

SOUTHEND-ON-SEA CITY COUNCIL

Meeting of Cabinet

Date: Tuesday, 13th February, 2024
Place: Committee Room 1 - Civic Suite

Present: Councillor T Cox (Chair)
Councillors M Davidson (Vice-Chair), H Boyd, K Buck, J Courtenay,
D Garston, J Lamb and J Moyies

In Attendance: M Marks, J Chesterton, C Gamble, C Ansell, M Harvey, A Keating,
A Richards, K Sawyer and C Shuter

Start/End Time: 6.30 pm - 7.00 pm

89 Apologies for Absence

Apologies for absence were received from Councillors Jarvis and Nelson.

90 Declarations of Interest

The following declaration of interest was made:

(a) Cllr Buck – Minute 93 (Budget Proposals 2024/25 to 2028/29) – Car park season ticket holder for a car park in the city.

91 Minutes of the meeting held Thursday, 9 November 2023

Resolved:

That the minutes of the meeting held on Thursday, 9 November 2023, be confirmed and signed as a correct record.

92 Minutes of the meeting held Thursday, 11 January 2024

Resolved:

That the minutes of the meeting held on Thursday, 11 January 2024 be confirmed and signed as a correct record.

93 Budget Proposals - 2024/25 to 2028/29

The Cabinet considered a report of the Executive Director (Finance and Resources) presenting the General Fund Revenue Budget and capital investment priorities for 2024/25. This item was considered by the Policy and Resources Scrutiny Committee.

On consideration of the budget report Councillor Buck drew attention to a number of amendments to the car parking fees and charges. The changes were reflected in revised Appendix 6b (fees and charges) which was circulated to all Councillors prior to the meeting.

Recommended:

1. That the Medium Term Financial Strategy for 2024/25 – 2028/29 (Appendix 1 to the submitted report) and the resulting Medium Term Financial Forecast and estimated Earmarked Reserves Balances up to 2028/29 (Annexes 1 and 2 to Appendix 1), be approved and any final minor changes/updates of the strategy be delegated to the Executive Director (Finance and Resources).
2. That the Section 151 Officer's statement on the robustness of the proposed budget, the adequacy of the Council's reserves and the Council's Reserves Strategy (Appendix 2 to the report), be noted.
3. That the appropriation of the sums to earmarked reserves totalling £8.778M (Appendix 3 to the report), be approved.
4. That the appropriation of the sums from earmarked reserves totalling £1.863M (Appendix 3 to the report), be approved.
5. That a General Fund Budget Requirement for 2024/25 of £150.075M and Council Tax Requirement of £103.495M (Appendix 4 to the report), be approved.
6. That it be noted that the 2024/25 revenue budget has been prepared based on using £1M from accumulated Collection Fund surpluses to support the core budget and to allow for a smoothing of the budget gap.
7. That a Council Tax increase of 4.99% for the Southend-on-Sea element of the Council Tax for 2024/25, being 2.99% for general use and 2.00% for Adult Social Care, be approved.
8. That the position of the Council's preceptors, be noted:
 - Essex Police – Council Tax increase of 5.55%
 - Essex Fire and Rescue Services – Council Tax increase of 2.91%
 - Leigh-on-Sea Town Council – Council Tax increase of 2.31%
9. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2024/25.
10. That the proposed General Fund revenue budget growth due to unavoidable cost pressures of £18.810M (Appendix 5 to the report), be approved.
11. That the proposed General Fund Revenue budget savings and income generation initiatives for 2024/25 of £14.595M (Appendix 6a to the report), be approved.
12. That the proposed General Fund revenue overspend reduction initiatives for 2024/25 of £2.795M (Appendix 7 to the report), be approved.
13. That the proposed General Fund revenue cost avoidance initiatives for 2024/25 of £1.840M (Appendix 8 to the report), be approved.

14. That the use of £100,000 for the Dementia Carer Support (Appendix 5 to the report), with the remaining balance of £1.617M of the additional one-off Social Care funding for 2024/25 received in the Final Local Government Finance Settlement to be appropriated into the Social Care Grant Reserve (Appendix 3 to the report), be approved.

