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SOUTHEND-ON-SEA CITY COUNCIL

Policy and Resources Scrutiny Committee

Date: Wednesday, 12th July, 2023

Time: 6.30 pm

Place: Committee Room 1 - Civic Suite

Contact: Stephanie Cox (Principal Democratic Services Officer)

Email: committeesection@southend.gov.uk

AGENDA

- 1 Chair's Introduction & Apologies for Absence**
- 2 Declarations of Interest**
- 3 Questions from Members of the Public**
- 4 Minutes of the Meeting held on 8 June 2023 (Pages 3 - 8)**
- **** ITEMS FOR PRE-CABINET SCRUTINY / CALLED-IN FROM THE FORWARD PLAN**
- 5 Delivery of Southend Outcomes and Priorities - Annual Report and Provisional Outturn 2022/23 (Pages 9 - 114)**
- 6 2022-23 Annual Treasury Management report (Pages 115 - 132)**
- 7 Reducing Heating Charges (Pages 133 - 138)**
- **** OTHER SCRUTINY MATTERS**
- 8 In-Depth Scrutiny Projects 2022/23 & 2023/24 (Pages 139 - 158)**
Report of Executive Director (Finance and Resources) attached.
- 9 Outside Bodies Task and Finish Group (Pages 159 - 164)**
- 10 Scrutiny Work Programme 2023-24 (Pages 165 - 172)**

Members:

Cllr S Wakefield (Chair), Cllr L Burton (Vice-Chair), Cllr B Beggs, Cllr M Borton, Cllr S Buckley, Cllr O Cartey, Cllr T Cowdrey, Cllr M Dent, Cllr F Evans, Cllr N Folkard, Cllr S George, Cllr J Harland, Cllr R McMullan, Cllr M Sadza, Cllr C Walker, Cllr J Warren and Cllr P Wexham

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SOUTHEND-ON-SEA CITY COUNCIL

Meeting of Policy and Resources Scrutiny Committee

Date: Thursday, 8th June, 2023
Place: Committee Room 1 - Civic Suite

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Present: Councillor S Wakefield (Chair)
Councillors L Burton (Vice-Chair), B Beggs, S Buckley, O Cartey,
P Collins, T Cowdrey, M Dent, F Evans, N Folkard, S George,
A Jones, R McMullan, M Sadza and J Warren
(*Substitute in accordance with Council Procedure Rule 31.)

In Attendance: Councillors T Cox, J Courtenay, J Lamb, D Cowan and C Mulroney
J Chesterton, M Harvey, S Newman, K Pachalko and T Row

Start/End Time: 6.30 - 8.45 pm

1 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

Apologies for absence were received from Councillor Borton (Substitute: Councillor Anne Jones), Councillor Harland (no substitute), Councillor Walker (no substitute) and Councillor Wexham (substitute: Councillor Collins).

2 Declarations of Interest

The following interests were declared at the meeting:

(i) Councillor Collins – Minute No. 9 (Petition – Save the Jazz Centre UK) – Trustee of Eastwood Community Centre Association;

(ii) Councillor Cowdrey – Minute No. 10 (Debt Management – Position to 31 March 2023) – Charges for Adult Services – Carer for family member;

(iii) Councillor Cox – Minute No. 9 (Petition – Save the Jazz Centre UK) – Involved in raising the petition;

(iv) Councillor Dent – Minute No. 9 (Petition – Save the Jazz Centre UK) – Very involved with the campaign to save the Jazz Centre;

(v) Councillor Folkard – Minute No. 7 (Council Procurement & Contract Management Strategy 2023-26) – Fusion is mentioned in the report and is visitor to SLTC Garon Park;

(vi) Councillor Anne Jones – Minute Nos. 6 (Annual Procurement Plan 2023/24) and 7 (Council Procurement & Contract Management Strategy 2023-26) – Son is an employee of Southend on Sea City Council;

(vii) Councillor Anne Jones – Minute No. 12 (Association of South Essex Local Authorities – Joint Committee) – Husband’s employer is a partner;

(viii) Councillor Lamb – Minute No. 7 (Council Procurement & Contract Management Strategy 2023-26) – Voluntary Sector was mentioned in the debate and is a Trustee of SAVS;

(ix) Councillor Sadza – Minute No. 9 (Petition – Save the Jazz Centre UK) – Had correspondence with the Chair of Trustees of the Jazz Centre and visitor to the Jazz Centre;

(x) Councillor Sadza – Minute No. 10 (Debt Management – Position to 31 March 2023) – Works for KMAC money advice centre;

(xi) Councillor Wakefield – Minute Nos. 6 (Annual Procurement Plan 2023/24) and 7 (Council Procurement & Contract Management Strategy 2023-26) – His local business works with the Council; and

(xii) Councillor Warren – Minute No. 8 (Armed Forces Covenant & Defence Employer Recognition Scheme) – Employed by Help for Heroes.

3 Questions from Members of the Public

The Committee noted the response of the Cabinet Member for Regulatory Services to a question submitted by Mr A Grubb, which would be sent to him as he was not present at the meeting.

The Committee also noted the response of the Cabinet Member for Community Safety & Public Protection to a question presented by Mr Webb and the response of the Cabinet Member for Public Health, Adult Social Care and Constitutional Affairs, present by the Cabinet Member for Community Safety and Public Protection in his absence, to a question by Mr Webb.

4 Minutes of the Meeting held on 15 March 2023

Resolved:

That the minutes of the meeting of the Committee held on Wednesday, 15th March 2023 be received, confirmed as a correct record and signed.

5 Minutes of the Special Meeting held on 22 March 2023

Resolved:

That the minutes of the special meeting of the Committee held on Wednesday, 22nd March 2023 be received, confirmed as a correct record and signed.

6 Annual Procurement Plan 2023/24

The Committee considered the report of the Executive Director (Finance & Resources), by way of pre-Cabinet scrutiny, that presented the Annual Procurement Plan for 2023/24 as well as tabs for the remaining years of our original 5 Year Procurement Plan (2022-27). The attached procurement plan provided a full plan for the year and covered all

procurements with a value over £25,000, this being the threshold within the regulations where tenders must be publicly advertised unless via a previously advertised framework or equivalent.

The Committee discussed the report in some detail and asked a number of questions which were responded to by the Cabinet Member for Regulatory Services and the Council's Head of Procurement.

Whilst noting the report, the Committee requested that the following comments be forwarded to Cabinet:

- Links to the social value policy and how this is evidenced should be included in the Plan;
- The details of the contract manager for the contract with Southend Care Ltd on page 31 needed to be updated from the previous Executive Director (Adults & Communities) to the relevant Service Manager;
- A breakdown of the Highways Improvements and Transport systems totalling £65m should be provided;
- An additional column should be added to the Contract Register and Plan to record carbon reduction and environmental benefits;

The Leader of the Council, Cabinet Member for Regulatory Services and the Council's Head of Procurement gave their assurances that this would be done. The Leader of the Council and Cabinet Member for Regulatory Services also gave an undertaking to provide the spreadsheet (rather than a pdf document) as this was more accessible and user-friendly. They also undertook to provide written responses to the following matters:

- Details of the carbon reduction levels as part of the Waste Management Contract; and
- A breakdown and more details of the Southend Inclusion Review, alternative provision and Childrens Services.

Resolved:

That, subject to the inclusion of the comments and amendments detailed above, the report to Cabinet be noted.

Note: This is an Executive function
Cabinet Member: Cllr Lamb

7 Council Procurement & Contract Management Strategy 2023-26

The Committee considered the report of the Executive Director (Finance & Resources), by way of pre-Cabinet scrutiny, that presented the revised Council Procurement and Contract Management Strategy 2023-26.

Resolved:

That the report to Cabinet be noted.

Note: This is an Executive function
Cabinet Member: Councillor Lamb

8 Armed Forces Covenant & Defence Employer Recognition Scheme

The Committee considered the report of the Executive Director (Strategy and Change), by way of pre-Cabinet scrutiny, that sought approval for Southend-on-Sea City Council to

sign the updated Southend Armed Forces Covenant with relevant pledges and for Southend-on-Sea City Council to sign up to the Defence Employer Recognition Scheme.

The Committee made the following observations, that were acknowledged by the Leader of the Council and Cabinet Member for Regulatory Services:

- The Executive Director stated in the header of the report should be corrected to the Executive Director (Strategy and Change);
- The Executive Councillor stated in the header of the report should be Councillor John Lamb as the matter falls within the remit of the Regulatory Services portfolio.

Resolved:

That, subject to the above amendments, the report to Cabinet be noted.

Note: This is an Executive function
Cabinet Member: Councillor Lamb

9 Petition - Save The Jazz Centre UK

The Committee considered the report of the Executive Director (Strategy and Change), by way of pre-Cabinet scrutiny, setting out the Council's response to the following petition: ***'Britain's first-ever cultural centre for jazz opened in 2016 at Southend's Beecroft Art Gallery is facing eviction on August 1st, 2023. If you oppose this decision by Southend City Council, please sign below to help us fight this decision.'***

The Committee discussed the report in some detail and asked a number of questions which were responded to by the Leader of the Council. In response to a question, the Leader of the Council undertook to provide a written response as to whether the Jazz Centre was an accredited museum and, if not, whether the ambition to become one could be included in the negotiations.

The Leader of the Council also gave assurances that the discussions with the Jazz Centre would include them having a more robust business model, clarification of the responsibilities for the payment of insurance how the Jazz Centre and Museum Service could maximise the use of the footprint and the best location for the authorised performances.

Resolved:

That the report to Cabinet be noted.

Note: This is an Executive function
Cabinet Member: Councillor Jarvis

10 Debt Management - Position to 31 March 2023

The Committee considered the report of the Executive Director (Strategy and Change), by way of pre-Cabinet scrutiny, that presented the end of year position, 31 March 2023 of outstanding debt to the Council, the debts that have been written off, or are recommended for write off, for the financial year to 31 March 2023 and to obtain approval for the write off of irrecoverable debts that are over £25,000.

The Committee discussed the report in some detail and asked a number of questions which were responded to by the Leader of the Council and the Executive Director (Finance & Resources).

Whilst noting the report, the Committee requested that the following amendments to be made to the report:

- The designations of the appropriate level officer to be authorised to write off approved levels of debt for the Debt Types relating to “Accounts Receivable/Adult Services/Housing and Council Tax Benefit” and “Parking” as detailed on page 82 should be corrected.

The Leader of the Council and Executive Director (Finance & Resources) gave an undertaking to circulate to all Councillors the recently published booklet on money advice. The Executive Director (Finance & Resources) also gave an undertaking to investigate the possibility of including a more reader friendly covering letter to any statutory worded notices in respect of and debt collection enforcement.

Resolved:

That subject to the comments and amendments to the report as detailed above, the report to Cabinet be noted.

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

11 Work Programme Evaluation 2022/23

The Committee received a report of the Executive Director (Finance & Resources) providing information on the work carried out by the scrutiny committees during the previous municipal year.

The Committee took the opportunity to thank Councillor Cowdrey for the able way in which she had conducted the meetings of the Working Party which undertook the study.

Resolved:-

1. That the Committee note the summary of the scrutiny work that it has undertaken during the 2022/23 municipal year.
2. That the completion of the in-depth scrutiny project undertaken for 2022/23, around the theme of ‘Developing Strong Governance - Strengthening Joint Working Between Councillors and Officers’, be noted.

Note: This is a scrutiny function.

12 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 Thursday, 23rd March 2023.

In response to questions:

- The former Leader of the Council undertook to provide a written response to the Committee detailing the five stalled sires identified as a priority;

- The Leader of the Council undertook to provide a brief summary of the discussions at future meetings of the ASELA and highlight the benefits for Southend.

Resolved:

That the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities held on Thursday, 23rd March 2023, be noted.

Note: This is a Scrutiny function

Chair: _____

Title: **Delivery of Southend 2050 Outcomes and Priorities:
Annual Report and Provisional Resources Outturn
2022/23**

Meeting: Cabinet

Date: 18 July 2023

Classification: Part 1

Policy Context:

Key Decision: No

Report Authors: Pete Bates, Director of Financial Services,
Caroline Fozzard, Senior Finance Lead (Strategy,
Sustainability and Governance),
Suzanne Newman, Interim Head of Corporate Strategy

Executive Councillor: Councillor Cox Cabinet Member for Leader (SEND)

1 Executive Summary

1.1 The purpose of this report is:

- 1.1.1 To present Cabinet with the Council's Annual Report for 2022/23, highlighting the achievements, successes, and challenges towards delivery of our Corporate Plan.
- 1.1.2 To update Cabinet with the provisional revenue outturn for 2022/23, and therefore the indicative level of revenue balances going into 2023/24.
- 1.1.3 To advise Cabinet of the implications of the revenue outturn for 2022/23 and where appropriate highlight concerns around the potential impact on the future financial sustainability of the Council, caused by the continuing increasing level of demand and cost pressures being experienced, primarily in core statutory service provision for the 2023/24 approved budget and Medium Term Financial Strategy.
- 1.1.4 To inform Cabinet of the capital investment programme outturn for 2022/23 and to seek approval for the relevant budget carry forwards and accelerated delivery requests.
- 1.1.5 To seek approval for in year amendments for the current approved capital investment programme for 2023/24 to 2027/28.

- 1.1.6 To request Cabinet to review, and to give appropriate consideration to, the affordability and prioritisation of the current approved Capital Investment Programme and the schemes currently listed as subject to viable business cases.
- 1.1.7 To seek approval to carry forward Community Infrastructure Levy (CIL) Main Fund receipts from 2022/23 and previous financial years and to delegate authority to agree how the CIL Ward Neighbourhood Allocations are to be spent.

2 Recommendations

That Cabinet:

- 2.1 **Note the achievements, successes and challenges brought to life within the Annual Report 2022/23 (Section 4 and Appendix 1).**
- 2.2 **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).**
- 2.3 **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).**
- 2.4 **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).**
- 2.5 **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).**
- 2.6 **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.**
- 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.**
- 2.8 **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.**

- 2.9** 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.
- 2.10** 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.
- 2.11** 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.

3 Background Information

- 3.1** Southend-on-Sea officially celebrated gaining full City status on the 1 March 2022, a key landmark event in the history of the area and the Council. In accordance with normal practice the Council's 2022/23 budget was formally approved in February 2022 and at this time no-one could have predicted the scale of economic challenges, national and international circumstances that have dominated headlines right across the world throughout the last financial year.
- 3.2** The concerns around the current cost of living crisis is the latest in a series of critical events, spanning more than a decade, including austerity (following the financial markets crash), Brexit, a global pandemic, the war in Ukraine, energy prices doubling and in some case tripling in cost, inflation peaking at the highest level since the 1980's during 2022/23 have all combined to erode the financial resilience and sustainability of many local public services. These warnings and concerns contributed to an independent national analysis undertaken by Grant Thornton that suggested that as many as 1 in 6 local authorities could run out of money as early as 2023/24, without substantial additional funding and/or significant budget reductions.
- 3.3** Local authorities will continue to have to make some very tough choices and embrace and implement significant further changes to their local service offer including digitalisation to capitalise on the efficiencies this affords. Looked at collectively, there is an unprecedented amount of pressure to deliver service change whilst also managing major affordability and sustainability concerns. The sector has never witnessed so many s114 notices (effectively a declaration that a local authority is no longer a going concern) being issued or being considered.
- 3.4** Southend-on-Sea City Council, along with most local authorities across the country, continues to face significant challenges in providing essential services to meet the needs of residents within the level of resources it has at its disposal.

This has been exacerbated by the continuing challenging operating environment and increasing and more complex local service demand. As reported throughout 2022/23 the Council faced the perfect storm of huge increases in service demand post the pandemic combined with unavoidable and rapid increases in operating costs across almost every aspect of its Organisation. This had a huge impact on the Council's approved financial plans for 2022/23 and the general economic climate created serious cost of living challenges for some of our local residents.

- 3.5 The national statutory deadline for all Local Authorities to publish their Draft 2022/23 Statement of Accounts was brought forward to 31 May 2023 (as part of the response to the pandemic for financial years 2020/21 and 2021/22 it had been extended to 31 July each year). It is pleasing to report that the Council's Accounts were published on our website by this deadline and the formal public inspection opportunity was open until 12 July 2023. This was an excellent achievement by the Council's finance team, given the exceptional level of current demand and pressures. Many Local Authorities up and down the country were unable to publish their 2022/23 Accounts by the deadline date.
- 3.6 The Council and particularly the finance team will still have to manage the finalisation of the independent external audit for both 2021/22 and 2022/23 financial years in 2023/24. The delays have been caused by the resourcing and capacity challenges that our external auditors have experienced over the last 18 months or so. It is reassuring to confirm that the Council received a clean external audit opinion and positive value for money judgement for 2020/21. This was reported to the Audit Committee on 26 April 2023.
- 3.7 As part of the development and approval of the Council's 2023/24 Budget and Medium Term Financial Strategy in February 2023 a commitment was given to a new Transformation Blueprint and development of a major service redesign programme for 2023/24 – 2027/28. This was agreed as part of the Council's overall budget package, with specific areas and themes identified to be scoped and developed further during 2023/24, against a clear set of approved guiding principles. This commitment has been supplemented and enhanced from 1 April 2023 by the introduction of new comprehensive service plans that cover every area of the Council. The ambition is to support the Council's future financial sustainability commitment and help to target resources and re-design plans to avoid a financial 'cliff edge' which would require even more drastic action over a shorter time frame.
- 3.8 Other measures to complement this new Transformation Programme and enhance the Council's financial resilience and continue to improve the value for money delivery of services will also continue and include: on-going budget reviews; implementation of outcome-based budgeting principles; better linking of business planning and budgeting to service outcomes; effective and creative management of service demand; review of major contractual arrangements; further implementation of the Commissioning Framework; exploring new commercial opportunities; evaluating a range of income generation initiatives and continuing to enhance our systems, processes and internal business transformation arrangements.

- 3.9 The unpredicted and unprecedented rapid rise in inflation throughout 2022/23, together with changing professional opinions on the depth and potential duration of continued inflationary increases into the future, will add significant new pressures and local challenges for the Council. The operating landscape continues to be uncertain as the medium to long term implications on demand and service delivery during the transition from responding to the impact of the pandemic and towards building and enabling a successful recovery are difficult to assess. The situation will continue to be closely monitored and appropriate tactics will be deployed to support local businesses and communities wherever possible throughout 2023/24.
- 3.10 A considerable amount of analysis and financial planning was undertaken throughout 2022/23, particularly due to the fact that Southend-on-Sea was already having to respond to some high value social care demand trends from previous years. This scenario was replicated in many other upper tier authorities right across the country. These pressures had been recognised locally and attempts were made to address some of these issues by increasing the revenue base of these services for 2023/24 and as part of the Medium Term Financial Strategy.
- 3.11 The concerns highlighted early in 2022/23 around the potential for previously hidden demand during the pandemic did surface locally throughout the year. This was compounded by the combination of the impact of 'post COVID-19' re-engagement and demand for Council services and the cost-of-living crisis that developed throughout 2022/23 which had a substantial impact on all our local communities, but particularly in the more deprived areas.
- 3.12 Despite reporting a final level of overspending for 2022/23 that is higher than at any time since it became a Unitary Authority on 1 April 1998, the Council remains in a relatively financially resilient position. It is clear though that the overall cost base of the Council is now too high, and ways must be found to reduce it to a more sustainable level. This ambition in the current operating environment and unprecedented levels of service demand is a significant challenge. Throughout the last financial year, the Council also responded proactively to continue to support local communities and our most vulnerable residents, minimising the impact of the cost-of-living crisis wherever it could.
- 3.13 The challenges that will be faced in 2023/24 will be even more significant due to the combination of continuing major increases in core service demand and the impact of inflationary cost pressures that remain high right across the range of Council operations.
- 3.14 This provisional outturn report builds on the financial performance monitoring information provided for period 8, which was reported to Cabinet in January 2023. It highlights the changes in the last four months of the year and provides an insight into the major variances that have contributed to the final outturn position. It also considers the implications of the revenue outturn for 2022/23 and where appropriate highlights concerns around the potential impact on the future financial sustainability of the Council, caused by the continuing increasing level of demand and cost pressures being experienced, primarily in core statutory social care service provision for the 2023/24 approved budget and Medium Term Financial Strategy to 2027/28.

4 Southend-on-Sea City Council Annual Report 2022/23

4.1 The Council's Annual Report provides a high-level overview of the successes and achievements over the past year, setting the context in which we are operating it. It aligns with the financial year end-report reports and the Annual Governance Statement (attached at Appendix 1). The Annual Report presents how we are:

- Helping people access the support they need
- Powering economic and community recovery
- Doing our bit to enable the roll-out of digital infrastructure
- Creating better life opportunities for our children and young people
- Protecting and improving the quality of life for older people
- Working with our partners to enable integrated care and support arrangements and achieving improved health and social care outcomes for our residents
- Pushing forward with our green city ambition and supporting policies that will reduce our carbon emissions
- Providing better and more affordable housing for our residents

4.2 Annual data for the Council's corporate performance indicators is presented, grouped by the four corporate priorities:

- A city that is strong and prosperous
- A city with a good quality of life
- A city rising to the challenge of climate change
- A city delivering genuinely affordable housing

4.3 Delivery against our corporate priorities has been against the backdrop of significant financial challenges as outlined in this report. In order to support and strengthen delivery detailed service planning was introduced, setting out the key activity of each service area, how it will contribute to the delivery of the Corporate Plan and how successes will be measured.

4.4 The Local Government Association Corporate Peer Challenge in October 2022 provided the opportunity for an improvement review of the Council and the challenges we face. Feedback from the review includes:

- We are very self aware
- We have huge potential
- There are many positive attributes within the Council and the city, including the strong community ethos, ambitious regeneration projects and sound financial management.

4.5 Following the Corporate Peer Challenge, a number of recommendations were made, mainly relating to governance and decision making. The Council has developed an action plan to strengthen and improve these areas.

- 4.6 It is important to reflect on the work we have done and that the report highlights the progress we have made during 2022/23; the report showcases several of our priorities for the coming year and the importance of our transformation programme. It is more important than ever that at the heart of our work we remain collaborative, inclusive, honest, and proud.

5 2022/23 Provisional General Fund Revenue Outturn

- 5.1 2022/23 was another exceptional and challenging year, with volatility in expenditure as a direct consequence of rising inflation and interest rates and the realisation of pent-up demand for our services (especially in Social Care) following on from the COVID-19 pandemic. The escalation and speed of the increases in the direct costs of service provision and additional price pressure from our supply chains was significant. This was combined with not only major increases in service demands but also in complexity. The scale of the local financial impact on both expenditure and income expectations has led to major variations from our original approved plans for 2022/23 and the actual profile of spending was different to what we would expect to see in a normal year.
- 5.2 Given the size and complexity of the Council's operations and the volatility caused by the operating environment and unavoidable increases in the costs of service delivery there have been several variations from the original approved plans across individual service areas. As part of the year-end arrangements, consideration has also been given to the need to review the level of provisions for insurance, future transformation priorities, specific service risk assessments, bad and doubtful debts and other demand challenges caused locally by the 'cost of living' crisis.
- 5.3 The impact on the Council's reserves caused by the volatility of the operating environment, the speed and impact of exceptionally high inflation levels and unprecedented increases in service demand and cost pressures throughout 2022/23 has contributed to a significant reduction in the level of Earmarked Reserves held by the Council from **£95.883M** (1 April 2022) to **£77.221M** (31 March 2023). A reduction of **£18.662M**, this clearly weakens the current level of financial resilience of the Authority. See analysis represented in the table at Section 5.19.
- 5.4 Specific risk reserves (particularly for statutory social care pressures) were prudently created by the Council to help respond positively to exactly the set of unprecedented circumstances that was experienced in 2022/23 but the Council now needs to reset and reduce its cost base and/or increase its income generating capabilities accordingly as reserves can only be used once. The Council has a statutory fiduciary responsibility to ensure it remains financially sustainable. It is important that appropriate action and decisions are taken to ensure that the Council does everything it can to remain within the approved budget for 2023/24 and to proactively manage and reduce the current forecasted budget gap across the medium term to 2027/28.
- 5.5 The following table summarises the 2022/23 provisional revenue outturn for the General Fund and highlights the scale of spending variations. Careful consideration has also been given to ensure that the Council prepares

appropriately for the ongoing impact of global events, local economic recovery aspirations and continuing levels of high inflation in 2023/24 and the future. The 2022/23 provisional outturn has been prepared on the assumption that all appropriations to and (from) earmarked reserves proposed in this report are approved. Cabinet is invited to consider the recommended level of appropriations at Sections 5.19 – 5.24 in this report.

Provisional Outturn 2022/23

Last Reported Variance £M	Portfolio*	Revised Budget £M	Forecast Outturn £M	Variance £M
0.1	Leader: Corporate Matters and Performance Delivery	24.5	24.3	(0.2)
0.8	Deputy Leader (May-Oct): Environment, Culture and Tourism	11.5	13.0	1.5
1.4	Deputy Leader (Nov-May): Public Protection	14.7	16.1	1.4
1.9	Adult Social Care and Health Integration	43.9	45.9	2.0
0.7	Asset Management and Inward Investment	3.9	4.5	0.6
6.9	Children and Learning and Inclusion	30.3	36.6	6.3
(0.8)	Economic Recovery, Regeneration and Housing	2.8	1.0	(1.8)
0.8	Highways, Transport and Parking	2.4	4.2	1.8
11.8		134.0	145.6	11.6
0.0	Corporate Budgets	6.0	5.6	(0.4)
11.8		140.0	151.2	11.2
(1.0)	Financing Costs, Interest, etc.	19.1	17.4	(1.7)
(1.8)	Contribution to / (from) earmarked reserves	(8.8)	(9.1)	(0.3)
0.0	Revenue Contribution to Capital	0.4	0.3	(0.1)
(0.9)	Non-Service Specific Grants	(12.7)	(14.0)	(1.3)
8.1	TOTAL	138.0	145.8	7.8
(0.8)	Funding	(135.5)	(136.4)	(0.9)
0.0	Planned contributions from reserves	(2.5)	(2.5)	0.0
7.3	NET	0.0	6.9	6.9

** A new political administration was formed in May 2023 which has seen a change in the number of Portfolios and responsibilities within them. The arrangements for financial performance reporting for 2023/24 will reflect these changes.*

5.6 This table shows that the variance for the overall General Fund budget improved from a net overspend of £7.3M at period 8 to a net overspend of £6.9M by the end of the year. This reflects a small improvement in the financial position of the Service Portfolios from a forecast overspend of £11.8M to a final overspend of £11.6M. The remaining improvement of £0.2M is spread across corporate and other non-portfolio budget lines. The Council did take decisive

action to try to combat the cocktail of financial challenges and demand pressures that it was faced with from the start of the financial year.

- 5.7 Comprehensive reports summarising the circumstances and suggested mitigations were also presented to Cabinet for period 4 (end of July 2022 – forecast overspend at that time £14.5M) and period 6 (end of September 2022 – forecast overspend updated to £12.1M). The reducing overspend was clearly a positive direction of travel throughout the year but the final level of overspending for 2022/23 is higher than at any time since it became a Unitary Authority on 1 April 1998.
- 5.8 Cabinet have received regular and detailed budget monitoring information throughout 2022/23, so most key variances and trends have previously been well documented and reported.
- 5.9 This report summarises the major variances between the period 8 forecast and the final outturn for 2022/23. Comprehensive year-end reviews are also undertaken across all revenue projects that are supported by specific grant streams. If a project, for justifiable reasons, has not been completed in year, the value of any unspent grant is carried forward into the next year through the mechanism of earmarked reserves.
- 5.10 The headline variances that have occurred between what was reported at period 8 and the provisional final outturn are summarised and rounded to the nearest £0.1M in the following table:

	£Ms
Leader: Corporate Matters and Performance Delivery	(0.3)
Deputy Leader (May-Oct): Environment, Culture and Tourism	0.7
Deputy Leader (Nov-May): Public Protection	0.0
Adult Social Care and Health Integration	0.1
Asset Management and Inward Investment	(0.1)
Children and Learning and Inclusion	(0.6)
Economic Recovery, Regeneration and Housing	(1.0)
Highways, Transport and Parking	1.0
Corporate and other non-portfolio budgets	(0.2)
Total Variance from Period 8	(0.4)

Summary of Movements from the Period 8 Performance Monitoring Report

5.11 Leader: Corporate Matters and Performance Delivery [-0.3M]

- 5.11.1 The improvement in the outturn is due to additional drawdowns from the Business World ERP and Technology Transition & Systems Modernisation reserves to fund several pre-approved projects being led by Digital & ICT. These drawdowns are included in the figures in paragraph 5.21.

5.12 Deputy Leader (May-Oct): Environment, Culture and Tourism [+0.7M]

- 5.12.1 Within the Grounds Maintenance service, a significant underspend has been reported all year as vacancies were held to try to offset other expenditure pressures and anticipated income shortfalls. Due to operational pressures, these vacancies could not be held for as long as intended and as a result the forecast expenditure on staffing costs underspent by £0.200M less than anticipated at period 8.
- 5.12.2 Due to the level of debt outstanding, it was necessary to increase the provision for bad and doubtful debt by £0.169M, discussions are being held as to the options available and viability to recover this debt.
- 5.12.3 The marketing and events budget over spent by a further £0.114M due the finalisation of the cost of various events, including the City Festival, the Baton relay and the Shakedown event where it was required to implement road closures to ensure public safety.
- 5.12.4 Pier admission income was forecast at period 8 to exceed the budget by £0.200M based on the visitor numbers provided. However, these numbers over-stated the actual number of tickets sold, primarily for family tickets, which counts as 5 visitors but only one ticket sold.
- 5.12.5 It has been forecast throughout the year that both development control and building control would significantly exceed income expectations this year. This positive position has materialised at the end of the year, however with the impact of inflation and especially the increase in building materials there was a noticeable reduction in the expected income received from building control applications in the final quarter of the year. This reduced the income surplus by £0.080M by the end of the financial year.

5.13 Deputy Leader (Nov-May): Public Protection [0.0M]

- 5.13.1 There has been no change to the forecast outturn at period 8, the main headlines that were previously reported continued as forecast and included an increase in residual waste tonnages against pre-covid levels and the significant increase in utility costs to operate the crematorium.

5.14 Adult Social Care & Health Integration [+0.1M]

- 5.14.1 In 2022/23, the level of client contributions increased, this is in correlation to the increase in the price of care provided as a result of the uplifts given to the social care market. Combined with the impact of the increased cost of living, an increased proportion of this debt was outstanding at year end and potentially at higher risk of non-collection. The Council will continue to pursue all outstanding monies owed where it is fair and possible to do so but in these circumstances a provision was raised for this bad and doubtful debt. For adult social care, the provision was increased by £0.704M based on the age profile and value of outstanding debt.
- 5.14.2 An additional £0.343M of grant was received for winter discharge funding to support an improved flow from hospital, at period 8 the full eligible requirements of the grant were uncertain.
- 5.14.3 The government has provided the Council with various funding streams in relation to resettlement schemes (Afghan relocation and assistance / hotel wrap around support / Homes for Ukraine). These schemes have helped to support those both resettling from these areas, and those who are offering homes to them. Although this grant was highlighted in previous budget monitoring reports, we have utilised more of this funding in 2022/23 than anticipated (£0.257M) with any further funding being transferred to reserves to support ongoing needs of those who are resettling here.

5.15 Asset Management and Inward Investment [-0.1M]

- 5.15.1 Overall, there has been very little movement in this portfolio compared with the forecast at period 8. The slight improvement is due to a higher net income received than expected from the operation of the Victoria Shopping Centre.

5.16 Children and Learning and Inclusion [-0.6M]

- 5.16.1 Significant work undertaken to mitigate further cost pressures on both Complex and High Cost Residential Placements through driving and ensuring conditional costs are attributed between Social Care, Education and Health, resulted in an improvement on externally care purchased placements of £0.100M. The significant challenge does remain and continues due to the very high cost of complex residential placements within a market that is critically short on supply of appropriate places.
- 5.16.2 Further reductions in spend have been attributable to reductions in staffing expenditure, where temporary vacancies were held in some service areas particularly within the learning area. All service areas have also continued to reduce expenditure wherever possible and safe to do so to try to alleviate and reduce further spend pressure.

5.17 Economic Recovery, Regeneration and Housing [-1.0M]

- 5.17.1 There have been several additional grants received from Central Government in respect of New Burdens and additional local administrative requirements. This additional work has been absorbed by the Council's existing staff and has therefore been a net benefit of circa £0.2M
- 5.17.2 An improvement, following reconciliation at the end of the year of £0.363M associated with the effective management of Housing Benefit Overpayments has been achieved, an additional £0.250M from repayments has been received and an overall reduction £0.123M in the value of the bad debt provision, have all combined to improve the overall forecast outturn position.

5.18 Highways, Transport and Parking [+1.0M]

- 5.18.1 As part of the restructure of the Highways team agreed at Cabinet in July 2020 an assumption was made that the proportion of time the team charge to the capital investment programme would remain consistent. The amount of eligible time charged to the capital investment programme has not been at this anticipated level. This has resulted in an increase in the overspend of around £0.300M. Work is being undertaken in 2023/24 to review the staffing structure alongside the capital investment programme to ensure and confirm the expected levels of capitalisation and where any shortfalls are identified the staffing structure will need to be amended accordingly to reduce the financial pressure.
- 5.18.2 A pressure has been reported throughout the year on the costs associated with car parking administration. This has increased towards the end of the year due to several backdated charges from a contractor in relation to the charges for processing car parking transactions. We have also utilised our term contractor for additional essential variable works which was not anticipated. The signs in car parks were recently upgraded too but this investment should help to reduce costs in future years. The combined total increase of these items has resulted in an increased overspend of £0.450M.
- 5.18.3 As reported throughout the year, concessionary fares costs linked directly to passenger numbers have reduced significantly post-covid and after a final year end reconciliation from the scheme administrator our expenditure has reduced further, resulting in an improvement to the forecasted underspend at period 8 of around £0.100M.
- 5.18.4 The weather throughout the winter and early spring was cold and wet for extended periods. Unfortunately, this is the perfect combination for additional potholes to appear across the highways network and although it had previously been forecast that our capital and revenue budget would be sufficient for the network's maintenance requirements. Significant responsive works had to be undertaken in February and March resulting in an overspend of £0.330M. Material prices have also inflated significantly, much more so than the general cost of living inflationary increases which we have seen across the country.

Recommended Appropriations to and (from) Earmarked Reserves

- 5.19 The following table and supporting commentary outline the rationale and recommended appropriations to and (from) the Council's earmarked reserves for 2022/23. These proposed appropriations are subject to the approval of Cabinet annotated as appropriate where the appropriation is materially different from what was originally planned.

Reserve Type	Opening Balance	Period 1 to Period 8	Period 9 to 13	Proposed Final Appropriation	Closing Balance
	£000's	£000's	£000's	£000's	£000's
Capital	24,118	(3,374)	(323)	(915)	19,506
Corporate	27,809	(658)	(1,942)	(962)	24,248
Insurance	6,033	0	(611)	0	5,421
Services	11,151	(687)	(385)	(4,958)	5,121
Grants	26,772	(1,442)	(2,404)	0	22,925
Total	95,883	(6,161)	(5,665)	(6,835)	77,221

- 5.20 The appropriations in Period 1 to Period 8 have previously been reported and approved as part of budget monitoring information presented to Cabinet throughout 2022/23.
- 5.21 Appropriations in Period 9 to Period 13 are summarised by reserve type below and are requesting Cabinet's approval.
- Capital Reserves: use of circa (£0.3M) to fund a revenue contribution to capital outlay (RCCO).
 - Corporate Reserves: use of
 - (£1.2M) from the Technology Transition and Systems Modernisation Reserve to fund a range of digital projects and system upgrades e.g., Care Platform, MySouthend and Capita.
 - (£0.4M) from the Service Redesign Reserve to fund the associated costs of employee exit benefits.
 - (£0.3M) from the Business World ERP reserve to fund the programme of upgrades and development.
 - Insurance Reserves: release of (£0.6M) to bring the total to £5.4M based on the current level and assessment of cases.
 - Service Reserves: use of
 - (£0.6M) from the Passenger Transport Reserve to fund costs associated with the improved operation and transfer of Vecteo.
 - (£0.3M) from the Waste Reserve to fund costs associated with the procurement process for Waste Collection and Waste Disposal contracts.
 - (£0.2M) from the Southend Adult Community College Reserve to fund a structural redesign of the College.

