quarter. As conveyancing time frames cannot be guaranteed the timing of these budgets plan to exceed the targets rather than to just meet them, in case any of the planned property purchases do not proceed.</p> <p>This investment is in addition to the budget of £6,706,000 already in the approved capital investment programme for the years 21/22 to 23/24.</p> <p>The profile of these budgets across 2022/23 and future years is subject to change as the Government will be introducing a cap on the use of Right to Buy receipts on acquisitions, to encourage new builds to help drive new supply of Council Housing. The cap will come in from April 2022 and will be phased in over 2022/23 to 2024/25.</p>
<p>We are well on our way to ensuring that everyone has a home that meets their needs.</p>			
	<p align="center">C14</p> <p align="center"><i>Additional</i></p>	<p align="center">12,320,000</p> <p align="center"><i>Funded by: Reserves</i></p> <p align="center"><i>Delivered by South Essex Homes</i></p>	<p>HRA Future Investment Programme (25/26 to 26/27 - £6,160,000 p.a.)</p> <p>The investment relates to</p> <ul style="list-style-type: none"> • continuing of the Decent Homes programme to keep the housing stock at decency levels; • common area improvements; • environmental health and safety works; <p>These works are wholly funded through the HRA, from the Major Repairs Reserve. This investment is in addition to the budget of £25,755,000 already in the approved capital investment programme for 21/22 to 24/25.</p>
<p>We are well on our way to ensuring that everyone has a home that meets their needs.</p>			

**ADDITIONAL CAPITAL INVESTMENT PROPOSALS, INCLUDING THOSE
SUBJECT TO VIABLE BUSINESS CASES: 2022/23 to 2026/27**

	<p>C15</p> <p><i>Additional</i></p>	<p>1,625,000</p> <p><i>Funded by: Reserves</i></p> <p><i>Delivered by South Essex Homes</i></p>	<p>HRA Right to Buy – Buybacks Refurbishment <i>(22/23 to 26/27 - £325,000 p.a.)</i></p> <p>This investment is support the continuation of the programme to buy back ex-council houses and other properties to increase the stock on the housing register. These funds would be used to refurbish the properties that are purchased in order to bring them up to Decent Homes standard.</p> <p>These works are wholly funded through the HRA, from the Capital Investment Reserve. This investment is in addition to the budget of £324,000 already in the approved capital investment programme for 21/22.</p>
<p>We are well on our way to ensuring that everyone has a home that meets their needs.</p>			
	<p>Total</p>	<p>18,445,000</p>	<p>Housing Revenue Account</p>
		<p>33,945,000</p>	<p>TOTAL CAPITAL INVESTMENT PROPOSALS – SUBJECT TO VIABLE BUSINESS CASES – ROLLING PROGRAMMES</p>

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SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 13

Summary - programme to be delivered by the Council:

	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 2021 Cabinet	70,852	50,322	18,508	10,108	6,919	156,709
Carry Forwards	(6,337)	3,977	2,219	102	39	0
Accelerated Deliveries	2,500	(2,500)	0	0	0	0
Additions to the Programme	146	1,398	775	25	0	2,344
Schemes Removed from Programme	(142)	0	0	0	0	(142)
Virements	0	0	0	0	0	0
New External Funding	4,544	14,372	2,050	0	0	20,966
Transfer to 'Subject to Viable Business Case'	(173)	(600)	(509)	0	0	(1,282)
Proposed Investment Programme - following amendments	71,390	66,969	23,043	10,235	6,958	178,595
Total budget for 2022/23 to 2025/26:						107,205

Summary - programme to be delivered by Subsidiary Companies, Partners and Joint Ventures:

	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 2021 Cabinet	14,222	21,549	15,559	9,598	3,250	64,178
Carry Forwards	(2,285)	1,457	828	0	0	0
Accelerated Deliveries	923	(923)	0	0	0	0
Additions to the Programme	0	0	0	0	0	0
Schemes Removed from Programme	0	0	0	0	0	0
Virements	0	0	0	0	0	0
New External Funding	0	0	0	0	0	0
Transfer to 'Subject to Viable Business Case'	0	0	0	0	0	0
Proposed Investment Programme - following amendments	12,860	22,083	16,387	9,598	3,250	64,178
Total budget for 2022/23 to 2025/26:						51,318

Carry Forwards to Future Years - programme to be delivered by the Council

Scheme	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
Local Growth Fund - A127 Growth Corridor	(150)	150				0
ICT - Connected and Smart	(150)	150				0
N3 Connectivity in the Civic Building	(39)				39	0
Empty Homes strategy	(25)	25				0
Housing and Development Pipeline Feasibility - GF	(100)	100				0
Affordable Housing Acquisitions Programme	(1,000)	500	500			0
Housing Construction Scheme - Land Assembly Fund (S106)	(356)	356				0
Housing Construction Scheme - Phase 5/6 feasibility (S106)	(20)	20				0
Business World - Bank Reconciliation Module Improvements	(4)	4				0
Infrastructure Feasibility Studies	(48)	48				0
Cart and Wagon shed	(132)	132				0
Chalkwell Park and Priory Park Tennis Courts	(13)	13				0
Civic Campus - Efficient Use of Space	(90)	90				0
ICT - Cybersecurity	(130)	130				0
ICT - Childrens and Adults Social Care - Implementation of ContrOCC modules	(207)		105	102		0
Victoria Centre	(40)	40				0
Better Queensway - Programme Management	(150)	150				0
Housing and Development Pipeline Feasibility - HRA	(255)	255				0
Council Affordable Housing Development (Phase3) - Shoebury	(515)	(219)	734			0
Aviation Way Car Park	(384)	384				0
Special Provision Capital Fund	(169)	169				0
Zebra Crossing Surfacing Replacement	(24)	24				0
Challenge Fund - Bridge Strengthening	(150)	150				0
DfT Active Travel - Tranche 2	(192)	192				0
Traffic Signs Upgrade	(100)	100				0
Junction Protection	(170)	170				0
Car Park Resurfacing	(188)	188				0
Vehicle Restraint Replacement	(20)	20				0
Parking Signage Replacement	(100)	100				0
Local Growth Fund - Southend Town Centre Interventions	(896)	896				0
Car Park Improvements	(50)	50				0
Leigh Port	(220)	(660)	880			0
CCTV Equipment Renewal	(250)	250				0
Total Carry Forwards - programme to be delivered by the Council	(6,337)	3,977	2,219	102	39	0

SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 13

Carry Forwards to Future Years - programme to be delivered by Subsidiary Companies, Partners and Joint Ventures

Scheme	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
Balmoral Estate Improvement and Structural works	(1,185)	357	828			0
Better Queensway Energy Centre	(1,100)	1,100				0
Total Carry Forwards - programme to be delivered by Subsidiary Companies, Partners and Joint Ventures	(2,285)	1,457	828	0	0	0

Accelerated Deliveries - programme to be delivered by the Council

Scheme	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
Airport Business Park (including Local Growth Fund)	2,500	(2,500)				0
Total Accelerated Deliveries - programme to be delivered by the Council	2,500	(2,500)	0	0	0	0

Accelerated Deliveries - programme to be delivered by Subsidiary Companies, Partners and Joint Ventures

Scheme	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
Common Areas Improvement	341	(341)				0
Environmental Health and Safety works	82	(82)				0
Housing Infrastructure Funding	500	(500)				0
Total Accelerated Deliveries - programme to be delivered by Subsidiary Companies, Partners and Joint Ventures	923	(923)	0	0	0	0

Additions to the Programme - programme to be delivered by the Council

Scheme	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 - Technology Device Refresh	94					94
ICT - Stabilise the Estate	42					42
Software Licencing	10					10
Cliffs Pavillion - Levelling up Funding		1,015	775	25		1,815
City Beach - Levelling up Funding		383				383
Total Additions to the Programme - programme to be delivered by the Council	146	1,398	775	25	0	2,344

Deletions from the Programme - programme to be delivered by the Council

Scheme	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
CIL Ward NA – Thorpe – Street furniture improvement	(8)					(8)
Housing Construction Scheme - Phase 2	(3)					(3)
Parks Feasibility and Options Appraisals	(24)					(24)
Sidmouth Park - Replacement of Play Equipment	(8)					(8)
Wheeled Sports Facility Central Southend Area	(12)					(12)
Children's Residential Care Provision	(87)					(87)
Total Deletions from the Programme - programme to be delivered by the Council	(142)	0	0	0	0	(142)

Virements between schemes - programme to be delivered by the Council

Scheme	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
Balmoral Estate Improvement and Structural works	270					270
Tower Blocks Boroughwide Annunciation System	(270)					(270)
Bathroom Refurbishment	(23)					(23)
Common Areas Improvement	490					490
Central Heating	(84)					(84)
Roofs	(233)					(233)
Windows and Doors	(308)					(308)
Sprinkler System Installation Pilot	(10)					(10)
Tower Blocks Boroughwide Annunciation System	18					18
Environmental HandS works	150					150
Essential Crematorium/Cemetery Equipment	(1)					(1)
Pergola Walk Memorial Scheme	1					1
Future condition projects Post 10 11	(15)					(15)
Eastwood Primary - kitchen works	15					15
Virements already actioned						
Priority Works	(361)					(361)
Southend Dive Pool Flooring - Emergency Works	86					86
Groyne Field Refurbishment Programme	275					275
Total Virements between schemes - programme to be delivered by the Council	0	0	0	0	0	0

