

SOUTHEND-ON-SEA CITY COUNCIL

Meeting of Policy and Resources Scrutiny Committee

Date: Wednesday, 12th July, 2023

Place: Committee Room 1 - Civic Suite

Present: Councillor S Wakefield (Chair)
Councillors L Burton (Vice-Chair), B Beggs, M Borton, S Buckley, O Cartey,
P Collins, M Dent, F Evans, N Folkard, S George, J Harland, R McMullan,
M Sadza, C Walker, J Warren and R Woodley

*Substitute in accordance with Council Procedure Rule 31.

In Attendance: J Chesterton, T Holland, D Lyons and S Cox

Start/End Time: 6.35 - 8.35 pm

13 Chair's Introduction & Apologies for Absence

(a) Chair's Introduction

Prior to the consideration of the matters set out in the agenda, the Chair outlined their expectations of the standard of conduct and behaviour to be shown at the meeting.

(b) Apologies for Absence

There were no apologies for absence from the meeting.

Apologies for absence were received from Councillor T Cowdrey (Substitute: Councillor R Woodley) and Councillor P Wexham (Substitute: Councillor P Collins).

14 Declarations of Interest

The following interests were declared at the meeting:

(a) Councillors M Borton and N Folkard – Minute 18 (Delivery of Southend Outcomes and Priorities – Annual Report and Provisional Outturn 2022/23) – as the report made reference to concessionary fares and they held a concessionary bus pass.

(b) Councillor Woodley – Minute 17 (Reducing Heating Charges) – as a customer of OVO Energy.

15 Questions from Members of the Public

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

16 Minutes of the Meeting held on 8 June 2023

Resolved:

That the minutes of the meeting of the Committee held on 8 June 2023 be confirmed as a correct record and signed.

The Chair brought forward agenda Item 7 'Reducing Heating Charges'.

17 Reducing Heating Charges

The Committee considered a report of the director of Finance & Corporate Services which had been referred for pre-Cabinet scrutiny, which set out the rationale for reducing heating charges in view of the lower contract costs for the supply of gas to communal heating systems.

The Committee welcomed that South Essex Homes would continue to work with tenants to ensure that they maximised the assistance available to them.

During the discussion, it was agreed by the Committee that:

- Any future decisions to decrease heating charges by enacted automatically by officers in consultation with the relevant Portfolio Holder, without further need for future papers to Scrutiny or Cabinet, so as to pass savings onto residents in a timely manner.
- Any future proposed charging increase(s) be reported to the relevant Scrutiny Committee and Cabinet for consideration before any decision is taken.

Resolved:

It is recommended that Cabinet:

1. Agrees to reduce the heating charges to properties with a communal heating system with effect from Monday 4th September 2023 as outlined in the report.
2. Agrees that future decisions to decrease heating charges by enacted automatically by officers in consultation with the relevant Portfolio Holder, without further need for future papers to Scrutiny or Cabinet, so as to pass savings onto residents in a timely manner.
3. Agrees that any future proposed charging increase(s) be reported to the relevant Scrutiny Committee and Cabinet for consideration before any decision is taken.

Note: This is an Executive Function
Cabinet Member: Councillor D Garston

18 Delivery of Southend Outcomes and Priorities - Annual Report and Provisional Outturn 2022/23

The Committee considered the report of the Director of Financial Services which had been referred for pre-Cabinet scrutiny, presenting the Delivery of Southend 2050 Outcomes and Priorities: Annual Report and Provision Outturn 2022/23.

In response to a number of questions, the Leader of the Council explained that a written response could be provided and suggested that the meeting move into exempt session at the end to enable Councillors to ask questions on subjects that were commercially sensitive.

The Leader of the Council made a formal offer to Councillor P Collins and Councillor R Woodley to work with Cabinet on the Capital Programme, to which it was confirmed further discussions would take place outside of the meeting.

Resolved:

That the following recommendations to be referred to Cabinet be noted:

1. Note the achievements, successes and challenges brought to life within the Annual Report 2022/23 (Section 4 and Appendix 1).
2. Note the provisional 2022/23 revenue outturn position for both the General Fund (Section 5) and Housing Revenue Account (HRA) (Section 6) and delegate the agreement of any final adjustments following the completion and audit of the Statement of Accounts to the Executive Director (Finance and Resources).
3. Consider and approve the appropriation of revenue funds to and (from) earmarked reserves, as set out in Section 5.19 to 5.27 (General Fund) and Section 6.6 (HRA).
4. Note the potential revenue impact of the 2022/23 outturn on the 2023/24 General Fund budget and Medium Term Financial Strategy (Section 5.28 – 5.44).
5. Note that the expenditure on the capital investment programme for 2022/23 totalled £51.822M against a revised budget of £61.820M (Section 7.4).
6. Approve the relevant budget carry forwards and accelerated delivery requests totalling a net £13.032M moving into 2023/24 and future years, as set out in Appendix 2.
7. Approve the virements, reprofiles, additions, deletions and new external funding for schemes, as detailed in Appendix 2 and note that this will result in an amended Capital Investment Programme deliverable by the Council of £137.705M for the period 2023/24 to 2027/28, as detailed in Appendix 3.
8. Note the requested changes as detailed in Appendix 2 will result in an amended total Capital Investment Programme deliverable by South Essex Homes Limited, Porters Place Southend-on-Sea LLP and Kent County Council of £59.046M, as detailed in Appendix 3. Page 3 of 36
9. Note that a further review of the affordability and prioritisation of the current approved Capital Investment Programme and all the schemes currently listed as subject to viable business cases will be brought back to a future Cabinet meeting.
10. Note the content of the Infrastructure Funding Statement 2022/23 (included in Appendix 4) and agree to carry forward CIL Main Fund receipts from reported year 2022/23 and previous reported years until the CIL Governance Framework and spending plans are reviewed for the reported year 2023/24, or Cabinet authorise any detailed spending proposals.
11. Delegate authority to the Executive Director for Growth and Housing (in consultation with Ward Members and the Cabinet Member for Housing and Planning) to agree how the CIL Ward Neighbourhood Allocations received up until 31 March 2023 (excluding allocation to Leigh Town Council) are to be spent.