- (£0.1M) from the Elections Reserve to fund the additional cost of managing elections which was in excess of the budget provision.
 - There is also recommended increases to reserves of £0.8M for specific services, including the Supporting People Reserve and Development Control Reserve.
- Grant Reserves:
 - use of (£6.7M) of Section 31 Grant for Business Rates appropriated in 2021/22.
 - addition of £3.6M to the Dedicated Schools Grant Reserve.
 - use of (£3.5M) of COVID-19 grants appropriated in 2020/21 and 2021/22
 - addition of £1.7M Resettlement Programme funding.
 - net increase of £2.6M made up of multiple other smaller value specific grants for a range of initiatives e.g. Rough Sleeper Grant, Improved Better Care Fund, Afghanistan and Ukraine Education Grants.
 - net decrease of (£0.1M) in the Public Health (including DAAT) grant reserves.
- 5.22 The proposed final appropriation for Capital Reserves is from the Interest Equalisation Reserve for £0.9M, this is to fund the increased in costs for the interest applied to the HRA and trust balances due to the level of interest achieved on planned investments being higher than anticipated.
- 5.23 The proposed final appropriations for Corporate Reserves of £1.0M includes the release of £0.9M from the Benefits Volatility/Transition Reserve. This reserve was created at the end of 2021/22 due to the complexity and changes associated with Housing Benefit Overpayments, following a comprehensive analysis and reconciliation during the 2022/23 financial year we are confident that Council's position is correct and therefore the reserve is no longer required and has been released to support the year-end outturn. The remaining £0.1M is the final adjustment to cover the overall forecast outturn and has been funded from the Service Design Reserve.
- 5.24 The proposed final appropriation for Service Reserves of £5.0M is the application of the Childrens & Adults Social Care Reserves of £2.5M each.
- 5.25 The net overall impact of these proposed appropriations is to decrease the total reserves held by Southend-on-Sea City Council to £77.221M. To establish a 'like for like' comparison with our reserves position across the last two years we need to exclude the requirements for grant reserves due to the impact of COVID-19. This effectively means that our overall reserves position has declined by circa (£18.5M), compared to an increase of circa £2.0M in 2021/22.
- 5.26 To have had the reserves available for use in 2022/23 is testament to the strong financial management of the Council, however the use of reserves to this extent on a regular basis is not a viable option. The Council must urgently find ways to permanently reduce its cost base/generate more income to ensure its future financial sustainability.

Transfers between reserves

- 5.27 It is recognised and expected that significant pressures in Childrens and Adult Social Care will continue and as such these risk reserves need to be replenished. To do this the following transfers between reserves are proposed.

	Starting Balance* £000s	Transfer to / (from) £000s	Updated Balance £000s
Corporate Reserves			
Business Rates Retention	1,801	(1,801)	0
Specific Corporate Projects	2,175	(2,175)	0
Street Lighting	105	(105)	0
Covid-19 Recovery and Response	704	(704)	0
Service Reserves			
Welfare Reform	421	(173)	248
Adult Social Care	42	2,458	2,500
Children's Social Care	0	2,500	2,500

* this is the balance after appropriations detailed in paragraphs 5.21 to 5.26.

Implications for the 2023/24 budget and Medium Term Financial Strategy

- 5.28 Prior to the pandemic and cost of living challenges experienced in 2022/23 Southend-on-Sea was already having to respond to some high value social care demand trends. This scenario was replicated in many upper tier authorities right across the country. These pressures had been recognised locally and attempts were made to address some of these issues by increasing the revenue base of these services for 2021/22, 2022/23 and 2023/24 as part of the Medium Term Financial Strategy.
- 5.29 It is too early to assess or form clear conclusions around the exact level of financial pressure that the Council will be faced with in 2023/24. We are aware of the continuation of the risks of inflationary pressures, including ongoing employee pay negotiations and increases in both the cost and complexity of demand for critical social care statutory services. We have modelled scenarios and earmarked specific service risk reserves for the most volatile statutory service areas of Childrens and Adults Social Care to provide a safety net. The challenge of continuing to design and implement potential financial mitigating strategies for 2023/24 will be significant. The Council will have to find ways to reduce its cost base and the successful implementation and delivery of the new transformation programme will be fundamental to achieving this ambition.
- 5.30 A comprehensive Period 4 financial monitoring and performance report will be presented to Cabinet in September 2023. This will highlight the extent of the financial pressure in 2023/24 and provide a revised illustration of the potential impact on the Council's budget over the medium term until 2027/28.

- 5.31 To help address and close the revised estimated budget gap over the next five years the Council will continue to aim to achieve financial sustainability from local income sources in the future and improve its efficiency and productivity. 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 continue learn from our experience, reduce our cost base wherever possible and tailor our services and working practices accordingly.
- 5.32 Even in these unprecedented circumstances Directors and all services are aware that it is vital to adhere to the approved level of all budgets. The operating climate, particularly in social care is incredibly challenging though and that is why it is so important to have a clear understanding of all the cost drivers within the Council's budget. Financial management and monitoring are also key to highlighting any issues as early as possible and the embedding of the 'Getting to Know your Business' programme will provide enhanced support and advice to service managers. Our approach encourages consideration over the medium term, so not only trying to achieve a balanced outturn in the current year but also to avoid putting further pressure on budget plans for future years.
- 5.33 Critical to achieving financial planning success is to understand pressures inherited from the previous year. These could manifest themselves by way of continued increases in demand and inflationary pressures, reduced income activity, undelivered planned savings, or new service and demand issues emerging post the pandemic and cost of living challenges. Detailed analysis has therefore been undertaken to provide more insight into the key messages contained in the 2022/23 outturn and to estimate the potential ongoing impact into 2023/24 and our Medium Term Financial Strategy.
- 5.34 In keeping with many councils across the country there are several areas of immediate spending pressure that will require proactive management. The areas that clearly will have a major impact in 2023/24 and beyond for Southend-on-Sea are Children's Social Care, Adult's Social Care and Waste, Highways & Transport. All Services though will be subject to close examination and monitoring due to the organisation wide impact on all costs due to the rapid and continuing challenges of inflationary pressures across all areas.

5.35 Public Protection

- 5.35.1 It is widely anticipated that one permanent legacy of the pandemic will be a continued increase in the number of days people work from home. This should bring environmental benefits to the city due to reduced commuting, however increased time working from home will almost certainly result in increased household waste. It is anticipated that this increased tonnage level which was seen in 2022/23 will continue into 2023/24 and the future, which as a disposal authority will bring additional financial pressure to the Council. It is vital that every effort is made to continually raise awareness and increase local recycling rates.

5.36 Adult Social Care and Health Integration

- 5.36.1 Both the national and local challenge in Adult Social Care have been well documented, with grant funding in the form of the increase ASC Market Sustainability & Improvement Fund being allocated despite the originally planned reforms being delayed. As a result of the cost-of-living crisis there has been a direct impact on the cost of care, where a significant element of the cost is for staff time, especially for Home Care. Whilst there has been significant investment in the market, inflationary pressures have eroded any movement towards the fair cost of care target. This poses a significant risk to the 2023/24 budget and the medium term, as the market will put pressure on the Council to pay increased rates, particularly in residential settings.
- 5.36.2 2023/24 sees the continuation of the winter discharge funding, with a grant being available to help the flow from hospital into social care. This will enhance the working relationship between the authority and the health sector and should bring benefits right across the health and social care system.

5.37 Children & Learning

- 5.37.1 Children & Learning will continue to have a large spend pressure opening into 2023/24 despite the positive and additional £2.5M funding (agreed and approved as part of the 2023/24 budget). As reported throughout 2022/23, the main contributing factor to that spend pressure is the continuation of high-cost residential care placements for children with complex needs including a continued and increased reliance on both residential and external foster care. Children Social Care teams do also continue to require temporary agency social work posts covering substantive posts that adds further pressure to the Council.
- 5.37.2 Whilst these pressures do remain, the Council continues to actively seek and mitigate this pressure where possible whilst ensuring the safety and welfare of each child remains of paramount importance. This is demonstrated by the new Inhouse foster care offer launched from April 2023, and it is targeted that this will increase the number of inhouse foster carers supporting our children in care not only benefiting the child by remaining close to local networks and support, but by also reducing reliance on expensive externally provided care placements. The Council does also operate recognised and revised strategies to recruit, retain and support permanent social work staff to try to continue to reduce reliance on agency social workers.

5.38 Corporate Services and Performance Delivery

- 5.38.1 The Council is committed to reducing its significant and traditional ICT on-premise server and infrastructure associated costs and moving the arrangements to a modern software as a service (SaaS) offering based on a more secure and updated cloud-based provider. The programme will also avoid a circa £6 million capital cost avoidance benefit and provide improved agile performance and latest technology to drive our desire to improve our customer's experience. This first phase will also help to provide the technological platform to deliver our transformational blueprint. This initiative forms part of the Capital Investment Programme for 2023/24 and will be funded by a combination of revenue, earmarked reserves and capital resources.

5.38.2 Delivery of Phase 2 of the Business World ERP programme of works is essential to the Council's ability to transform some of its internal management, operational, transactional, and administrative functions. The benefits associated with this project are vital to reducing the overall operating cost base of the organisation and enhancing efficiency and productivity.

5.39 Transport, Assets Management and Inward Investment

5.39.1 Car parking income in 2022/23 was in line with the budgeted amount for the year which is a significant achievement against a budget of £8.3M. The overspends in the area were a result of the costs associated with maintaining the infrastructure to facilitate those payments. Machine fees, bank fees, mobile app provider fees etc are all considerable costs to support the parking function and will increase as the number of transactions by digital methods also increase, whilst providing enhanced convenience for our customers. The income budget has been increased by a further £1.1M in 2023/24. It is pleasing to report that the profile of income to be generated at the end of May 2023 is currently on target to be achieved.

5.39.2 The new Civil Engineering and Highways structure is partly funded by the capital investment programme. With significant investment planned in the highway's infrastructure, it is imperative that eligible staff costs are also capitalised where appropriate. Close attention and analysis will be required to ensure both eligibility and value of recharge between revenue and capital is achieved throughout the year. This will also provide a useful barometer towards measuring the successful delivery of the planned capital investment programme ambitions.

Overall Future Mitigation Strategy

5.40 All services will need to consider the impact on their service costs and where appropriate their pricing strategies due to the continuing increases in inflation. The range of specifically highlighted issues provide an indication of the potential financial pressures and uncertainty facing services at the start of the new financial year. It is too early to evaluate all these potential challenges with a lot of confidence at this stage. Directors are aware that they have a duty to work within the budget envelope provided, and therefore must make every effort to contain these pressures through in-year management action, and to try to continue to deliver better outcomes and better value for money from within their approved budget allocations.

5.41 In setting the 2023/24 budget, around £6.8M (£4.4M employee pay award & £2.4M for energy) of extra provision for inflation related costs were approved. A further £0.6M for 'other' contractual inflation was set aside within the corporate contingency budget. Despite this significant level of combined provision, it is expected that this will still come under significant pressure given the current negotiations with staff representatives and with inflation continuing to stay stubbornly high, despite rapid increases in interest rates to try and combat inflationary pressures. It is hoped that the energy provision will prove to be too high and some of it could be released to help to mitigate some of the potential other pressures.

- 5.42 The Council also holds a range of earmarked reserves specifically against some of the risks associated with the identified spending pressures. Careful consideration will be given to reviewing our complete portfolio of earmarked reserves to see if a further review and re-allocation is required to better reflect the potential risks highlighted by the 2022/23 outturn. Use of any reserves are by their very nature only a one-off mitigation and approval will be requested if required from Cabinet.
- 5.43 The challenge of designing and implementing potential mitigating strategies for 2023/24 and the future has been made far more complex due to the impact and uncertainty caused by the current operating environment and the rapid and continuing rise in inflation. A better picture on potential options and an update on the financial performance against the approved budget for 2023/24 will be available as a comprehensive period 4 monitoring report at Cabinet in September 2023. We may then also have a better indication from Central Government about future funding arrangements and intentions.
- 5.44 The Council, like many local authorities, is faced with some very difficult challenges and choices. There is currently a clear and genuine risk to the financial resilience and future financial sustainability of the Council. This has been caused by the continuing increasing level of demand and cost pressures being experienced, primarily in core statutory service provision and it is essential that appropriate mitigating actions and decisions are taken in 2023/24 and the future to reduce costs (service offer) and/or generate more income to invest in local service provision.

6 2022/23 Housing Revenue Account Outturn

6.1 The following table summarises the outturn for the Housing Revenue Account and the consequential use of balances for 2022/23.

	Original Budget £000	Revised Budget £000	Forecast Period 8 £000	Actual £000
Employees	206	206	206	206
Premises (excluding repairs)	787	787	787	792
Repairs	6,053	6,553	6,553	6,097
Supplies and Services	141	141	141	65
Management Fee	6,648	6,698	6,898	6,898
Internal Recharges and Overheads	1,584	1,683	1,683	1,673
Provision for Bad Debts	455	455	455	293
Depreciation, Impairment etc	8,393	8,393	8,393	8,034
Interest and Debt Management Charges	3,142	3,142	3,142	3,563
Total Expenditure	27,408	28,057	28,257	27,621
Fees and Charges	(371)	(371)	(371)	(414)
Dwelling Rents	(27,821)	(27,821)	(27,721)	(27,659)
Other Rents	(1,535)	(1,535)	(1,535)	(1,595)
Contribution from Leaseholders				(175)
Interest	(136)	(136)	(136)	(933)
Recharged to Capital	(584)	(584)	(584)	(451)
Total Income	(30,447)	(30,447)	(30,347)	(31,226)
Net Operating Income	(3,039)	(2,338)	(2,090)	(3,606)
Revenue Contribution to Capital	8,309	8,309	8,309	4,105
Appropriation to Earmarked Reserves	(5,271)	(5,920)	(6,219)	(4,655)
Surplus	0	0	0	(4,156)

6.2 The HRA has been subjected to a same pressure that have been replicated in most areas right across the country in that repairs and maintenance costs have increased significantly throughout 2022/23. An in-year surplus of £4.156M is being declared, principally generated through a major reduction in the planned level of revenue contribution to the Capital Investment Programme.

6.3 At the beginning of 2022/23 there was a major concern around the uncertainty of the legacy impact of COVID-19 and the continuing cost of living crisis on collection levels and potential difficulties for tenants paying their rent and service charges due to changing circumstances. Good management of void properties and early intervention of advice and support for tenants has helped to mitigate this major concern. At the end of the year the actual level of rental income received was very close to the budget set for the year.

- 6.4 The budget report to Cabinet in February 2022 included an ambitious 'affordable housing acquisitions' programme, with a planned revenue contribution of £8.310M to fund the intentions. This required £3.039M of the planned surplus, as well as £5.271M to be drawn down from the capital investment reserve to fund this level of acquisitions. It has not been possible to deliver that size of capital investment programme, given the economic environment. The final funding requirement for 2022/23 was £4.105M. These ambitious plans will look to be accelerated again in 2023/24.
- 6.5 The general reserve for the HRA is considered to be at an appropriate level so an appropriation of the surplus to HRA earmarked reserves is proposed to enable further investment to be made in the Council's housing stock, creating better conditions and environments for local tenants.
- 6.6 The following table summarises all the appropriations for the HRA in 2022/23 and Cabinet is requested to approve the final appropriation to the Capital Investment Reserve of £4.156M.

HRA Reserve	Original Plan £000	Approved Period 8 £000	Proposed Final Appropriation £000	Total £000
Repairs Contract Pensions Reserve	60	0	0	60
Capital Investment Reserve	(5,331)	(300)	8,260	2,630
Major Repairs Reserve (Revenue)	0	0	0	0
Sub-Total	(5,271)	(300)	8,260	2,690
Revenue contributions to capital	8,309	0	(4,105)	4,205
Grand Total	3,039	(300)	4,156	6,894

7 2022/23 Capital Outturn

Overview

- 7.1 Throughout the 2022/23 financial year the capital investment programme has been subject to robust monitoring and challenge to ensure delivery and alignment with the Corporate Plan priorities and desired outcomes. As a result of this monitoring, revisions were made during the year to the capital investment programme budgets with the agreement of Cabinet. The last revision approved by Council on 23 February 2023.
- 7.2 The changes are summarised in the table below.

	£000
Original Budget 24 February 2022 Council	99,077
14 June 2022 Cabinet carry forwards from 21/22 schemes	6,446
Accelerated Delivery of 21/22 schemes	(645)
Re-profiles, New External funding and other adjustments agreed at 14 June 2022 Cabinet	10,653
Re-profiles, New External funding and other adjustments agreed at 13 September 2022 Cabinet	(21,798)
Re-profiles, New External funding and other adjustments agreed at 8 November 2022 Cabinet	(17,985)
Re-profiles, New External funding and amendments agreed at 14 February 2023 Cabinet	(13,928)
Revised Capital Investment Programme 23 February 2023 Council	61,820

Brackets indicate a reduction in budget.

- 7.3 The summary on the next page shows the 2022/23 actual spend against budget for the different types of investment.

Scheme by area of investment	Revised Budget £000	Actual £000	Variance £000	% Spent	Notes on delivery (see paragraphs 7.8 to 7.17 for the outcomes achieved)
General Fund Housing	825	991	166	120.1	More disabled facility grants delivered than anticipated due to a goal to optimise grant usage in this area – requesting accelerated delivery of 2023/24 budget.
Social Care	0	1,527	1,527	N/A	Overspend on Brook Meadows House – see paragraph 7.8.
Schools	1,451	1,671	220	115.2	A combination of multi year projects for condition works and special provision capital fund – see paragraph 7.9.
Enterprise & Regeneration	16,291	7,981	(8,310)	49.0	Multi-year projects including Airport Business Park, Better Queensway, Victoria Centre and No Use Empty– see paragraph 7.10.
Southend Pier	1,783	2,196	413	123.2	Works progressed well with accelerated delivery – see paragraph 7.11.
Culture & Tourism	463	250	(213)	54.0	Multi-year schemes including parks, libraries and museums – see paragraph 7.12
Community Safety	755	470	(285)	62.3	Multi-year schemes including the CCTV equipment renewal that will complete in 2023/24 – see paragraph 7.13
Highways and Infrastructure	19,580	18,736	(844)	95.7	Multi-year schemes at various stages of completion – see paragraph 7.14. £0.8M included as a net of carry forward, accelerated delivery requests and other budget adjustments.
Works to Property	2,455	2,405	(50)	98.0	Mainly Property Refurbishment and Fire Improvement Programme works – see paragraph 7.15.
Energy Saving Projects	516	293	(223)	56.8	Schemes being reviewed and will continue in 2023/24 and future years.
ICT Schemes	2,942	2,214	(728)	75.3	Multi-year schemes at various stages of completion – £0.7M included as carry forward requests. See paragraph 7.16
Section 106 / Section 38 / CIL	528	317	(211)	60.0	Multi-year planning and highways agreements at various stages of completion – £0.2M included as carry forward requests.
Council House Refurbishment	10,087	8,611	(1,476)	85.4	The Decent Homes programme and disabled adaptations are multi-year schemes. See paragraph 7.17.
Council Housing New Build Programme	632	574	(58)	90.8	Delivery stages of several build phases – see paragraph 7.17.
Council Housing Acquisitions Programme	3,512	3,586	74	102.1	Mainly acquisitions relating to the housing acquisitions programme and the Afghan & Ukraine resettlement scheme - see paragraph 7.17.
Total	61,820	51,822	(9,998)	83.8	

Brackets indicate an underspend against budget.

7.4 The outturn across strategic and other schemes is as follows:

	Revised Budget £000	Actual £000	Variance £000	% Spent
Strategic schemes				
Airport Business Park	7,265	4,254	(3,011)	58.6
Better Queensway	5,331	1,352	(3,979)	25.4
Victoria Centre	1,255	753	(502)	60.0
Brook Meadows House	0	1,527	1,527	N/A
Southend Pier schemes	1,783	2,196	413	123.2
ICT Schemes	2,942	2,214	(728)	75.3
Footways and Carriageways	11,430	11,059	(371)	96.8
Parking Schemes	1,467	1,238	(229)	84.4
Highways and Infrastructure – Local Growth Fund and Local Transport Plan Schemes	3,944	3,632	(312)	92.1
Levelling Up Fund Schemes	1,240	1,245	5	100.4
HRA – Decent Homes Programme	9,317	7,989	(1,328)	85.7
HRA – Construction of New Housing	632	574	(58)	90.8
HRA – Housing Acquisitions Programme	3,512	3,586	74	102.1
Total Strategic Schemes	50,118	41,619	(8,499)	83.0
Other schemes	11,702	10,203	(1,499)	87.2
Total	61,820	51,822	(9,998)	83.8

7.5 Best practice and normal accounting convention require that the approved Capital Investment Programme includes budgets for all potential capital expenditure. Therefore, the programme contains budgets for schemes such as Section 106 funding where expenditure is contingent on a condition being met, grants that are paid to the Council in full are drawn down over time and schemes managed in partnership or by other bodies, e.g. schools.

7.6 The outturn for 2022/23 shows a final spend position of £51.822m against a revised budget of £61.820m, which is an 83.8% outturn position.

7.7 The capital investment in the year contributed to the delivery of the desired outcomes identified as part of the Southend 2050 ambition and Corporate Plan. The key themes and outcomes are shown in the following sections:

Investment Areas

7.8 Social Care

Under the corporate priority of a city with a good quality of life, investment in this area contributes to the objective to ensure that health and care services meet the needs of all.

A major investment over the last few years has been the construction of Brook Meadows House with the new care home becoming operational towards the end of 2021/22. The existing Priory Care Home was then demolished prior to final landscaping works being completed.

For the 2021/22 financial year the project had overspent by £3.4M, with further costs of £1.5M incurred in 2022/23 with no budget provision. The overspends have been incurred due to a number of issues including the performance of the design team. The Council is currently taking forward actions with a view to recovering significant costs incurred where these have been caused by the performance of third parties. The timing of any cost recovery is uncertain.

7.9 Schools

Under the corporate priority of a city with a good quality of life, investment in this area contributes to the objective to enable and provide opportunities for the best start in life.

Expenditure on the education capital programme for 2022/23 was £1.7M. £0.7M of this investment was in schools condition works within the maintained primary schools. These covered larger high cost repairs and replacements projects on roofs, windows, doors, kitchens, new classrooms and heating that are beyond the budget of the individual settings. In addition, £0.3M was devolved as formula capital to the maintained schools to manage their own smaller capital works.

£0.6M of the investment was using the special provision grant monies to enhance the facilities and number of places available for children with special educational needs and disabilities or requiring alternative provision. There are currently three schemes in progress which will continue into 2023/24.

7.10 Enterprise and Regeneration

Under the corporate priority of a city that is strong and prosperous, investment in this area contributes to the objective to support economic regeneration and business development.

A major investment of is for the Airport Business Park, which is a major strategic employment site in close proximity to London Southend Airport. It is envisaged that the new Business Park will become renowned as a leading regional centre for the science, medical and technology sectors and deliver benefits for both local businesses and local communities. The development will create thousands of job opportunities for local people, attract inward investment and it is hoped it will bring lasting prosperity to the region. £4.3m of investment

has been made during 2022/23. The completion of the Launchpad progressed well with practical completion achieved and the building now open. There are more works to be completed for the fit out of the Launchpad and for a S106 payment for bus services. A budget carry forward request has been included for £2.8M.

Capital investment of £0.5M was also made 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 BQ Limited (now a subsidiary of Sanctuary Housing Association) to deliver the Better Queensway regeneration project. A carry forward request of £0.1M relating to this project has been included as part of this report.

Funding of £0.8M was also passed to Porter's Place Southend-on-Sea LLP to facilitate the delivery of the Better Queensway project, £0.4M of this was South Essex Local Enterprise Partnership monies, with the remainder being drawdowns of the junior loan facility, with an equal amount being invested by Swan Housing Association. Carry forward requests totalling £3.8M relating to these schemes have been included as part of this report.

The Council also invested £0.8M in redevelopment of units to enable lettings at the Victoria shopping centre. These refurbishment and redevelopment works will continue into 2023/24 and a carry forward request of £0.5M has been included as part of this report.

Investment of £1.2M was also made in the three Levelling Up Fund projects: Leigh Port, Cliffs Pavilion and City Beach. These projects will continue into 2023/24 and 2024/25 and budget re-profile requests across those years are included as part of this report.

In line with the conditions of the No Use Empty grant conditions, loans of £0.3M were granted to businesses in respect of empty commercial property conversion. Expenditure is dependent on the numbers of businesses that apply for the loans and a carry forward request of £0.8M has been included as part of this report.

7.11 Southend Pier

Under the corporate priority of a city that is strong and prosperous, investment in this area contributes to the objective to enhance our tourism, cultural and leisure offer.

Every year major investment is made in Southend's historic pleasure pier, the longest in the world. In 2022/23 capital investment of £2.2M had been made in the pier, including £1.9m on condition works. The pier had 396,000 visitors in 2022/23 which is higher than the 358,000 in 2021/22 or the average of 350,000 over the three years before the pandemic.

Much of the pier investment programme involves multi-year projects and projects progressed well during 2022/23. Accelerated delivery requests of £0.4M have been included in this report.

7.12 Culture and Tourism

Under the corporate priority of a city that is strong and prosperous, investment in this area contributes to the objective to enhance our tourism, cultural and leisure offer.

In the 2021 Residents' Survey, parks and open spaces were an important aspect for residents. In the future half of residents expect to continue to use Southend's parks and open spaces more than they did before the pandemic. The town has many parks, gardens and nature reserves offering a range of facilities including sports pitches/courts, children's playgrounds, skateboarding, cafés, boating lakes, fishing lakes and wildlife areas. In recognition of this, capital investment of £0.2M has been made in the town's parks and open spaces during 2022/23.

A further £0.1M was invested in the city's libraries, museums and leisure centres.

Much of the culture and tourism investment programme involves multi-year projects. Net carry forward and accelerated delivery requests of £0.2M have been included in this report.

7.13 Community Safety

Capital investment of £0.5M has been made during 2022/23 for community safety, including the installation of CCTV equipment and other security measures such as bollards in the High Street and at Marine Parade. Carry forward requests of £0.3M have been included in this report.

7.14 Highways and Infrastructure

Capital investment of £11.1M in improvements to the town's highway and footpath network has been made during 2022/23, including repairing potholes, junction protection works and resurfacing of Zebra Crossings. During the financial year 98,960m² of carriageways were resurfaced and 45,530m² of footways were resurfaced with 14,270m of new kerbing installed.

Via the Local Growth Fund monies, investment of £0.3M was made in improvements to the A127 Growth Corridor, to the Bell Junction and on A127 essential maintenance works. A further £1.5M was invested in city centre interventions.

Investment of £1.9M was made via Local Transport Plan grant funded schemes including road maintenance, street lighting, bridge strengthening, installation of traffic signal equipment and signage and works to bus stops and shelters.

Capital investment of £1.2M was made in parking schemes, including £0.9M for improvements to the East Beach car park.

Capital investment of £0.9m has been made during 2022/23 for flood prevention and resilience schemes. These included refurbishment of groyne fields and works to the East Beach gabions.

Net carry forward, accelerated delivery and other budget requests of £0.8M have been included in this report so that schemes can continue into 2023/24.

7.15 Works to Property

Major investment of £1.1m on property refurbishment and £0.7m on fire improvement works were made to ensure the Councils operational buildings remain safe, in good condition and meet current standards.

7.16 ICT

Investment of £2.2M has been made in the Council's ICT infrastructure to continue to provide the core services and to progress the Smart Council project.

This investment includes:

- Technology Device Refresh – to provide the ability for staff to work remotely with new laptops and the ability to support them remotely.
- Application Transformation – migration of applications to a stable environment to permit access for the new laptops and to mitigate technical risks.
- Digital Enablement – setting up the foundations for transformation into a Smart City.
- Security and Resiliency – implementing the fundamental security capabilities to protect remote working.
- Stabilise the Estate – remediation work to ensure the technology foundations are robust to support the new ways of working.
- Operational Requirements – the Council's infrastructure licences

This investment will continue into 2023/24 with future years Smart Council requirements to be assessed and considered.

7.17 Council Housing and New Build Programme

Under the corporate priority of a city delivering genuinely affordable housing, investment in this area contributes to the objectives of addressing local housing need and ensuring good quality housing design, management and maintenance.

Investment of £8.6M was made during 2022/23 in the refurbishment of the borough's Council Housing, mainly via the Decent Homes programme. The budget is expected to be spent over the course of 2022/23 to 2024/25 but it not expected to be spent in the ways previously planned. Net carry forward and accelerated delivery requests of £1.3M have been included as part of this report.

Investment of £2.9M was made during 2022/23 for the acquisition of 16 Council dwellings across the Council housing acquisitions programme and the Afghan & Ukraine resettlement scheme. Valuations were also completed on 25 properties for the Council housing acquisitions programme and these are expected to complete during 2023/24. The programme will continue in 2023/24 to 2025/26 with more suitable properties being purchased as they become available. The Afghan & Ukraine resettlement scheme will continue into 2023/24 with a budget of £3.2M, funded by grant from the Local Authority Housing Fund.

Investment of £0.6M in the construction of new Council Housing was made during 2022/23, with the different phases progressing through design, survey, planning or construction. More significant investment is planned for 2023/24 and 2024/25 as more of the projects move into the construction. Phase 3 of the HRA Land Review project is to deliver circa 29 Council homes across five underutilised garage sites and surrounding land in Shoeburyness and is estimated to start on site in 2023/24. Phase 4 of the project is to deliver circa 9 units of Council housing at the North site within the Council owned Lundy Close housing estate and start on site is estimated for 2023/24.

Revised capital investment programme

- 7.18 A range of schemes have been identified that are funded from external contributions and grants. These have been included in the capital investment programme but there is flexibility in when these schemes are delivered either by the funder determining when it is appropriate or the Council matching delivery to available resources.
- 7.19 In total there are a number of schemes with unspent budgets in 2022/32 where the budget is needed in 2023/24 in order to complete the schemes. These schemes have started and/or are fully committed to but due to various factors have not completed or reached the anticipated stage by the 31 March 2023. These budget commitments total £15.155M and are summarised in Appendix 2.
- 7.20 In addition, some schemes have exceeded their 2022/23 budget allocation. The two causes of this are unforeseen costs being incurred or schemes spending ahead of profile in order to accelerate delivery, i.e. multi-year schemes being delivered earlier or preliminary works starting on 2023/24 schemes to ensure their prompt completion. The sum of this accelerated delivery totals £2.123M and is analysed in Appendix 2.
- 7.21 Where possible schemes that have exceeded their 2022/23 budget allocation will be financed by compensatory under spending on other schemes. The exception to this is the overspend for Brook Meadows House, where the approach is set out in paragraph 7.9. The amended budget for 2022/23 after carry-forward, accelerated delivery requests and budget adjustments have been taken into account is £50.091M.

7.22 An amended Capital Investment Programme reflecting all the changes above is attached at Appendix 3 and is summarised below:

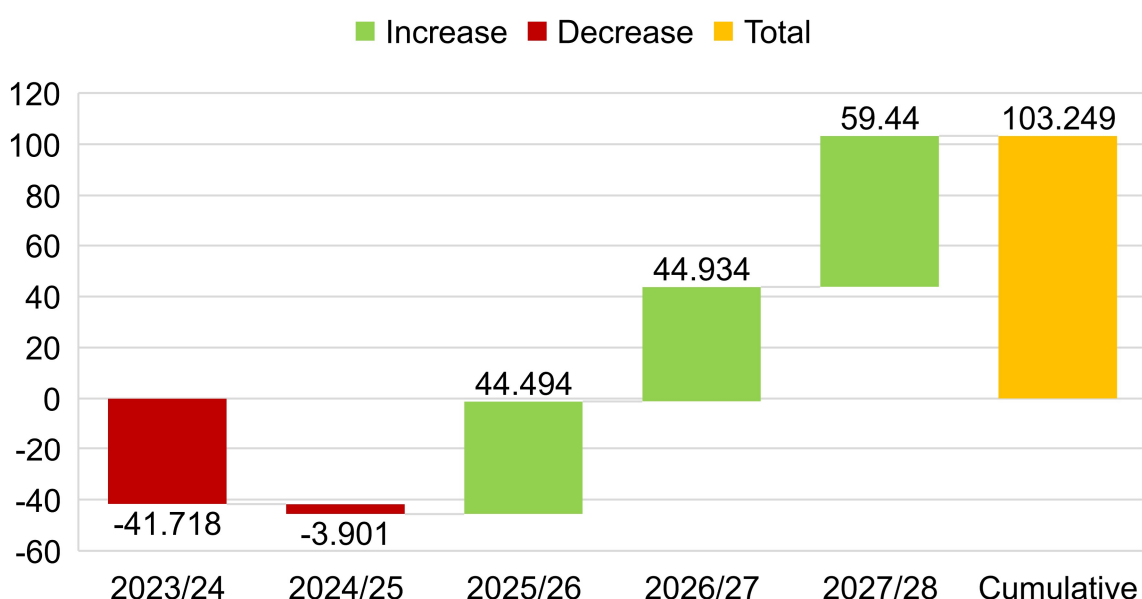
Amended Capital Investment Programme to be delivered by the Council:

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Strategic Schemes	46.4	45.4	4.4	4.0	0	100.2
Other Schemes	25.0	9.0	1.5	1.4	0.6	37.5
Total	71.4	54.4	5.9	5.4	0.6	137.7

Amended Capital Investment Programme to be delivered by Subsidiary Companies, Partners or Joint Ventures:

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
South Essex Homes Limited	8.6	6.3	6.3	6.5	0	27.7
Porters Place Southend-on-Sea LLP	19.9	3.2	3.3	3.2	0	29.6
Kent County Council	1.8	0	0	0	0	1.8
Total	30.3	9.5	9.6	9.7	0	59.1

7.23 The chart below shows the headroom (negative in 2023/24 and 2024/25) for each year compared to the average spend over the last 15 years. Over the five-year period there is cumulative headroom of £103M (£21M each year if profiled equally).



- 7.24 This chart should be considered in the context that there is a further list of schemes that are not in the approved programme but are subject to viable business cases. This includes schemes where the costs have been estimated, totalling £87M and schemes that are yet to be costed. There may also be urgent health and safety works that might occur that are as yet unforeseen.
- 7.25 Given the above and the Council's finite capacity to deliver capital schemes, the Capital Programme Delivery Board has been considering how to review all capital projects and programmes and the status of their business cases.

As a result all capital projects with a budget over £100k will be reviewed and assigned a RAG rating as follows:

RAG rating	Examples of the criteria to be used	Proposed outcome
Red	Project not yet started, no/very low costs incurred, low impact of stopping or pausing the project	Stop, delete the project or move it to the subject to viable business case section
Amber	A project or programme for which the scope can be adjusted, some work started and costs incurred (e.g. consultation started, planning permission sought), can be stopped or paused but implications need to be considered	Further review required
Green	Key political priority, urgent health and safety works, project underway and progressing well (i.e. materials delivered, contractors on site), time limited grant conditions	Continue

- 7.26 A generic approach to the programme as a whole would not be appropriate, as each project is different in its nature, extent and impact. The way that projects are funded also needs to be considered as grant and third-party funding would have to be returned if not spent or if delayed beyond the agreed expenditure timeframe. It is also recognised that these options need to be considered alongside any forthcoming capital challenge sessions, the timing and format of which are yet to be agreed.
- 7.27 The capital investment programme should continue to be subject to continuous review and re-prioritisation to ensure resources are aligned to the Council's Southend 2050, recovery priorities and administration priorities. This will inevitably lead to some difficult decisions having to be made regarding the programme with the delivery of some schemes being scaled back, delivered over a longer timescale, paused or removed.
- 7.28 Progress of schemes will be re-assessed and some schemes may be removed from the main programme entirely and others held as 'subject to viable delivery plans' until it can be demonstrated that there is the capacity and resources to deliver them in the timescales indicated. Schemes can then be brought back into the main programme as and when it is appropriate to do so.

- 7.29 As this review progresses via challenge meetings, the Capital Programme Delivery Board and the Investment Board, re-profiles and other adjustments to the programme for 2023/24 and future years will be put forward for approval.