New External Funding - programme to be delivered by the Council

Scheme	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
CIL Ward NA – Chalkwell – Chalkwell Speedwatch	1					1
CIL Ward NA – Eastwood Park – Rochford Corner power connection	1					1
CIL Ward NA – Milton – Milton railway bridge artwork	4					4
CIL Ward NA – Prittlewell – Priory Park fountains restoration	25					25
CIL Ward NA – St Laurence – Street sign cleaning	1					1
CIL Ward NA – St Laurence – Eastwood Community Centre replacement water heaters	2					2
CIL Ward NA – Thorpe – Southchurch Bowls Club Irrigation System	9					9
CIL Ward NA – Belfairs – Belfairs Memorial Bench	2					2
CIL Ward NA – St Laurence – Eastwood Community Centre LED lighting project	4					4
Leigh Port - Levelling up Funding	4,000	8,140	2,050			14,190
Cliffs Pavillion - Levelling up Funding	420	5,925				6,345
City Beach - Levelling up Funding	75	307				382
Total New External Funding - programme to be delivered by the Council	4,544	14,372	2,050	0	0	20,966

Transfers to 'Subject to Viable Business Case' section from main Capital Investment Programme - programme to be delivered by the Council

Scheme	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
Schools and Council Buildings Solar PV	(73)	(200)	(73)			(346)
Solar PV Projects	(100)	(400)	(436)			(936)
Total Transfers from 'Subject to Viable Business Case' Section - programme to be delivered by the Council	(173)	(600)	(509)	0	0	(1,282)

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Proposed Capital Investment Programme 2021/22 to 2026/27 and future years - Summary by Area of Investment

Appendix 14

Scheme to be delivered by the Council	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
General Fund Housing	834	1,017	843	500	2,919	-	6,113
Social Care	6,400	203	-	-	-	-	6,603
Schools	1,515	1,685	831	262	-	-	4,293
Enterprise and Regeneration	10,815	7,228	-	-	-	-	18,043
Southend Pier	5,235	5,800	3,550	1,250	-	-	15,835
Culture and Tourism	1,544	145	-	-	-	-	1,689
Community Safety	3,177	250	-	-	-	-	3,427
Highways and Infrastructure	22,678	19,772	4,295	4,000	4,000	4,000	58,745
Works to Property	1,943	6,352	2,020	2,021	600	600	13,536
Energy Saving	232	425	200	-	-	-	857
ICT	4,357	2,198	967	102	39	-	7,663
S106/S38/CIL	707	35	35	166	-	-	943
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND	59,437	45,110	12,741	8,301	7,558	4,600	137,747

Total budget for 2022/23 to 2026/27: 78,310

Scheme to be delivered by the Council and Funded by the Levelling Up Fund	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Enterprise and Regeneration - Funded by the Levelling Up Fund	4,495	15,770	3,705	25	-	-	23,995
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND - FUNDED BY LEVELLING UP FUND	4,495	15,770	3,705	25	0	0	23,995

Total budget for 2022/23 to 2026/27: 19,500

Scheme to be delivered by the Council	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Council Housing New Build Programme	1,330	9,410	2,721	233	-	-	13,694
Council Housing Acquisitions Programme	5,413	3,314	3,106	900	-	-	12,733
Council Housing Refurbishment	715	770	770	776	-	-	3,031
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - HRA	7,458	13,494	6,597	1,909	0	0	29,458

Total budget for 2022/23 to 2026/27: 22,000

	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY THE COUNCIL	71,390	74,374	23,043	10,235	7,558	4,600	191,200

Total budget for 2022/23 to 2026/27: 119,810

Scheme to be delivered by the Subsidiary Companies, Partners or Joint Ventures	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Council Housing Refurbishment	8,910	7,883	6,887	6,348	-	-	30,028
Enterprise and Regeneration	3,950	14,200	9,500	3,250	3,250	-	34,150
PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY SUBSIDIARY COMPANIES, PARTNERS OR JOINT VENTURES	12,860	22,083	16,387	9,598	3,250	-	64,178

Total budget for 2022/23 to 2026/27:

51,318

Proposed Capital Investment Programme 2021/22 to 2026/27 and future years - Summary by Strategic and Other Schemes

Appendix 14

Scheme to be delivered by the Council	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Strategic schemes							
Airport Business Park (including Local Growth Fund)	8,147	5,300	-	-	-	-	13,447
Airport Business Park - Acquisition	1,036	-	-	-	-	-	1,036
Better Queensway - Programme Management	908	1,140	-	-	-	-	2,048
Victoria Centre	722	540	-	-	-	-	1,262
Brook Meadows House	6,250	-	-	-	-	-	6,250
School Improvement and Provision of School Places	160	-	-	-	-	-	160
Southend Pier schemes	5,235	5,800	3,550	1,250	-	-	15,835
ICT schemes	4,357	2,198	967	102	39	-	7,663
Footways and Carriageways Schemes	11,275	10,844	4,000	4,000	4,000	4,000	38,119
Parking Schemes	467	648	100	-	-	-	1,215
Highways and Infrastructure - Local Growth Fund and Local Transport Plan Schemes	7,678	2,549	-	-	-	-	10,227
Total Strategic - General Fund	46,235	29,019	8,617	5,352	4,039	4,000	97,262
Leigh Port Detailed Design	4,000	8,140	2,930	-	-	-	15,070
Cliffs Pavillion	420	6,940	775	25	-	-	8,160
City Beach	75	690	-	-	-	-	765
Total Strategic - General Fund - funded by the Levelling Up Fund	4,495	15,770	3,705	25	-	-	23,995
HRA Affordable Housing Acquisitions Programme	2,000	2,500	2,206	-	-	-	6,706
Next Steps Accommodation Programme	3,123	-	-	-	-	-	3,123
Council Housing New Build Programme	1,330	9,410	2,721	233	-	-	13,694
Acquisition of tower block leaseholds - Queensway	250	559	900	900	-	-	2,609
Total Strategic - HRA	6,703	12,469	5,827	1,133	-	-	26,132
Total Strategic - GF and HRA	57,433	57,258	18,149	6,510	4,039	4,000	147,389
Other Schemes	13,957	17,116	4,894	3,725	3,519	600	43,811
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY THE COUNCIL	71,390	74,374	23,043	10,235	7,558	4,600	191,200

Total budget for 2022/23 to 2026/27:

119,810

Scheme to be delivered by the Subsidiary Companies, Partners or Joint Ventures	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Council Housing Refurbishment	8,910	7,883	6,887	6,348	-	-	30,028
Better Queensway - Loan to Joint Venture	1,750	2,000	2,500	3,250	3,250	-	12,750
Housing Infrastructure Funding	1,000	7,000	7,000	-	-	-	15,000
Better Queensway Energy Centre	500	3,700	-	-	-	-	4,200
Total Strategic - Delivered by Subsidiary Companies or Joint Ventures	12,160	20,583	16,387	9,598	3,250	-	61,978
Other Schemes	700	1,500	-	-	-	-	2,200
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY SUBSIDIARY COMPANIES, PARTNERS OR JOINT VENTURES	12,860	22,083	16,387	9,598	3,250	-	64,178

Total budget for 2022/23 to 2026/27:

51,318

Proposed Capital Investment Programme 2021/22 to 2026/27 and future years

Appendix 14

Scheme to be delivered by the Council	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
General Fund Housing							
Disabled Facilities Grant	800	500	500	500	2,919		5,219
Private Sector Housing Strategy - Empty Homes	25	417	343				785
Housing and Development Pipeline Feasibility - GF	9	100					109
Total General Fund Housing	834	1,017	843	500	2,919	-	6,113
Social Care							
Community Capacity	77						77
Children's Residential Care Provision	36						36
Liquid Logic Portals	6						6
AHDC Short Breaks for Disabled Children	-	64					64
Mental Health Funding Stream	31						31
Transforming Care Housing	-	139					139
Brook Meadows House	6,250						6,250
Total Social Care	6,400	203	-	-	-	-	6,603
Schools							
Barons Court - BMS	6						6
Chalkwell Hall Infants - New Classroom Demountables	530						530
Chalkwell Junior - Lightning Protection	10						10
Earls Hall - Kitchen Boiler Room	100						100
Earls Hall Primary heating	20						20
Eastwood kitchen works	15						15
Eastwood Primary boiler	-	145					145
Eastwood Primary - Toilets/Paving/Timber Fascia	30						30
Edwards Hall - Roofing	20						20
Fairways Primary curtain walling/roofing/radiators	100						100
Fire condition projects	119	340					459
Heycroft - Fencing	20						20
Heycroft - Lighting and Fuse Boards	70						70
Heycroft - Lightning Protection	10						10
Leigh Primary - Lightning Protection	15						15
Leigh Primary - Window Replacement (including radiators)	50	100					150
Milton Hall - Fire Barriers	10						10
Devolved Formula Capital	100	100					200
Expansion of 2 yr old Childcare Places	3						3
High Needs Provision	-	531	531				1,062
Prince Avenue Extended Nursery Provision	111						111
School Improvement and Provision of School Places	160						160
Special Provision Capital Fund	16	469	300	262			1,047
Total Schools	1,515	1,685	831	262	-	-	4,293
Enterprise and Regeneration							
Airport Business Park (including Local Growth Fund)	8,147	5,300					13,447
Airport Business Park - Acquisition	1,036						1,036
Better Queensway - Programme Management	908	1,140					2,048
Housing Infrastructure Feasibility	2	248					250
Victoria Centre	722	540					1,262
Total Enterprise and Regeneration	10,815	7,228	-	-	-	-	18,043