Note: This is an Executive function.
Cabinet Member: Councillor T Cox

The Committee considered a report from the Senior Finance Lead (Strategy, Sustainability and Governance) detailing the treasury activity for the period from April 2022 to March 2023 and reviewed performance against the Prudential indicators for 2022/23.

Resolved:

That the following recommendations to be referred to Cabinet be noted:

1. Approves the Annual Treasury Management Report for 2022/23 and the outturn Prudential Indicators for 2022/23.
2. Notes that the financing of 2022/23 capital expenditure of £51.822m has been funded in accordance with the schedule set out in Table 1 of section 4.
3. Notes that Capital Financing and Treasury Management were carried out in accordance with statutory requirements, good practice and in compliance with the CIPFA (The Chartered Institute of Public Finance and Accountancy) Prudential Code during 2022/23.
4. Notes the following in respect of the return on investment and borrowing;
 - The loan and investment portfolios were actively managed to minimise cost and maximise interest earned, whilst maintaining a low level of risk.
 - £3.773m of interest and income distributions for all investments were earned during 2022/23 at an average rate of 2.37%. This is 0.13% over the average SONIA rate (Sterling Overnight Index Average) and 0.07% over the average bank base rate. Also, the value of the externally managed funds decreased by a net of £7.335m due to the changes in the unit price, giving a combined return of -2.24%. (Section 7).
 - The level of borrowing from the Public Works Loan Board (PWLb) (excluding debt relating to services transferred from Essex County Council on 1st April 1998) remained at £347.3m (Housing Revenue Account (HRA): £74.2m, General Fund (GF): £273.1m) throughout 2022/23.
 - The level of financing for 'invest to save' schemes decreased from £8.39m to £8.22m by the end of 2022/23.

Note: This is an Executive function.
Cabinet Member: Councillor T Cox

20 In-Depth Scrutiny Projects 2022/23 & 2023/24

The Committee received the report and recommendations arising from the in-depth scrutiny project for 2022/23 on the theme of 'Developing Strong Governance: Strengthening Joint Working Between Councillors and Officers.'

On behalf of the Project Team that led the in-depth scrutiny project, the Committee expressed thanks to all councillors and officers that contributed to the project. Particular thanks were paid to S Tautz who led on the project and was now retired from the local authority.

Resolved:

That the report and recommendations be noted.

Note: This is a Scrutiny function

21 Outside Bodies Task and Finish Group

The Committee considered a report of the Executive Director (Finance and Resources), proposing a review of the membership and representation on Outside Bodies as a potential topic as a joint Scrutiny project for 2023/24 and which proposed the establishment of a Task and Finish Group to undertake the review.

The Chair reported that, at the Scrutiny Chairs Forum held on 27 June 2023, all the Scrutiny Chairs and Vice-Chairs present felt that resources should be directed to shorter Task and Finish reviews to drive specific areas of concern forward.

Subject to the agreement of the proposed approach, it was recommended that no additional topic(s) be selected by the Committee for in-depth scrutiny activity during the year 2023/24.

It was suggested that the Task and Finish Group may wish to examine expectations around attendance and mechanisms for reporting back to full Council.

Resolved:

1. That an Outside Bodies Task and Finish Group be established:
 - in the proportion 4 Conservative, 3 Labour, 1 liberal Democrat, 1 Independent and 1 Residents First with appointments being made to ensure some representation from each of the scrutiny committees.
 - It is suggested that the Group Leaders submit their nomination(s) to the Executive Director (Finance and Resources) in line with the proportionality allocations.
2. That the Terms of Reference (attached at Appendix 1) to the submitted report be approved.
3. Each of the three Scrutiny Committees receive an update on the progress accordingly, before a final report is approved

Note: This is a scrutiny function.

22 Scrutiny Work Programme 2023-24

The Committee received a draft Scrutiny work programme template, which set out the process for identifying suitable issues for scrutiny.

It was suggested that a procedural note be produced, clearly setting out the process how Councillors could suggest and influence items on the scrutiny work programme and the correct procedure for doing so.

Resolved:-

That the Scrutiny work programme be noted.

Note: This is a scrutiny function.

23 Exclusion of the Public

To agree that, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the items of business set out below on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

At 8.20pm the meeing moved into exempt session.

Chairman: _____