Financing of the Capital Investment Programme

- 7.30 The capital investment programme is fully financed. When the budget is set, estimates are made on the likely levels of capital receipt, grant that will be received during the year, the likely level of borrowing required as well as the proposed level of expenditure. As the actual expenditure differs from the proposed budget, the associated financing needs to be amended also to reflect this.
- 7.31 The capital expenditure in 2022/23 is financed as follows:

	2022/23 Actual (£m)
Total Capital Expenditure	51.822
Financed by:	
Borrowing	25.999
Invest to Save Financing	1.729
Capital Receipts	0.987
Capital Grants Utilised	11.268
Major Repairs Reserve	6.161
Other Revenue/ Capital Reserve Contributions	4.432
Third Party Contributions	1.246
Total Financing	51.822

Other changes to the budget for 2022/23 onwards

- 7.32 Since the approved capital investment programme was set at Council on 23 February 2023, there have been some changes to the capital budget. They are not significant in number but are required to provide a continually updated programme to enhance the delivery of schemes and are therefore detailed in Appendix 2. These changes are reflected in the amended Capital Investment Programme attached at Appendix 3.
- 7.33 Removal of budgets no longer required is requested for schemes such as the Empty Homes Strategy budget (where the desired outcome can be delivered in another way) and the School Improvement and Provision for School Places budget (where the multi-year scheme has been completed within budget). The overall effect for all schemes identified as needing to be deleted is a decrease of £0.554M in the level of capital budget required.

- 7.34 All of these changes have been reflected in the revised capital investment programme at Appendix 3.

Capital Scheme Additions

- 7.35 There are a couple of schemes where the Council has been allocated or awarded new external funding and where match funding is a condition of the grant. The following schemes have been added as match funding additions to the programme, together with their new external funding amounts:

Afghan & Ukraine resettlement scheme

- 7.36 The Department for Levelling Up Housing & Communities (DLUHC) have allocated the Council capital grant funding via the Local Authority Housing Fund (LAHF) to ensure arrivals on Afghan and Ukraine schemes are provided with sufficient longer-term accommodation. The aims of the fund are to mitigate the expected increased pressures on local authority housing & homelessness services and reduce emergency, temporary and bridging accommodation costs. It is intended that the fund will also create a legacy of a new general needs accommodation to help address local housing and homelessness pressures beyond the life of this scheme. The project is funded by £1.855M of grant funding and £2.151M in match funding to be financed from the HRA capital investment reserve.

Social Housing Decarbonisation funding

- 7.37 This is grant funding to retrofit Council dwellings to bring them up to Energy Performance Certificate (EPC) rating C, to reduce fuel poverty and to improve tenant comfort. The bid was for works to 110 dwellings currently rated as EPC D and E with measures such as external wall insulation, loft insulation and new double glazing. The project should save 179 tons of carbon per year across those properties and should reduce energy bills by 30%. The project is funded by £1.150M of grant funding and £2.020M in match funding to be financed from the HRA capital investment reserve.
- 7.38 There is also the following scheme being added to the programme relating to the Housing Pipeline:

Passive House Pilot

- 7.39 The Strategic Housing team have identified that future council housebuilding programmes via the HRA Land Review project should aim, where possible, to achieve Passivhaus standard. This seeks to reduce the space heating requirements to a very low level by increasing insulation with minimal thermal bridging, ensuring high levels of airtightness and maximising solar gains. Two sites have been identified for pilots of Passivhaus council housing. Denton Avenue is a section of unused garden land in St Laurence ward and the site at Bradford Bury is an underutilised garage site in Belfairs ward. The project is funded by 60% S106 contributions (£0.640M) and 40% Right to Buy capital receipts (£0.428M).

8 Infrastructure Funding Statement 2022/23

- 8.1 Attached as Appendix 4 is the Infrastructure Funding Statement (IFS) for the reported year 1 April 2022 to 31 March 2023. The Summary Tables from the IFS are set out below:

Summary Table 1: Community Infrastructure Levy (CIL) Funds 2022 to 2023

Reported Year 2022 to 2023	Total value of CIL set out in all Demand Notices issued in the reported year	£1,134,900.37
	Total amount of CIL receipts carried over from previously reported years	£3,132,574.15
	Total amount of CIL receipts in reported year	£1,076,850.99
	Total amount of CIL expenditure (including admin expenses) in reported year	£105,604.05
	Total overpayments returned ¹ in reported year	£7,113.08
	Total amount transferred to other organisations in reported year	£43,737.58
	Total amount of CIL allocated but unspent in reported year	£2,156,945.72
	Total amount of CIL collected in any year yet to be allocated and remaining to be spent at the end of the reported year	£1,896,024.71

Summary Table 2: Section 106 (S.106) Planning Obligation Funds 2022 to 2023²

Reported Year 2022 to 2023	Total amount of money to be provided under any planning obligations which were entered into during reported year ³	tbc
	Total amount of money under any planning obligations carried over from previously reported years which had not been allocated and was available to spend at the start of reported year	£1,681,626.93
	Total amount of money under any planning obligations carried over from previously reported years which was allocated but not spent at the start of the reported year	£1,304,351.44
	Total amount of money under any planning obligations which was received in reported year	£61,912.77
	Total amount of money under any planning obligations which was spent in reported year	£869,820.27
	Total amount of money under any planning obligations which was returned in reported year	£104,156.84
	Total amount of money under any planning obligations transferred to other organisations in reported year	£0.00
	Total amount of money under any planning obligations which was allocated but not spent at the end of the reported year	£509,470.51
	Total amount of money under any planning obligations yet to be allocated and remaining to be spent at the end of reported year	1,564,443.52

- 8.2 The Council commenced CIL charging in July 2015 and at financial year ending 31st March 2023 there was £4,052,970.43 total CIL receipts unspent.

¹ Payments are returned under CIL Regulation 75 (Overpayments) if the amount paid proves to be greater than the amount due.

² Figures correct at time of preparation of this report but may be subject to adjustments.

³ This figure relates to either development that has yet to commence or implemented schemes for which the due date for contributions has not yet been reached i.e. the contributions have not been received and cannot be guaranteed to be received. The figure cannot be confirmed as the developments concerned included an outline planning permission, details of which have yet to be agreed.

8.3 £2,156,945.72 of the total unspent CIL receipts has been allocated to infrastructure projects to support growth and new development in Southend. This comprises CIL Ward Neighbourhood Allocations and two CIL funded programmes that were agreed to be financed through the CIL main fund during the reported year as follows:

- £1m towards Enhancing Children's Play Provision in Public Parks
- £1m towards Cycle Infrastructure Improvement Programme

8.4 **£1,896,024.71** of total unspent CIL receipts is yet to be allocated and is therefore available to spend, and includes:

- £1,642,780.55 in the CIL Main Fund; and
- £253,244.19 as Ward Neighbourhood Allocations (difference of £0.03 due to rounding).

8.5 Remaining CIL funds will continue to be carried forward until suitable projects are identified, either my members in accordance with the [CIL Governance Framework](#) or as part of the new Local Plan review.

8.6 In the last financial year 2021/22, over £1million of Section 106 (S.106) funding was spent on affordable housing within Southend; and this significant S.106 spending has continued into 2022/23 with a further £0.89m being invested in more affordable housing and public open space improvements across the City.

9 Reasons for Decisions

9.1 To provide Cabinet with the provisional revenue and capital outturn position for 2022/23.

9.2 As part of the year end processes, Cabinet is required to approve any appropriations to or from earmarked reserves. This report fulfils that purpose.

9.3 Cabinet is required to approve capital budget carry forwards, accelerated delivery requests and in year amendments to the current approved programme.

10 Other Options

10.1 This is a factual report setting out the 2022/23 outturn and is a reporting requirement of good financial governance. As such there are no other options. Cabinet are of course able to suggest changes to the amounts appropriated to and from earmarked reserves, which would result in a compensating adjustment to the amount taken to or from general reserves. The report also follows and complies with the good practice identified with CIPFA's Financial Management Code which became mandatory from 2021/22.

11 Financial Implications

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

12 Legal Implications

- 12.1 The Council is required by section 151 of the Local Government Act 1972 to plan 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 and for reporting variances to interested stakeholders. To comply with these best practice arrangements, it is important that Cabinet receive information and comment accordingly on the final outturn performance of the revenue and capital budgets as set out in the report.

13 Carbon Impact

- 13.1 None arising from this report.

14 Equalities

- 14.1 Consideration is given to Equalities and Diversity Implications when the Medium Term Financial Strategy and Capital Investment Programme is determined.

15 Consultation

Consideration is given to consultation when the Medium Term Financial Strategy and Capital Investment Programme is determined.

16 Background Papers

Financial Sustainability Strategy 2022 – 2032
Medium Term Financial Strategy 2023/24 – 2027/28
Resourcing Better Outcomes - Financial Performance Report 2022/23 – Period 8

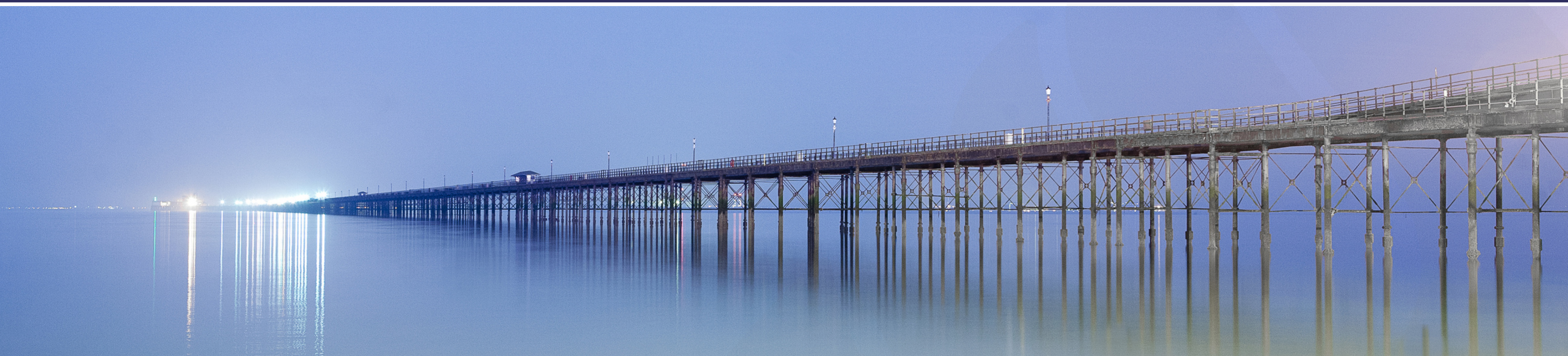
17 Appendices

- Appendix 1 Annual Report 2022/23
Appendix 2 Requested Changes to the Capital Investment Programme
Appendix 3 Amended Capital Investment Programme
Appendix 4 Infrastructure Funding Statement for 1 April 2022 to 31 March 2023



Annual Report

2022 - 2023



Welcome to our annual report



Rob Polkinghorne
Chief Executive

The last year has gone incredibly quickly. So much has happened during the past 12 months. We celebrated our first birthday as a city, took part in Diamond Jubilee celebrations, dealt with the sad passing of Her Late Majesty, Queen Elizabeth II, and welcomed a new King, King Charles III. We've also made great strides in making Southend-on-Sea the connected, ambitious, creative and diverse place we want it to be for the people who live, work and visit here.

Like all organisations, our employees are our most valuable asset. In 2022/23 our teams supported the Local Government Association's Corporate Peer Challenge at the council and produced a draft action plan in response to key recommendations from the peer challenge. Council employees reviewed our Equality Objectives in consultation with residents and partners and developed a new approach to support our desire to be more effective and accountable on Equality, Diversity and Inclusion (EDI) matters. Employees also embarked on an improvement journey of EDI practices, following an external audit of the council this year.

The council continues to achieve changes for the better for the people and communities of Southend-on-Sea. This annual report showcases how we are:

- helping people access the support they need
- powering economic and community recovery
- doing our bit to enable the roll-out of digital infrastructure
- creating better life opportunities for our children and young people
- protecting and improving the quality of life for older people
- working with our partners to enable integrated care and support arrangements and achieving improved health and social care outcomes for our residents
- pushing forward with our green city ambition and supporting policies that will reduce our carbon emissions
- providing better and more affordable housing for our residents

We will continue to engage with the people and communities of Southend-on-Sea to understand their diverse experiences and what they want for their lives and their city, and what that should mean for our direction as a council. We will use insight to shape council activities and plans.

A remarkable community spirit exists within Southend-on-Sea. We will harness that community spirit to achieve further great successes and continue to support our residents and communities.

We will work alongside local partnerships, neighbouring councils, central government and MPs. We will lead collaboratively alongside our partners and communities, and do so with innovation, ambition, openness and purpose, to build a bright future for everyone in our city.



Our priorities

We have identified four overarching priorities that as a council we want to achieve for the city

**A city that is strong
and prosperous**



**A city with a good
quality of life**



**A city rising to the
climate change
challenge**




**A city delivering
genuinely affordable
housing**




A year in the life

Looking at key milestones and achievements from the previous year



More than 50 local children were the first to ride the pier's **new electric trains**

Council employees took part in allotment gardening activities for **Earth Day**



Five of Southend-on-Sea's beaches awarded **Blue Flags**

Southend-on-Sea City Council Corporate Plan 2024-26 published


April 2022

Over 70,000 government **Energy Rebate Scheme Grants** processed and implemented


Launch of **Lung Health Checks** - 17,000 patients invited for a free lung health check

Local elections held

May 2022



Council-run housing projects shortlisted in six categories of the **Essex Housing Awards 2022**




The city's first **Climate Hub** opens to engage people in climate change


June 2022

July 2022

September 2022




Brook Meadows multi-use care facility successfully caring for and supporting the community for six months



The Southend Enhanced Discharge Service pilot launched for residents who have been discharged from hospital, but don't have any support

August 2022

£10,000 of funding secured for a cut-price **food market van**



Southend-on-Sea awarded seven **Green Flag Awards**

October 2022

A **PlastiCity Pledge** announced to continue recycling initiative, to increase recycling in schools and businesses

City Centre Strategy and Investment Plan adopted

December 2022

Local Government Association undertook a **Corporate Peer Challenge** at the council

More than 2,000 children benefitted from the ninth annual **Toy Drive** in Southend-on-Sea

48

4



Cost of living booklet produced and funding secured for 280 electric blankets and 236 slow cookers for the most vulnerable in the city



Southend-on-Sea retained its **Purple Flag Award**, for safety in the night-time economy, for the tenth consecutive year

2023/24 budget approved by councillors

December 2022

January 2023

February 2023

March 2023



The council signed up as a **Mindful Employer**

New **Waste disposal contract** brings savings of around £470,000 and reduces our waste carbon footprint by over 90%

Council's Community Safety Team shortlisted for **Team of the Year** by Resolve

Approximately £1m of **Community Infrastructure Levy** raised to pay for delivery of infrastructure in the city

Tackling Poverty Strategy and Action Plan co-produced

The council helped approximately 70,000 households in the city get the **Council Tax Rebate Scheme**

Council named best improving authority in the eastern region in the **National Highway and Transportation survey**



Council signs up again as a **Disability Confident Employer**

Around £1.2m **savings/cost avoidance** delivered against council procured contracts in 2022/23

Council's Operational Performance and Intelligence team shortlisted for the **2023 LGA Awards** for Large Team of the Year



Retrofit and new build **housing sustainability** projects completed, funded through the Local Government Association's Housing Advisors Programme



Launchpad, an innovative business hub and workplace at the Airport Business Park, officially opened

A city that is strong and prosperous

We will:

- support economic regeneration and business development
- use our spending power wisely
- bid for funding opportunities and attract inward investment
- sustain and grow digital investment and inclusion
- deliver our city centre strategy and investment plan
- enhance our tourism, cultural and leisure offer
- support community recovery
- improve community safety

We have progressed **regeneration projects**, including Roots Hall and Fossetts Farm, East Beach, Seaway and Airport Business Park. We have also welcomed new investment into the area:

- over £396,000 from the government's UK Shared Prosperity Fund to support volunteering, social action and business sectors
- almost £1m from the government's Multiply programme to provide free number confidence courses for individuals and employers to improve adult numeracy skills

We continue to progress the city's £30m **full fibre upgrade**. Southend-on-Sea now has some of the best access to broadband in the UK.

A new scheme for residents to discover **99 things to do in the city before turning 19 years old** was crafted by Southend's Cultural Education Partnership. The project was funded by the government's Community Renewal Fund, Royal Opera House Bridge and the council.

The council and partners have organised numerous fantastic **events**, including city status events, Jubilee street parties, the Birmingham 2022 Queen's Baton Relay and the Halloween parade. Our Southend City Jam and LuminoCity festivals attracted over 318,000 visitors to the city.

In February and March 2023, more than 800 local schoolchildren took part in the Southend Makes Music event.



The council has worked with its partners to support residents most affected by **cost of living** challenges. We have:

- set up [cost of living web pages](#) and booklet
- managed the Council Tax Rebate Scheme locally, processing support for rising energy bills to approximately 70,000 households
- delivered £2.8m of the government's Household Support Fund to thousands of vulnerable residents



42,193

awards were given out for food, fuel and water through the Essential Living Fund scheme and with partners

We continue to include **resident voice** in our work. For example, co-producing the [Tackling Poverty Strategy and Action Plan](#) and hosting over 50 projects and engaging more than 5,000 people through our digital platform 'Your Say Southend'.



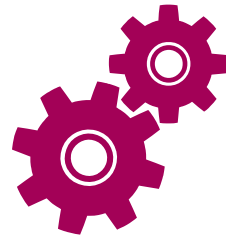
A city that is strong and prosperous



85.8%

High Street
occupancy Q4
2022/23

Last year: 79.6%



60.54%

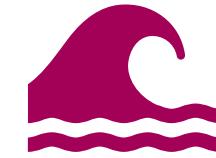
employment 2021
lower than
England (60.86%)

We have signed up to the Armed Forces Covenant and Defence Employer Recognition Scheme. We have also pledged our support to the Essex Faith Covenant, which encourages collaboration between faith, community groups and public services.



76,800

residents who have
access to superfast
broadband, as at
February 2023



395,550

visitors to Southend
Pier 2022/23
Last year: 358,321

98.7%

Business Rates
collected in 2022/23
highest performance
for over a decade

97.5%

Council Tax
collected in 2022/23



113.2

rate of crime per
1,000 people 2022/23
higher than Essex
(87.4)



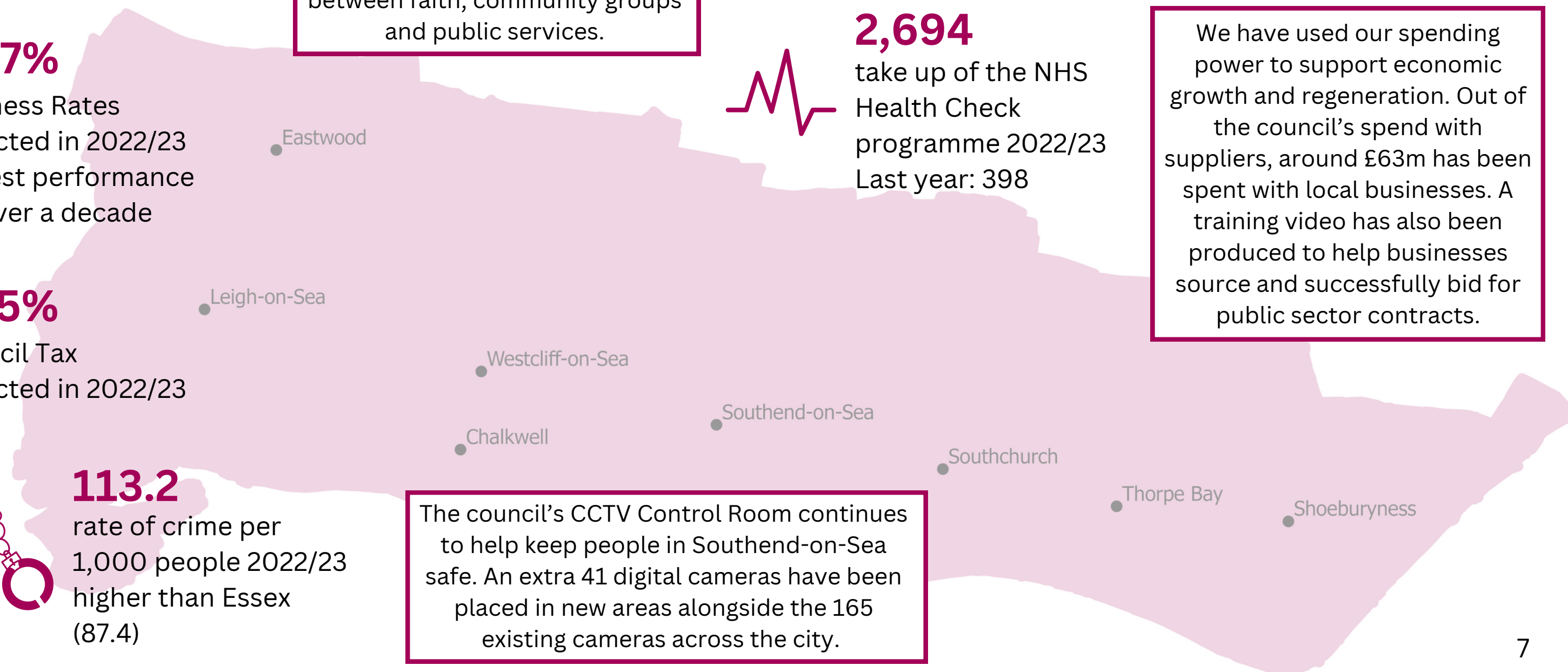
2,694

take up of the NHS
Health Check
programme 2022/23
Last year: 398

We have used our spending power to support economic growth and regeneration. Out of the council's spend with suppliers, around £63m has been spent with local businesses. A training video has also been produced to help businesses source and successfully bid for public sector contracts.



The City Centre Strategy and Investment Plan was adopted in February 2023 and work started to implement it. This includes bringing more greenery into the High Street through the use of parklets and planters.



The council's CCTV Control Room continues to help keep people in Southend-on-Sea safe. An extra 41 digital cameras have been placed in new areas alongside the 165 existing cameras across the city.

A city with a good quality of life

We will:

- achieve our vision where all children achieve success
- ensure children and young people, including those in care, feel and are safe at home, school and in their communities
- enable and provide opportunities for the best start in life
- enable people to age well, live well and care well
- ensure that health and care services meet the needs of all
- ensure services are diverse, sustainable and high quality, including for those who pay for their own care

We are working hard with partners to improve **school readiness** of children aged under four.

The majority of pupils in Southend-on-Sea have been offered a place at one of their preferred **schools**:

- 99% of pre-schoolers will start school at one of their top three choices
- 98% of year six children will be starting secondary school at one of their top three choices of school



We have worked with partners to **protect our residents**, including children and young people, from abuse, domestic violence, neglect and exploitation. By intervening at an early stage, we are supporting individuals before they reach crisis point.

We have engaged with children, young people and families to **improve their experiences**. The council continues to focus on:

- delivering an effective and high-quality Healthy Child Programme for children aged 0 to 19 (unless SEND and/or looked after children then 25 years)
- transforming services for children and young people and support the development of community hubs, helping to evolve Family Centres jointly with A Better Start Southend and local partners
- improving the local offer for physical and recreational activities and support for emotional, health and wellbeing

We strive to **reduce health inequalities and obesity** in the city. This includes:

- development of a healthier food environment policy
- increasing physical activity opportunities through Active Southend
- increasing GP engagement with Everyone Health, resulting in more people in the most deprived wards taking up health checks
- commissioning Everyone Health to provide a 36-week falls prevention course
- commissioning smoking cessation and weight management services and using Making Every Contact Count approach to improving people's health and wellbeing
- developing strategies to improve outcomes in women's health care and early cancer diagnosis
- using the national Core20PLUS5 approach to reduce healthcare inequalities, increasing lung health checks, mental health checks, and learning disability checks in priority target groups
- working with partners to identify the root causes for the low uptake of the blood pressure monitoring at home service



A city with a good quality of life



82.7 years

female life expectancy
62.1 years healthy life
expectancy* 2018-20



78.4 years

male life expectancy
63.7 years healthy life
expectancy* 2018-20

* the number of years lived in
self-assessed good health



92.4%

children in good or
outstanding schools
Q4 2022/23
Last year: 87.1%

Together with the NHS's
Integrated Care Board, we
have developed a joint
strategy to better support
people's health and wellbeing,
stay well for longer and reduce
their need to access public
services.



9.8

rate of under-18
conceptions per
1,000 2021
lower than
England (13.1)



78.10

rate of children in care
per 10,000 (under 18
years old) Q4 2022/23
Target: 65 to 75
Last year: 82.11

95.7%

2, 3 and 4 year old
children benefitting
from funded early
education in good or
outstanding settings
Q4 2022/23



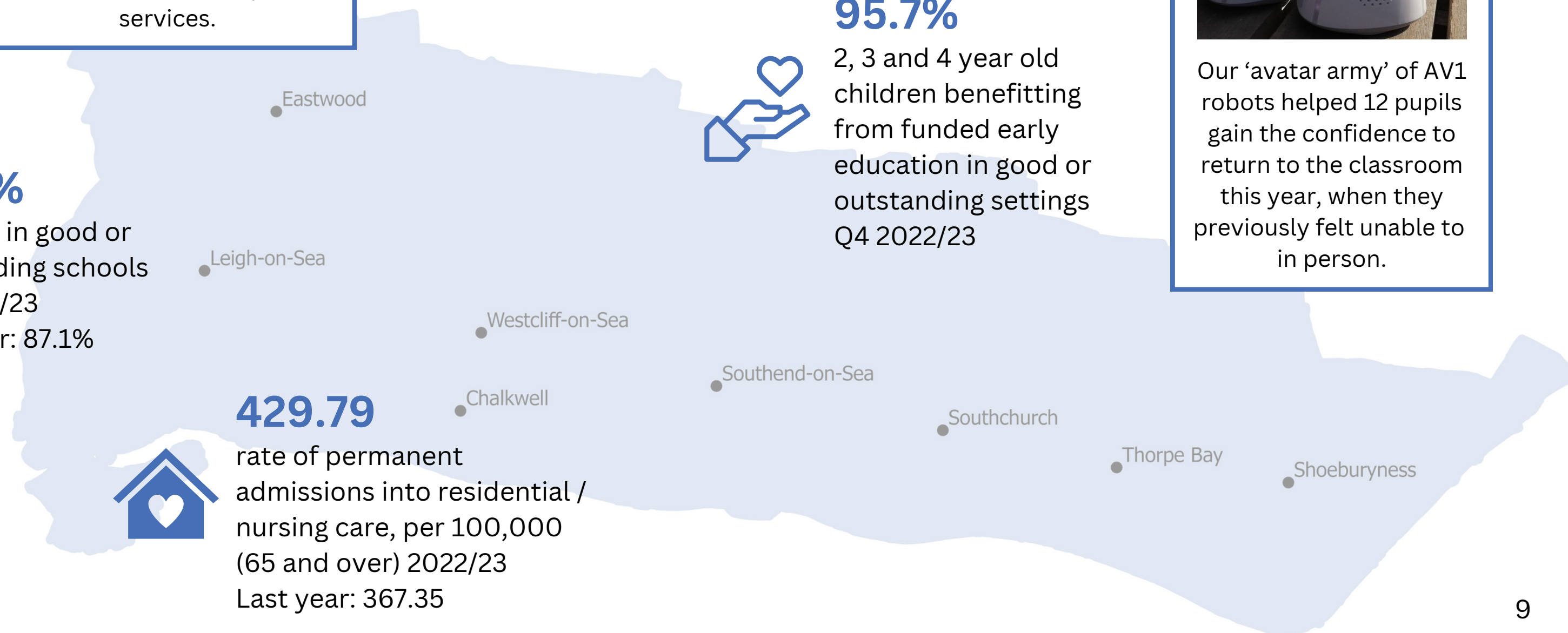
Our 'avatar army' of AV1
robots helped 12 pupils
gain the confidence to
return to the classroom
this year, when they
previously felt unable to
in person.



429.79

rate of permanent
admissions into residential /
nursing care, per 100,000
(65 and over) 2022/23
Last year: 367.35

We have worked with home
care and care home providers
to ensure care services are
diverse, sustainable and high
quality, including for those
who pay for their own care.



A city rising to the climate change challenge

We will:

- become a net Zero Carbon Southend by 2030
- prevent waste, promote re-use and increase recycling
- develop an active and sustainable travel network
- enhance, promote and protect our natural environment
- undertake flood and coastal erosion risk management

In June 2022, the city's first ever **Climate Hub** opened, engaging people in climate change conversations and activity.

We launched the [Southend Climate Action website](#) in September 2022, to inspire residents and businesses to take action to reduce carbon emissions. The website features news, resources and initiatives related to **climate change action**, as well as information about grants and benefits to help people pay energy bills.



We continue to focus on **enhancing our natural and built environment**. Fantastic examples include:

- tree planting along London Road to tackle heat-stress as part of the EU Cool Towns project
- the creation of a business model designed to quantify the benefits of green infrastructure. This was developed through the EU Nature Smart Cities project
- being awarded over £250,000 from the Department for Environment, Food and Rural Affairs to fund air quality audit and sensor monitoring in 10 schools
- teaming up with health and wellness company Go Jauntly to curate two new heritage trails showcasing the city
- opening a new play area on Whitegate Road in January 2023, funded by the Community Infrastructure Levy
- Priory Park voted as an East of England Local Favourite in the Fields in Trust UK's Favourite Parks 2022 awards



In March 2023, over 40 volunteers planted parts of Thorpe Bay beach to help combat climate change. It was funded through the **Sustainable and Resilient Coastal Cities (SARCC)** project, part of the European Regional Development Fund. The team of volunteers also tackled sand dune restoration at East Beach.

The **SARCC scheme** will also see:

- a climate resilient garden at Chalkwell beach, with accessible access for wheelchairs users
- a green seawall at Two Tree Island
- vertipools at Leigh Wharf



A city rising to the climate change challenge

Pothole repairs within 24 hours of being reported (Category 1 Defects*)
(April 2022 to March 2023)

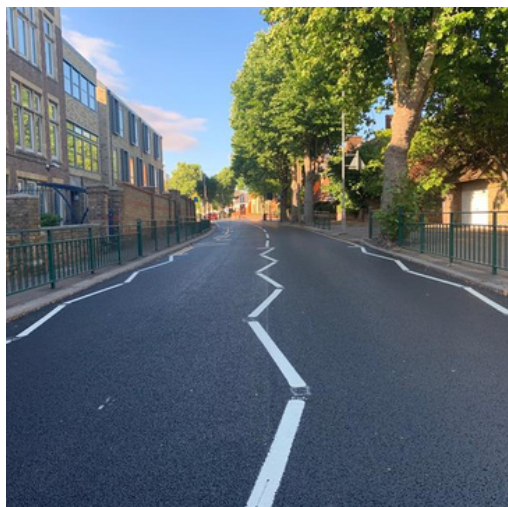
98%

carriageways
(671 out of 687)

96%

footways
(835 out of 866)

Category 1 Defects are defects in or on the public highway network that require prompt attention because they present an immediate or imminent hazard, or a risk of rapid structural deterioration to the affected element.



We have procured footbridge and highways works this year. Potholes and road defects have been fixed by our contractor Marlborough.

The council won the Love Parks Award at the Keep Britain Tidy's local authority Network Awards 2023, for work we undertook during Keep Britain Tidy's Love Parks Week in July and August 2022.



35.5 µg/m3

reduction of AQMA1 for air quality management and to decarbonise the transport network 2021/22
Last year: 44.6 µg/m3



93.2%

acceptable standard of cleanliness: detritus 2022/23
Last year: 95.3%



97.6%

acceptable standard of cleanliness: litter 2022/23
Last year: 98.2%

99.95%



waste collections carried out on schedule 2022/23
Last year: 99.93%

15.0

rate of publicly available electric vehicle charging devices at all speeds in the city Q3 2022/23
Last year: 9.8



Eastwood

Leigh-on-Sea

Westcliff-on-Sea

Chalkwell

Southend-on-Sea

Southchurch

Thorpe Bay

Shoeburyness

Launchpad, a three-storey business hub designed to the highest level of sustainability and achieving an 'Outstanding' grade of BREEAM environmental standard, officially opened at the Airport Business Park.

In March 2023, we contracted SUEZ to manage residual and bulky waste and divert it away from landfill. Under the new five-year contract, residual waste collected from households will be sent to an energy-from-waste facility. The contract is expected to bring savings of around £2m over the initial five years and reduce our carbon footprint for residual waste by 90%.

A city delivering genuinely affordable housing

We will:

- address local housing need
- prioritise the supply and quality of safe, genuinely affordable homes
- make any instance of homelessness brief and non-recurrent, aiming for functional zero homelessness
- maximise environmental sustainability of homes
- ensure good quality housing design, management and maintenance
- reduce the number of empty homes
- deliver the Local Plan

The council continues to address **local housing need**. Progress on housing in 2022/23 includes:

- £4.2m South Essex Local Enterprise Partnership funding
- £15m of funding from the government's Housing Infrastructure Fund
- work progressing to deliver 29 council homes in Shoeburyness (Phase 3A) and 9 homes in Lundy Close (Phase 4) of the Housing Revenue Account
- planning permission for Passive House pilot sites

Work to deliver **safe, genuinely affordable housing** this year includes:

- delivery of over 200 affordable housing units
- getting approximately £300,000 of funding for the provision of further affordable housing

The council has worked in partnership with empty property owners, residents and partner agencies to **reduce the number of empty homes**.

We have made sure there is a high standard of **energy efficient and net zero homes** across the city through a number of projects:

- the council was able to work with architects and the business Parity Projects to gain a better understanding of sustainability objectives for council owned stock and new builds. This was funded from the Local Government Association (LGA) Housing Advisors Programme
- completing the retrofit and new build Housing Sustainability projects, funded through the LGA's Housing Advisors Programme
- implementing a government-funded Social Housing Decarbonisation Fund scheme to make our housing stock carbon net zero and retrofitting homes to boost their energy efficiency. This includes encouraging the retrofitting of empty homes
- successfully bidding for £1.15m of government funding to improve the energy efficiency of council housing



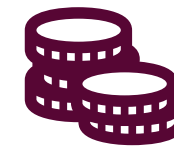


A city delivering genuinely affordable housing

We continue to develop a new Local Plan for Southend-on-Sea, shaped by the needs of our communities. Having carried out a consultation on the refining the options document, we are now working towards the next stage, which is a Preferred Approach version of the Local Plan.



53%
homeless prevention cases ending with settled housing being secured Q4 2022/23
Last year: 48%



£923
median monthly rent for a two-bedroom property 2021/22
higher than England (£887)

We have assisted with the resettlement of Ukrainian and Afghan families. We have also worked with partners, used our homelessness powers and bid for extra resources from the government to deliver our aim of functional zero homelessness. Official annual rough sleeper count figures show the number of people sleeping rough on Southend's streets has increased from 10 in 2021 to 16 in 2022.



£326,750
median house price Q3 2022
higher than England (£275,000)



109
affordable housing units delivered in the city Q4 2022/23
Last year: 34

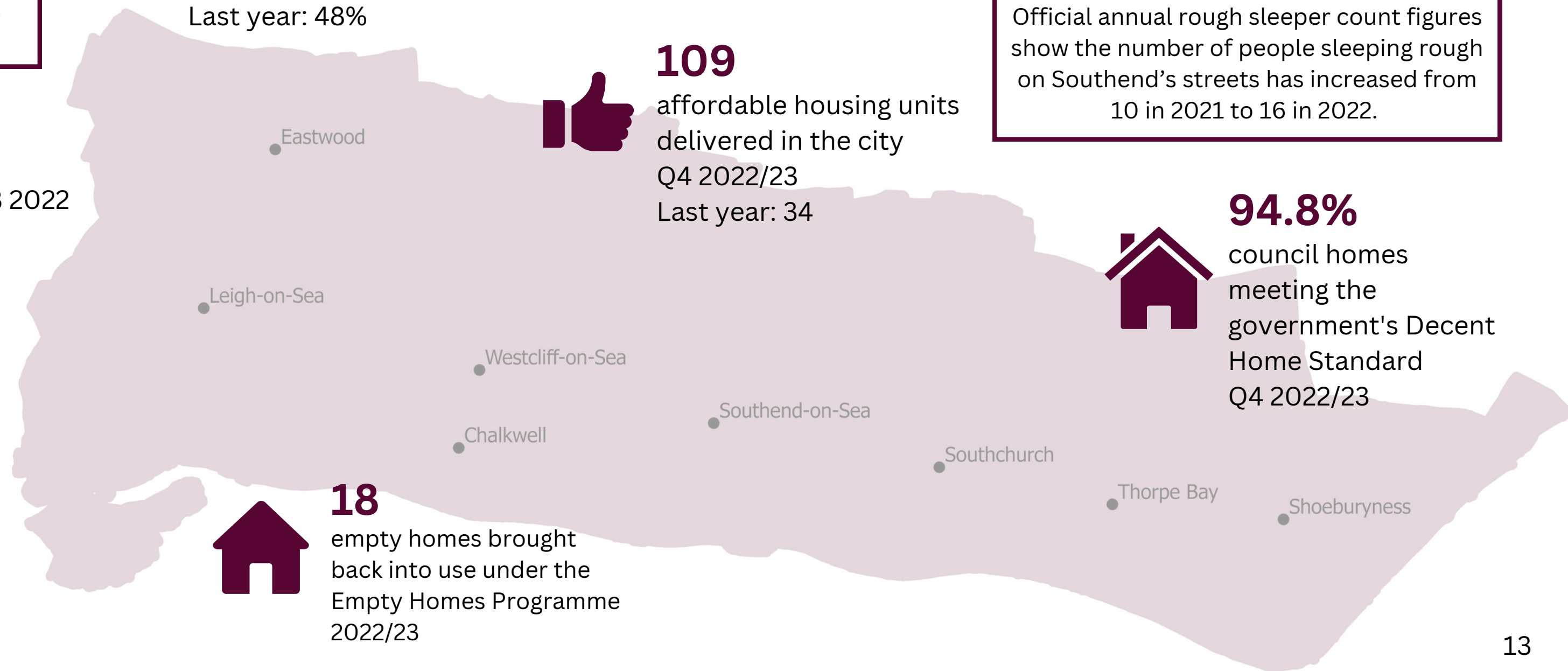
We have implemented our Selective Licensing Scheme in designated areas of the city to improve the quality of private rented properties. Over 3,000 licences have been issued in the first year of the scheme.