Scheme to be delivered by the Council	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Southend Pier							
Southend Pier - Bearing Refurbishment (Phase One)	846						846
Southend Pier - Condition Works Engineers	1,226	1,250	1,250	1,250			4,976
Southend Pier - Condition Works Surveyors	158						158
Southend Pier - Pier Entrance Enhancement	1						1
Southend Pier - Pier Head development Phase 1	600	600					1,200
Southend Pier - Prince George Extension (Phase Two)	568	1,608					2,176
Southend Pier - Replacement of Pier Trains	926						926
Southend Pier - Timber Outer Pier Head	553	2,342	2,300				5,195
Pier Pavilion Bar Conversion	357						357
Total Southend Pier	5,235	5,800	3,550	1,250	-	-	15,835
Culture and Tourism							
Allotments Water Supply Upgrade	58						58
Chalkwell Park and Priory Park Tennis Courts	10	13					23
Playground Gates	118						118
Relocation of Badger Sett	41						41
Replacement and Upgrade of Parks Furniture	20						20
Shoebury Common Regeneration	171						171
Southend Tree Policy Review - additional trees	115						115
Kiosks in Libraries	75						75
Branch Library Refurbishments	143						143
Cliffs Pavilion – Auditorium Air Handling Unit	94						94
Cliffs Pavilion – Chiller	3						3
Cliffs Pavilion - External Refurbishment works	50						50
Cliffs Pavilion Refurbishment and Remodelling – design and specification	333						333
Cliffs Pavilion - Power Supply Equipment	40						40
Central Museum Works	96						96
Cart and Wagon Shed	16	132					148
Energy Improvements in Culture Property Assets	23						23
"Make Southend Sparkle" Initiative	13						13
Southend Dive Pool Flooring - Emergency Works	124						124
Resorts Services Signage	1						1
Total Culture and Tourism	1,544	145	-	-	-	-	1,689
Community Safety							
CCTV Equipment Renewal	1,784	250					2,034
Security Measures	1,393						1,393
Total Community Safety	3,177	250	-	-	-	-	3,427
Highways and Infrastructure							
<u>Cliff Stabilisation schemes:</u>							
- Cliff Parade Cliff Slip	400						400
<u>Flood Prevention and Resilience schemes:</u>							
- Shoebury Common Coastal Defence Scheme	41	-					41
- Bastion Stonework Repairs at Westcliff	200						200
- Coastal Defence Refurbishment Programme	150						150
- Groyne Field Refurbishment Programme	475						475
- Improving Resilience to flooding – Eastwood Brook Hydraulic Catchment	152						152
- EA Innovation Resilience Programme	712						712
- Sea Wall - Remedial Repairs	40						40
<u>Footways and Carriageways schemes:</u>							
- Footways Improvements	6,003	6,500	2,500	2,500	2,500	2,500	22,503
- Carriageways Improvements	4,003	3,500	1,500	1,500	1,500	1,500	13,503
- Highways Maintenance - Potholes	773						773
- Junction Protection	170	458					628
- Zebra Crossing Surfacing Replacement	176	236	-				412
- Improve Footway Condition Around Highway Trees	150	150					300

Proposed Capital Investment Programme 2021/22 to 2026/27 and future years

Appendix 14

Scheme to be delivered by the Council	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Highways Infrastructure schemes:							
- Street Lighting Infills	125	125					250
- DFT - Belton Way East Cliff Slip	250	2,950					3,200
- Bridge Strengthening - Challenge Fund	50	899					949
- DfT - Emergency Active Travel Fund	141						141
- DfT Active Travel - Tranche 2	50	692					742
- Traffic Signs Upgrade	44	350	100				494
- Vehicle Restraint Replacement	155	20					175
- Victoria Circus - void remediation works	25						25
Parking schemes:							
- Car Park Improvements	-	260	100				360
- Car Park Resurfacing	212	288					500
- Improved Car Park Signage and Guidance Systems	155						155
- Gas Works Car Park	50						50
- Parking Signage Replacement	50	100					150
- East Beach Car Park - Phase 1		355					355
Local Transport Plan schemes:							
- LTP (Integrated Transport block) - Bridge Strengthening	215	150					365
- LTP (Integrated Transport block) - Better Sustainable Transport	61	350					411
- LTP (Integrated Transport block) - Better Networks	526						526
- LTP (Integrated Transport block) - Traffic Management Schemes	100	424					524
- LTP (Integrated Transport block) - Traffic Control Systems	215	50					265
- LTP - Maintenance	797						797
- LTP - Maintenance - Street Lighting	150						150
Local Growth Fund schemes:							
- A127 Growth Corridor (Bell Junction and A127 Essential Maintenance Works)	3,240	679					3,919
- SCAAP – Town Centre Public Realm Improvements	1,844						1,844
- Local Growth Fund - Southend Town Centre Interventions	530	896					1,426
Other Transport schemes:							
- HCA Progress Road	15						15
- Southend Transport Model	233	340	95				668
Total Highways and Infrastructure	22,678	19,772	4,295	4,000	4,000	4,000	58,745
Works to Property							
62 Avenue Road - demolition	5	39					44
Aviation Way Car Park	4	384					388
Belfairs Park Restaurant/Golf Club Preventative Works	4						4
Civic Campus - Efficient Use of Space	62	190					252
Clearance and Fencing - Land off Sutton Road	-	2					2
Futures Demolition	216						216
Kursaal surveys (LUF)	10						10
SACC Access Control System	2						2
Seaways - HCA Condition Funding	-	170					170
SMAC Eastern Esplanade Slipway	-	27					27
Cemetery - Ride on Mower	30						30
Crematorium - Urgent Structural Repairs to Chimney	5						5
Crematorium Refurbishment		2,700					2,700
Pergola Walk Memorial Scheme	8						8
Civic Centre Boilers	12	-	-				12
Public Toilet Provision	-	699					699
Fire Improvement Works	750	820	820	821			3,211
Property Refurbishment Programme	718	721	600	600			2,639
8 Smallholdings boiler replacement	3						3
Shoebury Garrison - Lockable Gate	1						1
Priority Works	113	600	600	600	600	600	3,113
Total Works to Property	1,943	6,352	2,020	2,021	600	600	13,536

Proposed Capital Investment Programme 2021/22 to 2026/27 and future years

Appendix 14

Scheme to be delivered by the Council	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Energy Saving							
Energy Efficiency Projects	155	369	200				724
Real Time Air Quality Measurement - Feasibility	-	56					56
Electronic Vehicle Projects	77						77
Total Energy Saving	232	425	200	-	-	-	857
ICT							
Data Centre	15						15
Intranet development	20						20
HR Recruitment Contract Implementation	44						44
N3 Connectivity in Civic Building	-				39		39
ICT - Technology Device Refresh	786	220					1,006
ICT - Application Transformation	964	-	-				964
ICT - Digital Enablement	298	150					448
ICT - Security & Resiliency	127	130					257
ICT - Stabilise the Estate	562	42					604
ICT - Core Application and Database Migration	6	150					156
ICT - Childrens and Adults Social Care - Implementation of ContrOCC modules	34		105	102			241
ICT - Operational requirements	864	1,492	862				3,218
Business World Bank Reconciliation Module Improvements	1	4					5
Software Licencing	636	10					646
Total ICT	4,357	2,198	967	102	39	-	7,663
S106/S38/CIL							
S106 23/04/2015 Hinguar and Saxon - public art contribution	9						9
S106 Ajax Works 0300130ful - landscaping maintenance	2	1	1	2			6
S106 Avenue Works 1401968AMDT - Public Art	13						13
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 Deposit - CCTV	1						1
S106 Garrison 0000777 Deposit - information boards	2						2
S106 Garrison 0000777 Deposit - Junior Play Area maintenance	10						10
S106 Garrison 0000777 Deposit - Sea Wall and Assoc Structure Maintenance	120						120
S106 Garrison 0000777 Deposit - Toddler Play Area maintenance	6						6
S106 Garrison Park Store	1						1
S106 Lifstan Way 0000273 Out - Open Space Maintenance	7	4	4	62			77
S106 North Shoebury Road 0301504out - Shoebury Park Enhancement	25						25
S106 North Shoebury Road 0301504out - Shoebury Park Maintenance	33	30	30	102			195
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	2						2
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	2						2
S38 Lidl Highway – Bond	15						15
S278 Star Lane - Great Wakering	70						70
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 – Belfairs – Belfairs Memorial Bench	2						2
CIL Ward NA – Blenheim Park – Blenheim Park 'Makeover'	5						5
CIL Ward NA – Chalkwell – Chalkwell Speedwatch	1						1
CIL Ward NA – Eastwood Park – Rochford Corner power connection	1						1

Proposed Capital Investment Programme 2021/22 to 2026/27 and future years

Appendix 14

Scheme to be delivered by the Council	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
CIL Ward NA – Eastwood Park – Tree planting	1						1
CIL Ward NA – Milton – Milton Park improvements	2						2
CIL Ward NA – Milton – Milton railway bridge artwork	4						4
CIL Ward NA – Milton – Park Street replacement bollards	1						1
CIL Ward NA – Prittlewell – Priory Park fountains restoration	25						25
CIL Ward NA – Southchurch – Southchurch Speedwatch	1						1
CIL Ward NA – St Laurence – Eastwood Community Centre LED lighting project	4						4
CIL Ward NA – St Laurence – Eastwood Community Centre replacement water heater	2						2
CIL Ward NA – St Laurence – Street sign cleaning	1						1
CIL Ward NA – Thorpe – Southchurch Bowls Club Irrigation System	9						9
CIL Ward NA – Westborough – Signposting	1						1
Total S106/S38/CIL	707	35	35	166	-	-	943
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND	59,437	45,110	12,741	8,301	7,558	4,600	137,747

Total budget for 2022/23 to 2026/27:

78,310

Scheme to be delivered by the Council and Funded by the Levelling Up Fund	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Enterprise and Regeneration - Funded by the Levelling Up Fund							
Leigh Port Detailed Design	4,000	8,140	2,930				15,070
Cliffs Pavillion	420	6,940	775	25			8,160
City Beach	75	690					765
Total Enterprise and Regeneration - Funded by the Levelling Up Fund	4,495	15,770	3,705	25	-	-	23,995
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND FUNDED BY LEVELLING UP FUND	4,495	15,770	3,705	25	0	0	23,995

Total budget for 2022/23 to 2026/27:

19,500

	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
COUNCIL'S PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND	63,932	60,880	16,446	8,326	7,558	4,600	161,742

Total General Fund budget for 2022/23 to 2026/27:

97,810

Proposed Capital Investment Programme 2021/22 to 2026/27 and future years

Scheme to be delivered by the Council	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Council Housing New Build Programme							
Council Affordable Housing Development (Phase3) - Shoebury	50	6,049	1,375	150			7,624
Council Affordable Housing Development (Phase4) - St Laurence	30	1,421	1,346	83			2,880
Council Affordable Housing Development (MMC) - West Shoebury	920	832					1,752
Housing Construction Scheme - Phase 5/6 feasibility (S106)	18	20					38
Housing Construction Scheme - Land Assembly Fund (S106)	312	1,088	-				1,400
Total Council Housing New Build Programme	1,330	9,410	2,721	233	-	-	13,694
Council Housing Acquisitions Programme							
HRA Affordable Housing Acquisitions Programme	2,000	2,500	2,206				6,706
Next Steps Accommodation Programme	3,123						3,123
Housing and Development Pipeline Feasibility - HRA	40	255					295
Acquisition of tower block leaseholds - Queensway	250	559	900	900			2,609
Total Council Housing Acquisitions Programme	5,413	3,314	3,106	900	-	-	12,733
Council Housing Refurbishment							
HRA Disabled Adaptations - Major Adaptations	715	770	770	776			3,031
Total Council Housing Refurbishment - HRA	715	770	770	776	-	-	3,031
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - HRA	7,458	13,494	6,597	1,909	0	0	29,458

Total HRA budget for 2022/23 to 2026/27: **22,000**

247	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
COUNCIL'S PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND AND HRA	71,390	74,374	23,043	10,235	7,558	4,600	191,200

Total budget for 2022/23 to 2026/27: **119,810**

Proposed Capital Investment Programme 2021/22 to 2026/27 and future years

Appendix 14

Scheme to be delivered by the Subsidiary Companies, Partners or Joint Ventures	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 and future years Budget £000	Total Budget (all years) £000
Council Housing Refurbishment - delivered by South Essex Homes Limited							
Bathroom Refurbishment	146	102	96	105			449
Central Heating	745	201	109	93			1,148
Environmental - H&S works	806	1,050	1,133	1,134			4,123
Kitchen Refurbishments	669	971	616	972			3,228
Rewiring	809	273	380	404			1,866
Roofs	620	961	1,074	1,040			3,695
Windows and Doors	756	1,152	1,064	1,013			3,985
Common Areas Improvement	2,833	1,246	1,587	1,587			7,253
HRA - SBC Buybacks Refurbishment	324						324
Sprinkler System Installation Pilot	486						486
Tower Blocks Boroughwide Annunciation System	18						18
Sheltered Housing DDA works		345					345
Balmoral Estate Improvement and Structural Works	571	1,582	828				2,981
Energy Efficiency Measures	127						127
Total Council Housing Refurbishment	8,910	7,883	6,887	6,348	-	-	30,028
Enterprise and Regeneration - delivered by Porters Place Southend-on-Sea LLP							
Better Queensway - Loan to Joint Venture	1,750	2,000	2,500	3,250	3,250		12,750
Housing Infrastructure Funding	1,000	7,000	7,000				15,000
Better Queensway Energy Centre	500	3,700					4,200
Enterprise and Regeneration - delivered by Kent County Council							
No Use Empty – Growing Places Fund		1,000					1,000
No Use Empty – Getting Building Fund	700	500					1,200
Total Enterprise and Regeneration	3,950	14,200	9,500	3,250	3,250	-	34,150
PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY SUBSIDIARY COMPANIES OR JOINT VENTURES	12,860	22,083	16,387	9,598	3,250	0	64,178

Total budget for 2022/23 to 2026/27:

51,318

Proposed Capital Investment Programme 2021/22 to 2026/27 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 Budget £000	2026/27 Budget £000	Total Budget (all years) £000
Footways Improvements	-	-	4,000	4,000	4,000	4,000	16,000
Carriageways Improvements	-	-	2,000	2,000	2,000	2,000	8,000
Southend Pier - Condition Works					1,250	1,250	2,500
Coastal Defence Refurbishment Programme		500	500	500	500	500	2,500
Schools - Condition Works				500	500	500	1,500
Property Refurbishment Programme					750	750	1,500
Fire Improvement Works					750	750	1,500
HRA Affordable Housing Acquisitions Programme				1,500	1,500	1,500	4,500
HRA Future Investment Programme					6,160	6,160	12,320
HRA Right to Buy - Buybacks Refurbishment		325	325	325	325	325	1,625
Tree Planting							-
Better Queensway - Additional Affordable Housing							10,000
Better Queensway Housing and Commercial Property acquisitions							19,925
Regeneration Pipeline Schemes							-
Strategic and Regeneration Acquisitions							10,380
Private Sector Housing Strategy							785
ICT - Transformation							-
Coastal Defence							-
Cliffs Stabilisation							-
Shoebury Health Centre							-
East Beach Masterplan							-
Town Centre and Seafront Security Works							-
Civic Centre Campus Masterplan							-
Cliffs Pavilion Refurbishment and Remodelling							2,000
Seafront Illuminations							-
Re-imagination of the Town Centre							-
Museums Collection Store							-
Seaway Leisure							10,000
Schools and Council Buildings Solar PV							346
Solar PV Projects							936
School Improvement and Provision of School Places							400
TOTAL SCHEMES SUBJECT TO VIABLE BUSINESS CASES (plus investment yet to be costed):							106,717

Will be profiled across the years as and when viable business cases are agreed

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SOUTHEND-ON-SEA BOROUGH COUNCIL
MINIUMUM REVENUE PROVISION POLICY 2022/23

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 for Levelling Up, Housing and Communities 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 2022/23 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 2022/2023

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. CIPFA published their updated 2021 edition of the Prudential Code on 20th December 2021. Although the updated Code applies with immediate effect, due to the late publication date, CIPFA has allowed Local Authorities to defer introducing the revised reporting requirements until the 2023/24 financial year. These include changes to the prudential indicators. Given the flexibility allowed by CIPFA, the following Prudential Indicators have been updated as far as time constraints would allow. However, they will be subject to further update in order to fully comply with the 2021 Prudential Code by 31st March 2023.
- 1.2 Individual authorities are responsible for deciding the level of their affordable borrowing, having regard to the CIPFA code, (which has legislative backing). Prudential limits apply to all borrowing, qualifying credit arrangements (e.g. some forms of lease) and other long term liabilities. The system is designed to encourage authorities that need, and can afford, to borrow for capital investment to do so.

2 CIPFA Prudential Code for Capital Finance in Local Authorities

- 2.1 The Code has been developed to support Local Authorities in taking capital investment decisions and to ensure that these decisions are supported by a framework which ensures proportionality, prudence, affordability and sustainability. The Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources.
- 2.2 Another objective of the Code is that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation. The rationale behind these concepts is set out in the code.
- 2.3 To demonstrate compliance with these objectives of proportionality, prudence, affordability and sustainability each local authority is required to produce a set of prudential indicators. These indicators are designed to support and record local decision making and are not for comparison with other authorities. The setting and revising of these indicators must be approved by Cabinet and Council.
- 2.4 In setting or revising its prudential indicators, the local authority is required to have regard to the following matters:
- service objectives (e.g. strategic planning);
 - stewardship of assets (e.g. asset management planning);
 - value for money (e.g. options appraisal);

- prudence and sustainability (e.g. risks, whole life costing and implications for external debt);
- affordability (e.g. implications for long-term resources including the council tax);
- practicality (e.g. achievability of the forward plan).

3 Prudential Indicators for Prudence

3.1 Estimates of Capital Expenditure to be Incurred

3.1.1 This is an estimate of the total amount of investment planned over the period. Not all investment necessarily has an effect on the Council Tax. Schemes funded by grant, third party contributions or by capital receipts mean that the effect on the Council Tax is greatly reduced.

	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000
To be delivered by the Council:					
General Fund	60,880	16,446	8,326	7,558	4,600
Housing Revenue Account	13,494	6,597	1,909	0	0
To be delivered by Subsidiary Companies, Partners and Joint Ventures:					
General Fund	14,200	9,500	3,250	3,250	0
Housing Revenue Account	7,883	6,887	6,348	0	0
Total	96,457	39,430	19,833	10,808	4,600

3.2 Estimate of the Capital Financing Requirement

3.2.1 Each year, the Council finances the capital programme by a number of means, one of which is borrowing. The capital financing requirement represents the cumulative amount of borrowing that has been incurred to pay for the Council's capital assets, less amounts that have been set aside for the repayment of debt over the years (i.e. Minimum Revenue Provision and Reserved Capital Receipts).

The estimates for the capital financing requirement are:

	Estimate 31st March 2023 £000	Estimate 31st March 2024 £000	Estimate 31st March 2025 £000	Estimate 31st March 2026 £000	Estimate 31st March 2027 £000
General Fund	327,745	341,007	353,355	364,820	375,317
Housing Revenue Account	99,091	99,091	99,091	99,091	99,091
Better Queensway senior lender (indicative)	0	0	0	30,000	30,000
Total	426,836	440,098	452,446	493,911	504,408

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.

3.3 *Operational Boundary and Authorised Limit 2022/23 to 2026/27*

3.3.1 The Council must set an operational boundary and authorised limit for its total gross external debt, separately identifying borrowing from other long-term liabilities. The operational boundary is how much gross external debt the Council plans to take up, and reflects the decision on the amount of debt needed for the Capital Investment Programme for the relevant year. The authorised limit is higher than the operational boundary as it allows sufficient headroom to take account of unusual cash movements. If at any time during the year, it is likely that this limit will be breached it will be reported to members as soon as possible and the Leader advised immediately.