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

16. That the Capital Investment Strategy for 2024/25 to 2028/29 (Appendix 10 to the report) and the Capital Investment Policy (Annex 1 to Appendix 10), be approved.

17. That the following, be approved:

(i) New schemes and additions to the Capital Investment Programme for the period 2024/25 to 2028/29 totalling £6.6M for the General Fund (Appendix 11 to the report).

(ii) Schemes subject to viable business cases that have been identified as a priority, totalling £42.1M for the General Fund and £5.5M for the Housing Revenue Account (Appendix 11 to the report).

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

19. That the proposed Capital Investment Programme for 2024/25 to 2028/29 of £96.3M to be delivered by the Council and £20.1M to be delivered by Subsidiary Companies and Partners (Appendix 13 to the report) of which £44.8M is supported by external funding, be approved.

20. That the revised Minimum Revenue Provision (MRP) Policy for 2023/24 and Minimum Revenue Provision (MRP) Policy for 2024/25 (Appendices 14a and 14b to the report), and the Prudential Indicators (Appendix 15 to the report) be approved.

21. That the operational boundary and authorised limits for borrowing for 2024/25, which are set at £385M and £395M respectively (Appendix 15 to the report), be approved.

22. That the summary of changes included in this proposed final budget package in response to the feedback that has been received since the draft budget was launched on 4 January 2024, be noted.

23. That the summary status of Equality Analysis supporting the budget proposals for 2024/25 to 2026/27 (Appendix 16 to the report), be noted.

Reason for recommendations:

The recommendations in the 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, corporate priorities and desired outcomes or to enhance the Councils infrastructure.

Other options:

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

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

Cabinet Member: Cllr Cox

94 Housing Revenue Account Budget 2024/25 and Rent Setting 2024/25

The Cabinet considered a report of the Executive Director (Finance and Resources) and Executive Director (Environment and Place) setting out the Housing Revenue Account (HRA) budget and Rent Setting for 2024/25, together with the information necessary to set a balanced budget as required by legislation. This item was considered by the Policy and Resources Scrutiny Committee.

Recommended:

1. That an average rent increase of 7.7% on all tenancies, be approved.
2. That an average rent increase of 7.7% on shared ownership properties, be approved.
3. That an increase of 10% for garage rents to £15.38 per week for tenants and £18.46 for non-tenants (being £15.38 plus VAT), a rise consistent with the standard approach taken across the range of City Council's fees and charges for 2024/25, be approved. All variants on a standard garage will receive a proportionate increase.
4. That South Essex Homes core management fee at £7,678,000 for 2024/25, be approved.
5. That South Essex Homes proposals for average decreases of 3.1% in service charges to reflect the estimated costs incurred for 2024/25, be approved.
6. That South Essex Homes proposals for an average 7.4% decrease in heating charges for sheltered housing tenants and for hostel tenants to reflect the estimated costs incurred for 2024/25, be approved.

7. That the following appropriations be approved:

- £60,000 to the Repairs Contract Pension Reserve
- £4,761,000 to the Capital Investment Reserve
- £8,015,000 from the Capital Investment Reserve

8. That the HRA budget for 2024/25, as set out in Appendix 1 to the submitted report, be approved.

9. That the value of the Council's capital allowance from 2024/25 be declared as £57,098,000 as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.

10. That the 30-year Housing Revenue Account Business Plan, as set out in Appendix 4 to the report, be noted and any minor amendments be completed by the Executive Director (Environment and Place) in consultation with the Cabinet Member for Housing and Planning.

Reasons for Recommendations

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

Other Options

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

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

95 Treasury Management Policy 2024/25

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

Recommended:

1. That the Treasury Management Policy Statement 2024/25 (Appendix 1 to the submitted report), be approved.
2. That the Treasury Management Strategy 2024/25 (Appendix 2 to the report), be approved.
3. That the Annual Treasury Management Investment Strategy 2024/25 (Appendix 3 to the report), be approved.

Reasons for recommendations:

To comply with CIPFA Treasury Management Code of Practice.

Other options:

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

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

Cabinet Member: Cllr Cox

Chair: _____