18
empty homes brought back into use under the Empty Homes Programme 2022/23



94.8%
council homes meeting the government's Decent Home Standard Q4 2022/23





Resources

We will continue to strive to ensure the council remains financially stable and resilient for the future. This will get more challenging. Demand for core statutory services of social care for adults, children and the most vulnerable continues to go up and cost pressures are increasing weekly, with UK inflation remaining at high levels.

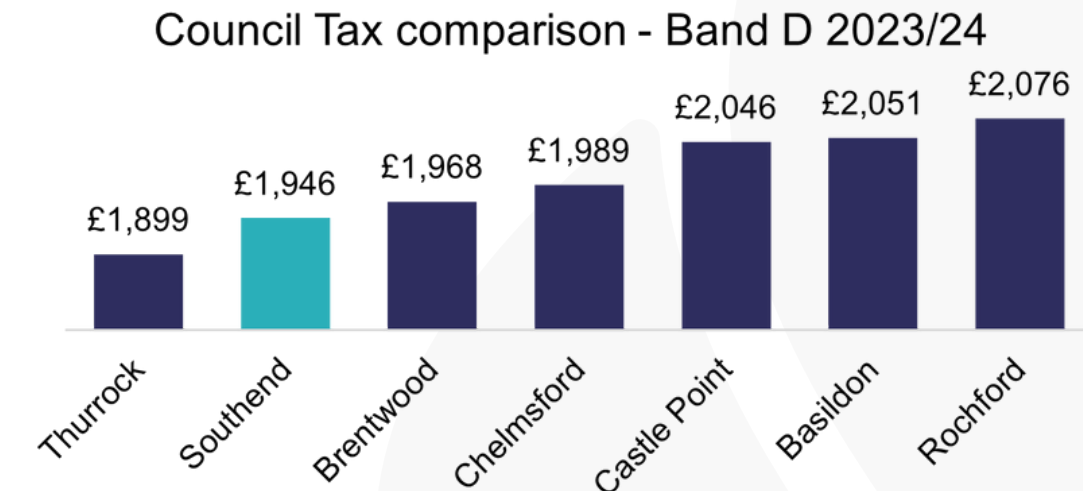
The council's net budget overspend in 2022/23 was £6.9m, which comprised several overspent areas offset by some favourable variances and use of non-service specific grants. The vast majority of the overspend was in the statutory areas of children's social care and adult services (£8.3m). This was mainly due to the very high and increasing cost of residential care placements and for children with complex needs.

Increases in costs were not matched by an increase in government funding. The Revenue Support Grant increased by 14% in 2022/23, but now only accounts for around 2% of the council's income. The Public Health Grant, for public health expenditure, increased by 2.9% in 2022/23 and will increase by 3.26% in 2023/24. This is below current inflation rates of around 10%.

We collected 97.5% of Council Tax due in-year. This compares favourably with the rest of the country. We also collected 98.7% of Business Rates due in year, which is the highest level of performance for over a decade.

Council Tax in Southend-on-Sea is to rise by 4.99% in 2023/24. This is to help deal with the ongoing pressures and demand in social care.

As the chart below shows, the Band D Council Tax level in Southend-on-Sea in 2023/24 is still lower than many of our nearest neighbours. We are determined to minimise the financial burden on council taxpayers. It is also worth noting that over 70% of properties in the city are in Council Tax bands A to C, which will pay lower levels of Council Tax.



Decisions have been underpinned by our updated Financial Sustainability Strategy 2022 to 2032 and Medium-Term Financial Strategy for 2022/23 to 2026/27, helping to target resources and consider and manage a range of financial impacts. Despite the challenges, the council is determined to build on the solid financial foundation we have worked so hard to create. We will maintain robust financial planning, scrutinise budgets, be prudent in managing risks and always strive to deliver better value for money for people.

We will continue to show leadership and engage with residents and communities. We want to take as much control over our financial future as possible and to deliver the priorities in our Corporate Plan 2022 to 2026.



Looking forward

This year we developed our **Corporate Plan 2022 to 2026**, articulating the council's focus for the next four years. We will build on this with the introduction of service plans, setting out the activity of each service area, how it will contribute to the delivery of the corporate plan and how success will be measured.

We will also work to achieve our **Equality Objectives**, which were reviewed in 2022 in consultation with residents and partners. In parallel, the council has embarked on an improvement journey of its equality, diversity and inclusion practices, following an external audit by Umbrella HR in 2022. We have a set of recommendations to work towards over three years, with an ambition to reach the 'Excellent' standard within the Local Government Association's Equality Framework by year three.

The Local Government Association Corporate Peer Challenge in October 2022 provided the opportunity for an improvement led review of the council and the challenges we face. Feedback from the review includes:

- we are very self-aware
- we have huge potential
- there are many positive attributes within the council and the city, including the strong community ethos, ambitious regeneration projects and sound financial management
- our approach to leadership, governance and decision making is impacting our capacity to progress

Following the Corporate Peer Challenge, a number of recommendations were made, mainly relating to governance and decision-making. The council has developed an action plan to strengthen and improve these areas.

Our approach to the financial challenge is the **Transformation Programme**. It provides a framework for transforming our organisation with service redesign. This will help us to understand:

- how the council operates
- how services could be optimised
- what is needed to enable change to happen

The programme will allow us to rethink how we offer council services. We will work with services and enable them to become more resident-focused and digitally-enabled in their delivery. By approaching our budgetary challenges with service redesign, we are taking proactive steps to deal with the predicted budget challenges and avoid potentially more difficult financial decisions in the future.





Welcome

Our priorities

A year in the life...

A city that is strong
and prosperous

A city with a good
quality of life

A city rising to the
climate change
challenge

A city delivering
genuinely
affordable housing

Resources

Looking forward



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Contact us:



01702 215000



www.southend.gov.uk



Southend-on-Sea City Council
Civic Centre
Victoria Avenue
Southend-on-Sea
Essex
SS2 6ER



The Prince's
Responsible
Business Network

Race at Work Charter signatory



SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 2

Summary - programme to be delivered by the Council:

	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Approved Capital Investment Programme - February 2023 Cabinet	46,653	70,793	33,297	5,927	5,400	560	162,630
Carry Forwards	(8,854)	(7,709)	16,563	0	0	0	0
Accelerated Deliveries	1,801	(1,542)	(259)	0	0	0	0
Additions to the Programme	754	3,068	1,298	0	0	0	5,120
Schemes Removed from Programme	(29)	(260)	(265)	0	0	0	(554)
Virements	0	0	0	0	0	0	0
New External Funding	578	7,091	3,743	0	0	0	11,412
Proposed Investment Programme - following amendments	40,903	71,441	54,377	5,927	5,400	560	178,608
Total budget for 2023/24 to 2027/28:							137,705

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

	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Approved Capital Investment Programme - February 2023 Cabinet	15,167	24,643	9,524	9,579	9,321	0	68,234
Carry Forwards	(6,301)	5,956	0	0	345	0	0
Accelerated Deliveries	322	(322)	0	0	0	0	0
Proposed Investment Programme - following amendments	9,188	30,277	9,524	9,579	9,666	0	68,234
Total budget for 2023/24 to 2027/28:							59,046

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

Scheme	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
ICT - Childrens and Adults Social Care - Implementation of ConTROCC modules	(34)	34					0
Cliffs Pavilion Air Handling Unit	(80)	80					0
Shoebury Leisure Centre Sports Hall Floor	(80)	80					0
Cliffs Pavilion Admiral's and Mariner's Rooms Air Source Heat Pumps	(47)	47					0
Parks fuel storage	(23)	23					0
Allotments Water Supply Upgrade	(7)	7					0
Cart and Wagon shed	(47)	47					0
Chalkwell Park and Priory Park Tennis Courts	(14)	14					0
Irrigation tanks	(24)	24					0
Milton Gardens LUF project	(51)	51					0
Shoebury Common Regeneration	(1)	1					0
Southend Tree Policy Review - additional trees	(5)	5					0
Crematorium Refurbishment	(250)	250					0
Car Park Infrastructure Improvements	(93)	93					0
Car Park Resurfacing	(38)	38					0
Parking Signage Replacement	(98)	98					0
Footways Improvements	(82)	82					0
Cliff Parade Cliff Slip	(25)	25					0
Improve Footway Condition Around Highway Trees	(40)	40					0
Improving Resilience to flooding – Eastwood Brook Hydraulic Catchment	(40)	40					0
Junction Protection	(234)	234					0
Zebra Crossing Surfacing Replacement	(14)	14					0
Challenge Fund - Bridge Strengthening	(34)	34					0
EA Innovation Resilience Programme	(139)	139					0
DFT - Belton Way East Cliff Slip	(29)	29					0
A127 Growth Corridor (Bell Junction and A127 Essential Maintenance Works)	(29)	29					0
Energy Efficiency Projects	(147)	147					0
ULEV Taxi Infrastructure scheme	(77)	77					0
S278 Bellway Homes 14/00943/fulm	(8)	8					0
S278 Star Lane - Great Wakering	(23)	23					0
S38 Bellway Homes 14/00943/fulm	(2)	2					0
S38 Fossetts (const&maint fee)	(1)	1					0
S38/S278 Airport 0901960 Fulm	(13)	13					0
S106 Former College 1500803BC4M - parking survey contribution	(10)	10					0
S106 22-23 The Leas 0700820FULM - bus service contribution	(42)	42					0
S106 Ajax Works 0300130FUL - landscaping maintenance	(2)	2					0
S106 Avenue Works 1401968AMDT - Cycleway Improvement	(1)	1					0
S106 Bellway Prittlebrook 1400943FULM - TRO Contribution	(2)	2					0
S106 Essex House 1500521FULM - bus stop improvement	(3)	3					0
S106 Former College 1000225FUL - Tree Replacement	(11)	11					0
S106 Garrison 0000777 Deposit - CCTV	(1)	1					0
S106 Garrison 0000777 Deposit - information boards	(2)	2					0
S106 Garrison 0000777 Deposit - Junior Play Area maintenance	(8)	8					0
S106 Garrison 0000777 Deposit - Sea Wall and Assoc Structure Maintenance	(34)	34					0
S106 Garrison 0000777 Deposit - Toddler Play Area maintenance	(6)	6					0
S106 Garrison Park Store	(1)	1					0
S106 Hinguar 1401672BC4M - highway contribution	(5)	5					0
S106 Lifstan Way 0000273 Out - Open Space Maintenance	(9)	9					0
S106 North Road and Salisbury Ave 1200056 - Highway Works Contribution	(2)	2					0
S106 North Shoebury Road 0301504out - Shoebury Park Enhancement	(7)	7					0
S106 North Shoebury Road 0301504out - Shoebury Park Maintenance	(9)	9					0
S106 Sunlight Ldry 1400411FULM - Highway Works	(2)	2					0
S106 Univ H'Ways 0401561FUL	(2)	2					0
CIL Ward NA – Blenheim Park – Blenheim Park 'Makeover'	(1)	1					0
CIL Ward NA – Milton – Milton Park improvements	(2)	2					0
CIL Ward NA – Milton – Park Street replacement bollards	(1)	1					0

SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 2

CIL Ward NA – Prittlewell – Priory Park fountains restoration	(12)	12					0
CIL Ward NA – Southchurch – Southchurch Speedwatch	(1)	1					0
CCTV Equipment Renewal	(142)	142					0
Security Measures	(143)	143					0
ICT - Application Transformation	(149)	149					0
ICT - Digital Enablement	(73)	73					0
ICT - Core Application and Database Migration	(107)	107					0
ICT - Security & Resiliency	(74)	74					0
ICT - Operational requirements	(23)	23					0
ICT - Stabilise the Estate	(9)	9					0
Software Licensing	(93)	93					0
ICT - Technology Device Refresh	(126)	126					0
HR Recruitment Contract Implementation	(41)	41					0
Acquisition of tower block leaseholds - Queensway	(412)	412					0
Central Museum Works	(47)	47					0
Shoebury Library/Youth Centre Lift	(32)	32					0
S106 23/04/2015 Hinguar and Saxon - public art contribution	(8)	8					0
S106 Avenue Works 1401968AMDT - Public Art	(2)	2					0
S106 Former Balmoral 1400914FULM – public art contribution	(1)	1					0
125 F/F Valkyrie Road void works	(18)	18					0
Civic Campus - Efficient Use of Space	(29)	29					0
Clearance and fencing, land off Sutton Road	(2)	2					0
Porters house heating issues	(2)	2					0
Victoria Centre	(502)	502					0
Better Queensway - Regeneration	(154)	154					0
Airport Business Park	(2,765)	2,765					0
Housing and Development Pipeline Feasibility - GF	(25)	25					0
LTP (Integrated Transport block) - Better Networks	(11)	11					0
LTP (Integrated Transport block) - Better Networks & Traffic Management Schemes	(526)	526					0
LTP (Integrated Transport block) - Better Operation of Traffic Control Systems	(11)	11					0
LTP (IT block) - Better Sustainable Transport	(156)	156					0
Next Steps Accommodation Programme	(2)	2					0
Affordable Housing Acquisitions Programme	(878)	878					0
Chalkwell Junior - Lightning Protection	(10)	10					0
Earls Hall Primary heating	(20)	20					0
Prince Avenue Extended Nursery Provision	(6)	6					0
Council Affordable Housing Development (Phase3) - Shoebury	(33)	33					0
Council Affordable Housing Development (Phase4) - St Laurence	(38)	38					0
Housing Construction Scheme - Phase 5/6 feasibility (S106)	(7)	7					0
Cliffs Pavilion		(6,956)	6,956				0
Leigh Port Detailed Design	(24)	(9,509)	9,533				0
HRA Disabled Adaptations – Major Adoptions	(148)	74	74				0
Total Carry Forwards - programme to be delivered by the Council	(8,854)	(7,709)	16,563	0	0	0	0

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

Scheme	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Better Queensway Energy Centre	(3,825)	3,825					0
No Use Empty – Getting Building Fund	(824)	824					0
Balmoral Estate Improvement and Structural works	(85)	85					0
Bathroom Refurbishment	(91)	91					0
Environmental HandS works	(382)	382					0
Rewiring	(394)	394					0
HRA - SBC Buybacks Refurbishment	(147)	147					0
Remodelling of Tied Accommodation	(373)	28			345		0
Sprinkler System Installation Pilot	(88)	88					0
Energy Efficiency Measures	(92)	92					0

Total Carry Forwards - programme to be delivered by Subsidiary Companies, Partners and Joint Ventures	(6,301)	5,956	0	0	345	0	0
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Accelerated Deliveries - programme to be delivered by the Council

Scheme	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
ICT - Childrens and Adults Social Care - Implementation of ControCC modules		30	(30)				0
Playground Gates	11	(11)					0
East Beach Sea Wall Refurbishment	142	(142)					0
LTP - Maintenance - Street Lighting	57	(57)					0
Traffic Signs Upgrade	14	(14)					0
Southend Transport Model	23	(23)					0
DFT Active Travel - Tranche 2	11	(11)					0
Groyne Field Repair Programme	7	(7)					0
Leigh Primary - Window Replacement (inc radiators)	26	(26)					0
Special Provision Capital Fund	65	(65)					0
Disabled Facilities	195	(195)					0
Southend Pier - Condition Works Engineers	413	(413)					0
Aviation Way Car Park	1	(1)					0
East Beach Café	13	(13)					0
Property Refurbishment Programme	459	(230)	(229)				0
Seaways - Homes England Condition Funding	2	(2)					0
Local Transport Plan Maintenance	204	(204)					0
Sea Wall Access Refurbishment	52	(52)					0
Housing Construction Scheme - Land Assembly Fund (S106)	2	(2)					0
Council Affordable Housing Development (MMC) - West Shoebury	19	(19)					0
Housing and Development Pipeline Feasibility - HRA	56	(56)					0
Cliffs Pavillion	22	(22)					0
Marine Parade	7	(7)					0
Total Accelerated Deliveries - programme to be delivered by the Council	1,801	(1,542)	(259)	0	0	0	0

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

Scheme	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Kitchen Refurbishments	77	(77)					0
Common Areas Improvement	54	(54)					0
Central Heating	84	(84)					0
Roofs	87	(87)					0
Windows and Doors	20	(20)					0
Total Accelerated Deliveries - programme to be delivered by Subsidiary Companies, Partners and Joint Ventures	322	(322)	0	0	0	0	0

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

Scheme	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
LAHF - Afghan & Ukraine resettlement scheme	233	1,918					2,151
Acquisition of tower block leaseholds - Queensway	521						521
Social Housing Decarbonisation funding		808	1,212				2,020
Passive House Pilot		342	86				428
Total Additions to the Programme - programme to be delivered by the Council	754	3,068	1,298	0	0	0	5,120

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

Scheme	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Intranet Development	(1)						(1)
Southend Dive Pool Flooring - emergency works	(3)						(3)
Empty Homes strategy		(260)	(265)				(525)
School Improvement and Provision for School Places	(25)						(25)
Total Deletions from the Programme - programme to be delivered by the Council	(29)	(260)	(265)	0	0	0	(554)

Virements between schemes - programme to be delivered by the Council

Scheme	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Footways Improvements	(216)						(216)
Carriageways Improvements	216						216
Southend Pier - Bearing Refurbishment (Phase One)	17						17
Southend Pier - Condition Works Engineers	257						257
Southend Pier - Pier Head development Phase 1	(18)						(18)
Southend Pier - Prince George Extension (Phase Two)	(167)						(167)
Southend Pier - Timber Outer Pier Head	(97)						(97)
Pier Pavilion Bar Conversion	8						8
Fire Improvement Works	(163)						(163)
Property Refurbishment Programme	163						163
Airport Business Park	(246)						(246)
Local Growth Fund - Southend Town Centre Interventions	246						246
LTP - Maintenance - Street Lighting	(87)						(87)
Street Lighting Renewal	87						87
LTP (Integrated Transport block) - Better Networks	(48)						(48)
LTP (Integrated Transport block) - Bridge Strengthening	48						48
Special Provision Capital Fund		(50)					(50)
SEND works - Best Centre First Floor Class Room		50					50
Sea Wall Access Refurbishment	(52)						(52)
East Beach Sea Wall Refurbishment	(53)						(53)
Coastal Defence Refurbishment Programme	105						105
Virements already actioned under delegated authority							
Priority Works	(80)						(80)
Cliffs Pavilion Air Handling Unit	80						80
Priority Works	(80)						(80)
Shoebury Leisure Centre Sports Hall Floor	80						80
Priority Works	(50)						(50)
Cliffs Pavilion Admiral's and Mariner's Rooms Air Source Heat Pumps	50						50
Priority Works	(23)	(7)					(30)
Parks fuel storage	23	7					30
Priority Works		(82)					(82)
Southchurch Cricket Pavilion		82					82
Priority Works		(50)					(50)
Southend Pier Head: Drainage		50					50
Total Virements between schemes - programme to be delivered by the Council	0	0	0	0	0	0	0

Virements between schemes - programme to be delivered by subsidiary companies and joint ventures

Scheme	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Sheltered Housing DDA works	(345)						(345)
Remodelling of Tied Accommodation	345						345
Total Virements between schemes - programme to be delivered by subsidiary companies and joint ventures	0	0	0	0	0	0	0

New External Funding - programme to be delivered by the Council

Scheme	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Highways Maintenance - Potholes		309					309
Local Surface Water Modelling and Mapping Grant Scheme		45					45
Devolved Formula Capital		92					92
Future condition projects - SCA		669					669
Future condition projects - Basic Needs		922					922
LAHF - Afghan & Ukraine resettlement scheme	557	1,298					1,855
CIL Ward NA – Blenheim Park – St Cedd's Community Kitchen refurbishment		2					2
CIL Ward NA and S106 - Milton - Whitegate Play Space	3						3
CIL Ward NA – Belfairs – Belfairs Memorial Bench	1						1
CIL Ward NA – Milton – Railway bridge artwork (phase 2)	17						17
CIL Main Fund Allocation – Enhancing Children's Play Provision in Public Parks		750	250				1,000
Social Housing Decarbonisation funding		460	690				1,150
Passive House Pilot		512	128				640
Air Quality Grant		82					82
Safer Roads Fund		750	2,675				3,425
ASELA Local Full Fibre Network		500					500
Marine Parade		500					500
EA Innovation Resilience Programme		200					200
Total New External Funding - programme to be delivered by the Council	578	7,091	3,743	0	0	0	11,412

Proposed Capital Investment Programme 2022/23 to 2027/28 and future years - Summary by Area of Investment

Appendix 3

Scheme to be delivered by the Council	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
General Fund Housing	995	705	800	800	800	560	4,660
Social Care	-	263	-	-	-	-	263
Schools	1,481	5,681	3,474	-	-	-	10,636
Enterprise and Regeneration	5,534	5,616	10,250	-	-	-	21,400
Southend Pier	2,196	4,690	3,550	-	-	-	10,436
Culture and Tourism	243	369	-	-	-	-	612
Community Safety	470	314	-	-	-	-	784
Highways and Infrastructure	18,737	16,271	9,826	4,000	4,000	-	52,834
Works to Property	2,399	6,974	1,830	600	600	-	12,403
Energy Saving	292	562	-	-	-	-	854
ICT	2,212	4,368	722	39	-	-	7,341
S106/S38/CIL	315	1,021	416	-	-	-	1,752
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND	34,874	46,834	30,868	5,439	5,400	560	123,975

Total budget for 2023/24 to 2027/28:

89,101

Scheme to be delivered by the Council and Funded by the Levelling Up Fund	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Enterprise and Regeneration - Funded by the Levelling Up Fund	1,245	6,411	16,489	-	-	-	24,145
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND - FUNDED BY LEVELLING UP FUND	1,245	6,411	16,489	0	0	0	24,145

Total budget for 2023/24 to 2027/28:

22,900

Scheme to be delivered by the Council	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Council Housing New Build Programme	575	7,932	3,104	379	-	-	11,990
Council Housing Acquisitions Programme	3,587	9,420	3,066	-	-	-	16,073
Council Housing Refurbishment	622	844	850	109	-	-	2,425
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - HRA	4,784	18,196	7,020	488	0	0	30,488

Total budget for 2023/24 to 2027/28:

25,704

	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY THE COUNCIL	40,903	71,441	54,377	5,927	5,400	560	178,608

Total budget for 2023/24 to 2027/28:

137,705

Scheme to be delivered by the Subsidiary Companies, Partners or Joint Ventures	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Council Housing Refurbishment	7,987	8,578	6,274	6,329	6,491	-	35,659
Enterprise and Regeneration	1,201	21,699	3,250	3,250	3,175	-	32,575
PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY SUBSIDIARY COMPANIES, PARTNERS OR JOINT VENTURES	9,188	30,277	9,524	9,579	9,666	0	68,234

Total budget for 2023/24 to 2027/28:

59,046

Proposed Capital Investment Programme 2022/23 to 2027/28 and future years - Summary by Strategic and Other Schemes

Appendix 3

Scheme to be delivered by the Council	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Strategic schemes							
Airport Business Park (including Local Growth Fund)	4,254	2,765	-	-	-	-	7,019
Better Queensway - Programme Management	527	754	-	-	-	-	1,281
Seaway Leisure	-	-	10,000	-	-	-	10,000
Victoria Centre	753	1,852	250	-	-	-	2,855
Schools - High Needs Provision	-	3,661	3,212	-	-	-	6,873
Southend Pier schemes	2,196	4,690	3,550	-	-	-	10,436
ICT schemes	2,212	4,368	722	39	-	-	7,341
Footways and Carriageways Schemes	11,060	5,548	4,773	4,000	4,000	-	29,381
Parking Schemes	1,238	329	-	-	-	-	1,567
Highways and Infrastructure - Local Growth Fund and Local Transport Plan Schemes	3,631	4,141	2,378	-	-	-	10,150
Total Strategic - General Fund	25,871	28,108	24,885	4,039	4,000	-	86,903
Leigh Port Detailed Design	696	4,673	9,533	-	-	-	14,902
Cliffs Pavillion	522	500	6,956	-	-	-	7,978
City Beach	27	1,238	-	-	-	-	1,265
Total Strategic - General Fund - funded by the Levelling Up Fund	1,245	6,411	16,489	-	-	-	24,145
HRA Affordable Housing Acquisitions Programme	2,131	2,878	-	-	-	-	5,009
Council Housing New Build Programme	575	7,932	3,104	379	-	-	11,990
Acquisition of tower block leaseholds - Queensway	526	1,085	900	-	-	-	2,511
Total Strategic - HRA	3,232	11,895	4,004	379	-	-	19,510
Total Strategic - GF and HRA	30,348	46,414	45,378	4,418	4,000	-	130,558
Other Schemes	10,555	25,027	8,999	1,509	1,400	560	48,050
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY THE COUNCIL	40,903	71,441	54,377	5,927	5,400	560	178,608

Total budget for 2023/24 to 2027/28:

137,705

Scheme to be delivered by the Subsidiary Companies, Partners or Joint Ventures	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Council Housing Refurbishment	7,987	8,578	6,274	6,329	6,491	-	35,659
Better Queensway - Loan to Joint Venture	450	1,550	3,250	3,250	3,175	-	11,675
Housing Infrastructure Funding	-	14,500	-	-	-	-	14,500
Better Queensway - SELEP	375	3,825	-	-	-	-	4,200
Total Strategic - Delivered by Subsidiary Companies or Joint Ventures	8,812	28,453	9,524	9,579	9,666	-	66,034
Other Schemes	376	1,824	-	-	-	-	2,200
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY SUBSIDIARY COMPANIES, PARTNERS OR JOINT VENTURES	9,188	30,277	9,524	9,579	9,666	-	68,234

Total budget for 2023/24 to 2027/28:

59,046

Proposed Capital Investment Programme 2022/23 to 2027/28 and future years

Appendix 3

Scheme to be delivered by the Council	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
General Fund Housing							
Disabled Facilities Grant	995	605	800	800	800	560	4,560
Housing and Development Pipeline Feasibility - GF	-	100					100
Total General Fund Housing	995	705	800	800	800	560	4,660
Social Care							
Community Capacity	-	29					29
AHDC Short Breaks for Disabled Children	-	64					64
Mental Health Funding Stream	-	31					31
Transforming Care Housing	-	139					139
Total Social Care	-	263	-	-	-	-	263
Schools							
Chalkwell Junior - Lightning Protection	-	10					10
Earls Hall Primary heating	-	20					20
Eastwood kitchen works	6	-					6
Eastwood Primary boiler	140						140
Fairways Primary curtain walling/roofing/radiators	-	100					100
Future condition projects	340	1,591					1,931
Leigh Primary - Window Replacement (including radiators)	28	72					100
Devolved Formula Capital	284	92					376
High Needs Provision	-	3,661	3,212				6,873
Prince Avenue Extended Nursery Provision	-	6					6
School Improvement and Provision of School Places	43						43
SEND works - Best Centre First Floor Class Room		50					50
Special Provision Capital Fund	640	79	262				981
Total Schools	1,481	5,681	3,474	-	-	-	10,636
Enterprise and Regeneration							
Airport Business Park (including Local Growth Fund)	4,254	2,765					7,019
Better Queensway - Programme Management	527	754					1,281
Infrastructure Feasibility Studies	-	245					245
Seaway Leisure			10,000				10,000
Victoria Centre	753	1,852	250				2,855
Total Enterprise and Regeneration	5,534	5,616	10,250	-	-	-	21,400
Southend Pier							
Southend Pier - Bearing Refurbishment (Phase One)	17						17
Southend Pier - Condition Works Engineers	1,924	837	1,250				4,011
Southend Pier - Pier Head development Phase 1	11	-					11
Southend Pier - Prince George Extension (Phase Two)	83	1,907					1,990
Southend Pier - Timber Outer Pier Head	153	1,896	2,300				4,349
Southend Pier Head: Drainage		50					50
Pier Pavilion Bar Conversion	8						8
Total Southend Pier	2,196	4,690	3,550	-	-	-	10,436
Culture and Tourism							
Allotments Water Supply Upgrade	39	7					46
Chalkwell Park and Priory Park Tennis Courts	-	14					14
Playground Gates	36	58					94
Shoebury Common Regeneration	32	1					33
Shoebury Library/Youth Centre Lift	3	32					35
Sidmouth Park - Replacement of Play Equipment	2						2
Southend Tree Policy Review - additional trees	24	5					29
Branch Library Refurbishments	3	50					53

Proposed Capital Investment Programme 2022/23 to 2027/28 and future years

Appendix 3

Scheme to be delivered by the Council	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Central Museum Works	12	80					92
Cart and Wagon Shed	3	47					50
Irrigation tanks	-	24					24
"Make Southend Sparkle" Initiative	13						13
Milton Gardens LUF project	16	51					67
Southend Dive Pool Flooring - Emergency Works	60						60
Total Culture and Tourism	243	369	-	-	-	-	612
Community Safety							
CCTV Equipment Renewal	356	142					498
Security Measures	114	172					286
Total Community Safety	470	314	-	-	-	-	784
Highways and Infrastructure							
<u>Cliff Stabilisation schemes:</u>							
- Cliff Parade Cliff Slip	120	225					345
<u>Flood Prevention and Resilience schemes:</u>							
- Shoebury Common Coastal Defence Scheme	13						13
- Coastal Defence Refurbishment Programme	180						180
- Local Surface Water Modelling and Mapping Grant Scheme		45					45
- Groyne Field Refurbishment Programme	204	141					345
- Sea Wall Access Refurbishment		448					448
- East Beach Sea Wall Refurbishment	89	358					447
- Improving Resilience to flooding – Eastwood Brook Hydraulic Catchment	27	40					67
- Innovation Resilience Programme	357	339					696
<u>Footways and Carriageways schemes:</u>							
- Footways Improvements	6,136	2,582	2,500	2,500	2,500		16,218
- Carriageways Improvements	3,688	1,500	1,500	1,500	1,500		9,688
- Highways Maintenance - Potholes	773	1,082	773				2,628
- Junction Protection	233	234					467
- Zebra Crossing Surfacing Replacement	120	110					230
- Improve Footway Condition Around Highway Trees	110	40					150
<u>Highways Infrastructure schemes:</u>							
- Street Lighting Infills	137	75					212
- DFT - Belton Way East Cliff Slip	871	2,280					3,151
- Bridge Strengthening - Challenge Fund	566	381					947
- DfT Active Travel - Tranche 2	131	700					831
- Safer Roads Fund		750	2,675				3,425
- Traffic Signs Upgrade	14	86					100
- Vehicle Restraint Replacement	-	23					23
<u>Parking schemes:</u>							
- Car Park Infrastructure Improvements	93	193					286
- Car Park Resurfacing	243	38					281
- Parking Signage Replacement	1	98					99
- East Beach Car Park	901						901
<u>Local Transport Plan schemes:</u>							
- LTP (Integrated Transport block) - Bridge Strengthening	298	250	250				798
- LTP (Integrated Transport block) - Better Sustainable Transport	345	826	470				1,641
- LTP (Integrated Transport block) - Better Networks	275	690	429				1,394
- LTP (Integrated Transport block) - Traffic Management Schemes	324	926	400				1,650
- LTP (Integrated Transport block) - Traffic Control Systems	116	364	113				593
- LTP - Maintenance	529	661	595				1,785
- LTP - Maintenance - Street Lighting	20	195	121				336
<u>Local Growth Fund schemes:</u>							
- A127 Growth Corridor (Bell Junction and A127 Essential Maintenance Works)	241	229					470
- Local Growth Fund - Southend Town Centre Interventions	1,483						1,483
<u>Other Transport schemes:</u>							
- HCA Progress Road	11						11
- Southend Transport Model	88	362					450
Total Highways and Infrastructure	18,737	16,271	9,826	4,000	4,000	-	52,834

Proposed Capital Investment Programme 2022/23 to 2027/28 and future years

Appendix 3

Scheme to be delivered by the Council	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Works to Property							
62 Avenue Road	2	-					2
Aviation Way Car Park	1	261	75				337
Civic Campus - Efficient Use of Space	23	209					232
Clearance and Fencing - Land off Sutton Road	-	2					2
Cliffs Pavilion Admiral's and Mariner's Rooms Air Source Heat Pumps	3	47					50
Cliffs Pavilion Air Handling Unit		80					80
East Beach Café	50	1,452					1,502
Futures Demolition	98						98
Seaways - HCA Condition Funding	59	111					170
Crematorium Refurbishment	393	2,250					2,643
Parks fuel storage		30					30
Porters house heating issues	6	2					8
Public Toilet Provision	-	699					699
Fire Improvement Works	665	820	821				2,306
Property Refurbishment Programme	1,099	370	371				1,840
125 F/F Valkyrie Road void works	-	18					18
Shoebury Leisure Centre Sports Hall Floor		80					80
Southchurch Cricket Pavilion		82					82
Priority Works	-	461	563	600	600		2,224
Total Works to Property	2,399	6,974	1,830	600	600	-	12,403
Energy Saving							
Energy Efficiency Projects	292	347					639
Real Time Air Quality Measurement - Feasibility	-	56					56
Air Quality Grant		82					82
Electronic Vehicle Projects	-	77					77
Total Energy Saving	292	562	-	-	-	-	854
ICT							
Intranet development	7						7
HR Recruitment Contract Implementation	1	41					42
N3 Connectivity in Civic Building				39			39
ICT - Technology Device Refresh	292	346					638
ICT - Application Transformation	46	149					195
ICT - Digital Enablement	27	113					140
ICT - Security & Resiliency	73	74					147
ICT - Stabilise the Estate	83	21					104
ICT - Core Application and Database Migration	43	188					231
ICT - Childrens and Adults Social Care - Implementation of ControCC modules	42	177	22				241
ICT - Operational requirements	988	885					1,873
My Southend Replacement		1,000	700				1,700
Business World Bank Reconciliation Module Improvements	-	4					4
ASELA Local Full Fibre Network		500					500
Software Licencing	610	870					1,480
Total ICT	2,212	4,368	722	39	-	-	7,341
S106/S38/CIL							
S106 23/04/2015 Hinguar and Saxon - public art contribution	-	8					8
S106 Ajax Works 0300130ful - landscaping maintenance	-	3	2				5
S106 Avenue Works 1401968AMDT - Public Art	2	2					4
S106 Bellway Prittlebrook 1400943FULM - Cycling Infrastructure	9						9
S106 Former Balmoral 1400914FULM – public art contribution	-	1					1
S106 Former College 1000225FUL - Tree Replacement	-	11					11
S106 Garrison 0000777 Depost - CCTV	-	1					1
S106 Garrison 0000777 Deposit - information boards	-	2					2
S106 Garrison 0000777 Deposit - Junior Play Area maintenance	2	8					10
S106 Garrison 0000777 Deposit - Sea Wall and Assoc Structure Maintenance	-	34					34
S106 Garrison 0000777 Deposit - Toddler Play Area maintenance	-	6					6
S106 Garrison Park Store	-	1					1