Operational boundary	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000
Borrowing	381,400	391,600	396,700	406,900	397,200
Liabilities outstanding under credit arrangements	3,600	3,400	3,300	3,100	2,800
Better Queensway – senior lender (indicative)	0	0	0	30,000	30,000
Total	385,000	395,000	400,000	440,000	430,000

Authorised Limit	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000
Borrowing	391,400	401,600	406,700	416,900	407,200
Liabilities outstanding under credit arrangements	3,600	3,400	3,300	3,100	2,800
Better Queensway – senior lender (indicative)	0	0	0	30,000	30,000
Total	395,000	405,000	410,000	450,000	440,000

3.4 *Gross Debt and the Capital Financing Requirement*

3.4.1 Gross external debt is long term external debt (e.g. PWLB loans taken out), short term borrowing from other Local Authorities and credit arrangements relating to finance leases. The estimates for the external debt are:

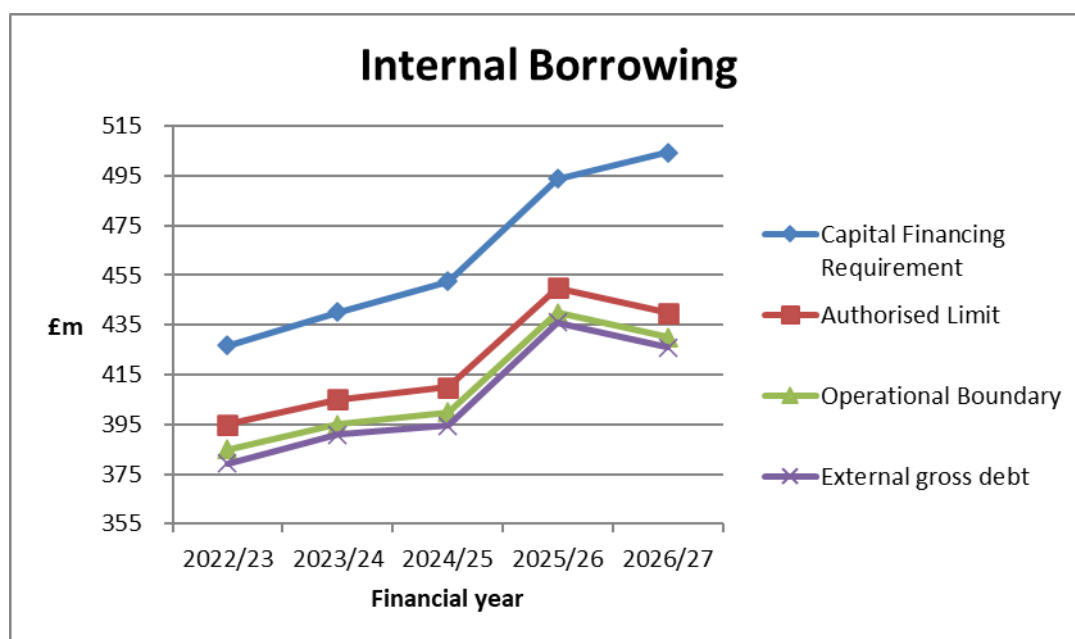
	<i>Estimate 31st March 2023 £000</i>	<i>Estimate 31st March 2024 £000</i>	<i>Estimate 31st March 2025 £000</i>	<i>Estimate 31st March 2026 £000</i>	<i>Estimate 31st March 2027 £000</i>
External gross debt	379,154	390,765	394,458	436,020	426,000

3.4.2 Under the Prudential Code, gross external borrowing must not, except in the short term, exceed the total of the capital financing requirement for the previous year, plus any additional amounts for the current year and the next two financial years. This means that gross external borrowing cannot exceed £452.446m at 31 March 2023, £493.911m at 31 March 2024 and £504.408m at 31 March 2025.

4 Prudential Indicators for Affordability

4.1 Internal Borrowing/Interest Rate Risk

4.1.1 The graph below shows the estimated Capital Financing Requirement, Authorised Limit, Operational Boundary and levels of external borrowing over the next five years.



4.1.2 The gap between the Capital Financing Requirement and the levels of external debt illustrates the level of internal borrowing. This reflects the Council's exposure to interest rate movements equivalent to the interest lost on investment income. Also, when the borrowing is taken out the rate will be dependent on the prevailing economic and market conditions at the time. This is a risk if PWLB rates rise significantly. For every 1 basis point (0.01%) increase in rates the interest paid on borrowing £10m for 50 years rises by £50,000 over the life of the loan. A 1% increase in rates on a £10m loan would increase the cost to £5m over the life of the loan.

4.1.3 The gap between the Capital Financing Requirement and the Operational Boundary/Authorised Limit highlights the potential scope and flexibility to borrow further, if the cash flow and treasury management position allows.

4.2 *Estimates of the Proportion of Financing Costs to Net Revenue Stream*

4.2.1 This indicator records estimated capital financing costs as a percentage of the net revenue stream.

4.2.2 Capital financing costs are the revenue cost of financing the debt which includes the interest payments and the amount set aside annually to repay debt. 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 2022/23 %	Estimate 2023/24 %	Estimate 2024/25 %	Estimate 2025/26 %	Estimate 2026/27 %
General Fund	15.05	15.58	15.90	16.30	16.69
Housing Revenue Account	38.20	38.68	39.02	39.09	40.57

5 Prudential Indicators for Treasury Management

5.1 *Maturity Structure of Borrowing during 2022/23*

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 2022/23.

	Upper limit %	Lower limit %	Estimated outstanding debt maturity at 31st March 2023 %
Under 12 months	20	0	0
12 months and within 24 months	30	0	0
24 months and within 5 years	40	0	9
5 years and within 10 years	60	5	19
10 years and within 20 years	100	15	22
20 years and within 30 years	100	0	3
30 years and above	80	20	47

5.1.2 The percentages in each category for the upper and lower limits do not add up to 100% as they do not represent an actual allocation.

5.1.3 The actual maturities of new borrowing will be decided taking account of the maturities of existing loans and the interest rates for the various maturity periods available at the time.

5.2 Total Principal Sums Invested for Periods over 365 Days

5.2.1 A large part of the Council's investments are managed by external fund managers. However, a working cash balance is also managed internally within the Council. Part of this cash balance is utilised to smooth out the day to day movements on the cash flow. It is not therefore the intention that this part of the balance would be invested for more than 365 days. The rest of the cash balance is invested to achieve the optimum returns consistent with the effective control of risk.

5.2.2 This indicator sets a prudential limit for principal sums invested for periods over 365 days. The following limits are for principal sums invested in-house:

	Estimate 2022/23 %	Estimate 2023/24 %	Estimate 2024/25 £m	Estimate 2025/26 £m	Estimate 2026/27 £m
Limits on the total principal sum invested to final maturities beyond the period end	25	25	25	25	25

Appendix 17: Summary Equality Analysis supporting budget proposals – 2022/23 to 2026/27

Outlined below is a summary equality analysis which supports budget proposals for 2022/23 and beyond which may have an equality impact for groups with “protected characteristics”. Findings highlight where a more detailed equality analysis (EA) 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 EA. Proposals should be cross referenced for more information, including levels of saving/investment and indicative timescales.

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
Pride and Joy		
Saving Proposals and Income Generation		
PJ02-SP	<p>Expectation of saving from waste disposal procurement Reduce the Council's waste disposal burden by running a procurement for the disposal of non-recyclable waste, currently sent to landfill. Soft market testing already performed has indicated a good level of interest in the market, offering Value for Money, capacity and environmentally sustainable solutions, e.g. energy from waste (EFW) and solutions that deliver carbon benefit.</p>	<p>Full EAs 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.</p> <p>Particular consideration should be given to older people and those that are disabled and potentially have conditions that result in hazardous waste and disposal of sharp materials. Or if any potential new site is within the borough and could impact on local residents an EA would be required to identify the impact on any of the protected groups.</p> <p>If waste collections remain the same, and the change is only what happens to the waste once collected, providing the proposed site is out of borough, there will be no</p>

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
		change to local citizens service delivery, therefore an EA will not be required.
PJ03-SP	<p>Review of Cemeteries and Crematorium fees and charges It is important to ensure that our fees and charges are regularly reviewed and are kept in line with other providers. Indications are that we are currently below similar authorities and an increase is therefore advisable. For a schedule of proposed changes see Appendix 9.</p>	A full EA will be required, and consideration given to the impact on various protected groups, particularly older people, disabled people, carers and the economically deprived.
Safe and Well		
Investments		
SW01-UP	Adult Demographic Change, £1.080m	Full EAs will be needed for these proposed investments to ensure that the needs and impact on protected groups are taken into account, with a particular focus on older people, people with disabilities, young people, carers, gender (sex) and BAME groups.
SW02-UP	Adult Social Care Provider Uplifts - Residential, Supported Living, Day Services, £2.161m	
SW03-UP	Adult Social Care Provider Uplifts - Direct Payments, £0.806m	
SW04-UP	Essential Living Fund, £0.117m	
SW05-UP	Safeguarding Board Investment, £0.03m	
SW06-UP	Independent Health Complaints Advocacy, £0.03m	
SW07-IA	Adult Social Care Provider Uplifts – Homecare, £1.316m	
SW08-IA	Adult Social Care Provider Uplifts - Residential Care Legacy Rate, £0.125m	