Proposed Capital Investment Programme 2022/23 to 2027/28 and future years

Appendix 3

Scheme to be delivered by the Council	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
S106 Lifstan Way 0000273 Out - Open Space Maintenance	1	13	62				76
S106 North Shoebury Road 0301504out - Shoebury Park Enhancement	18	7					25
S106 North Shoebury Road 0301504out - Shoebury Park Maintenance	27	39	102				168
S106 22-23 The Leas 0700820FULM - bus service contribution	1	42					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 Univ H-Way0401561ful	-	2					2
S278 Aldi Stores Limited - Priory Crescent - bond	177						177
S278 Star Lane - Great Waking	17	23					40
S38/S278 Airport 0901960 Fulm	13	13					26
S38 Bellway Homes 14/00943/fulm	-	2					2
S78 Bellway Homes 14/00943/fulm	-	8					8
S38 Fossetts Farm Bridleway	-	1					1
CIL Main Fund Allocation – Enhancing Children's Play Provision in Public Parks		750	250				1,000
CIL Ward NA and S106 - Milton - Whitegate Play Space	25						25
CIL Ward NA – Belfairs – Belfairs Memorial Bench	1						1
CIL Ward NA – Blenheim Park – Blenheim Park 'Makeover'	-	1					1
CIL Ward NA – Blenheim Park – St Cedd's Community Kitchen refurbishment	-	2					2
CIL Ward NA – Milton – Milton Park improvements	-	2					2
CIL Ward NA – Milton – Park Street replacement bollards	-	1					1
CIL Ward NA – Milton – Railway bridge artwork (phase 2)	17						17
CIL Ward NA – Prittlewell – Priory Park fountains restoration	5	12					17
CIL Ward NA – Southchurch – Southchurch Speedwatch	-	1					1
Total S106/S38/CIL	315	1,021	416	-	-	-	1,752
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND	34,874	46,834	30,868	5,439	5,400	560	123,975

Total budget for 2023/24 to 2027/28:

89,101

Scheme to be delivered by the Council and Funded by the Levelling Up Fund	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Enterprise and Regeneration - Funded by the Levelling Up Fund							
Leigh Port Detailed Design	696	4,673	9,533				14,902
Cliffs Pavillion	522	500	6,956				7,978
Marine Parade - Levelling up Funding	27	1,238					1,265
Total Enterprise and Regeneration - Funded by the Levelling Up Fund	1,245	6,411	16,489	-	-	-	24,145
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND FUNDED BY LEVELLING UP FUND	1,245	6,411	16,489	0	0	0	24,145

Total budget for 2023/24 to 2027/28:

22,900

	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
COUNCIL'S PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND	36,119	53,245	47,357	5,439	5,400	560	148,120

Total General Fund budget for 2023/24 to 2027/28:

112,001

Proposed Capital Investment Programme 2022/23 to 2027/28 and future years

Appendix 3

Scheme to be delivered by the Council	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Council Housing New Build Programme							
Council Affordable Housing Development (Phase3) - Shoebury	36	4,584	2,586	379			7,585
Council Affordable Housing Development (Phase4) - St Laurence	50	2,307	518				2,875
Council Affordable Housing Development (MMC) - West Shoebury	119	746					865
Housing Construction Scheme - Phase 5/6 feasibility (S106)	22	7					29
Housing Construction Scheme - Land Assembly Fund (S106)	348	288					636
Total Council Housing New Build Programme	575	7,932	3,104	379	-	-	11,990
Council Housing Acquisitions Programme							
HRA Affordable Housing Acquisitions Programme	2,131	2,878					5,009
LAHF - Afghan & Ukraine resettlement scheme	790	3,216					4,006
Next Steps Accommodation Programme	25	75	50				150
Passive House Pilot		854	214				1,068
Housing and Development Pipeline Feasibility - HRA	115	44					159
Social Housing Decarbonisation funding		1,268	1,902				3,170
Acquisition of tower block leaseholds - Queensway	526	1,085	900				2,511
Total Council Housing Acquisitions Programme	3,587	9,420	3,066	-	-	-	16,073
Council Housing Refurbishment							
HRA Disabled Adaptations - Major Adaptations	622	844	850	109			2,425
Total Council Housing Refurbishment - HRA	622	844	850	109	-	-	2,425
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME - HRA	4,784	18,196	7,020	488	0	0	30,488

Total HRA budget for 2023/24 to 2027/28: 25,704

72	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
COUNCIL'S PROPOSED CAPITAL INVESTMENT PROGRAMME - GENERAL FUND AND HRA	40,903	71,441	54,377	5,927	5,400	560	178,608

Total budget for 2023/24 to 2027/28: 137,705

Proposed Capital Investment Programme 2022/23 to 2027/28 and future years

Appendix 3

Scheme to be delivered by the Subsidiary Companies, Partners or Joint Ventures	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Council Housing Refurbishment - delivered by South Essex Homes Limited							
Bathroom Refurbishment	100	284	210	264	183		1,041
Central Heating	736	126	246	296	210		1,614
Environmental - H&S works	901	1,664	2,970	2,160	2,484		10,179
Kitchen Refurbishments	478	81	184	114	114		971
Rewiring	601	1,784	443	208	275		3,311
Roofs	735	1,097	173	242	86		2,333
Windows and Doors	743	45	159	723	94		1,764
Common Areas Improvement	1,419	1,058	1,523	2,106	2,700		8,806
HRA - SCC Buybacks Refurbishment	177	147					324
Remodelling of Tied Accommodation	53	244	302	216	345		1,160
Sprinkler System Installation Pilot	445	88					533
Tower Blocks Boroughwide Annunciation System	12						12
Balmoral Estate Improvement and Structural Works	1,574	1,868	64				3,506
Energy Efficiency Measures	13	92					105
Total Council Housing Refurbishment	7,987	8,578	6,274	6,329	6,491	-	35,659
Enterprise and Regeneration - delivered by Porters Place Southend-on-Sea LLP							
Better Queensway - Loan to Joint Venture	450	1,550	3,250	3,250	3,175		11,675
Housing Infrastructure Funding	-	14,500					14,500
Better Queensway - SELEP	375	3,825					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	376	824					1,200
Total Enterprise and Regeneration	1,201	21,699	3,250	3,250	3,175	-	32,575
PROPOSED CAPITAL INVESTMENT PROGRAMME - TO BE DELIVERED BY SUBSIDIARY COMPANIES OR JOINT VENTURES	9,188	30,277	9,524	9,579	9,666	0	68,234

Total budget for 2023/24 to 2027/28:

59,046

Proposed Capital Investment Programme 2023/24 to 2027/28
and future years - Schemes subject to viable business cases

Appendix 3

General Fund Schemes Subject to Viable Business Cases	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years 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		1,500
Schools - Condition Works (externally funded)		500	500	500		1,500
Playground Refurbishment	750	250				1,000
Technology Modernisation Programme		1,490	1,560			3,050
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 Right to Buy - Buybacks Refurbishment	325	325	325	325		1,300
Better Queensway - Additional Affordable Housing	Will be profiled across the years as and when viable business cases are agreed					10,000
Better Queensway Housing and Commerical Property acquisitions						19,925
Regeneration Pipeline Schemes						-
Strategic and Regeneration Acquisitions						10,380
Private Sector Housing Strategy						785
Cliffs Stabilisation						-
Shoebury Health Centre						-
City Centre and Seafront Security Works						-
Civic Centre Campus Masterplan						-
Seafront Illuminations						-
Re-imagination of the City Centre						-
Museums and Galleries						-
Improved Car Park Signage and Guidance Systems						44
Traffic Signs Upgrade						389
Local Growth Fund - A127 Growth Corridor						529
Southend Pier - Pier Head development Phase 1						1,130
Climate Change Provision						1,500
Greening of the High Street						-
Cycle Paths						-
TOTAL SCHEMES SUBJECT TO VIABLE BUSINESS CASES (plus investment yet to be costed):						87,032



Infrastructure Funding Statement

Reported Year

1 April 2022 to 31 March 2023

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Appendix 1: Southend 2050 Outcomes

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Summary Table 1: Community Infrastructure Levy (CIL) Funds 2022 to 2023

Summary Table 2: Section 106 (S.106) Planning Obligation Funds 2022 to 2023

Table 1: Total CIL Summary

Table 2: Details of CIL Ward Neighbourhood Allocations

Figure 1: CIL Ward Neighbourhood Allocations by 2050 Outcomes

Table 3: Details of S.106 income received to date in reported year 2022 to 2023 (as of 31 March 2023)

Figure 2: Contribution of S.106 income received to achieving 2050 Outcomes

Table 4: Details of S.106 expenditure in reported year 2022 to 2023

Figure 3: S.106 expenditure by 2050 Outcomes

Table 5: Details of S.106 financial contributions allocated to projects (but not yet spent) in reported year 2022 to 2023

Table 6: Details of planning obligations entered into during the reported year 2022 to 2023

1. Introduction

Local authorities are required to publish an annual infrastructure funding statement (IFS) providing details of developer contributions to infrastructure¹ from the Community Infrastructure Levy (CIL)² and Section 106 (S.106) planning obligations³.

Southend-on-Sea City Council became a CIL Charging Authority, and commenced CIL charging, in July 2015; and has been securing developer contributions through planning obligations since the introduction of Section 106 of The Town and Country Planning Act 1990 (as amended).

The Reported Year of this IFS is the financial year from 1 April 2022 to 31 March 2023.

Further information regarding CIL and S.106 planning obligations can be found on the Council's website or obtained from the Planning Portal or the Government's online Planning Practice Guidance.

¹ Regulation 121A of the Community Infrastructure Levy (CIL) Regulations 2010 (as amended). The matters included in this IFS reflect the requirements set out in Schedule 2 of the regulations.

² The Community Infrastructure Levy (CIL) is a charge which can be levied by local authorities on new development in their area. It is an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area.

³ Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as S.106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development.

2. Executive Summary

▼ Summary Table 1: Community Infrastructure Levy (CIL) Funds 2022 to 2023

Reported Year 2022 to 2023	Total value of CIL set out in all Demand Notices issued in the reported year	£1,134,900.37
	Total amount of CIL receipts carried over from previously reported years	£3,132,574.15
	Total amount of CIL receipts in reported year	£1,076,850.99
	Total amount of CIL expenditure (including admin expenses) in reported year	£105,604.05
	Total overpayments returned ⁴ in reported year	£7,113.08
	Total amount transferred to other organisations in reported year	£43,737.58
	Total amount of CIL allocated but unspent in reported year	£2,156,945.72
	Total amount of CIL collected in any year yet to be allocated and remaining to be spent at the end of the reported year	£1,896,024.71

▼ Summary Table 2: Section 106 (S.106) Planning Obligation Funds 2022 to 2023⁵

Reported Year 2022 to 2023	Total amount of money to be provided under any planning obligations which were entered into during reported year ⁶	tbc
	Total amount of money under any planning obligations carried over from previously reported years which had not been allocated and was available to spend at the start of reported year	£1,681,626.93
	Total amount of money under any planning obligations carried over from previously reported years which was allocated but not spent at the start of the reported year	£1,304,351.44
	Total amount of money under any planning obligations which was received in reported year	£61,912.77
	Total amount of money under any planning obligations which was spent in reported year	£869,820.27
	Total amount of money under any planning obligations which was returned in reported year	£104,156.84
	Total amount of money under any planning obligations transferred to other organisations in reported year	£0.00
	Total amount of money under any planning obligations which was allocated but not spent at the end of the reported year	£509,470.51
	Total amount of money under any planning obligations yet to be allocated and remaining to be spent at the end of reported year	1,564,443.52

⁴ Payments are returned under CIL Regulation 75 (Overpayments) if the amount paid proves to be greater than the amount due.

⁵ Figures correct at time of preparation of this report but may be subject to adjustments.

⁶ This figure relates to either development that has yet to commence or implemented schemes for which the due date for contributions has not yet been reached i.e. the contributions have not been received and cannot be guaranteed to be received. The figure cannot be confirmed as the developments concerned included an outline planning permission, details of which have yet to be agreed.

3. Community Infrastructure Levy (CIL) contributions for 2022 to 2023

3.1 CIL Funding Summary

Table 1 sets out the CIL financial summary for 2022 to 2023 for the period from 1 April 2022 to 31 March 2023.

▼ **Table 1: Total CIL Summary**

Total CIL receipts carried over from previously reported years⁷	£3,132,574.15
Total CIL receipts⁸ in reported year including:	£1,076,850.99
CIL receipts in CIL Main Fund in reported year	£881,912.16
CIL receipts in CIL Neighbourhood Allocation in reported year (15% of total receipts less surcharges)	£141,042.93
CIL received for administrative expenses in reported year (5% of reported year total)	£53,895.90
Total CIL receipts carried over from previously reported years and received in reported year	£4,209,425.14
Total overpayments returned in reported year ⁹	£7,113.08
Balance of CIL receipts after overpayments returned	£4,202,312.06
Total amount of CIL applied to administrative expenses in the reported year	£53,540.24
Total expenditure from CIL Ward Neighbourhood Allocation in reported year ¹⁰	£52,063.81
Total amount of CIL transferred to Leigh Town Council (LTC) from the reported year (Local Council Neighbourhood Allocation)	£43,737.58
Total CIL receipts in CIL Main Fund and CIL Ward Neighbourhood Allocation unspent at the end of the reported year¹¹	£4,052,970.43
Total CIL Main Fund amount allocated but unspent in the reported year	£2,000,000.00
Total CIL Ward Neighbourhood Allocation amount allocated but unspent in the reported year ¹²	£156,945.72
Total CIL receipts in CIL Main Fund and CIL Ward Neighbourhood Allocation yet to be allocated and remaining available to spend at the end of the reported year¹³	£1,896,024.71

⁷ This includes all unspent receipts within the CIL Main Fund and CIL Ward Neighbourhood Allocation.

⁸ This figure comprises total funds received in reported year 2022 to 2023 only i.e. does not include the value of any unpaid invoices raised in the reported year. In addition, CIL receipts include the value of land payments and infrastructure payments made in respect of CIL charges.

⁹ Payments are returned under CIL Regulation 75 (Overpayments) if the amount paid proves to be greater than the amount due.

¹⁰ See Table 2 for a detailed breakdown.

¹¹ This figure can include the value of acquired land on which development consistent with a relevant purpose has not commenced OR the acquired land has been used or disposed of for a purpose other than the relevant purposes and the amount deemed to be CIL by virtue of regulation 73(9) has not been spent AND the value of infrastructure if the infrastructure has not been provided.

¹² See Table 2 for a detailed breakdown.

¹³ £0.03 difference to tables below due to rounding differences.

3.2 CIL Main fund

The CIL Main Fund is to be spent on strategic infrastructure that is considered essential to deliver the growth identified in the City's Local Development Plan. This infrastructure was initially identified in the CIL Infrastructure Delivery Plan 2015 ('IDP') but is under review as part of the Southend new Local Plan preparation.

▼ CIL Main Fund (summary)	
Main Fund carried over from previously reported years	£2,766,558.85
Main Fund receipts for the reported year	£881,912.16
Total overpayments returned in the reported year ¹⁴	£5,690.46
Main Fund expenditure for the reported year	£0.00
Total CIL Main Fund unspent at the end of the reported year	£3,642,780.55
Total CIL Main Fund amount allocated but unspent in the reported year including:	£2,000,000.00
<ul style="list-style-type: none"> £1m towards Enhancing Children's Play Provision in Public Parks £1m towards Cycle Infrastructure Improvement Programme 	
Total CIL Main Fund yet to be allocated and remaining to spend at the end of the reported year	£1,642,780.55

¹⁴ Payments are returned under CIL Regulation 75 (Overpayments) if the amount paid proves to be greater than the amount due.

3.3 CIL Neighbourhood Allocation

▼ Neighbourhood Allocation (summary)	
Neighbourhood Allocation carried over by Southend-on-Sea City Council from previously reported years	£366,015.33
Total Neighbourhood Allocation receipts for the reported year including funds to be transferred to LTC	£141,042.93
Total CIL receipts to be transferred to LTC for the reported year	£43,737.58
Total overpayments returned in the reported year ¹⁵	£1,066.96
Neighbourhood Allocation expenditure for the reported year excluding funds transferred to LTC	£52,063.81
Total CIL Ward Neighbourhood Allocation unspent at the end of the reported year¹⁶	£410,189.91
Total CIL Ward Neighbourhood Allocation amount allocated but unspent in the reported year ¹⁷	£156,945.72
Total CIL Ward Neighbourhood Allocation yet to be allocated and remaining to spend at the end of the reported year¹⁸	£253,244.19

¹⁵ Payments are returned under CIL Regulation 75 (Overpayments) if the amount paid proves to be greater than the amount due.

¹⁶ - £0.02 difference to Table 2 due to rounding differences.

¹⁷ See Table 2 for a detailed breakdown.

¹⁸ - £0.02 difference to Table 2 due to rounding differences

3.3.1 CIL Local Parish Council Allocation

▼ Local parish council: Leigh Town Council (LTC)	
Total CIL receipts allocated to LTC for the reported year	£43,737.58
Ward breakdown:	
• CIL receipts within Belfairs (within LTC boundary)	£0
• CIL receipts within Blenheim Park (within LTC boundary)	£2,454.95
• CIL receipts within Leigh	£30,567.90
• CIL receipts within West Leigh	£10,714.73
Deductions ¹⁹ from allocated amount in reported year	£0.00
Details of any requests for repayment of CIL receipts from LTC that have not been applied to support the development of its area within 5 years of receipt:	
• Total value of CIL receipts requested to be returned from LTC	£0.00
• Total value of CIL receipts yet to be recovered from LTC for the reported year	£0.00
Total CIL receipts to be transferred to LTC for the reported year	£43,737.58

Leigh-on-Sea Town Council's CIL Annual Reports, setting out details of expenditure, are published on the Parish Council's website:
<http://www.leighonseatowncouncil.gov.uk>

3.3.2 CIL Ward Neighbourhood Allocation

The CIL Ward Neighbourhood Allocation must be spent on schemes that will help support development of the ward area by funding either: a) the provision, improvement, replacement, operation or maintenance of infrastructure; or b) anything else that is concerned with addressing the demands that development places on an area.

Details relating to expenditure of the Neighbourhood Allocation within Southend-on-Sea City Council Wards in the reported year are set out in Table 2 below.

¹⁹ Payments are returned under CIL Regulation 75 (Overpayments) if the amount paid proves to be greater than the amount due.

▼ Table 2: Details of CIL Ward Neighbourhood Allocations

Ward	Receipts in 2022 to 2023 (£)	Funds carried over from previously reported years (£)	Overpayments returned for the reported year (£)	Items to which the Neighbourhood Allocation have been applied	Total budget allocated to each itemised project (£)	Expenditure in previously reported years (£)	Expenditure for the reported year (£)	Funds retained at the end of the reported year (£)	Remaining committed funds to be deducted (£)	Available funds after commitments (£)
				Chalkwell Speedwatch	799.00	0.00	799.00	-	0.00	-
				Chalkwell Bowling Club Pétanque Project	1,000.00	0.00	0.00	-	1,000.00	-
				Tree planting	2,000.00	0.00	0.00	-	2,000.00	-
Chalkwell	4,745.41	22,697.26	0.00				799.00	26,643.67	3,000.00	23,643.67
				Tree planting between Eastwood and Oakwood parks <i>(project complete under budget)</i>	2,191.20	661.00	0.00	-	0.00	-
				Rochford Corner power connection <i>(project complete under budget)</i>	1,394.93	1,354.87	0.00	-	0.00	-
				Rayleigh Road Planters	3,421.74	0.00	0.00	-	3,421.74	-
				Dandies Park Trees	1,530.20	0.00	0.00	-	1,530.20	-

Eastwood Park	911.60	4,992.00	0.00				0.00	5,903.60	4,951.94	951.66
				Southchurch Hall Gardens information boards	7,800.00	0.00	0.00	-	7,800.00	-
Kursaal	2,695.38	8,826.12	0.00				0.00	11,521.50	7,800.00	3,721.50
				Milton Park improvements	5,000.00	3,270.60	278.96	-	1,450.44	-
				Park Street replacement bollards	2,856.54	1,517.31	0.00	-	1,339.23	-
				Milton railway bridge artwork	3,779.03	0.00	3,779.03	-	0.00	-
				Whitegate Play Space (<i>project complete under budget</i>)	15,000.00	0.00	8,436.13	-	0.00	-
				Milton railway bridge artwork (phase 2)	16,554.69	0.00	16,554.69	-	0.00	-
				Clifton Cliffs and Holland Road steps	10,000.00	0.00	0.00	-	10,000.00	
Milton	41,833.28	48,402.35	820.81				29,048.81	60,366.01	12,789.67	47,576.34
				Priory Park fountains restoration	25,000.00	7,827.52	4,519.00	-	12,653.48	-

				Gainsborough Park Woodland and Orchard Project	5,500.00	0.00	0.00	-	5,500.00	-
Prittlewell	1,979.58	30,258.70	0.00				4,519.00	27,719.28	18,153.48	9,565.80
				Resurfacing Shoebury High Street	8,418.39	0.00	0.00	-	8,418.39	-
				East Beach improvements	4,289.19	0.00	0.00	-	4,289.19	-
Shoebury-ness	4,877.90	44,443.53	0.00				0.00	49,321.43	12,707.58	36,613.85
				Southchurch Speedwatch	444.35	0.00	0.00	-	444.35	-
South-church	2,941.30	2,253.96	0.00				0.00	5,195.26	444.35	4,750.91
				St Laurence whip hedge planting	174.90	120.00	0.00	-	54.90	-
				Eastwood Community Centre replacement water heaters	1,975.00	1,975.00	0.00	-	0.00	-
				Eastwood Community Centre LED lighting project	4,032.00	0.00	4,032.00	-	0.00	-
				Eastwood Community Youth Club equipment	1,000.00	0.00	1,000.00	-	0.00	-

				Manners Way play area equipment	2,000.00	0.00	0.00	-	2,000.00	-
				Planting beds	3,500.00	0.00	0.00	-	3,500.00	-
				Sidmouth play area path/ramp	2,000.00	0.00	0.00	-	2,000.00	-
				St Laurence Park benches	2,500.00	0.00	0.00	-	2,500.00	-
St Laurence	427.72	21,721.26	0.00				5,032.00	17,116.98	10,054.90	7,062.08
St Lukes	1,108.04	2,174.42	0.00				0.00	3,282.46	0.00	3,282.46
				Southchurch Bowls Club Irrigation System	8,500.00	0.00	8,500.00	-	0.00	-
				Southchurch Park Safety Rail	10,000.00	0.00	0.00	-	10,000.00	-
Thorpe	2,370.76	18,555.08	0.00				8,500.00	12,425.84	10,000.00	2,425.84
				Balmoral Community Centre Garden	1,250.00	0.00	1,250.00	-	0.00	-
				Churchill Gardens	50,000.00	0.00	0.00	-	50,000.00	-
Victoria	22,579.51	102,147.76	0.00				1,250.00	123,477.27	50,000.00	73,477.27
West Shoebury	2,827.06	10,317.77	0.00				0.00	13,144.83	0.00	13,144.83
				Westborough Signposting (project not proceeded with)	1,151.36	0.00	0.00	-	0.00	-

West-borough	6,166.05	10,735.94	246.15				0.00	16,655.84	0.00	16,655.84
				Belfairs Memorial Bench (<i>project complete under budget</i>)	1,810.00	0.00	915.00	-	-895.00	-
Belfairs (outside LTC boundary)	673.93	6,725.60	0.00				915.00	6,484.53	-895.00	7,379.53
				Mendip Wildlife Garden	3,500.00	0.00	0.00	-	3,500.00	-
				Blenheim Park 'Makeover'	5,000.00	3,671.58	0.00	-	1,328.42	-
				Blenheim Park Gym and Games Equipment	20,210.38	0.00	0.00	-	20,210.38	
				St Cedd's Community Kitchen refurbishment	2,000.00	0.00	2,000.00	-	0.00	-
				Blenheim Park bench	1,800.00	0.00	0.00	-	1,800.00	-
				Litter bin (London Road)	1,100.00	0.00	0.00	-	1,100.00	-
Blenheim Park (outside LTC boundary)	1,167.83	31,763.58	0.00				2,000.00	30,931.41	27,938.80.	2,992.61

TOTAL	97,305.35	366,015.33	1,066.96				52,063.81	410,189.91	156,945.72	253,244.19
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The contribution this CIL expenditure makes to particular Southend 2050 Outcomes²⁰ is shown in Figure 1 below, which reflects column 6 ('Total budget allocated to each itemised project (£)') of Table 2 above. The main focus of investment has been on a range of projects to ensure that 'Our streets and public spaces are clean and inviting'.

More information on Southend 2050 is provided in Appendix 1, including a list of all the 2050 Outcomes.

²⁰ See www.southend.gov.uk/southend2050 for further details.

▼ Figure 1: CIL Ward Neighbourhood Allocations by 2050 Outcomes



4. Section 106 (S.106) planning obligation contributions for 2022 to 2023

The total amount of money under any planning obligations carried over from previously reported years, which had not been allocated and was available to spend at the start of the reported year was £1,681,626.93 ²¹.

The total amount of money received through planning obligations, agreed in any year, retained at the end of the reported year (less £509,470.51 allocated funds) was £1,564,443.52 ²².

4.1 S.106 financial contributions received

Income received during the reported year 2022 to 2023 amounted to £61,912.77.

Figure 2 below indicates the contribution of S.106 income received towards achieving 2050 Outcomes²³. Approximately half of the contributions will mitigate potential impacts on protected coastal habitats through the Essex Coast RAMS project,²⁴ with the remainder broadly split between ‘people have a wide choice of transport options’ and ‘our streets and public spaces are clean and inviting.’

²¹ Correct at time of preparation of this report but may be subject to adjustments.

²² Correct at time of preparation of this report but may be subject to adjustments.

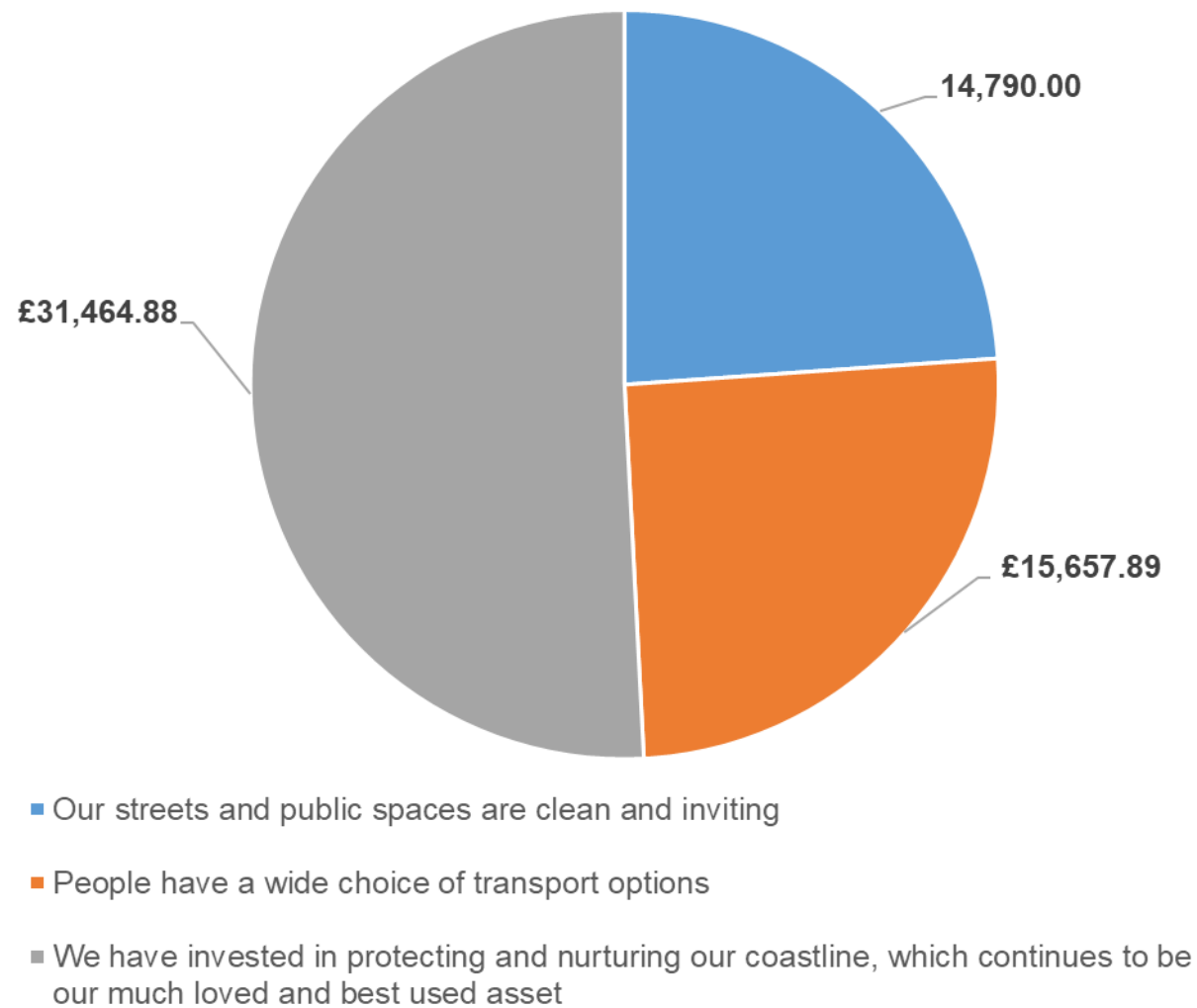
²³ See www.southend.gov.uk/downloads/file/6148/southend-2050-ambition for further details.

²⁴ www.southend.gov.uk/local-planning-framework/essex-coast-rams

▼ **Table 3: Details of S.106 income received to date in reported year 2022 to 2023 (as of 31 March 2023)**

Site Address	Application no.	Date of S.106 agreement	Amount received (£)	Date received	Service area	Purpose
Development Land at Fossetts Way, Southend-on-Sea, Essex	21/00711/FULM	16/09/2021	14,790.00	26/09/2022	Parks and Open Spaces	To cover the cost of the future management of the SAM pursuant to the SAM Management Strategy
Development Land at Fossetts Way, Southend-on-Sea, Essex	21/00711/FULM	16/09/2021	11,184.21	26/09/2022	Traffic/transport	To improve connectivity on public footpath 178 to the south and east of the Site
Development Land at Fossetts Way, Southend-on-Sea, Essex	21/00711/FULM	16/09/2021	4,473.68	26/09/2022	Traffic/transport	To cover the cost of the creation of the Traffic Regulation Order
Development Land at Fossetts Way, Southend-on-Sea, Essex	21/00711/FULM	16/09/2021	31,464.88	26/09/2022	Parks and Open Spaces	To contribute to the strategic mitigation measures seeking to avoid harm to Protected Habitats (European) Sites from increased visits to the coast from new residents in the wider area
Total:			61,912.77			

▼ Figure 2: Contribution of S.106 income received to achieving 2050 Outcomes (in reported year)



4.2 S.106 financial contributions spent

The total amount of money under any planning obligations which was spent in the reported year 2022 to 2023 was £869,820.27.

▼ **Table 4: Details of S.106 expenditure in reported year 2022 to 2023**

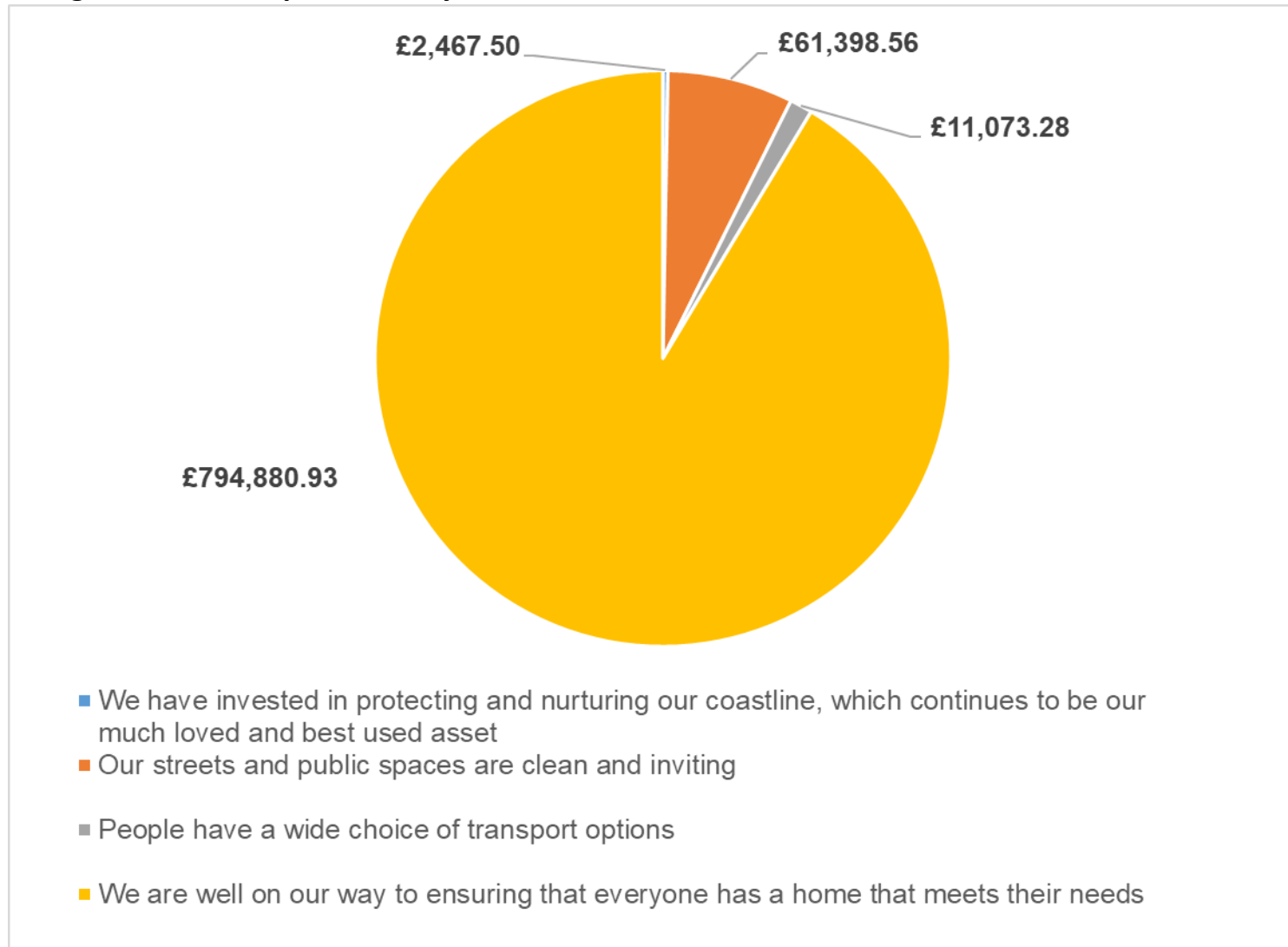
Site Address	Application no.	Date of S.106 agreement	Amount spent (£)	Service area	Purpose
Ajax Works, Station Avenue SOS	03/00130/FUL	05/05/2004	414.80	Parks and Open Spaces	Ongoing maintenance of the Public Open Space
Former Municipal College Playing Fields Lifstan Way Southend-on-Sea Essex SS1 2XX	00/00273/OUT	20/12/2004 and 07/01/2005	1,131.84	Parks and Open Spaces	Ongoing maintenance of the Public Open Space
Vacant Land Adj Asda North Shoebury Road Shoeburyness	03/01504/OUT	20/12/2004 and 07/01/2005	13,707.99	Parks and Open Spaces	Enhancement of the recreational provision within Shoebury Park
Shoebury Garrison, Ness Road	14/00153/DOV	15/01/2015	2,467.50	Civil Engineering	Repair and maintenance of the sea wall and associated structures at Shoebury Garrison
Vacant Land Adj Asda North Shoebury Road Shoeburyness	03/01504/OUT	20/12/2004 and 07/01/2005	26,910.00	Parks and Open Spaces	Ongoing maintenance of Shoebury Park extension
Avenue Works Southchurch Avenue Southend-On-Sea Essex	14/01968/AMDT	05/03/2015	2,323.93	Culture	Spent on public art in Southchurch - Made from this Land depicting the history of local brickfields
Nirvana (now known as The Shore) 22 The Leas, Westcliff-on-Sea	07/00820/FULM	24/05/2012	1,014.91	Traffic/transport	Bus service improvements in vicinity of site
Prittlebrook Industrial Estate	14/00943/FULM	31/03/2015	401.99	Traffic/transport	Used for the introduction of traffic regulation order(s) required as a consequence of the development including

Priory Crescent Southend-On-Sea, Essex					a 20mph zone
Essex House Southchurch Avenue Southend-On-Sea Essex SS1 2LB	16/00116/DOV	06/05/2016	319,588.23	Strategic Housing	Spent on Council affordable housing development - Modern Methods of Construction (MMC) Foundation 200 Project - Juniper Road garage site, West Shoebury.
British Heart Foundation, 3-5 High Street, Southend-on-Sea, Essex SS1 1JE	15/01496/AMDT and 15/01070/DOV	23/12/2015	171,686.00	Strategic Housing	Spent on acquiring properties as part of the Next Steps Accommodation Programme (NSAP) to provide permanent and supported accommodation for rough sleepers plus acquisition of 7 Juniper Road for affordable housing
32-36 Valkyrie Rd, Westcliff-on-Sea, Essex SS0 8BU	17/00893/DOV5	10/10/2017	54,324.00	Strategic Housing	Spent on acquisition of 44 Harwich Road and 7 Juniper Road for affordable housing; and feasibility work for Phase 5 and 6 of the HRA Land Review
845 - 849 London Road, Westcliff-On- Sea, Essex	16/01030/AMDT	14/07/2016	132,528.00	Strategic Housing	Spent on Council affordable housing development - Modern Methods of Construction (MMC) Foundation 200 Project - Juniper Road garage site, West Shoebury
H Portsmouth And Son, 1043 London Road, Leigh-On-Sea Essex, SS9 3JY	15/01545/FULM	08/03/2016	1,521.91	Strategic Housing	Costs associated with Council Housing Construction Scheme - Land Assembly Fund
Frankie And Bennys 18 - 20 Southchurch Road, Southend-On- Sea, Essex SS1 2ND	16/00177/DOV	22/06/2016	16,910.00	Parks and Open Spaces	Whitegate Play Space project.
Frankie And Bennys 18 - 20 Southchurch Road, Southend-On- Sea, Essex SS1 2ND	16/00177/DOV	22/06/2016	115,232.79	Strategic Housing	Spent on Council affordable housing development - Modern Methods of Construction (MMC) Foundation 200 Project - Juniper Road garage site, West Shoebury
Prittlebrook Industrial Estate Priory Crescent	14/00943/FULM	31/03/2015	9,175.00	Traffic/transport	Spent on upgrading the existing puffin crossing to a toucan crossing on Priory Crescent and improve cycle links in Priory Crescent.

Southend-On-Sea, Essex					
The Esplanade Western Esplanade Southend-On-Sea Essex SS1 1EE	17/02266/FULM	05/09/2018	481.38	Traffic/transport	Spent on providing a loading bay, re-provision of parking spaces, dropped kerbs and tactile paving
Total:			869,820.27		

Figure 3 below indicates the expenditure of S.106 income spent by 2050 Outcomes.

▼ **Figure 3: S.106 expenditure by 2050 Outcomes**



4.3 S.106 financial contributions not required and returned

It is confirmed that in reported year 2022 to 2023 the following S.106 financial contribution was returned as a consequence of not being required:

- **£104,156.84** returned (out of £154,000 original receipt)
 - S106 agreement dated 03/09/2002
 - Relating to SEEC, Land To The West Of Luker Road And South Of Elmer Approach, Southend-On-Sea
 - Planning permission ref. 02/00500/FUL
 - Unspent S.106 funds – highway engineering works contribution

4.4 S.106 financial contributions allocated but not yet spent

The funds set out in Table 5 have been allocated to projects but not yet spent. All of the S.106 contributions set out in Table 5 have been allocated to either the Strategic Housing or Education service areas. They will contribute towards the 2050 Outcomes ‘We are well on our way to ensuring that everyone has a home that meets their needs’ and ‘Our children are school and life ready and young people are ready for further education, training or employment’. The Southend 2050 Outcomes are set out in full in Appendix 1.

Total amount of money under any planning obligations which was allocated but not spent at the end of the reported year was £509,470.51.

▼ Table 5: Details of S.106 financial contributions allocated to projects (but not yet spent) in reported year 2022 to 2023

Site Address	Application no.	Date of S.106 agreement	Date received	Amount allocated (£)	Service area	Purpose
3 Acacia Drive, Thorpe Bay, Essex SS1 3JU	16/00876/DOV	28/07/2016	10/02/2017	5,000	Strategic Housing	Strategic land acquisition for the provision of affordable housing in the borough
32-36 Valkyrie Rd, Westcliff-on-Sea,	17/00893/DOV5	10/10/2017	21/11/2017	16,909.00	Strategic Housing	Strategic land acquisition for the provision of affordable housing in the borough

Essex SS0 8BU						
845-849 London Rd, Westcliff-on- Sea, Essex	16/01030/AMDT	14/07/2016	09/01/2018	10,000.00	Strategic Housing	Strategic land acquisition for the provision of affordable housing in the borough
St Hildas School, 13-15 Imperial Ave, Westcliff-on- Sea, Essex SS0 8NE	17/00530/AMDT	27/06/2017	09/01/2018	2,026.00	Strategic Housing	Phase 5 or 6 design work for HRA Land Review Project providing new affordable homes in the borough
H Portsmouth And Son, 1043 London Road, Leigh-on- Sea, Essex SS9 3JY	15/01545/FULM	08/03/2016	11/06/2018	278,429.09	Strategic Housing	Strategic land acquisition for the provision of affordable housing in the borough
Frankie And Bennys, 18-20 Southchurch Rd, Southend- on-Sea, Essex SS1 2ND	16/00177/DOV	22/06/2016	18/10/2018	15,000.00	Strategic Housing	Strategic land acquisition for the provision of affordable housing in the borough
258 Leigh Road Leigh-On-Sea Essex	18/00484/FULM	03/07/2018	07/07/2020	36,121.54	Education	To be used for the expansion project at St Bernard's High School
Car Park At 27 Victoria Avenue	18/02151/FULM	02/07/2019	07/07/2020	145,984.88	Education	To be used for secondary school expansion projects

Southend-On-Sea Essex SS2 6AL						
Total:				509,470.51		

5. Estimated future income from developer contributions

5.1 Value of CIL set out in all Demand Notices issued in the reported year

The total value of CIL set out in all Demand Notices issued in the reported year (i.e. between 1 April 2022 and 31 March 2023) was £1,134,900.37.

5.2 Value of S.106 planning obligations entered into in the reported year²⁵

Table 6 below sets out the details of the planning obligations that were entered into during the reported year (i.e. between 1 April 2022 and 31 March 2023). The total amount of money to be provided under planning obligations, which were entered into in the reported year, cannot yet be confirmed as the developments concerned included an outline planning permission (dwelling numbers to be agreed as part of a reserved matters planning application, at which point formulae will be applied for developer contributions).

Table 6 includes details of non-monetary contributions such as affordable housing, open space provision, travel plans and highway works. No monetary value has been attributed to these contributions for the purpose of this report, but the infrastructure benefits are noted and are set out in each Section 106 agreement as part of the planning file for each development.

It should be noted that there is no guarantee that the developer contributions set out in this section of the report will be delivered as they may relate to either development that has yet to commence or implemented schemes for which the due date for contributions has not yet been reached.

²⁵ These amounts include some contributions that are stated in Section 106 agreements as a maximum and are subject to agreement between the parties depending on final cost of infrastructure provision required; and also exclude some contributions that are subject to viability assessment or final costing post-commencement.

▼ Table 6: Details of planning obligations entered into during the reported year 2022 to 2023

Site Address	Application no.	Date of S.106 agreement	Obligation	£ contribution requested
Roots Hall Stadium Victoria Avenue Southend-On-Sea Essex SS2 6EL	19/01985/FULM	29/04/2022	<p>All affordable housing units to be provided as affordable rented units, 152 units in total.</p> <p><u>Secondary Education</u></p> <ul style="list-style-type: none"> Phased contributions towards Secondary Education provision calculated on a formula basis to be used towards upgrading/refurbishment/extension at Cecil Jones Academy, Southchurch High School or Chase High School (estimate £1,068,889.68) <p><u>RAMS</u></p> <ul style="list-style-type: none"> Tariff based contribution in accordance with Essex Coast RAMS SPD adopted by LPA on 30 October 2020, currently £127.30 per dwelling <p><u>Highways</u></p> <ul style="list-style-type: none"> CPZ contribution of £10,000 towards consultation on the introduction of a CPZ and the cost of provision if required, payable before first occupation. Works to the Fairfax Dr/Victoria Avenue junction, Prittlewell Chase/Fairfax Drive junction to be secured by a Highways Agreement under Section 278 of the Highways Act 1980 as follows: <ul style="list-style-type: none"> Widening the Fairfax Drive approach to the Victoria Avenue signal junction to provide 2 x 3 metre traffic lanes; Providing markings for the right turn movements from Victoria Avenue to Fairfax Drive and Priory Crescent in accordance with approved detailed designs; Providing two left turn lanes and one right turn lane from Prittlewell Chase on to Fairfax Drive. TRO and appropriate signage to prevent U turns on Fairfax Drive; Or in the event of changes to the baseline situation alternative works with detailed final design and triggers to be agreed, taking into account junction improvement works to be undertaken by the Local Highways Authority pursuant to DfT Levelling up fund submission; 	Details tbc (in excess of £1.5m)

			<ul style="list-style-type: none"> ○ TRO and signage for entrance of Shakespeare Drive. • Scheme to be submitted to and approved in writing by the Council prior to commencement, works in accordance with the Highways Agreement to be practically complete before first occupation. • The detailed designs (including relevant road safety audits) of all accesses and egresses into the development and designs of surrounding junctions should be agreed with the Council in line with the final road safety audit approved by the Council. • Highways Agreement to include a supervision fee of maximum of 10% <p><u>Continuity of Stadium Provision</u></p> <p><u>Amenity Space and Management Plan</u></p> <p><u>Car Club</u></p> <p><u>Employment and Skills</u></p> <ul style="list-style-type: none"> • 15% local labour for construction phase (reasonable endeavours) • 20% local labour for end user phase (reasonable endeavours) • 15% local supply chain (reasonable endeavours) • Apprenticeships and Traineeships numbers to be determined on a phase-by-phase approach, based on capital value and number of units. Statement in S106 to commitment to apprenticeships and traineeships. • Cash contribution to support individuals gaining the SECTA training at the rate of £300 per person, aligning with the traineeship and apprenticeship. • If targets are not achieved, £1000 for every percentage point missed to be invested in associated skills, employment or business activity. • Monitoring provisions. <p><u>Travel Plan Monitoring Fee</u></p> <ul style="list-style-type: none"> • Travel Plan Monitoring Fee of £3,000 per annum for 5 years from first occupation of a residential unit (Provision of Travel Plan secured by condition). • Travel Plan Co-Ordinator to be appointed before first occupation of a residential unit for a five-year period. <p><u>Travel Packs</u></p> <ul style="list-style-type: none"> • Travel Packs to be approved by the Council and provided to each residential unit prior to first occupation • Travel Packs must contain, among other things: <ul style="list-style-type: none"> ○ 4 x travel cards for use on local buses valid for 2 weeks ○ 4 x season tickets for use on c2c or Greater Anglia train 	
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			<ul style="list-style-type: none"> lines valid for 1 week. Details of free car club membership valid for 1 year Details of a minimum of 5 car club driving hours for those eligible Details of personalised Journey Planning to be provided to the first occupier of each residential unit prior to occupation. <p><u>CCTV</u></p> <ul style="list-style-type: none"> CCTV to be provided, applicant to demonstrate reasonable endeavours to link their CCTV system to the Council's system before occupation of each phase, applicant to be responsible for the costs of connecting <p><u>Other Provisions</u></p> <ul style="list-style-type: none"> Contributions to be subject to Indexation Agreement to include appropriate provisions regarding the return of unspent, uncommitted contributions Legal fees S106 Monitoring fees Monitoring provisions Phasing Provisions for binding Council Land <p>See <u>Development Control minutes</u> for details of all S106 contributions.</p>	
659 - 665 London Road Westcliff-On-Sea Essex SS0 9PD	21/00161/FULM	20/09/2022	<ul style="list-style-type: none"> A policy compliant financial contribution of £306,414.69 in lieu of onsite provision of affordable housing £33,343.93 contribution towards secondary education The planting of 3 new street trees in the highway to the front of the site to the Council's specifications including the reinstatement of the redundant London Road crossover in this location. The provision of Travel Packs for residents and Travel Plan Monitoring. £2,754.20 towards biodiversity mitigation, management, protection or education (RAMS). Standard S106 Monitoring Fee. 	Details tbc (in excess of £350,000)
Land At Fossetts Farm Sutton Road	20/00337/OUTM	30/09/2022	<ul style="list-style-type: none"> 30% units of affordable housing provided on site with a 60/40 (social/affordable rent/shared ownership) tenure split – which based on 131 units would constitute 40 affordable units – 24 of which would be social/affordable rented and 16 shared 	Details tbc (in excess of £500,000)

Southend-On-Sea Essex			<p>ownership. (The final numbers of affordable units will depend on the final number of units to be provided on site which will be confirmed at reserved matters stage).</p> <ul style="list-style-type: none"> • A financial contribution of £368,290.33 towards secondary education at Chase High School or another secondary school within acceptable travel distance, assuming 131 dwellings are provided, to be paid prior to commencement of the development. The final amount required will depend on the final number of units and the final dwelling mix which will be confirmed at reserved matters stage. • Essex RAMS payment of £127.30 (index linked) per welling – would be £16,676.30 based on 131 units to mitigate the potential disturbance to European designated sites (the final amount will depend on final number of units which will be confirmed at reserved matters stage). <p>Highways contributions</p> <ul style="list-style-type: none"> • Travel Plan • £1,000 per year for 5 years from first occupation for the Travel Plan Monitoring. • Travel Packs which must include free bus tickets and free car club use for each dwelling and must be provided to residents before first occupation. • Travel Packs which must include 4 x travel cards for use on local buses valid for 2 weeks, details of local bus and rail operators, details of any offer by bus operators of discounted travel to residents, details of free car club membership valid for 1 year, details of 10 car club driving hours for those eligible. Travel Packs are to be provided to the first occupier of each dwelling before first occupation. • Developer to work with a bus company to provide an enhanced bus service for a minimum of 3 years which runs at least half hourly Monday – Friday 07:00 – 20:00, at least half hourly Saturdays 07:30 – 20:00 and at least hourly Sundays 09:00 – 19:00 and which must be up and running before the first unit is occupied. • £10,000 contribution towards investigations into and minor works to local cycleways. • 1x Car Club Vehicle and Space which must be served by an electric charging point. • To enter into a car club agreement for a period of up to 10 years, including provision of 1x Car Club Vehicle and Space which must be served by an electric charging point. Free car club membership for 1 year and 10 hours free driving time to be 	
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			<p>provided for the first occupier of each dwelling upon request.</p> <ul style="list-style-type: none"> The applicant will transfer the Schedule Monument land within its ownership to the Council prior to the commencement of the development. The applicant is required to pay a proportion of 7% of the costs required for the implementation of the SAM Archaeological Conservation Management Plan (2020) drafted by Orion or any subsequent variation of this which has been agreed with the Local Planning Authority. Mitigation to be provided to ensure the net loss of biodiversity at the site, as a result of this development, is off-set within the City of Southend with a minimum of an overall 10% biodiversity net gain achieved within the City of Southend: <ul style="list-style-type: none"> Prior to commencement of the development, the owner shall submit an overall strategy within a Principle Biodiversity Impact Assessment (BIA) to the Council for its written approval. Once approved, where the BIA shows a Biodiversity Loss the owner shall submit a Biodiversity Mitigation Scheme to the Council for its written approval, prior to commencement of the development, which fully details the on-site and any off-site off-setting mitigation to be used with a minimum overall 10% biodiversity net gain to be achieved within the City of Southend. The Biodiversity Scheme shall include a time frame for the implementation of the off-site minimum 10% net gain. Once approved the owner shall carry out the actions in the approved Biodiversity Mitigation Scheme to provide the overall 10% biodiversity net gain within the City of Southend, in accordance with the approved time frame. Residential use through the release of restrictions imposed in the S106 agreement dated 8th January 2004. £10,000 for the monitoring of the S106 Agreement. 	
425 - 427 Sutton Road Southend-on-sea Essex SS2 5PQ	22/00611/FULM	22/12/2022	<ul style="list-style-type: none"> Affordable housing of 9no. affordable rent (4no. 1b2p, 2no. 2b3p, 2no. 2b4p and 1no. 3b4p units) and 24no. shared ownership (5no. 1b2p, 15no. 2b3p, 3no. 2b4p and 1no. 3b4p); Residential Travel Packs – to be agreed prior to occupation; Essex Coast RAMS – to be paid prior to occupation (approx. £4,346); Monitoring costs of £2250. 	Details tbc (approx. £6,500)
Total:				Details tbc (in

				excess of £2.4m)
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All S.106 agreements completed can be viewed on the Council's [Public Access for Planning](#) system available on our website.

6. Planning for infrastructure expenditure

6.1 What do developer contributions deliver?

Developer contributions, secured through CIL and S.106 planning obligations, provide strategic and site-specific infrastructure to support development and growth in the city. The projects that will be funded, wholly or partly by developer contributions fall within the following infrastructure and affordable housing categories:

- education
- health and social wellbeing
- coastal flood protection
- social and community
- leisure and recreation
- public realm and environment
- transport
- affordable housing

6.2 Future spending priorities

The categories listed in paragraph 6.1 above reflect the infrastructure needs identified in the Council's Infrastructure Delivery Plan (February 2015) as identified for the Development Plan period. A review is underway of the current Southend Development Plan as part of the new Southend Local Plan. This review will comprise a detailed assessment of infrastructure requirements to support growth.

More detail will be provided in subsequent infrastructure funding statements regarding what infrastructure will be delivered, including when and where once the new Local Plan is adopted. The current CIL Main Fund (as at the end of the reported year 2022 to 2023) is therefore carried forward and it is proposed that its spending will be prioritised as part of the Development Plan review, which will identify essential infrastructure required to deliver growth set out in the new Southend Local Plan. S.106 planning obligations will continue to meet the statutory tests in regulation 122 of the CIL Regulations 2010 (as amended) and as policy tests in the National Planning Policy Framework. They must be:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

In accordance with the CIL Regulations 2010 (as amended), the Council will continue to allocate 5% of total CIL receipts to administrative expenses associated with CIL; and 15% of total CIL receipts (less surcharges) to localised neighbourhood projects.

Details relating to the governance arrangements (including spending and reporting arrangements) for CIL can be found in the CIL Governance Framework (July 2015).

Decisions relating to S.106 planning obligation requirements are made by the Development Control Committee. Further details in relation to the Council's approach and priorities in respect of seeking planning obligations when considering planning applications can be found in the Supplementary Planning Document 'Planning Obligations: A Guide to Section 106 and Developer Contributions 2015'.

7. Conclusion

Southend-on-Sea City Council is committed to working with its partners to ensure that CIL and S.106 developer contributions are used in a fair and transparent way to maximise the benefits and opportunities arising from development, such as new affordable homes, community infrastructure and environmental improvements.

If you have any further queries or comments about this statement, please do not hesitate to contact us via email:
S106andCILadministration@southend.gov.uk

Appendix 1: Southend 2050 Outcomes

Southend 2050 is the city's ambition for the future. It was developed following extensive conversations with those that live, work, visit, do business and study in Southend-on-Sea. These conversations asked people what they thought Southend-on-Sea should be like in 2050 and what steps are needed now, and in the coming years, to help achieve this. The ambition is grounded in the values of Southenders. It is bold and challenging and will need all elements of our community to work together to make it a reality.



The Southend 2050 programme is not about one single publication or statement. It is a mind-set – one that looks to translate the desires of local people and stakeholders into action, something that looks to the long term, but also at the action that is needed now and in the medium-term.

Southend 2050 is made up of the ambition, associated themes, and the outcomes we want to achieve. Our Road Map²⁶, and all future delivery plans, strategies and policies will reflect this. The Road Map builds on our existing achievements and outlines what the Council wants to achieve in the coming five years. Our delivery plans will focus on achieving desired outcomes that reflect our ambition.

All the investment set out in this Infrastructure Funding Statement will contribute to achieving the 2050 Outcomes. Please see next page for a breakdown of the 2050 Themes and Outcomes.

²⁶ See <https://www.southend.gov.uk/southend-2050-7> for further details.

Southend 2050 Themes & Outcomes

	<p>Pride and Joy</p> <p>By 2050 Southenders are fiercely proud of, and go out of their way, to champion what our city has to offer.</p>	<ol style="list-style-type: none"> 1. There is a tangible sense of pride in the place and local people are actively, and knowledgeably, talking up Southend. 2. The variety and quality of our outstanding cultural and leisure offer has increased and we have become the r first choice English coastal tourism destination for visitors. 3. We have invested in protecting and nurturing our coastline, which continues to be our much loved and best used asset. 4. Our streets and public spaces are clean and inviting.
	<p>Safe and Well</p> <p>By 2050 people in Southend-on-Sea feel safe in all aspects of their lives and are well enough to live fulfilling lives.</p>	<ol style="list-style-type: none"> 1. People in all parts of the borough feel safe and secure at all times. 2. Southenders are remaining well enough to enjoy fulfilling lives, throughout their lives. 3. We are well on our way to ensuring that everyone has a home that meets their needs. 4. We are all effective at protecting and improving the quality of life for the most vulnerable in our community. 5. We act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling.

	<p>Opportunity & Prosperity</p> <p>By 2050 Southend- on-Sea is a successful city and we share our prosperity amongst all of our people.</p>	<ol style="list-style-type: none"> 1. The Local Plan is setting an exciting planning framework for the Borough. 2. We have a fast evolving, re-imagined and thriving town centre, with an inviting mix of shops, homes, culture and leisure opportunities. 3. Our children are school and life ready and young people are skilled and job ready. 4. Key regeneration schemes, such as Queensway, seafront developments and the Airport Business Park are underway and bringing prosperity and job opportunities to the Borough. 5. Southend is a place that is renowned for its creative industries, where new businesses thrive and where established employers and others invest for the long term.
	<p>Active & Involved</p> <p>By 2050 we have a thriving, active and involved community that feel invested in our city.</p>	<ol style="list-style-type: none"> 1. Even more Southenders agree that people from different backgrounds are valued and get on well together. 2. The benefits of social connection are evident as more people come together to help, support and spent time with each other. 3. Public services are routinely designed – and sometimes delivered – with their users to best meet their needs. 4. A range of initiatives help communities come together to enhance their neighbourhood and environment. More people have active lifestyles and there are significantly fewer people who do not engage in any physical activity.
	<p>Connected & Smart</p> <p>By 2050 people can easily get in, out and around our borough and we have a world class digital infrastructure.</p>	<ol style="list-style-type: none"> 1. It is easier for residents, visitors and people who work here to get in and around the borough. People have a wide choice of transport options. 2. We are leading the way in making public and private travel smart, clean and green. 3. Southend is a leading digital city with world class infrastructure that enables the whole population.

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Translations of this document in alternative languages are also available upon request.

Civic Centre, Victoria Avenue,
Southend-on-Sea, Essex SS2 6ER
01702 215000

www.southend.gov.uk

Title: Annual Treasury Management Report – 2022/23

Meeting: Cabinet

Date: 18 July 2023

Classification: Part 1

Policy Context:

Key Decision: No

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

Executive Councillor: Councillor Cox Leader and Cabinet Member for SEND

1. Executive Summary

- 1.1. The Annual Treasury Management Report covers the treasury activity for the period from April 2022 to March 2023 and reviews performance against the Prudential Indicators for 2022/23.

2. Recommendation

That Cabinet;

- 2.1. **Approves the Annual Treasury Management Report for 2022/23 and the outturn Prudential Indicators for 2022/23.**
- 2.2. **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.**
- 2.3. **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.**
- 2.4. **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.**

3. Background

- 3.1. The CIPFA Prudential Code requires the Council to set Prudential Indicators for its capital expenditure and treasury management activities and to report on them after the end of the financial year.
- 3.2. This Council has adopted the 'CIPFA Code of Practice for Treasury Management in the Public Sector' and operates its treasury management service in compliance with this Code. The Code requires the reporting of treasury management activities to:
 - Review actual activity for the preceding year (this report); and
 - Forecast the likely activity for the forthcoming year (in the Treasury Management and Prudential Indicators Report in February).
- 3.3. The Prudential Code is the key element in the system of capital finance that was introduced from 1st April 2004 as set out in the Local Government Act 2003. 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.
- 3.4. To demonstrate compliance with these objectives of proportionality, prudence, affordability and sustainability each local authority is required to produce a set of prudential indicators and to update these annually as part of setting the Council's budget.

4. Prudential Indicators

4.1. Appendix A provides a schedule of the prudential indicators.

4.2. Capital Expenditure

The first of these is the amount of capital expenditure in the year on long term assets. The table below shows this and the ways it has been financed.

Table 1: Capital Expenditure and Financing

	2022/23 Revised Budget £000s	2022/23 Actual £000s	2022/23 Variance £000s
Total Capital Expenditure	61,820	51,822	(9,998)
Financed by:			
Borrowing ⁽¹⁾	28,589	25,999	(2,590)
Invest to Save Financing ⁽¹⁾	2,386	1,729	(657)
Capital Receipts	1,702	987	(715)
Capital Grants Utilised	15,859	11,268	(4,591)
Major Repairs Reserve	8,129	6,161	(1,968)
Other Revenue/ Capital Reserve Contributions	4,212	4,432	220
Other Contributions	943	1,246	303
Total Financing	61,820	51,822	(9,998)

Note 1 - this relates to both internal and external borrowing but for 2022/23 this was only internal borrowing and no external borrowing was undertaken.

The capital expenditure financed by most types of funding was lower than budgeted but the largest underspend is the capital expenditure financed by grants. This is mainly due to underspends on schemes to be delivered by partners and joint ventures such as the Better Queensway SELEP funding for enabling works and the Getting Building Fund monies for the No Use Empty initiative.

As at 31 March 2023 actual borrowing by the HRA was £99.752m, comprising £74.168m external borrowing and £25.584m internal borrowing.

The HRA can also finance its capital spend from the major repairs reserve, from grants and directly from the HRA by way of revenue contributions to capital.

4.3. Capital Financing Requirement (CFR)

The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a measure of the Council's debt position and

represents capital expenditure up to the end of 2022/23 which has not yet been charged to revenue. The process of charging the capital expenditure to revenue is a statutory requirement and is done by means of the Minimum Revenue Provision (MRP). The Council's CFR is shown in table 2 and is a key prudential indicator.

Table 2: Capital Financing Requirement (CFR)

	31st March 2023 Revised Budget £000s	31st March 2023 Actual £000s
Balance 1st April 2022	426,741	426,741
Plus: capital expenditure financed by borrowing	30,975	27,728
Plus: fixed assets subject to finance leases	0	45
Less: Repayments of capital long term investments	0	(61)
Less: Minimum Revenue Provision	(10,912)	(11,296)
Balance 31st March 2023	446,804	443,157

The CFR is the Council's theoretical need to borrow but the Section 151 Officer can manage the Council's actual borrowing position by either borrowing to the CFR, choosing to use temporary cash flow funds instead of borrowing (internal borrowing) or borrowing for future increases in the CFR (borrowing in advance of need). The Section 151 Officer currently manages the Council's actual borrowing position in the second of the above CFR scenarios.

Of the sum in table 2 above, the Council has already addressed the theoretical need to borrow by having undertaken external borrowing and credit arrangements of £357.449m and by internally borrowing the remaining £85.708m.

4.4. Treasury Position on Borrowing and Investments

The overall treasury position at 31 March 2023 compared with the revised budget is set out in the table on the next page.

Table 3: Treasury Position

	31 March 2023 Revised Budget	31 March 2023 Actual	
	Principal £000s	Principal £000s	Average Rate (%)
Total gross Debt [#] (excluding ECC transferred debt)	359,154	357,449	3.47

[#] This includes PWLB borrowing of £347.332m with the balance being invest to save financing and finance leases (as these are credit arrangements).

In order to ensure that borrowing levels are prudent over the medium term, the Council's gross external borrowing must only be for a capital purpose. Gross borrowing should not therefore, except in the short term, exceed the CFR for 2022/23 plus the expected changes to the CFR over 2023/24 and 2024/25. The table below shows that the Council has complied with this requirement.

Table 4: CFR compared to Gross Borrowing Position

	31 March 2023 Revised Budget £000s	31 March 2023 Actual £000s
Gross borrowing position	359,154	357,994
Estimated Capital Financing Requirement at 31 March 2025		467,744

4.5. Authorised Limit, Operational Boundary and Ratio of Financing Costs

In addition to ensuring that the net borrowing position is lower than the CFR, the Council is required to set gross borrowing limits. These are detailed below with the actual positions during the year.

Table 5: Borrowing limits

	2022/23 (£000s)
Authorised Limit	395,000
Operational Boundary	385,000
Maximum gross borrowing position during the year	357,986
Financing costs as a proportion of net revenue stream	15.25%

The Authorised Limit is the “Affordable Borrowing Limit” required by the Local Government Act 2003. This is the outer boundary of the Council’s borrowing based on a realistic assessment of the risks. The table on the previous page demonstrates that during 2022/23 the Council has maintained gross borrowing within its Authorised Limit.

The Operational Boundary is the expected borrowing position of the Council during the year, and periods where the actual position is either below or over the Boundary are acceptable subject to the Authorised Limit not being breached. The Council has maintained borrowing within the boundary throughout 2022/23.

The indicator “financing costs as a proportion of net revenue stream” identifies the cost of capital (i.e. borrowing costs) as a proportion of the Council’s budget requirement. For the General Fund the actual figure in 2022/23 was 15.25%.

4.6. Maturity structure of borrowing (against maximum position)

The table below shows the upper limits for which the Council delegates its length of borrowing decisions to the Executive Director (Finance and Resources)/Section 151 Officer in 2022/23 and the actual maturity structure of the borrowing as at 31st March 2023.

Table 6: Maturity Structure of Borrowing

	Upper limit %	Outstanding debt maturity at 31st March 2023 %
Under 12 months	20	0
12 months and within 24 months	30	2
24 months and within 5 years	40	9
5 years and within 10 years	60	18
10 years and within 20 years	100	22
20 years and within 30 years	100	3
30 years and above	80	46

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

5. Treasury Management Strategy

- 5.1. During 2022/23 the Council complied with all of the relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of the Code of Practice for Treasury Management means its treasury practices demonstrate a low risk approach.
- 5.2. The Council is aware of the risks of passive management of the treasury portfolio and has taken steps to monitor the proactive management of the debt and investments over the year with the support of its treasury management advisers.

- 5.3. Shorter-term variable rates and likely future movements in these rates predominantly determine the Council's in-house investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.
- 5.4. The bank base rate increased incrementally from 0.75% to 4.25% during the year which positively impacted the investment return on monies being managed in-house.
- 5.5. The monies being managed by external fund managers were all impacted by the prevailing market conditions to varying extents. The income distributions held up well across the fund managers, with higher returns achieved the longer the term of the underlying assets. Property funds had higher income distributions than the short-dated bond funds, which in turn had higher income distributions than the enhanced cash fund.
- 5.6. The externally managed funds were impacted to different extents with regard to the value of the units. The value of the enhanced cash fund was adversely affected by the difficult market conditions but to a lesser extent than the short-dated bond funds. However, the decreases in the property fund unit values were larger than the other funds due to lower property valuations across many sectors, with the impact depending on the mix of properties in each fund. However, even though the property funds reduced in value by £6.555M it should be noted that this was in some part a correction of the large gains made during 2021/22 of £5.442M.
- 5.7. In line with the capital finance and accounting regulations the Financial Instrument Revaluation reserve is used to capture all the changes in the unit value of the funds so they do not affect the General Fund balance. (See sections 7, 8 and 9 for the performance of the externally managed funds.
- 5.8. Long term interest rates from the Public Works Loans Board (PWLB) fluctuated throughout 2022/23 in response to economic events: 10 year PWLB rates between 2.38% and 5.47%; 25 year PWLB rates between 2.52% and 5.88% and 50 year PWLB rates between 2.24% and 5.32%. These rates are after the PWLB 'certainty rate' discount of 0.20%.
- 5.9. No new PWLB loans were taken out during 2022/23.
- 5.10. The level of PWLB borrowing at £347.332m is in line with the financing requirements of the capital investment programme and the revenue costs of this borrowing are fully accounted for in the revenue budget. The current level of borrowing is also in line with the Council's prudential indicators and is proportionate, prudent, affordable and sustainable.

6. Borrowing

PWLB and short-term borrowing

- 6.1. The table below summarises the PWLB borrowing activities during the financial year 2022/23:

Table 7: PWLB borrowing

Quarter	Borrowing at beginning of quarter (£m)	New Borrowing (£m)	Re-financing (£m)	Borrowing repaid (£m)	Borrowing at end of quarter (£m)
April to June 2022	347.3	0.0	0.0	0.0	347.3
July to September 2022	347.3	0.0	0.0	0.0	347.3
October to December 2022	347.3	0.0	0.0	0.0	347.3
January to March 2023	347.3	0.0	0.0	0.0	347.3

- 6.2. The Council's outstanding PWLB borrowing as at 31st March 2023 was:

- Southend-on-Sea City Council £347.3m*
- ECC transferred debt £9.2m

* £273.1m General Fund and £74.2m Housing Revenue Account.

- 6.3. Repayments in 2022/23 were:

- Southend-on-Sea City Council £0.000m
- ECC transferred debt £0.426m

- 6.4. Outstanding debt relating to services transferred from Essex County Council (ECC) on 1st April 1998, remains under the management of ECC. Southend Borough Council reimburses the debt costs incurred by the County. The debt is recognised as a deferred liability on our balance sheet.

- 6.5. The table on the next page summarises our PWLB borrowing position as at the end of 2022/23:

Table 8: Debt position

	31 March 2023		31 March 2022	
	Principal (£000s)	Average Rate (%)	Principal (£000s)	Average Rate (%)
-PWLB – Fixed	347,332*	3.46	347,332*	3.66
-ECC Transferred Debt	9,216	2.33	9,641	2.34

* £273.1m General Fund and £74.2m Housing Revenue Account.

- 6.6. Some of the Council's borrowings are at a higher interest rate than the current rate of borrowing. To redeem these loans before their maturity date (i.e. to redeem them early) the Council would be required to pay a premium (this is like paying to redeem a mortgage early except the amount of the penalty depends on the prevailing rate of interest). New loans could then be taken out at the current rate.
- 6.7. In November 2007 the PWLB changed its structure of interest rates so that any early repayment of PWLB debt has a higher repayment rate applied. No PWLB restructuring was carried out in 2022/23 due to the higher cost of PWLB repayments making it uneconomical and giving no benefit to the Council.
- 6.8. The total PWLB interest payments during the year were £12.02m, which is the same as the original budget of £12.02m. It had been assumed in the original budget that the Council would not take out any loans during 2022/23 and no new loans were taken out.
- 6.9. During the year no short-term borrowing was undertaken for cash flow purposes.

Funding for Invest to Save Schemes

- 6.10. Capital projects have been completed on energy efficiency improvements at the new Beecroft Art Gallery, replacement lighting on Southend Pier, lighting replacements at University Square Car Park and Westcliff Library and LED lighting at the Priory Park workshop which will generate on-going energy savings. These are invest-to-save projects and the predicted revenue streams cover as a minimum the financing costs of the project.
- 6.11. To finance these projects in total the Council has taken out interest free loans of £0.161m with Salix Finance Ltd which is an independent, not for profit company, funded by the Department for Energy and Climate Change that delivers interest-free capital to the public sector to improve their energy efficiency and reduce their carbon emissions. The loans are for periods of four and five years with equal instalments to be repaid every six months. There are no revenue budget implications of this funding as there are no interest payments to be made and the revenue savings generated are expected to exceed the amount needed for the repayments. £0.024m of these loans were repaid during the year.

- 6.12. At the meeting of Cabinet on 23rd June 2015 the LED Street Lighting and Illuminated Street Furniture Replacement Project was approved which was to be partly funded by 25 year reducing balance 'invest to save' finance from L1 Renewables Ltd. Repayments of £0.143m were made during the year and the balance outstanding at 31 March 2023 was £8.20m.