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
Saving Proposals and Income Generation		
SW15-IS	<p>ABLE2 Team</p> <p>Able 2 is an innovation site that has adopted an Occupational Therapist led approach whereby care is observed, and conversations are focussed on the person’s aims for excellence in care and living their life as independently as possible. Focussing on what is important to the person, what strengths and goals they have and what may need to be changed has resulted in care being replaced with new equipment or advice and new methods or change in care calls (generally reductions).</p> <p>The reduction in care packages has freed up care capacity which can then be offered to other individuals as well as resulting in a saving to the care purchasing budget.</p> <p>One year investment of £60,000 to continue an OT post will generate savings of £150,000 each year.</p>	<p>A full EA is required as the reduction in care packages has the potential to impact on existing and new service users from multiple protected groups disproportionately, particularly older people, people with disabilities and carers.</p> <p>Also, a greater reliance on new technology may have a detrimental impact on those with limited digital skills and the economically deprived who may not have access to the necessary technology and the people supporting them which will need to be explored through the EA.</p> <p>There is also a staffing implication that may result in the requirement of an EA.</p>
SW16-IS	<p>Learning Disability Services Transformation</p> <p>We will work with people with learning disabilities to transform services so that they are local, strengths based, and independence n focused, bringing people back to the borough and enabling them to live in their local community. This will be combined with a focus on effective service pathways and tighter control of contracts and frameworks.</p> <p>It is expected this will generate £300,000 of savings each year, with an initial investment of £75,000 in the first year.</p> <p><i>This figure includes the agreed saving from 2020/21 with reference SW05.</i></p>	<p>A full EA will be required for this change as it will potentially greatly impact on the protected group of disability, particularly those with learning disabilities, those with dual diagnosis with mental health/dementia, older people, young people and their carers.</p> <p>EAs will be required at each stage of the project as it develops.</p>

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
SW17-IS	<p>Shared Lives Expansion Shared Lives Schemes offer people with learning disabilities the chance to live in ordinary family homes. This investment will expand the Southend Care Limited Shared Lives Scheme, enabling the service to grow by four long term placements per year (plus two placements over the term). This will deliver a better life for people in the placements, and a saving to the council as shared lives placements are at a lower cost than equivalent other placements.</p>	<p>A full EA will be required as this is potentially a change of service for people using the Shared Lives service, that will impact on current and potential service users and their support networks spanning numerous protected groups including older people, people with disabilities, LGBTQ+, gender reassignment, carers and young adults (under 25).</p> <p>There are also implications for staffing which are likely to require a full EA.</p>
SW18-IS	<p>Commercial Improvement Commercial negotiation and contract reviews with key providers to deliver efficiencies and an increased commercial focus.</p>	<p>There is likely to be no EA requirement for this proposed change as the saving is not likely to be generated from a service change and is instead generated from alteration in contract prices and arrangements, if this does progress and change scope to become a service change an EA would be required.</p> <p>If posts created are anticipated to be filled via the talent pool, there may be EA considerations to ensure equal opportunity and access.</p>
SW19-IS	<p>Enhanced In-house Foster Care Offer There has been a decline in the availability and quality of local in-house fostering households over the past couple of years this investment will support the reverse of this trend and allow local children/young people to be placed with high quality local foster carers. Due to the decline within the Council's own fostering provision the number of external placements have increased, we are using more independent fostering agencies and more residential placements.</p>	<p>A full EA will be required as this is a significant change in service for existing and new foster placements, impacting on many of the protected groups including pregnancy/maternity, LGBTQ+, gender reassignment, gender (sex), early years and young people, people with disabilities, their support networks, carers and those that are economically deprived.</p> <p>Some consideration will need to be given to reduce the impact of a two-tier system where some children/young people placed before this change is potentially introduced being placed out of borough, and possibly experiencing</p>

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
	<p>Often where external provision is used children/young people are placed at a distance from the Borough – this is not in keeping with legislation nor our own values and principles. The invest to save proposal will enable us to provide a better financial/support offer to current foster carers but will also attract new carers to the service thus reducing the dependency of private high-cost providers.</p> <p>Investment of £250,000 will generate a saving of £250,000 in the same year, increasing by £150,000 in each of the following three years.</p>	<p>worse outcomes than those placed following the change being implemented.</p>
SW20-IS	<p>Moving Traffic Enforcement</p> <p>This investment will enable us to be proactive in our approach to parking enforcement and parking operations across the borough. This would include moving traffic enforcement cameras, to improve compliance at locations with banned turns/no entry/box junctions etc., and safety initiatives around schools, to improve compliance in the immediate vicinity of schools.</p> <p>The proposal assumes that there will be amendments made in parking legislation which will create parity to that in London. To adopt such powers, SBC will be able to introduce enforcement that will proactively seek to improve compliance.</p> <p>Moving traffic enforcement has been actively and effectively carried out in London for well over 10 years. There is an abundance of evidence which demonstrates that some non-compliance continues but that fixed enforcement cameras do see driver behaviour improve, acting as a deterrent and in turn improving the safety for all other drivers and pedestrians.</p> <p>Investment of £100,000 in year one which is expected to result in £100,000 income from fines for non-compliance each year</p>	<p>Full EA required as this change may impact disproportionately on many protected groups such as older people, people with disabilities trying to get to key appointments, carers, young people newly driving, parents and residents living close to schools and people with English as a second language, who may find interpreting this change challenging.</p>

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
	from year two. From 2023/24 the activity is expected to at least break even.	
SW25-SP	<p>Electronic Time Monitoring for Homecare Expansion of the existing electronic time monitoring system for homecare providers, including shifting new providers into using the service, moving to mobile entry, and expanding outcomes recording will generate efficiencies in homecare delivery. <i>This saving is dependent on SW07-IA.</i></p>	A full EA will be required as there is potential for a change of service, which may have a greater impact on older people, those with disabilities and people newly discharged from hospital, others dependant on home care and their carers and wider support unit.
SW26-SP	<p>Disabled Facilities Grant and Equipment The equipment service provides an essential function - providing people small pieces of equipment that are essential to independent living. This saving is generated by increased NHS contributions to the cost of the service, with a 50% funding from each partner in place, and the use of the Disabled Facilities Grant to fund elements of the service. Linked to 2021/22 Budget Transformation Programme, reference BTP-SW03.</p>	There is no EA requirement for this change, as the saving outlined is not generated from a service change, that would impact on any of the protected groups, it is instead generated from alteration in funding sources and arrangements. The service delivered to citizens remains unchanged.
SW27-SP	<p>Increased Client Contributions The Care Act allows local authorities to charge people a fair contribution towards the cost of care. In any financial assessment individual circumstances will continue to be taken into account. People are only charged when they can afford to pay all or part of the actual cost of their care. No one will pay more the care actually costs the council to deliver. Each year the cost of care rises as a result of increased payments to providers, and the amount people have to pay for care also increases.</p>	A full EA would be required as whilst this increased charge will be applied equally across all service users, the impact on some protected groups may be greater, based on their household income. This would particularly be the case for those in economic deprivation, older people, young people, and disabled people on low incomes, or those with savings above the legally specified eligibility limits. As we have an aging population with the majority of 85+ year olds being female, gender would be a consideration also.

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
	These two factors, together with assumptions about the increase in the aging population mean we are assuming increased charging income in future years.	Consultation will need to be undertaken with service users, families, providers, advocacy services and voluntary sector.
SW28-SP	<p>Early Help staffing review</p> <p>Our commitment at the Early Help Single Front Door (EH SFD) is to provide children and families with help as soon as needs present themselves, regardless of age, to prevent those needs from escalating and requiring more intensive help and support later.</p> <p>Co-location of teams has proved very successful over the last three years and during this time the EH SFD has become more of an administrative role than a decision making one. The saving is achieved through a small restructure re-aligning management resource to a front-line worker.</p>	A full EA would be required as there is a proposed staffing 'restructure'. The EA needs to consider whether the changes results in a disproportionate impact on any of the protected groups, and how those impacts are mitigated as far as reasonably possible.
Opportunity and Prosperity		
Investments		
OP01-IA	Planning Graduates, £0.08m	A full EA is required for changes that will potentially have an impact on citizens or staff, additionally consideration needs to be given throughout the EA process on accessibility so that all protected groups can attend and enjoy the programme of events, along with other citizens. Economic Recovery plans will likely need a full EA at each stage, to ensure that the needs of all protected groups, particularly those that are economically deprived or in low-income households, are fully considered and the impact is mitigated as far as is reasonable.
OP02-TR	Economic Recovery, £0.2m	
OP03-TR	Events 2022 Programme, £0.1m	

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
Saving Proposals and Income Generation		
OP04-SP	Advertising on council waste assets Sale of advertising space on litterbins, waste vehicles, public toilet cubicles and other assets.	Full EA needed to ensure that the messaging is accessible to all and is available in different formats to meet the differing needs of all protected groups.
Connected and Smart		
Investments		
CS01-UP	ICT increase in annual support / maintenance costs, £0.2m	No EA will be required if this is an internal improvement project, with upgrades to software etc. However, if the changes impact on specialist equipment/technology to support for example disabled people, an EA will be required. Training in multiple formats should be considered if new software is to be implemented widely to staff, to ensure all protected groups have access which best meets their needs.
Saving Proposals and Income Generation		
CS02-IS	Public Interface Transformation The proposal is to review the operation of some of the most labour intensive and frequent enquiries/transactions with Southend residents related to traffic and highways. Once the processes are fully mapped out, a lean approach will be used to develop investment cases for: 1) Improvements to the MySouthend portal – allowing public to find answers to most traffic and highways service-based questions	Full EA would be required as there may be a greater impact on many of the protected groups such as older people, people with disabilities, people with limited digital skills, those in economic deprivation and limited/no access to technology, people from BAME backgrounds with English as a second language. EA will need to identify the different formats this process will need to be available in, to meet the needs of the