7. Investments

- 7.1. The table below summarises the Council's investment position at the end of 2022/23 (the average rates for the externally managed funds include the changes in unit price):

Table 9: Investment position

	31 March 2023	2022/23		31 March 2022	2021/22	
	Principal (£000s)	Average Balance (£000s)	Average Rate (%)	Principal (£000s)	Average Balance (£000s)	Average Rate (%)
Call accounts #	19,017	23,740	2.27	19,922	15,485	0.04
Money Market Funds	21,000	39,285	2.03	30,000	48,657	0.13
Notice accounts	0	18,377	0.70	27,500	22,308	0.30
Fixed Term Deposits	27,500	22,787	2.96	32,500	28,973	0.31
Total investments managed in-house	67,517	104,189	2.06	109,922	115,423	0.20
Enhanced Cash Funds	4,962	4,983	0.74	5,032	5,087	(0.83)
Short Dated Bond Funds	14,262	14,366	(2.37)	14,972	15,432	(1.99)
Property Funds	30,504	35,551	(15.19)	37,059	28,399	22.94
Total externally managed funds	49,728	54,900	(10.39)	57,063	48,918	12.60
Total investments@	117,245	159,089	(2.24)	166,985	164,341	3.89

This includes the council's main current account.

@ This excludes the cash held by schools.

7.2. In summary the key factors to note are:

- An average of £104.2m of investments were managed in-house. These earned £2.142m of interest during the year at an average rate of 2.06%. This is 0.18% below the average SONIA Rate and 0.24% below the average bank base rate;
- An average of £5.0m was managed by an enhanced cash fund manager. During the year this earned £0.106m in income distributions at an average rate of 2.13% and the value of the fund decreased by £0.069m at an average rate of -1.39%, giving a combined return of 0.74%.
- An average of £14.4m was managed by two short-dated bond fund managers. During the year these earned £0.370m in income distributions at an average rate of 2.58% and the value of the funds decreased by £0.711m at an average rate of -4.94%, giving a combined return of -2.37%.
- An average of £35.6m was managed by two property fund managers. During the year these earned £1.155m in income distributions at an average rate of 3.25% and the value of the funds decreased by £6.555m at an average rate of -18.44%, giving a combined return of -15.19%.
- In total the value of the externally managed funds decreased by a net of £7.335m due to the changes in the unit price. This is set out in the table below:

Table 10: Externally managed funds – changes in unit price

Fund	Table Number	Amount (£m)
Payden Sterling Reserve Fund	13	(0.069)
AXA Sterling Credit Short Duration Bond Fund	14	(0.232)
Royal London Investment Grade Short Dated Credit Fund	15	(0.479)
Patrizia Hanover Property Unit Trust	16	(3.197)
Lothbury Property Trust	17	(3.358)
Total net decrease due to changes in unit price		(7.335)

- 7.3. In line with the capital finance and accounting regulations a Financial Instrument Revaluation reserve will be used to capture all the changes in the unit value of the externally managed funds and these will not impact the revenue account, with only the income distributions impacting that. As a total over all the investments, £3.773m of interest and income distributions were received during the year. The total investment income (including the movement on the unit price of externally managed funds) was -£3.562m, giving a combined return of -2.24%.

- 7.4. Overall, the actual rate on investments earned in 2022/23 was 2.37% compared to a forecast of 1.06% which was included in the budget. This forecast was based on the best estimates of balances and future interest rates at the time the budget was set and did not envisage the successive bank base rate rises as a reaction to the rapidly increasing inflationary pressures.
- 7.5. The Council earned a total of £3.773m of interest and investment income through the investment of surplus funds both in-house and with the fund managers. The interest earned was £1.987m higher than the budgeted figure of £1.786m. This was due to the increases in bank base rate. These forecasts were based on the best estimates at the time the budget was set.
- 7.6. The Council's investment policy is governed by the CIPFA Code of Practice for Treasury Management in the Public Sector, which has been implemented in the 2022/23 Annual Treasury Management Investment Strategy approved by the Council on 24 February 2022. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 7.7. The majority of the cash balances held by the Council are required to meet short term cash flow requirements and therefore throughout the year monies were placed 6 times into Money Market Funds. In the light of the banking crisis and the prevailing financial market conditions there has been greater emphasis on counterparty risk and the security of the principal sums invested.

The table below shows the most used counterparties overall and the countries in which they are based. All deals are in sterling despite the country the counterparties are based in.

Table 11: Counterparties used

Counterparty	Country	No. of Deals	Value of Deals (£m)
Aberdeen Liquidity Fund	Money Market Fund (Various Counterparties)	2	25
Blackrock	Money Market Fund (Various Counterparties)	2	19
Goldman Sachs	Money Market Fund (Various Counterparties)	2	17
Total		6	61

- 7.8. In addition to the above, use was also made of call accounts during the year, because they provide instant access to funds. This meant that funds were available for unexpected cash flow events to avoid having to pay higher rates to borrow from the market. During 2022/23 an average of £23.7m was held in such accounts.
- 7.9. During 2022/23 for cash balances that are not needed to meet immediate or very short term cash flow requirements an average of £18.4m was invested across the following notice accounts:

- a 95-day notice account with Barclays.
- a 95-day notice account with Santander.
- a 185-day notice account with Goldman Sachs

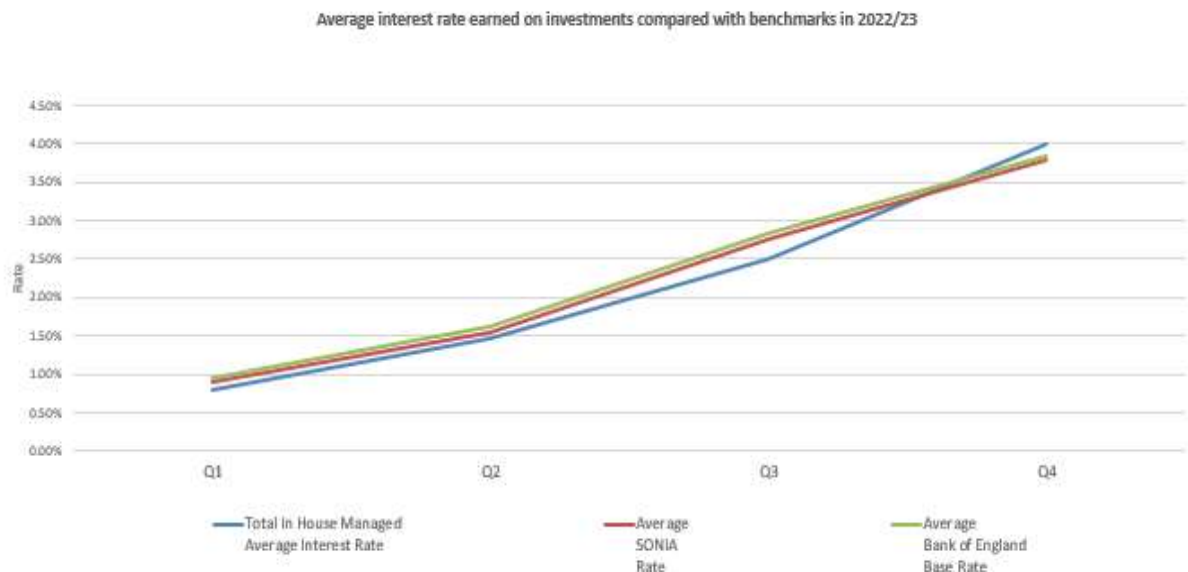
7.10 An average of £22.8m was also invested in fixed term deposits, with the length of deposit depending on the liquidity requirements. The table below shows the fixed term deposits held during the year:

Table 12: Fixed Term Deposits

Counterparty	Date of Deposit	Return Date	Number of days	Interest rate (%)	Amount (£m)
Santander	12/07/2021	12/04/2022	274	0.250	5
Goldman Sachs International	09/07/2021	08/04/2022	273	0.225	2.5
Standard Chartered	19/11/2021	19/05/2022	181	0.290	10
National Bank of Kuwait (International) plc	19/11/2021	19/05/2022	181	0.340	15
Lloyds Bank Plc	29/06/2022	29/12/2022	183	2.16	12.5
Goldman Sachs International	29/06/2022	29/12/2022	183	2.19	7.5
Santander UK Plc	21/10/2022	23/10/2023	367	5.00	5
Santander UK Plc	14/11/2022	14/11/2023	365	4.95	10
Lloyds Bank Plc	29/12/2022	29/06/2023	182	4.33	2.5
Lloyds Bank Plc	29/12/2022	29/09/2023	274	4.71	10

7.11 The in-house performance during the year is compared to the average SONIA rate. The graph below shows the Council's performance month by month compared to this benchmark and to the bank base rate.

Graph1: In-house investment performance compared to benchmarks



- 7.12 Averaged over the year, performance on in-house managed funds was 0.18% below the average SONIA rate for the year and 0.24% below the average base rate for the year. This was due to the interest rates on the notice accounts not increasing in line with the bank or SONIA rates. Notice was given on these accounts early in quarter two and the monies were returned at the end of their notice periods in quarter three and quarter four. These monies were then invested at higher rates.
- 7.13 There is a lot of uncertainty about how long the rate of inflation will stay at its currently high level before dropping back to a more manageable level. It is possible that the Bank of England will further increase the bank base rate but the amount and timing of any increases is uncertain.
- 7.14 During the year the Council used the enhanced cash fund manager Payden & Rygel to manage monies on our behalf. An average balance of £5.0m was invested in these funds during the year. The table below shows the movement in the fund value over the year, the income distributions for the year, the returns both for each element and the combined return.

Table 13: Payden Sterling Reserve Fund

2022/23	£m	Investment return (%)
Value of fund at start of year	5.031	
Decrease in fund due to value of unit price	(0.069)	(1.39)
Value of fund at end of year	4.962	
Income distributions	0.106	2.13
Combined investment income (income distribution plus change in fund value due to unit price)	0.037	0.74

8. Short Dated Bond Funds

- 8.1. Throughout the year medium term funds were invested in two short dated bond funds: Royal London Investment Grade Short Dated Credit Fund and the AXA Sterling Credit Short Duration Bond Fund.
- 8.2. The monies are invested in units in the fund, the fund is then invested as a whole by the fund managers into corporate bonds in the one to five year range. An income distribution will be generated from the coupon on the bond and income distributions are paid to the Council. The price of units can rise and fall, depending on the price of bonds in the fund so these funds are invested over the medium term with the aim of realising higher yields than short term investments.
- 8.3. In line with the capital finance and accounting regulations the Financial Instrument Revaluation reserve will be used to capture all the changes in the unit value of the funds. Members should be aware that the investment returns in some quarters will look very good and in other quarters there may be losses reported, but these will not impact the revenue account as only the income distributions will impact that and not the change in the unit price.

- 8.4. An average of £7.3m was managed by AXA Investment Managers UK Limited. The table below shows the movement in the fund value over the year, the income distributions for the year, the returns both for each element and the combined return.

Table 14: AXA Sterling Credit Short Duration Bond Fund

2022/23	£m	Investment return (%)
Value of fund at start of year	7.518	
Decrease in fund due to value of unit price	(0.232)	(3.18)
Value of fund at end of year	7.286	
Income distributions*	0.162	2.22
Combined investment income (income distribution plus change in fund value due to unit price)	(0.070)	(0.96)

*Part of this income distribution is an estimate which will be confirmed and distributed in quarter 1 of 2023/24.

- 8.5. An average of £7.1m was managed by Royal London Asset Management. The table below shows the movement in the fund value over the year, the income distributions for the year, the returns both for each element and the combined return.

Table 15: Royal London Investment Grade Short Dated Credit Fund

2022/23	£m	Investment return (%)
Value of fund at start of year	7.454	
Decrease in fund due to value of unit price	(0.479)	(6.75)
Value of fund at end of year	6.975	
Income distributions	0.209	2.94
Combined investment income (income distribution plus change in fund value due to unit price)	(0.270)	(3.81)

9. Property Funds

- 9.1. Throughout the year long term funds were invested in two property funds: Patrizia Hanover Property Unit Trust and Lothbury Property Trust.
- 9.2. The monies are invested in units in the fund, the fund is then invested as a whole by the fund managers into properties. An income distribution is generated from the rental income streams from the properties in the fund. Income distributions are paid to the Council. There are high entrance and exit fees and the price of the units can rise and fall, depending on the value of the properties in the fund, so these funds are invested over the long term with the aim of realising higher yields than other investments.

- 9.3. In line with the capital finance and accounting regulations the Financial Instrument Revaluation reserve will be used to capture all the changes in the unit value of the funds. Members should be aware that the investment returns in some quarters will look very good and in other quarters there may be losses reported, but these will not impact the revenue account as only the income distributions will impact that and not the change in unit price.
- 9.4. An average of £21.8m was managed by Patrizia Property Investment Managers LLP. The table below shows the movement in the fund value over the year, the income distributions for the year, the returns both for each element and the combined return.

Table 16: Patrizia Hanover Property Unit Trust

2022/23	£m	Investment return (%)
Value of fund at start of year	22.308	
Decrease in fund due to value of unit price	(3.197)	(14.64)
Value of fund at end of year	19.111	
Income distributions*	0.760	3.48
Combined investment income (income distribution plus change in fund value due to unit price)	(2.437)	(11.16)

* Part of this income distribution is an estimate which will be confirmed and distributed in quarter 1 of 2023/24.

- 9.5. An average of £13.7m was managed by Lothbury Investment Management Limited. The table below shows the movement in the fund value over the year, the income distributions for the year, the returns both for each element and the combined return.

Table 17: Lothbury Property Trust

2022/23	£m	Investment return (%)
Value of fund at start of year	14.752	
Decrease in fund due to value of unit price	(3.359)	(24.50)
Value of fund at end of year	11.393	
Income distributions*	0.395	2.88
Combined investment income (income distribution plus change in fund value due to unit price)	(2.964)	(21.62)

* Part of this income distribution is an estimate which will be confirmed and distributed in quarter 1 of 2023/24.

10. Reasons for Decisions

- 10.1. The CIPFA Code of Practice on Treasury Management recommends that Local Authorities should submit reports regularly. The Treasury Management Policy Statement for 2022/23 set out that reports would be submitted to Cabinet quarterly on the activities of the treasury management operation.

11. Other Options

- 11.1. 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 aims to effectively control risk to within a prudent level, whilst providing optimum performance consistent with that level of risk.

12. Financial Implications

- 12.1. The financial implications of Treasury Management are dealt with throughout this report.

13. Legal Implications

- 13.1. This Council has adopted the 'CIPFA Code of Practice for Treasury Management in the Public Sector' and operates its treasury management service in compliance with this code.

14. Carbon Impact

- 14.1. None arising from this report.

15. Equalities

- 15.1. None arising from this report.

16. Consultation

The key Treasury Management decisions are taken in consultation with our Treasury Management advisers.

17. Background Papers

None.

18. Appendices

Appendix A - Prudential Indicators 2022/23

Prudential Indicators 2022/23

	Figures are for the financial year unless otherwise titled in italics	2022/23 Revised Indicator	2022/23 Actual
1	Capital Expenditure	£61.820m	£51.822m
2	Capital Financing Requirement (CFR)	£446.804m	£443.157m
3	Gross Borrowing at 31 March	£359.154m	£357.449m
4	Authorised Limit (<i>against maximum position</i>)	£395.000m	£395.000m
5	Operational Boundary	£385.000m	£385.000m
6	Ratio of financing costs to net revenue stream	15.30%	15.25 %
7	Maturity structure of fixed rate borrowing: (<i>against maximum position</i>)		
	Under 12 months	20%	0%
	12 months to 2 years	30%	2%
	2 years to 5 years	40%	9%
	5 years to 10 years	60%	18%
	10 years to 20 years	100%	22%
	20 years to 30 years	100%	3%
	30 years and above	80%	46%
	Total	N/A	100%

Meeting: Cabinet
Date: 18 July 2023
Classification: Part 1
Key Decision: Yes / No
Title of Report: Reducing Heating Charges

Executive Director: Joe Chesterton
Report Author: Dan Lyons, Director of Finance & Corporate Services,
South Essex Homes
Executive Councillor: Cllr David Garston

1. Executive Summary

- 1.1. This report sets out the rationale for reducing heating charges in view of the lower contract costs currently in force for the supply of gas to our communal heating systems.

The heating charges for 2023/24 were set by using forecast unit rates supplied by the energy companies in December 2022. Since this date, due to utility market movements, the wholesale price of gas has reduced and so the unit rate we currently pay is lower than that forecast when we set the heating charges.

2. Recommendations

It is recommended that Cabinet:

- 2.1. **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.**

3. Background

- 3.1. South Essex Homes levies heating charges to tenants that are supplied with heating and hot water from communal heating systems. These are generally systems where a communal boiler in the building supplies heating to both the communal areas of the block, as well as within the individual properties.
- 3.2. The Heat Network (Billing and Metering) Regulations 2014 set out the parameters and requirements of heat suppliers and the obligations for both

billing the end user and registering details of any communal supply with the Office for Product Safety and Standards (OPSS). In January 2023 South Essex Homes implemented a mechanism whereby tenants in properties with communal heating systems would pay the anticipated cost of providing heating and hot water in the year that those charges occurred.

- 3.3. For the financial year 2023/24 the heating charges that are paid by tenants of properties was calculated based on forecast figures for unit rates supplied by the utility company and these charges were agreed by Cabinet. The energy market over the last couple of years has seen unprecedented movements with prices rising very quickly during 2022. This led to the utility company forecasting very high energy prices in April 23, with rises in our rates expected of around 105% from the 22/23 levels.
- 3.4. We are seeing the outcome of an easing of the utility markets and we have taken advantage by tying into lower cost energy deals until March 2024, these lower rates have not seen the expected 105% increase in rates but a much lower increase on 22/23 of around 28% on average.
- 3.5. This change in rates means that the current charges we are levying on tenants for heating charges are too high and if we continue to charge at these rates we will significantly over collect on heating charges for the year, the over collection will accumulate to around £500,000.
- 3.6. Management have reviewed options and are suggesting a pragmatic approach in bringing the overall heating charge for the year back down to the expected level of costs. From the 4th September 2023 it is proposed to reduce the heating charges levied to our tenants by around 70% so that by the end of the financial year the amount paid by tenants is equal to the expected annual cost for that property type at the scheme.
- 3.7. A table of current charges and a reduced charge for the last 30 weeks of the year are shown in Appendix 1.
- 3.8. Assisting our tenants

There can be no doubt that the economic situation with high inflation, rising interest rates and energy costs rising at levels well above the inflation rate, is having and will continue to have a significant impact on our tenants. South Essex Homes will continue to work with all our tenants to ensure that they maximise the assistance available to them through Housing Benefit and Universal Credit. We know that 73% of our tenants are in receipt of means tested benefits and will already be getting help towards the additional cost being incurred on energy this year, but South Essex Homes will target those households not currently in receipt of benefits to ensure that we are aware of their financial situation and that our residents are claiming all benefits that they may be entitled to.

- 3.9 In 2022 the government paid series of payments to households to help support the rising energy costs as well as introducing the Energy Bills Support Scheme, a rebate on home electricity bills of £400, spread over 6 months and paid as a reduction in the monthly bill from the energy supplier. Pensioners were also entitled to the Winter Fuel Payment, this is usually between £100 and £300, depending on circumstances but this year an additional £300 was added to a Pensioner Cost of Living Payment. In addition to these measures a Warm Home Discount will be applied to households on low incomes as a one-off discount to the energy bill during the winter months. This assistance is directly related to cost of energy but there will also be Cost of Living Payments to anyone on means tested benefits. This will be an additional £900 and will be paid in three instalments in Spring 2023, Autumn 2023 and Spring 2024.
- 3.10 South Essex Homes has put in place further measures to support our tenants facing financial hardship through the energy crisis. In 2022, a hardship fund was established, and money set aside to assist in cases where energy costs where households were experiencing extreme financial hardship. Households can apply for up to £250 to assist in meeting these costs.

4. Reasons for Decisions

- 4.1. Without taking the proposed action the Council, through the management of South Essex Homes, would overcharge tenants that are supplied with heating and hot water from communal heating systems and would fail to comply with a fair charging system under the Heat Network Regulations. The recommended action is therefore proposed through which to charge affected tenants the correct amount over the course of the year.

5. Other Options

- 5.1. None

6. Financial Implications

- 6.1. This proposal will result in lower heating charges being levied to our tenants. There will be an associated South Essex Homes budget change to reflect the lower heating charge being levied and the lower cost of energy.

7. Legal Implications

- 7.1. The Heat Network (Billing and Metering) Regulations 2014 set out the parameters and requirements of heat suppliers and the obligations for both billing the end user and registering details of any communal supply with the Office for Product Safety and Standards (OPSS).

8. Policy Context

- 8.1 None

9. Carbon Impact

- 9.1. No carbon impact is considered by the proposed course of action.

10. Equalities

- 10.1. Equality and diversity will be monitored throughout the course of this work and the proposed action will positively impact tenants living in settings that are supplied with heating and hot water from communal heating systems, including hostels and sheltered accommodation schemes.

11. Consultation

- 11.1 Full consultation with affected residents will be undertaken through residents' meetings and letters in advance of the changes.

12. Appendices

- 12.1. **Appendix 1**: Adjusted heating charges for affected housing schemes

Heating Charges 2023/24 adjusted charge

Block	Property Type	Number of properties	Current Heating Charge 23/24	Total New Heating Charge for the year	Paid in 22 weeks	Reduced charge for last 30 weeks	Reduction	Reduction %
Adams Elm House	Bedsit	35	15.66	470.08	344.52	4.19	11.47	73.3%
Adams Elm House	Ex-SHO property	1	30.71	921.44	675.62	8.19	22.52	73.3%
Adams Elm House	One bed	50	21.19	635.96	466.18	5.66	15.53	73.3%
Bishop House	Bedsit	19	17.13	559.00	376.86	6.07	11.06	64.6%
Bishop House	Ex-SHO property	1	33.15	1,081.60	729.30	11.74	21.41	64.6%
Bishop House	One bed	41	22.66	738.92	498.52	8.01	14.65	64.6%
Bishop House	Western Approaches Flats	16	22.66	738.92	498.52	8.01	14.65	64.6%
Buckingham House	Bedsit	12	19.14	618.28	421.08	6.57	12.57	65.7%
Buckingham House	Ex-SHO property	1	35.88	1,159.08	789.36	12.32	23.56	65.7%
Buckingham House	One bed	13	25.12	811.20	552.64	8.62	16.50	65.7%
Crouchmans	Bedsit	29	32.57	1,084.20	716.54	12.26	20.31	62.4%
Crouchmans	Centurion Close Flats	30	44.51	1,481.48	979.22	16.74	27.77	62.4%
Furzefield	Bedsit	7	23.33	742.56	513.26	7.64	15.69	67.2%
Furzefield	Ex-SHO property	1	45.15	1,437.80	993.30	14.82	30.33	67.2%
Furzefield	One bed	20	30.85	982.28	678.70	10.12	20.73	67.2%
Great Mead	One bed	48	21.51	608.40	473.22	4.51	17.00	79.1%
Keats House	Bedsit	19	25.90	751.92	569.80	6.07	19.83	76.6%
Keats House	Ex-SHO property	1	66.99	1,944.80	1,473.78	15.70	51.29	76.6%
Keats House	One bed	4	38.41	1,114.88	845.02	9.00	29.41	76.6%
Kestrel House	Bedsit	4	17.10	533.52	376.20	5.24	11.86	69.3%
Kestrel House	One bed	46	23.37	729.04	514.14	7.16	16.21	69.3%
Longmans	One bed	14	55.08	1,692.08	1,211.76	16.01	39.07	70.9%
Musset House	Bedsit	11	23.01	713.96	506.22	6.92	16.09	69.9%
Musset House	One bed	10	31.37	973.96	690.14	9.46	21.91	69.8%
Nayland House	Bedsit	12	21.98	673.40	483.56	6.33	15.65	71.2%
Nayland House	One bed	14	30.04	919.88	660.88	8.63	21.41	71.3%
Nestuda House	Bedsit	18	30.85	1,020.24	678.70	11.38	19.47	63.1%
Nestuda House	Ex-SHO property	1	69.85	2,309.32	1,536.70	25.75	44.10	63.1%
Nestuda House	One bed	8	47.73	1,578.20	1,050.06	17.60	30.13	63.1%
Nicholson House	One bed	96	16.98	489.84	373.56	3.88	13.10	77.2%
Norman Harris House	Bedsit	7	18.45	580.32	405.90	5.81	12.64	68.5%
Norman Harris House	One bed	21	24.41	767.52	537.02	7.68	16.73	68.5%
Scott House	Bedsit	26	36.39	1,139.84	800.58	11.31	25.08	68.9%
Scott House	One bed	8	51.17	1,603.16	1,125.74	15.91	35.26	68.9%
Senier House	Bedsit	4	25.92	865.28	570.24	9.83	16.09	62.1%
Senier House	One bed	15	35.42	1,182.48	779.24	13.44	21.98	62.1%
Stephen McAdden House	Bedsit	32	22.57	706.68	496.54	7.00	15.57	69.0%
Stephen McAdden House	Burr Hill Chase Flats	8	29.85	934.96	656.70	9.28	20.57	68.9%
Stephen McAdden House	Ex-SHO property	1	43.68	1,368.12	960.96	13.57	30.11	68.9%

Stephen McAdden House	One bed	25	29.85	934.96	656.70	9.28	20.57	68.9%
The Brambles	Bedsit	17	22.99	695.24	505.78	6.32	16.67	72.5%
The Brambles	Ex-SHO property	1	44.50	1,345.76	979.00	12.23	32.27	72.5%
The Brambles	One bed	20	30.41	919.88	669.02	8.36	22.05	72.5%
The Jordans	Bedsit	26	20.36	621.92	447.92	5.80	14.56	71.5%
The Jordans	Ex-SHO property	1	40.71	1,243.84	895.62	11.61	29.10	71.5%
The Jordans	One bed	32	27.82	849.68	612.04	7.92	19.90	71.5%
Trafford House	Bedsit	13	20.86	678.08	458.92	7.31	13.55	65.0%
Trafford House	One bed	13	27.59	897.00	606.98	9.67	17.92	65.0%
Trevett House	Ex-SHO property	1	32.17	926.64	707.74	7.30	24.87	77.3%
Trevett House	One bed	29	21.98	633.36	483.56	4.99	16.99	77.3%
Westwood	One bed	13	49.69	1,553.76	1,093.18	15.35	34.34	69.1%
Hostels		94	19.82	806.00	436.04	12.33	7.49	37.8%

Meeting:	Place Scrutiny Committee, People Scrutiny Committee and Policy & Resources Scrutiny Committee
Date:	10 th , 11 th and 12 th July 2023
Classification:	Part 1
Key Decision:	No
Title of Report:	In-Depth Scrutiny Projects 2022/23 and 2023/24
Report Author:	S Cox (Principal Democratic Services Officer)
Executive Director	Joe Chesterton (Executive Director – Finance & Resources)

1. Purpose of Report

- 1.1 To present the draft report and recommendations of the In-Depth Scrutiny Project undertaken on behalf of the Committee for 2022/23.
- 1.2 For the Committee to consider a possible approach to in-depth scrutiny activity for 2023/24.

2. Recommendations

- 2.1 That the report and recommendations arising from the In-Depth Scrutiny Project for 2022/23, detailed at Section 11 of the attached report, be agreed.
- 2.2 That the Chair of the Project Team for the In-Depth Scrutiny Project (Councillor T Cowdrey) present the report and recommendations of the scrutiny project to a future meeting of the Cabinet.
- 2.3 That the Committee consider the proposed approach to in-depth scrutiny activity for 2023/24, as set out in this report.
- 2.4 That, subject to the agreement of the proposed approach to in-depth scrutiny activity for 2023/24, no other topic(s) be selected by the Committee for additional in-depth scrutiny during the year.

3. In-Depth Scrutiny Project 2022/23 - Report and Recommendations

- 3.1 At its meeting in July 2022, the Policy and Resources Scrutiny Committee agreed that an in-depth scrutiny project be undertaken during the 2022/23 municipal year on the theme of 'Developing Strong Governance: Strengthening Joint Working Between Councillors and Officers', as part of the scrutiny work programme for the year.

- 3.2 The Project Team for the In-Depth Scrutiny Project comprised the following members appointed by the Council on 19 May 2022:

Councillors T Cowdrey, D Garston, A Line, R McMullan, D Nelson, M Sadza, C Walker

Former Councillor: I Shead

- 3.3 Councillor T Cowdrey was appointed Chair of the Project Team at its initial project scoping meeting held on 28 September 2022.
- 3.4 The Project Team met on six occasions between September 2021 and March 2022. Efforts were made by the Project Team to ensure that the timescale for the delivery of the project was maintained and that the project was completed within the 2022/23 municipal year.
- 3.4 The final report arising from the In-Depth Scrutiny Project is attached as Appendix 1 and the recommendations of the Project Team are set out in Section 11 of the report. These have been agreed by the Project Team.
- 3.5 The Committee is recommended to endorse the recommendations of the joint In-Depth Scrutiny Project, for consideration by the Cabinet.
- 3.6 The report and recommendations arising from the completion of the In-Depth Scrutiny Project will be presented to the Committee by Councillor T Cowdrey, as Chair of the Project Team.
- 3.7 In accordance with Scrutiny Procedure Rule 10 (Part 4 (e) of the Constitution), the report and recommendations of an In-Depth Scrutiny Project would normally be presented to the Cabinet by the chair of the relevant scrutiny committee. As the scrutiny project for 2022/23 has been undertaken on behalf of each the Committee, it is suggested that the report and recommendations arising from the project should be presented to the Cabinet by T Cowdrey as Chair of the Project Team that led the project.

4. In-Depth Scrutiny Project 2023/24

- 4.1 As councillors will be aware, each of the scrutiny committees has traditionally undertaken an in-depth scrutiny project each year. The scrutiny projects are selected at the beginning of each municipal year and have generally been focussed on the Council's corporate priorities or matters of local concern. Recent in-depth scrutiny projects have also been aligned with the ambition and outcomes arising from the Southend 2050 programme. Details of the in-depth scrutiny projects previously undertaken by the scrutiny committees are attached as Appendix 2 to this report.

- 4.2 The delivery of the in-depth scrutiny projects informs the development of a report and recommendations which advise the Executive and the Council on its policies, budget provision and service delivery in specific areas. Each project is driven through a member Project Team, supported by relevant officers. Participation in the in-depth scrutiny projects enables councillors to be actively involved in a particular topic and to influence and shape proposals around improvement that will result in benefits and outcomes for residents and service users.
- 4.3 The undertaking of the annual in-depth scrutiny projects is not a statutory requirement and is derived from the power set out in Section 9(c) (Policy Review and Development) of the Scrutiny Procedure Rules at Part 4(e) of the Council's Constitution, which provides that the scrutiny committees may hold enquiries and investigate options for future direction in policy development.
- 4.4 The undertaking of individual in-depth scrutiny projects for each scrutiny committee can be resource intensive. Each Project Team must be fully supported throughout the scoping, delivery and outcome reporting of the project and appropriate specialist capacity is often required to facilitate aspects of projects. In addition, it has regularly been necessary to arrange and undertake appropriate site visits, conduct public surveys, hold public meetings, and commission research etc. to inform the delivery of in-depth scrutiny projects.
- 4.5 The Scrutiny Chairs Forum met on 27 June 2023. The Membership of this forum is constituted from the Chairs and Vice-Chairs of each of the Council's three scrutiny committees.
- 4.6 It was felt by those present at the Scrutiny Chairs Forum that the focus for 2023/24 should be to embed Pre-Cabinet Scrutiny processes, focus on effective work programming and direct resources to shorter Task and Finish reviews to drive specific areas of concern forward.
- 4.7 At this meeting the membership and representation on Outside Bodies was identified as a potential first topic for a Task and Finish review, subject to agreement by Scrutiny.
- 4.8 This would allow further time to add topics of concern to the Scrutiny work programme, clarify the shortlisting process and allow the opportunity of establishing further Task and Finish Groups further in the year to undertake shorter and more focussed scrutiny work if Members wished.
- 4.9 It is recommended that, subject to the agreement of the proposed approach to the set out above, that no additional topic(s) be selected by the Committee for in-depth scrutiny activity during the year 2023/24.

4 Corporate Implications

Contribution to the Southend 2050 Road Map

Becoming an excellent and high performing organisation.

Financial Implications

There are costs associated with organising in-depth projects relating to officer time, but this will all be contained within existing resources.

Legal Implications

None

People Implications

None.

Property Implications

None

Consultation

As described in report.

Equalities and Diversity Implications

None

Risk Assessment

None

6. Background Papers

None

7. Appendices

Appendix 1 - Final report of In-Depth Scrutiny Project 2022/23

Appendix 2 - Previous In-Depth Scrutiny Projects

**Policy and Resources Scrutiny
Committee**

**In-Depth Scrutiny Project
2022/23**

**‘Developing Strong
Governance:
Strengthening Joint
Working Between
Councillors and Officers’**

Final Report and Recommendations (July 2023)

1. INTRODUCTION

- 1.1 I am pleased to be able to present this report and recommendations of the in-depth scrutiny project for 2022/23.
- 1.2 Councillors and officers are indispensable to one another and mutual respect between both is essential for good local government, as a strong, constructive and trusting relationship between councillors and officers is essential to the effective and efficient working of the Council. Councillors provide a democratic mandate to the Council, whereas officers contribute the professional expertise needed to deliver the policy framework agreed by members and together, they bring the critical skills, experience and knowledge required to manage a local authority effectively. This in-depth scrutiny project builds upon some of the issues that were considered as part of the joint in-depth scrutiny project undertaken for 2021/22 and I would like to thank all councillors, former councillors and officers for their contribution to the project.
- 1.3 Finally, I would like to thank officers of the Democratic Services Section for their assistance and support during the course of the in-depth scrutiny project and in the production of this final report.



Councillor Tricia Cowdrey
Chair of the In-Depth Scrutiny Project Team

2. BACKGROUND

- 2.1 Each of the Council's scrutiny committees (the People Scrutiny Committee, the Place Scrutiny Committee and the Policy and Resources Scrutiny Committee) has traditionally undertaken an in-depth scrutiny project each year. The in-depth projects are selected at the beginning of each municipal year and generally focus on the Council's corporate priorities or matters of local concern. Recent in-depth scrutiny projects have also been aligned with the ambition and outcomes arising from the Southend 2050 programme. The in-depth scrutiny projects lead to the development of reports and recommendations which advise the Executive and the Council on its policies, budget provision and service delivery. Participation in the in-depth projects enable councillors to be actively involved in a specific topic and to influence and shape proposals around service improvement that will result in improved outcomes.

3. FRAMEWORK OF THE IN-DEPTH SCRUTINY PROJECT

- 3.1 At its meeting in July 2022, the Policy and Resources Scrutiny Committee agreed that an in-depth scrutiny project be undertaken during the 2022/23 municipal year on the theme of 'Developing Strong Governance: Strengthening Joint Working Between Councillors and Officers', as part of the scrutiny work programme for the year.

- 3.2 There were a number of reasons for the identification of the in-depth scrutiny project. In particular, the project built upon the success of the project undertaken jointly by each of the scrutiny committees for 2021/22, on the theme of 'Enabling Councillors to be Effective'..
- 3.3 The agreed scope of the in-depth scrutiny project was:
- (a) To ensure that the separate review being undertaken of the Council's Constitution by the General Purposes Committee, to which all members of the Council have a separate opportunity to contribute, is used to deliver effective communication between councillors and officers.
 - (b) Where relevant, to feed into the review being undertaken of the Constitution by the General Purposes Committee.
 - (c) To review current arrangements for communication between councillors and officers and to identify what better communication would look like, using 'live' examples, setting a positive tone and learning from strengths.
 - (d) To review current training and development opportunities and induction arrangements for new/existing councillors to ensure engagement with training and induction arrangements and better understand how councillors would like information to be presented, to improve the understanding of business needs and new ways of working across the Council.
- 3.4 The review was set within the context of the Council's 2050 ambition and priorities and the Project Team was tasked with reviewing relevant issues and to report back to the Cabinet with appropriate findings and recommendations.
- 3.5 As a number of elements of the in-depth scrutiny project also covered issues that were considered as part of the joint scrutiny project undertaken for 2021/22, we received progress updates on the implementation of each of the recommendations arising from that joint scrutiny project, to assist the consideration of aspects of the current in-depth scrutiny project and the formulation of appropriate recommendations arising from the project.

4. METHODOLOGY

- 4.1 The review was undertaken on behalf of the Policy and Resources Scrutiny Committees by a Project Team comprising the following members appointed by the Council on 19 May 2022:

Councillors T Cowdrey, D Garston, A Line, R McMullan, D Nelson, M Sadza, C Walker

Former Councillor: I Shead

- 4.2 Councillor T Cowdrey was appointed Chair of the Project Team at its initial project scoping meeting held on 28 September 2022.
- 4.3 The Project Team was supported by relevant officers including S Meah-Sims (Executive Director (Strategy, Change and Governance)) and S Tautz (Principal Democratic Services Officer/Project Co-ordinator). Other officer support was provided in respect of specific elements of the in-depth scrutiny project, including:

R Erasmus (Learning and Development Manager)
K Eyre (Internal Communications Advisor)

- 4.4 The Project Team met on six occasions between September 2021 and March 2022. Efforts were made by the Project Team to ensure that the timescale for the delivery of the project was maintained and that the project was completed within the 2021/22 municipal year.
- 4.5 The in-depth scrutiny project was undertaken using an evidence-based approach to the consideration of existing governance and joint working arrangements, through a mixture of experiences presented by councillors and informative presentations that supported the understanding of the current provision of services. No witness sessions or site visits were held in respect of the project, although some examples of service provision in other local authorities were presented to the Project Team.
- 4.6 A project plan and work programme for the in-depth scrutiny project was adopted by the Project Team in November 2022, having been agreed by the Policy and Resources Scrutiny Committee in October 2022. The project plan and work programme set out the scope and framework for the project, alongside a programme of thematic evidence-gathering activities around the following specific areas identified as key to the desired outcomes for the project:
- (a) The context and expectations of the in-depth scrutiny project.
 - (b) Induction training arrangements and development opportunities for councillors, including the Councillor Induction and Training Programme.
 - (c) The ongoing review of the Council's Constitution.
 - (d) Communication between councillors and officers.
 - (e) How councillors would like information to be presented.
 - (f) The progress of relevant recommendations arising from the joint in-depth scrutiny project for 2021/22.
- 4.7 The following sources of evidence were considered as part of the in-depth scrutiny project:
- (a) Case studies, experiences and feedback.
 - (b) Specific examples of issues within the scope of the project where things have not gone well.
 - (c) Relevant data etc. held by the Council or obtained from published sources or benchmarking arrangements.
 - (d) Information/feedback from relevant service teams.
 - (e) The presentation/demonstration of relevant systems and processes.
 - (f) The progress of relevant recommendations arising from the joint in-depth scrutiny project for 2021/22 ('Enabling Councillors to be Effective').

5. CONTEXT AND EXPECTATIONS OF THE IN-DEPTH SCRUTINY PROJECT

- 5.1 At the meeting of the Project Team in December 2022, we considered the context and expectations of the in-depth scrutiny project and agreed that the Project Team would focus on the identification of solutions to issues or concerns that were raised as part of the project, that members and officers would demonstrate mutual respect for each other in the delivery of the project and that officers would work in partnership with members of the Project Team to ensure the successful delivery of the in-depth scrutiny project. We also agreed that the Chair would seek the full support and active engagement of all members of the Project Team to ensure the successful delivery of the project.
- 5.2 The Project Team considers that the chairs of committees etc. should ensure that they always set clear expectations regarding roles, responsibilities, boundaries, standards of conduct and behaviours between councillors and officers, at the outset of meetings. We believe that Chairs should also seek the active participation of all members to achieve the successful delivery of outcomes and we are aware that arrangements have already been agreed for the Chairs of the Council's public-facing meetings to formally outline the

expectations of the standard of conduct and behaviour to be shown during debates, at the commencement of meetings. We support the continuation of this approach going forward and recommend that these expectations be reviewed on a regular basis to ensure that all members and officers feel included, respected and able to contribute effectively.

- 5.3 The Local Government Association (LGA) undertook a corporate peer challenge of the Council in October 2022, as part of the support that the LGA offered to local authorities to provide independent and external support and challenge. Following the completion of the peer challenge, the LGA provided the Council with a report based on their findings and some aspects of the in-depth scrutiny project for 2022/23 set out in this report reflect recommendations made by the LGA.

6. INDUCTION TRAINING ARRANGEMENTS AND DEVELOPMENT OPPORTUNITIES FOR COUNCILLORS

- 6.1 At the meeting of the Project Team in March 2022, we considered the 'Induction Training and Development Opportunities and Arrangements for Councillors' theme of the work programme for the in-depth scrutiny project.
- 6.2 Councillors bring different and valuable skills to their role. However, new councillors do not always have extensive knowledge of the system of local government, how a council works or the full range of their roles and responsibilities. From their first council meeting, councillors will be required to make important decisions on behalf of their communities and take responsibility for those decisions. Those decisions often involve significant use of public money, assets or natural resources. It is important that councillors have, or quickly attain, a clear understanding of the system of local government, how the Council works and the full range of their roles and responsibilities. It is equally important that all councillors have ongoing opportunities to undertake appropriate skills development and training in areas needed to assist them to carry out their role effectively.
- 6.3 A comprehensive induction programme helps new councillors to settle in with the Council, to understand their role and expectations, to develop strong relationships with officers, and to build competence and confidence in serving their residents and the community. The Councillor Induction and Training Programme outlines the training and development that councillors can expect to receive as part of their induction arrangements or as continuous professional development.
- 6.4 The Project Team received a presentation from the Learning and Development Manager on the development, content and delivery of the Councillor Induction and Training Programme for 2023/24. The Learning and Development Manager also presented a draft version of the Induction and Training Programme for 2023/24.
- 6.5 The Project Team was advised that the Induction and Training Programme was being developed on a co-production basis to ensure the best use of member skills and experience, to ensure that induction arrangements met the needs of members and to identify what should be regarded as essential or optional training, as well as the frequency of delivery of such training.
- 6.6 Co-production allows all involved to work collaboratively as equal partners to design, plan, deliver and review councillor training arrangements in order to achieve shared outcomes. It recognises that councillors, officers and training providers all have important contributions to make due to their differing knowledge, skills and experience. We believe that, for co-production to be most effective, all partners should be fully involved at the earliest opportunity when planning or designing councillor training and we therefore recommend that the Project Team or the existing Councillor Development Group should be utilised for

the co-production of the Councillor Induction and Training Programme for 2024/25 and future years.

- 6.7 We suggest that the role and function of the Councillor Development Group as well as its continued involvement in the co-production of learning and development opportunities for councillors should be formalised and that continuity of membership of the Councillor Development Group should be achieved wherever possible each year, possibly through the inclusion of two members of each political group, and independent members, based on relevant experience and skills.
- 6.8 The Learning and Development Manager reported that the use of Microsoft Teams for the delivery of elements of the Induction and Training Programme had encouraged attendance at training sessions and enabled sessions to be recorded for subsequent delivery, although the level of councillor engagement with e-learning programmes which mirrored sessions made available for officers, was currently disappointing.
- 6.9 The Project Team raised concerns with regard to the completion of 'essential' training by councillors and were assured that this would be considered as part of the finalisation of the Induction and Training Programme for 2023/24, through the identification of all training that was considered to be essential for councillors. We consider that it is important to ensure that all essential training is undertaken by new and re-elected councillors to ensure that they are up to date with the latest information and guidance on specific matters within the Councillor Induction and Training Programme. The Project Team also considers that it is important that relevant training opportunities are extended to the co-opted members of the People Scrutiny Committee, to enable them to effectively undertake their roles around the scrutiny of local education and healthcare services.
- 6.10 We consider that consideration should be given to the inclusion of matters including child and adult safeguarding, the Code of Conduct and the responsibilities of councillors as Data Controllers for the handling of personal data, as essential training requirements within the Councillor Induction and Training Programme for 2023/24 and future years.
- 6.11 We understand that the inclusion of councillor training activities within the individual profile for each member on the Council's website is currently being investigated and we fully support this approach in terms of the transparency of the council's training requirements for councillors.
- 6.12 The Project Team has requested the Learning and Development Manager to ensure that, wherever possible, councillor induction and training activities are spread throughout each year to avoid training 'fatigue', whilst recognising that some essential training needs to be completed as soon as possible in order to enable councillors to undertake the role and responsibilities of quasi-judicial bodies such as the Development Control Committee and the Licensing Committees and Sub-Committees.
- 6.13 We fully support the inclusion of member training around the use and navigation of the Modern.Gov committee management system, the dedicated area of the intranet for councillors and the case management system to be implemented as part of the recommendations arising from the joint in-depth scrutiny project for 2021/22 and support for councillors as needed, to support the transition to a paperless way of working. We have been assured that reasonable adjustments will be made where necessary to facilitate the paperless approach and that an assessment of need will be undertaken in this regard, if requested by any member at the commencement of their term of office or at any point during such term.
- 6.14 We recognise that to be effective, councillors require certain skills and experience in key areas and consider that it might be appropriate to undertake a skills audit with

councillors to ensure that the Council has the necessary skills, knowledge and expertise across all key positions and areas of responsibility, and to identify gaps in skills, knowledge and expertise and relevant training needs for new and existing members.

- 6.15 The Project Team also suggests that an 'induction pack' to be co-produced with councillors, be developed for newly elected members as part of the annual Councillor Induction and Training Programme to support the achievement of milestones in the induction process, and that such induction pack be added to the dedicated area of the intranet for councillors.
- 6.16 We recognise the success of the existing 'Buddy' scheme for new councillors, whereby experienced officers assist new councillors to settle into their role as quickly as possible. However, the Project Team considers that opportunities for the refresh of the 'Buddy' arrangements should be considered, including the possible development of a written agreement to set out the scope and timeframe of the 'Buddy' arrangements and a form of 'check list' to support the achievement of milestones in the induction process for new councillors. We consider that review and evaluation should also be undertaken as specific milestones to check that new councillor and their 'Buddy' are satisfied with the effectiveness of the buddy relationship.

7. THE REVIEW OF THE COUNCIL'S CONSTITUTION

- 7.1 At our meeting in March 2022, we also considered the 'Constitution Review' theme of the work programme for the in-depth scrutiny project.
- 7.2 The Council's constitution sets out how it operates and make decisions. It also contains the procedures that make sure the Council is efficient, transparent and accountable to local people. Some processes are required by law, while others have been adopted by choice. In 2021 the Council commenced a review of the Constitution, which was led by the General Purposes Committee and was supported by the Centre for Governance and Scrutiny. The recommendations arising from this work are aimed at bringing about change to the attitude and approach for transacting effective and timely business at the meetings of the Council, the Cabinet, the Scrutiny Committees and also informally.
- 7.3 The Chair of the General Purposes Committee updated the Project Team on the current progress of the review of the Constitution following the meeting of the Committee held on 9 February 2023, which had considered revised Council Procedure Rules and Overview and Scrutiny Procedure Rules for adoption by the Council. The Chair of the Committee advised the Project Team that there was likely to be a significant immediate and ongoing training requirement for members and officers around the operation of these new elements of the Constitution and we have considered how such training could be used to deliver effective communication and behaviour change between councillors and officers.
- 7.4 We consider that the consultation and engagement process for the review of the Constitution worked well and that all members were able to participate fully in the review process led by General Purposes Committee. In terms of the in-depth scrutiny project, we consider that this approach should be recognised as good practice and be replicated for any future constitutional review processes.

8. COMMUNICATION BETWEEN COUNCILLORS AND OFFICERS

- 8.1 At the meeting of the project Team in March 2022, we considered the 'Communication Between Councillors and Officers' theme of the work programme for the in-depth scrutiny project.
- 8.2 Effective communication requires commitment from councillors and officers and is a two-way process, about listening as well as informing. Councillors and officers are servants of

the public and they are indispensable to one another, although their responsibilities are distinct. Mutual respect and communication between councillors and officers is essential to good local government.

- 8.3 As part of its consideration of this theme of the work programme for the in-depth scrutiny project, the Project Team had requested that it receive a presentation from Paul Tarplett on the view of current communication between councillors and officers, as a result of the ongoing work currently being undertaken by The Public Office. Unfortunately, Paul was unable to attend a meeting of the Project Team in this regard.
- 8.4 We were advised that options for a survey to be undertaken across relevant staff levels to assess the effectiveness of current forms of communication with councillors, was intended to be addressed as part of the response to the feedback report of the Corporate Peer Challenge undertaken by the Local Government Association in 2022 and that this would therefore be undertaken outside the auspices of the in-depth scrutiny project. We have requested however, that the results of such survey be made available to all councillors once the findings of the survey have been evaluated.
- 8.5 We also consider that appropriate engagement and consultation should be regularly undertaken between councillors and officers, to support the understanding of experiences of working together and to identify ways to further enhance the success of joint working arrangements.
- 8.6 We suggest that a suite of simple, easy to understand 'Five-Minute Guides' or 'Service Profiles' should be developed for relevant services, to help councillors to understand the roles and responsibilities of individual service areas and to make it quicker and easier for them to find the information they need. We consider that such 'Five-Minute Guides' should include clear process maps and details of service/team structures and that the guides should be published on the website and the councillors section of the intranet, alongside the development of appropriate FAQs to support effective councillor casework activity.

9. HOW COUNCILLORS WOULD LIKE INFORMATION TO BE PRESENTED

- 9.1 At the meeting of the project Team in March 2022, we considered the 'How Councillors Would Like Information to be Presented' theme of the work programme for the in-depth scrutiny project, to improve the understanding of business needs and new ways of working across the Council.
- 9.2 We have considered some suggestions for improvements to the style and quality of reports presented to committees etc., to ensure that clear and concise reports are presented to councillors at all times and we suggest that options should therefore be investigated for all reports include an 'executive summary' to provide a brief overview of the report and its main points.
- 9.3 We also consider that robust arrangements be introduced/enforced across the Corporate Leadership Team to ensure that reports are fully checked prior to submission to committees etc. to ensure they are accurate, factual and correct, that lengthy documents are not routinely attached as appendices to reports and that hyperlinks are used within reports in preference to appendices where possible.
- 9.4 We also received a presentation with regard to the use of the Council's intranet as a document repository and resource base and the provision of training for councillors in the navigation of the intranet. We consider that the dedicated area of the intranet for councillors should be the default repository and resource base for councillors, in terms of the provision of access to policy documentation and other relevant information. We recognise however, that for the intranet to successfully act as such repository and resource base for councillors,

it is vital that that all published information is regularly reviewed and kept up to date. We also consider that the annual Councillor Induction and Training Programme should include appropriate training to support councillors in the use of the intranet.

- 9.5 We consider that a 'Paperless' approach should be established as the default position for the distribution of agenda and reports for committee meetings etc. to councillors as soon as possible, possibly on an incremental change basis beginning with the cohort of new and re-elected councillors in May 2023, as part of the Council's response to the previously declared climate emergency and to mitigate the impacts of climate change.
- 9.6 We believe that Southend-on-Sea City Council is at the forefront of digital infrastructure and innovation and that a move to paperless meetings would provide councillors with an opportunity to lead by example in this regard and demonstrate that they are prepared to embrace new forms of technology to deliver savings, to embrace more efficient working practices and to help reduce the Council's carbon footprint. The Modern.Gov app, which supports the Council's corporate committee management system, enables councillors to access meeting papers from any place, at any time to suit their personal commitments, and the app contains annotation tools to allow councillors to notate and highlight reports etc. as required, in a similar way to the notation and highlighting of paper reports.
- 9.7 The Project Team recognises that some councillors will adapt quicker than others to a transition to paperless meetings and the full use of the Modern.Gov app, and that a high standard of support will be critical to support this transition. We consider that this should therefore include regular training as part of the annual Councillor Training and Development Programme and dedicated one-to-one support from Democratic Services. We also consider that reasonable adjustments should be made to the corporate paperless approach wherever necessary and that an assessment of need should be facilitated (if requested), for any councillor that requires this.

10. JOINT IN-DEPTH SCRUTINY PROJECT 2021/22

- 10.1 At the final meeting of the Project Team in March 2022, we received a brief update on the progress of each of the recommendations arising from the joint in-depth scrutiny project for 2021/22 ('Enabling Councillors to be Effective'), several actions from which were also related to our scrutiny project.
- 10.2 We requested that a full report setting out current progress and achievements against each of the actions arising from joint in-depth scrutiny project for 2021/22 be prepared, which is attached as an appendix to this report.

11. RECOMMENDATIONS

- 11.1 We consider that the in-depth scrutiny project was undertaken within the context of the Council's 2050 ambition and priorities and that the proposed outcomes for the project have generally been achieved.
- 11.2 Throughout this report, we have identified some 'quick wins' in terms of aspects of the work programme for the in-depth scrutiny project, alongside the following substantive recommendations to strengthen joint working between councillors and officers.
- 11.3 We therefore recommend as follows:

Context and Expectations of the In-Depth Scrutiny Project

- (1) That expectations of the standard of conduct and behaviour to be shown during debates at meetings of committees etc. be welcomed and that such expectations be

reviewed on a regular basis to ensure that all members and officers feel included, respected and able to contribute effectively.

- (2) That the Council be encouraged to 'celebrate what works' as part of its response to the feedback report of the Local Government Association Peer Challenge undertaken in 2022.

Induction Training Arrangements and Development Opportunities for Councillors

- (3) That for 2023/24 and future years, training activity previously identified as 'mandatory' within the Councillor Induction and Training Programme, be instead referred to as 'training essential for the role' (or similar).
- (4) That all 'essential' training be undertaken by new and re-elected councillors to ensure that they are up to date with the latest information and guidance on the specific matters within the Councillor Induction and Training Programme.
- (5) That consideration be given to the inclusion of matters including child and adult safeguarding, the Code of Conduct and the responsibilities of councillors as Data Controllers, as essential training requirements within the Councillor Induction and Training Programme for 2023/24 and future years.
- (6) That appropriate options be considered for ensuring the completion of essential training by all councillors.
- (7) That the completion of councillor training activities be included within the individual profile for each member of the Council that is available on the Council's website, to support transparency in terms of the Council's training requirements for councillors.
- (8) That, wherever possible, councillor induction and training activities be spread throughout each municipal year wherever possible to avoid issues of training 'fatigue', whilst recognising that some 'mandatory' training needs to be completed as soon as possible in each municipal year in order to enable councillors to undertake the role and responsibilities of quasi-judicial bodies.
- (9) That consideration be given to the undertaking of a skills audit amongst existing councillors to ensure that the Council has the necessary skills, knowledge and expertise across all key areas of responsibility and, where gaps are identified, to consider how such gaps should be addressed through relevant training for new and existing members.
- (10) That the development of an 'induction pack' of key information for issue to all newly elected councillors as part of the annual Councillor Induction and Training Programme to support the achievement of milestones in the induction process be considered, to include such information as:
 - (a) The Council's current committee structure.
 - (b) The roles and responsibilities of committees.
 - (c) Meeting arrangements and the commitments required of councillors.
 - (d) Floor plans and service area locations for the Civic Campus.
 - (e) Information in respect of the normal business activities of the Council.
- (11) That the proposed induction pack be co-produced with councillors and be added to the dedicated area of the intranet for councillors.

- (12) That opportunities for the refresh of the existing 'Buddy' arrangements for newly elected councillors be considered, including the possible development of a written agreement to set out the scope and timeframe of 'Buddy' arrangements and a form of 'check list' to support the achievement of milestones in the induction process for new councillors.
- (13) That the Project Team and/or the existing Councillor Development Group continue be utilised for the co-production of the Councillor Induction and Training Programme for 2024/25 and future years.
- (14) That the role and function of the Councillor Development Group as well as its continued role in the co-production of learning and development opportunities for councillors be appropriately formalised and that continuity of membership of the Group be achieved wherever possible each year, on the basis of relevant knowledge, experience and skills.

The Review of the Council's Constitution

- (15) That the Project Team support the co-production of the content and delivery of training on key aspects of the new Constitution, including the proposed revised Council Procedure Rules and Overview and Scrutiny Procedure Rules, as part of the Councillor Induction and Training Programme for 2023/24.
- (16) That consideration be given to the inclusion of training on key aspects of the new Constitution as an essential training requirement within the Councillor Induction and Training Programme for 2023/24 and future years, as a means of addressing the perception of a lack of understanding of the Constitution and the limited level of previous engagement with some aspects of the programme, but that that such training not just be provided for newly elected councillors each year and that all members be encouraged to participate in relevant training opportunities.
- (17) That training around the key aspects of the new Constitution should fully recognise the importance of the strategic and operational partnership between councillors and officers that is necessary to deliver the priorities of the Council.
- (18) That, as part of the training offer on key aspects of the new Constitution, in particular the revised Overview and Scrutiny Procedure Rules, consideration be given to the holding of a 'mock' meeting of a scrutiny committee to demonstrate the application of revised constitutional rules and procedures on a practical basis.
- (19) That appropriate flow charts/process maps be developed for the revised constitutional rules and procedures and other relevant business processes to demonstrate their application in practice and that options be investigated for the local branding of such information (e.g., as 'The Southend Way') and its publication on the Council's intranet and website.
- (20) That the approach taken to the review of the Constitution that enabled all members to participate fully in the review process led by General Purposes Committee, be recognised as good practice and be replicated for any future review of constitutional arrangements or processes.

Communication Between Councillors and Officers

- (21) That the results of the survey to be undertaken across relevant staff levels to assess the effectiveness of current forms of communication with councillors, as part of the response to the feedback report of the Corporate Peer Challenge undertaken in 2022

be made available to all councillors once the findings of the survey have been evaluated.

- (22) That opportunities be investigated for regular engagement and consultation to be undertaken between councillors and officers to improve and support the understanding of experiences of working together and to identify ways to further enhance working relationships.
- (23) That appropriate 'Five-Minute Guides' or 'Service Profiles' be developed for relevant services, to help councillors to understand the roles and responsibilities of individual service areas and that such guides include relevant process maps and FAQs to support training for councillors and the handling of casework activity.

How Councillors Would Like Information To Be Presented

- (24) That, to ensure that clear and concise reports are always presented to councillors, all reports made to committee etc. should be written in plain English using the Council's house style and should include an appropriate executive summary.
- (25) That arrangements be introduced to ensure that reports are fully checked prior to submission to committees etc. to ensure they are accurate, factual and correct and that lengthy documents are not routinely attached as appendices to reports.
- (26) That the existing dedicated area of the intranet for councillors be the default repository and resource base for councillors, in terms of the provision of access to policy documentation and other relevant information, that that all published information be regularly reviewed and kept up to date and that the annual Councillor Training Programme include appropriate training to support councillors in the use of the intranet.
- (27) That subject to the assessment of accessibility requirements in individual circumstances where requested, a 'Paperless' approach be established as the default position for the distribution of agenda and reports for committee meetings etc. to councillors, as soon as possible.
- (28) That the Modern.Gov app be promoted as the Council's corporate committee management system and that full training on the functionality of the app continue be delivered to all councillors as part of the annual Councillor Induction and Training Programme and on a one-to-one basis where appropriate.
- (29) That all members of the Council be encouraged to avail themselves of the training available opportunities available to support a corporate 'paperless' ambition.

Joint In-Depth Scrutiny Project 2021/22

- (30) That the separate report setting out current progress and achievements against each of the actions arising from the joint In-Depth Scrutiny Project for 2021/22, be noted.

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In-Depth Scrutiny Projects

Since 2000, the Council has undertaken a range of annual in-depth scrutiny projects. The following projects have been carried out since 2013/14.

People Scrutiny Committee

- Providing First-Class Services for Families of Children with Special Educational Needs and Disabilities (2022/23).
- The appropriate use of reablement for older people (65 and over) when discharged from hospital, to maximize the number of people at home after period of 91 days (2019/20-2020/21).
- In context of vision for Southend 2050, what is the vision for young people which improves their lives and what are the pathways to achieve this ambition (2018/19).
- Connecting communities to avoid isolation (2017/18).
- Alternative provision – off site education provision for children and young people (2016/17).
- Transition arrangements from children to adult life (2015/16).
- How the Council assists and excites individuals and community groups to achieve healthier lifestyles (2014/15).
- Southend primary schools' falling grammar school entry figures (2013/14).

Place Scrutiny Committee

- Preparing Southend-on-Sea for the Electric Vehicle Revolution (2022/23).
- To review the level of domestic waste recycling in the Borough, in order to examine what influences residents in terms of their recycling habits and the barriers to achieving a higher rate of recycling and to consider ways of working with residents to improve domestic waste recycling (2019/20-2020/21).
- Maximizing the use of technology (2017/18).
- 20mph speed limits in residential streets (2015/16).
- Understanding erosion taking place on the foreshore (2014/15).
- Promoting a positive image for the town (2013/14).

Policy & Resources Scrutiny Committee

- Developing Strong Governance at Southend-on-Sea City Council: Strengthening Joint Working Between Councillors and Officers (2022/23).
- How the Council and councillors communicate with local people and stakeholders (2019/20-2020/21).
- Additional enforcement resources for Southend (2017/18).
- Control of personal debt and the advantages of employment (2015/16).
- The Council's community leadership role in promoting safer communities (2014/15).
- Impact of welfare changes (2013/14).

Joint Scrutiny Projects

- Enabling Councillors to be Effective (People Scrutiny Committee, Place Scrutiny Committee, Policy & Resources Scrutiny Committee) (2021/22).
- Re-imagining the town centre in the context of the vision for Southend 2050 (Place Scrutiny Committee, Policy & Resources Scrutiny Committee) (2018/19).
- To investigate the case for additional enforcement resources for Southend (Place Scrutiny Committee, Policy & Resources Scrutiny Committee) (2016/17).

Meeting:	Place Scrutiny Committee People Scrutiny Committee Policy and Resources Scrutiny Committee
Date:	10 th , 11 th and 12 th July 2023
Classification:	Part 1
Key Decision:	No
Title of Report:	Outside Bodies Task and Finish Group
Report Author:	S Cox (Principal Democratic Services Officer)
Executive Director	Joe Chesterton (Executive Director – Finance and Resources)

1. Executive Summary

- 1.1. The Scrutiny Chairs Forum met on 27 June 2023. The Membership of this forum is constituted from the Chairs and Vice-Chairs of each of the Council's three scrutiny committees.
- 1.2. At this meeting the membership and representation on Outside Bodies was identified as a potential topic for review, subject to agreement by Scrutiny Committees.

2. Purpose of Report

- 2.1 The purpose of this report is to provide Scrutiny members with an overview of the current situation and put forward options for moving this agenda forward.
- 2.2 The primary purpose of a Task and Finish Group is to either review existing and/or develop new Policy/Strategy. Task and Finish Group recommendations are, in the first instance, considered by the Overview and Scrutiny function before them being presented to either the Executive or Full Council for approval.

3. Recommendations

- 3.1 **That the 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.

3.2 That the Terms of Reference (attached at Appendix 1) be agreed.

3.3 Each of the three Overview and Scrutiny Committees receive a progress update accordingly, before a final report is referred to Full Council.

4. Background

4.1 It has been recognised by Elected Members that when appointed to some Outside Bodies at Appointments Council, they have not received any meeting invitations or contact from the Outside Body. This may be because the information held is out of date (the Outside Body is defunct, and representation is not required) or our links with some Outside Bodies are not strong enough (highlighting the need to improve our communication and engagement with the Outside Body itself).

4.2 The Council has a strong commitment to partnership working with many bodies and this work takes many forms, the Council may give financial or other support to an organisation, or it may commission services, or it may be a partnership based on a dialogue and consultation.

4.3 Outside Body representation serves many purposes, including the following:

- Enable the Council to contribute to, and influence, the decision making of an organisation.
- Enable the organisation to have direct information about Council policy and practice.
- Provide, through particular appointees, a local perspective.
- Satisfy a legal requirement for the Council to serve on the body.
- Provide an essential lead focus on behalf of the Council.
- Facilitate the objectives of the Council.

4.4 A review of Outside Bodies and Member representation has not taken place for some time. It was felt by the Scrutiny Chairs Forum that a review of the current processes, procedures and representation would be timely and help to strengthen our partnership working going forward.

5. Purpose of the Outside Bodies Task and Finish Group Review

5.1 The purpose of this Group is to review all outside bodies on which members sit, and to look at improving the method for reporting back on Outside Bodies to ensure that they all are adding value to Southend-on-Sea City Council.

5.2 Aims

- To identify which appointments, continue to be beneficial.
- To identify which appointments may no longer be required, for example if the Outside Body is now defunct and no longer functioning.

- To identify any Outside Bodies which may need a different number of representatives.
- To identify any new bodies which may benefit from Member representation.
- To improve contact and relationships with Outside Bodies to and strengthen internal processes, for example how Outside Bodies will be notified when new appointments are made.
- To deepen understanding of the work of each Outside Body and the capacity in which they would like Members appointed, for example a decision-making capacity (member of management committee, board of directors, committee of trustee) or in an 'observer' capacity undertaking a monitoring role.
- To investigate ways by which all appointed Members can provide regular feedback to the Council on the work of their Outside Bodies.

5.3 The proposed Terms of Reference is attached as Appendix 1 to this report.

5.4 **Out of Scope**

The following are out of the scope of this proposed review:

- The appointments process for Outside Bodies (as this is dealt with by Group Leaders at Appointments Council).
- The suitability of those Members who have been appointed to represent the Council on the list of the Outside Bodies. (This is for determination by Group Leaders and in consultation with Members themselves).

6. **Governance**

- 6.1 By convention, political proportionality applies to working parties/groups and in accordance with this principle, it is proposed that a working group of 10 councillors is 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.
- 6.2 It is proposed that the Chair of the Task and Finish Group, in accordance with above, be selected from one of the nominated representatives of the Policy and Resources Committee (as the parent Committee). Although it is recognised the group will be cross-scrutiny.

7. Financial Implications

- 7.1 There are costs associated with organising Task and Finish Groups relating to officer time, but this will all be contained within existing resources.

8. Legal Implications

- 8.1 N/A

9. Carbon Impact

- 9.1. N/A

10. Equalities

- 10.1 N/A

11. Consultation

- 11.1 As described in the report.

12. Appendices

- 12.1 Appendix 1 – Proposed Terms of Reference for the Outside Bodies Task and Finish Group

Outside Bodies Task and Finish Group

Proposed Terms of Reference

Name of Task and Finish Group	Outside Bodies Task and Finish Group
Purpose of the Group	The purpose of this Group is to review all outside bodies on which members sit, and to look at improving the method for reporting back on Outside Bodies to ensure that they all are adding value to Southend-on-Sea City Council.
Objectives	<ul style="list-style-type: none"> • To identify which appointments, continue to be beneficial. • To identify which appointments may no longer be required, for example if the Outside Body is now defunct and no longer functioning. • To identify any Outside Bodies which may need a different number of representatives. • To identify any new bodies which may benefit from Member representation. • To improve contact and relationships with Outside Bodies to and strengthen internal processes, for example how Outside Bodies will be notified when new appointments are made. • To deepen understanding of the work of each Outside Body and the capacity in which they would like Members appointed, for example a decision-making capacity (member of management committee, board of directors, committee of trustee) or in an 'observer' capacity undertaking a monitoring role. • To investigate ways by which all appointed Members can provide regular feedback to the Council on the work of their Outside Bodies.
Reporting to:	<p>Policy and Resources Overview and Scrutiny Committee (as this Task and Finish Group falls within its Terms of Reference as set out in Part 3 Schedule 2 of the Council's Constitution), however it is proposed that this Group will be cross-scrutiny Committee comprising of Members from People and Place Scrutiny.</p> <p>It is proposed that a final report and recommendations will be referred to each of the three scrutiny Committees before being presented to Full Council for approval.</p>
Communicates with:	<p>Elected Members</p> <p>Each listed Outside Body (current 58 Outside Bodies).</p>
Commissioned by:	Policy and Resources, People and Place Overview and Scrutiny Committees (subject to approval at the respective meetings on 10 th , 11 th and 12 th July 2023).
Group Membership:	By convention, political proportionality applies to working parties/groups and in accordance with this principle, it is proposed that a working group of 10 councillors is 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.
Quorum:	3
Key Timescales and Duration	If agreed any changes will take place ahead of Annual Council in May 2024 where new appointments will be made accordingly.
Scope of work	The following are out of the scope of this proposed review: <ul style="list-style-type: none"> • The appointments process for Outside Bodies (as this is dealt with by Group Leaders at Appointments Council). • The suitability of those Members who have been appointed to represent the Council on the list of the Outside Bodies. (This is for determination by Group Leaders and in consultation with Members themselves).
Expected Benefits	<ul style="list-style-type: none"> • Strengthen partnership working. • Adding value to the work of Southend City Council • Reduce the number of unnecessary appointments of Members to defunct Outside Bodies. • Save Member time, ensuring resources are better placed for greater impact. • To gain a greater understanding about the role and work of Outside Bodies.
Key Stakeholders and Engagement Process	Elected Members (both currently appointed to an Outside Body for 2023/24 and those appointed in 2022/23). Outside Bodies
Outcomes	To keep representation on Outside Bodies up-to-date and improve reporting mechanisms from Outside Bodies to the Council.
Officer Lead	Stephanie Cox
Job Role	Principal Democratic Services Officer & Statutory Scrutiny Officer
Date	June 2023

Scrutiny Forward Plan 2023/24

Items referred for Pre-Cabinet Scrutiny

Title of Report	Description	Date of Cabinet meeting	Cabinet portfolio	Lead officer	Referred to
Official Feed and Service Plan 2023-24		18 July 2023		Alan Richards Interim Executive Director, (Environment and Place)	Place 10 th July 2023
Public Health Annual Report		18 July 2023		Krishna Ramkhelawon, Interim Director of Public Health	People 11 th July 2023
Delivery of Southend Outcomes and Priorities – Annual Report and Provisional Outturn 2022/23		18 July 2023		Joe Chesterton, Executive Director (Finance & Resources)	P&R 12 th July 2023
Treasury Management Report 2022/23		18 July 2023		Joe Chesterton, Executive Director (Finance & Resources)	P&R 12 th July 2023
Reducing Heating Charges		18 July 2023		Joe Chesterton, Executive Director (Finance & Resources)	P&R 12 th July 2023

Place Scrutiny Committee

Chair: Councillor Ron Woodley

Support Officer: Tim Row, Principal Democratic Services Officer, timrow@southend.gov.uk

Agenda Item	Purpose	Description	Cabinet Portfolio	Lead officer
Meeting date: 29 August				
Meeting date: 30 October				
Meeting date: 4 December				
Meeting date: 12 February 2024				

People Scrutiny Committee

Chair: Councillor Tricia Cowdrey

Support Officer: Stephanie Cox, Principal Democratic Services Officer, stephaniecox@southend.gov.uk

Agenda Item	Purpose	Description	Cabinet Portfolio	Lead officer
Meeting date: 30 August				
Meeting date: 31 October				
Meeting date: 6 December				
Meeting date: 14 February 2024				

Policy and Resources Scrutiny Committee

Chair: Councillor Steven Wakefield

Support Officer: Stephanie Cox, Principal Democratic Services Officer, stephaniecox@southend.gov.uk

Agenda Item	Purpose	Description	Cabinet Portfolio	Lead officer
Meeting date: 31 August				
Meeting date: 2 November				
Meeting date: 7 December				
Meeting date: 1 February 2024 (Budget)				
Meeting date: 15 February 2024				

Cross- cutting Scrutiny, reviews and working panels

Agenda Item	Purpose	Description	Cabinet Portfolio	Lead officer
Outside Bodies Task and Finish			Leader	S Cox (Principal Democratic Services Officer)

Issues suitable for scrutiny

The following criteria can help to determine a scrutiny committee's programme. A topic does not need to meet all of these criteria in order to be scrutinised, but they are intended as a guide for prioritisation.

- Is the issue a priority area for the Council?
- Is it a key issue for local people?
- Will it be practicable to implement the outcomes of the scrutiny?
- Are improvements for local people likely?
- Does it examine a poor performing service?
- Will it result in improvements to the way the Council operates?
- Is it related to new Government guidance or legislation?

Other points also need to be taken into account when considering whether to review a particular issue:

- Is the subject specific – so that those undertaking the scrutiny can understand exactly what they are scrutinising?
- Is it achievable within the timescale allowed?

The following criteria may also be helpful in identifying what issues are not suitable for scrutiny:

- The issue is already being examined by another body.
- The matter is sub judice or prejudicial to the Council's interests.
- The matter relates to a specific case falling within the complaints procedure.
- The issue relates to an individual disciplinary matter or grievance.

It will be important for members to:

- Ensure that the programme includes a balance of different types of work, including short, medium and long term reviews.
- Issues could be considered at single meetings, or may need to be the subject of a longer term, more in-depth scrutiny review;
- Have regard to the ongoing work of the scrutiny committees, including performance monitoring, budget scrutiny, crime and disorder scrutiny and consideration of the Corporate Plan;
- Ensure that the scrutiny committees retain sufficient capacity to respond to issues that may arise within the year, including pre-scrutiny and call-ins;
- Take into account the resources available to support scrutiny.

The scrutiny chairs will need to consider how best to carry out the pieces of work in discussion with relevant officers and the scrutiny team.

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