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
	<p>2) Artificial intelligence (AI) – allowing automation of frequent transactions/interaction</p> <p>3) Customer engagement officer – key contact where technical input is required outside the scope of 1) & 2) above.</p> <p>4) Customer relationship officer – this role would be used to support 1,2 and 3 above, including AI automation, self-service and using methods such as social media to identify ‘education’ opportunities to promote greater self-service and reduce calls on the service. The investment to review the process and develop the AI automation will take place in the first 12 months, as will our support of the SBC project to redevelop the MySouthend portal. The customer relationship role will also start in year one, with the engagement officer in year two. The following year will start to see the improvements and savings as detailed above.</p>	<p>various protected groups, to reduce the disproportionate impact as far as possible.</p> <p>A full EA will also be required for the staffing impact.</p>
CS03-IS	<p>Highway Improvements</p> <p>The key to effective asset management is data; the more we have, the better the results that can be delivered. With improved data we can become much more proactive in our approach and spot defects early or even predict where they might occur in the future. The Highways Improvement process hopes to utilise this approach by not only reducing the poor condition of our network but working proactively in producing integrated schemes that address multiple issues, target areas of decline before they reach a poor state and develop a better street scene. All these schemes are intended to deliver greater value for money, reduce disruption to residents and reduce our carbon footprint.</p> <p>This investment will allow the expansion and improvement of condition surveys to cover all network assets, as well as the integration of other data, e.g. footfall data.</p>	<p>No EA is required if this change doesn’t impact on citizens and solely involves the use of data, and how it is proposed to be used to identify areas of work.</p> <p>However, this automated process will need to evidence that it would be assessing the needs of all protected groups, such as assessing a defect for a person with disabilities or with accessibility issues, or as a carer of a young child, rather than the needs of a regular able-bodied pedestrian.</p>

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
CS04-SP	<p>Pay & display tariff standardisation</p> <p>After the significant piece of work undertaken to create parking zones across the Borough to standardise parking charges within similar areas in 2021/22, it is now proposed to simplify them even further by standardising the hourly rate in zone 1a which reflects the same approach as all other zones across the Borough. This will provide a standard approach across the Borough where the relevant hourly charge applies for each hour within the appropriate zone.</p> <p>For a schedule of charges for zone 1a see Appendix 9.</p>	<p>A full EA would be required to explore any potential impact on any of the protected groups for this proposed change, particularly people with disabilities, the economically deprived and people from BAME backgrounds that have English as a second language.</p>
CS05-SP	<p>Zone 1A Car Park charge extension 6pm to 9pm</p> <p>To alleviate parking pressure for the night-time economy, the applicable charging times in zone 1a will be extended from 6pm to 9pm. This will ensure that parking provision is not abused, and safe standards are maintained. This proposal is applicable across all zone 1a car parking facilities except for Shorefield Road car park and Cliffs Pavilion Underground, which will remain chargeable to 6pm only.</p>	<p>Full EA required for this suggested change, as there is potential for a greater impact on some of the protected groups, particularly BAME groups who have English as a second language, as signage changes may be more challenging, as well as people with disabilities, older people and the economically deprived that may be disproportionately impacted by the proposed changes.</p> <p>People with mobility issues are more likely to park close to the seafront, for walks and leisure activities, and will therefore be affected more greatly by the changes to parking charges in this area, these groups also often have limited resources, making the impact greater also.</p>
CS06-SP	<p>Reduction of concessionary fares support to match usage</p> <p>Currently paying at pre-covid levels of usage. Over the next few years, we can adjust the payments to meet current actual usage levels. This is in line with the payment calculator method. However, if ridership returns to at or near pre-covid levels then the concessionary fare payments will increase.</p>	<p>A full EA would be required for this proposed change, as concessionary fees are likely to greatly affect older people, people with disabilities and the economically deprived.</p> <p>Similarly, a full EA would also be needed if this project develops into a generic concessionary fare increase.</p>

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
Future Ways of Working		
Investments		
FW01-UP	Pay and Increments, £3.650m	<p>If pay and increments and the inflation provision are applied equally throughout the organisation an EA will not be required as there would be no disproportionate impact to any protected group.</p> <p>Similarly, the Investment, Income and Financing Costs as well as the rightsizing of GF Council Tax Budget Review will only need a full EA at the stage where there is a potential or probable impact to staff or citizens.</p> <p>A full EA will be needed if the income to schools affects pupils directly, to identify any impact to people from the protected groups such as young people, disabled people, carers and the economically deprived.</p>
FW02-UP	Inflation Provision, £0.6m	
FW03-UP	Investment, Income and Financing Costs Review, £1.204m	
FW04-IA	Loss of school's income across a range of services, £0.25m	
FW05-IA	Rightsizing of GF Council Tax Budget, £0.2m	
Saving Proposals and Income Generation		
FW06-SP	<p>Increased fees & charges yield</p> <p>To increase fees & charges by October 2021's Consumer Price Index of 4.2% unless they are already being changed significantly, as detailed elsewhere in the budget papers.</p>	<p>A full EA is required as this increase could impact on people from protected groups disproportionately, particularly those on low household incomes, the economically deprived, older people, people with disabilities, young people, the unemployed, pregnant women/new mother, asylum seekers and those that are Just About Managing (JAMs).</p> <p>Those on low incomes would have had welfare benefit/pay increases that are likely not in line with inflation/cost of living so they will be impacted greater than those on higher income households, with more disposable income.</p>

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
FW07-SP	<p>Housing Benefit & Council Tax verification software Removal of Risk Based Verification software for the processing of Housing Benefit (HB) and Council Tax Reduction (CTR) claims.</p> <p>This will provide a faster turnaround on processing HB and CTR applications ensuring vulnerable residents receive the support they need in a timely manner.</p> <p>This change will remove unnecessary contact and processes for the resident and reduce bureaucracy. The minimal risk that a fraudulent claim could be submitted is considered to be mitigated by our involvement in the national fraud initiative (NFI) and HB award accuracy scheme (HBAA).</p> <p><i>Linked to 2021/22 Budget Transformation Programme, reference BTP-ES01.</i></p>	<p>Full EA required as the change to the new software would potentially impact on a number of protected groups such as those that are economically deprived, people with disabilities, older people, women that are pregnant/new mothers, asylum seekers and others entitled to Housing Benefits and Council Tax Benefits.</p>
FW08-SP	<p>Financial Services staffing review An update to the Financial Services staffing structure has released establishment budget.</p> <p>The new structure has been designed to support the new Senior Management structure of the Council more effectively and build on the inherent strengths of the previous arrangements, ensuring greater integration and synergy, increasing resilience whilst also building new capabilities and expertise. Modernising the historical structural arrangements also provides greater clarity of purpose and clear accountability which will enable the finance team to respond more positively and effectively to new demands and requirements.</p> <p><i>Linked to 2021/22 Budget Transformation Programme, reference BTP-ES03.</i></p>	<p>A full EA is required as this ‘restructure’ could potentially impact on staff from various protected groups, this needs to be identified and mitigated as far as is reasonably possible.</p>

Theme ref.	1. Revenue proposals – 2022/23	Equality analysis
FW09-SP	<p>Council Tax Base additional increase 0.28% The number of Band D equivalent properties in the Council Tax Base has increased by 0.78% in 2021/22, against the original estimate of 0.5%. This saving represents the increased amount of Council Tax which we expect to collect as a result.</p>	<p>A full EA is required as this increase could impact on people from protected groups disproportionately, particularly those on low household incomes, the economically deprived, older people, people with disabilities, young people, the unemployed, pregnant women/new mother, asylum seekers and those that are Just About Managing (JAMs).</p> <p>Those on low incomes would have had welfare benefit/pay increases that are likely not in line with inflation/cost of living so they will be impacted greater than those on higher income households, with more disposable income.</p>

Theme ref.	2. Capital proposals	Equality analysis
Proposed Additional Investment into the main Capital Investment Programme		
CS-C1	<p>East Beach Car Park – Phase 1 This investment is to widen the existing vehicular entrance/exit and install a height barrier and vehicle flow plates. The footway entrance would be improved to include street lighting and improved access for pedestrians and cyclists. The car parking area would be future proofed to ensure that Electric Vehicle Charging can be accommodated.</p>	Full EA is required to ensure that all the needs of all protected groups are considered, as part of these changes, such as multiple accessibility needs, wider parking bays/footpaths for carers of young children and people with disabilities.
CS-C2	<p>ICT – Smart Council This investment is for the equipment and application and infrastructure licences for the 22/23 financial year to enable the project to progress whilst the necessary business cases and governance processes are being worked through for the rest of the project. This investment is in addition to the budget request of £146,000 for the approved capital investment programme in 21/22.</p>	<p>Full EA is required as the implementation of Smart Council whilst delivering most efficient, tailored services may impact disproportionately on some of the protected groups, such as people with disabilities, those using specialist equipment for wellbeing or health conditions, staff with limited digital skills and those staff in frontline roles with limited access to technology.</p> <p>Alternative access and support to services for those unable to use on-line systems will need to be assessed and provided.</p>
<u>FW-C3</u>	<p>Priority Works This investment is to ensure a further £600,000 annual budget is available to deal with any urgent or priority works to Council owned assets that may arise during the year.</p>	A full EA would likely be required for any project affecting citizens or staff. This could be identified at project scoping/initiation stages.
<u>CS- C4</u>	<p>Footways Improvements 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. The programme of works includes some of the highest priority pavements that need repair, across a range of</p>	Full EA would be required to ensure that protected groups are not impacted disproportionately, specifically those with mobility issues, increased access requirements, people with disabilities, carers of young children, carers, pregnant women/maternity and people with English as a second language, who may have differing mobility/access needs, and potentially places to stop regularly, as well as signage in different formats.

Theme ref.	2. Capital proposals	Equality analysis
	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.	Access would need to be considered as a key feature in the works period also.
CS-C5	<p>Carriageways Improvements 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>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>	A full EA would be required as the specific needs of protected groups needs to be considered as part of this work, including the needs of keyworkers, people with disabilities, older people, newly qualified drivers, young people, pregnant women/maternity, residents of roads where planned work is planned in terms of access needs throughout the works.
Proposed Additional Investment Subject to Viable Business Cases – Rolling Programmes		
PJ-C6	<p>Southend Pier – Condition Works This investment is to deliver the ongoing planned approach to addressing the condition works and bearing refurbishment identified within the condition survey. This proactive approach reduces the requirement for urgent and/or reactive condition works and ensures the integrity of this landmark structure that helps drive millions of visitors to Southend-on-Sea each year.</p>	Full EA required to ensure that the needs of all protected groups are considered when agreeing any works to the Pier, particularly in terms of access for people with disabilities, carers of young children, older people, those with English as a second language and people that are in economic deprivation.
PJ-C7	<p>Coastal Defence Refurbishment Programme This investment is to deliver a planned approach for the essential refurbishment works to the borough’s coastal defences. This proactive approach reduces the requirement for urgent and/or reactive condition works.</p>	<p>Full EA required to ensure that the needs of all protected groups are considered when agreeing coastal defence works, particularly in terms of access for people with disabilities, carers of young children, older people, those with English as a second language and people that are in economic deprivation.</p> <p>A full EA should be considered for each project at the scoping/initiation stage.</p>

Theme ref.	2. Capital proposals	Equality analysis
CS-C8	Footways Improvements Additional funding to support C4 above	See C4
CS-C9	Carriageways Improvements Additional funding to support C5 above	See C5
OP-C10	Schools – Condition Works This investment is for condition works at Children Centres and emergency works at schools. These are mainly larger, urgent projects to be agreed between the Council’s property team and head teachers.	A full EA would be required as this potentially impacts greater on young people, people with disabilities, carers, early years, pregnant women/maternity, keyworkers, BAME groups and those living in economic deprivation. There is potential for impact to local residents also, in terms of access and noise levels.
FW-C11	Property Refurbishment Programme This investment is to enable the Council’s Property and Estate Management service to take a proactive approach to maintaining the buildings for which it is responsible. This will ensure investment is made in the fabric and services within building before they get to a stage that capital works become urgent or have a detrimental impact on service users’ use of the building or leads to urgent repairs and maintenance works which are usually more costs long term.	Depending on the project planned a full EA is likely to be required to ensure the need of all protected groups are considered in the planning of works, particularly for older people, people with mobility issues, people with disabilities, young people, BAME groups, pregnant women/maternity and carers. Access throughout the period of works would be a key consideration also. EAs should be considered at the Project Scoping/Initiation Stage.
FW-C12	Fire Improvement Works This scheme is for the implementation of fire safety and associated compliance works across the Council’s corporate property estate arising as a result of any changes to building regulations and/or other standards or updated fire risk assessments.	A full EA is required, as this will likely affect many residents, spanning many protected groups, including those with disabilities, mobility issues, older people, young people, BAME Groups, those with English as a second language, pregnant women/maternity, carers, those that are economically deprived and keyworkers. Access and clear messaging in multiple formats are key considerations also.

Theme ref.	2. Capital proposals	Equality analysis
SW-C13	<p>HRA Affordable Housing Acquisitions Programme Housing is a clear priority of this council and through purchasing suitable private homes for council use, the acquisitions programme is already helping to ensure that everyone has a home that meets their needs, including those with complex needs.</p>	<p>Good quality homes are an important social determinant of health. A full EA is required, as this programme will affect many residents spanning the protected groups, including the economically deprived, those with disabilities, mobility issues, older people, carers, families and those who require physical adaptations to their homes to meet their needs.</p>
SW-C14	<p>HRA Future Investment Programme The investment relates to</p> <ul style="list-style-type: none"> • continuing of the Decent Homes programme to keep the housing stock at decency levels; • common area improvements; • environmental health and safety works; 	<p>Good quality homes are an important social determinant of health. A full EA is required to ensure that elements such as the common area improvements works consider the needs of each of the protected characteristic groups. Consideration should be given to the particular needs of those with disabilities, mobility issues, older people, young people, BAME Groups, those with English as a second language, pregnant women/maternity, carers, and those that are economically deprived.</p>
SW-C15	<p>HRA Right to Buy – Buybacks Refurbishment This investment is to support the continuation of the programme to buy back ex-council houses and other properties to increase the stock on the housing register. These funds would be used to refurbish the properties that are purchased in order to bring them up to Decent Homes standard.</p>	<p>Good quality homes are an important social determinant of health. A full EA is required to ensure that refurbishments work meet the needs of residents spanning the protected groups. Consideration should be given to the particular needs of those with disabilities, mobility issues, older people, young people, and carers.</p>

Ref no.	3. Agreed Savings from Prior Year (2021/22)	Equality Analysis
PY-SW01	<p>Review of Supported Accommodation & Supporting People contracts, to ensure they are targeted, effective and best meet the needs of adults.</p> <p>Developing a better and more agile housing offer to provide clear targeted pathways of support for people living with mental health and learning disabilities.</p>	<p>Full EAs 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.</p>
PY-SW02	<p>Commercial negotiation and contract reviews with key providers to deliver efficiencies and an increased commercial focus.</p>	<p>Full EAs will be required for each contract change that impacts on the community or staff, to establish any impact on any of the protected groups, so this can be mitigated as far as is possible.</p>
PY-SW04	<p>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.</p>	<p>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.</p>
PY-SW06	<p>Mental health social work support for people in Southend is delivered by EPUT under a section 75 agreement. This is a standard partnership agreement. The current agreement has not been reviewed for some time and needs updating.</p> <p>We will work with EPUT to identify a shared way of delivering more effective and targeted support for people with statutory adult social care needs in relation to their mental health. We will also work to increase the focus on the delivery of prevention and support for the general population. We will develop these plans through coproduction and in light of changes patterns of both demand and support. This will take into account increased availability of community and voluntary sector delivered services.</p>	<p>Staffing and potential service impact EIA required for a service 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.</p>

<p>PY-SW07</p>	<p>The Care Act allows local authorities to charge people a fair contribution towards the cost of care. We will carry out a review of rates used to assess contributions to care, alongside the current policy in relation to partial disregards on disability benefits and our approach to personal allowances. We will use both local evidence and national guidance in relation to a fair and consistent way of ensuring parity in contributions towards the cost of care.</p> <p>In any financial assessment individual circumstances will continue to be taken into account. People are only charged when they can afford to pay all or part of the actual cost of their care. No one will pay more the care actually costs the council to deliver. Any policy changes will be subject to an equality assessment prior to implementation.</p>	<p>EA 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.</p>
<p>PY-SW08</p>	<p>The aim is a refresh of our Strength based approach to Social Care that focusses on what really matters to people, their families and their communities. The commitment to co-design through conversation, innovation and engagement recognising that people and families just want to get on with their lives and a strength based approach to conversations can significantly reduce their reliance on formal care.</p> <p>Our current model of social care support brings in people to service before they actually need them. This reduce both independence, self reliance, and ignores the capacity of our local community to support each other. We will move to a right time right care right person approach. This will reduce the overall delivery of funded care support for individuals by delaying the start of care until a person actually needs it, and by sustaining independence as long as possible.</p>	<p>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.</p>

PY-SW10	Explore the provision of CCTV monitoring services for other networks.	No specific EA requirement, as the monitoring of CCTV change is an internal change that wouldn't impact on citizens or staff, any more than at present.
PY-AI03	Further targeted integration of eligible expenditure and use of the Public Health grant to support Southend 2050 Ambitions and Outcomes.	EA will be required to support this change as it is likely to involve engagement and consultation with citizens and staff, which will span many of the protected groups.
PY-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.
PY-OP01	Introduce charging for Senior or Specialist Officer Attendance at Planning Pre-Application Advice Meetings.	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.
PY-OP02	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.
PY-OP03	Explore the potential sponsorship opportunities of a number of parks.	EA would be required if the use of parks, in terms of accessibility and value are in scope of the sponsorship, alongside any social value element.
PY-OP04	Ensure all parks buildings either have a lease or charged separately for usage.	No EA required at this stage as this is an internal administrative change, not impacting on the community or staff. However, as part of the investigation specific groups are newly charged this may require an EA if the relevant parties form part of a protected group.
PY-OP05	Review of Planning and Building Control Consultancy Service charges	No EA required as this is an internal facing administrative change, relating to consultancy charges.
PY-OP07	New rental income from the Costa Coffee development at the airport business park	No EA required as this relates to rental income received. However, the accessibility and social value elements would need consideration.
PY-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.
PY-CS04	Review of all Highways fees and charges	A full EA would be required as this proposed change will impact on citizens, including those in all the protected groups, so the impact would need to be assessed, particularly older people, BAME individuals with English as a second language, disabled people and those that are economic deprived.
PY-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) <i>The Council has intentionally externally borrowed less than it theoretical needs based on expert treasury management advice. Given the exceptional low borrowing rates that were available late in 2021 the Council did take the opportunity to borrow from the PWLB. The net position for financing costs fully incorporates this.</i>	No EA required as this is a saving for an internal event that didn't occur.
PY-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.	The elderly and those with learning disabilities are disproportionately at risk of digital exclusion when compared to other age groups, which should be considered.

	In 2021/22 £91,000 was removed from the budget, the planned reintroduction of 50% is reflective of the fact that some costs are expected to increase again with the easing of COVID-19 restrictions. This will remain under review.	
PY-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. This is the second half of a saving totalling £1m. The first £0.5m was removed from the budget in 2021/22.	Full EAs will be required at every stage of this project to assess the impact on staff from all protected groups, as well as the potential impact any proposed change may have on citizens spanning any of the protected groups. Many of the administrative staff involved in this review are female, in the older age ranges, and of the White British ethnicity group. Therefore, the impact is greater for this group, which also means there are opportunities to recruit people from other protected groups, to reduce the gaps.
PY-ES13	New income stream by securing a formal Laptop Disposal contract. An income target of £50,000 was introduced in the 2021/22 budget. The level of income is expected to fluctuate over the following years, driven by the need to upgrade the equipment staff have been issued with.	No EA required as this is an internal change, however any laptop/software rollout to staff would need to be considered for accessibility, support equipment for staff in protected groups such as translation and transcription software, as well as provision for specialised training that is accessible across all protected groups. These additional tasks are likely to require an EA.
PY-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.