

Public Document Pack  
SOUTHEND-ON-SEA CITY COUNCIL

**Policy and Resources Scrutiny Committee**

**Date: Thursday, 2nd November, 2023**

**Time: 6.30 pm**

**Place: Committee Room 1 - Civic Suite**

**Contact: Stephanie Cox (Principal Democratic Services Officer)**

**Email: [committeesection@southend.gov.uk](mailto: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 31 August 2023 (Pages 3 - 6)**
- 5 Minutes of the Special Meeting held on 5 October 2023 (Pages 7 - 10)**

**\*\*\*\* ITEMS REFERRED DIRECT BY CABINET - 31 OCTOBER 2023**

- 6 Budget Update**  
Report of the Executive Director (Finance and Resources) to follow as a supplementary pack.

**\*\*\*\* ITEMS FOR PRE-CABINET SCRUTINY / CALLED IN FROM THE FORWARD PLAN**

- 7 Southend-on-Sea City Council Refreshed Corporate Plan 2023-2027 (Pages 11 - 28)**
- 8 Treasury Management Report - Mid Year 2023/24 (Pages 29 - 48)**

**\*\*\*\* OTHER SCRUTINY MATTERS**

- 9 Association of South Essex Local Authorities - Joint Committee (now re-branded as South Essex Councils (SEC)) (Pages 49 - 54)**  
To receive the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities (ASELA) held on 28 September 2023.

A cover note accompanies the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities (ASELA, now rebranded as South Essex Councils (SEC)) held on 28th September 2023.

This cover note seeks to highlight any implications, benefits or considerations for Southend and its interests arising from the ASELA / SEC Joint Committee, its work programme, and its operations.

**Chair & 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

# SOUTHEND-ON-SEA CITY COUNCIL

## Meeting of Policy and Resources Scrutiny Committee

**Date: Thursday, 31st August, 2023**  
**Place: Committee Room 1 - Civic Suite**

# 4

**Present:** Councillor S Wakefield (Chair)  
Councillors B Beggs, M Borton\*, S Buckley, P Collins\*, F Evans, S George, J Harland, R McMullan, M Sadza, J Warren, C Campbell\*, L Hyde\*, A Jones\* and R Woodley\*

\*Substitute in accordance with Council Procedure Rule 31.

**In Attendance:** Councillors T Cox and D Garston  
J Chesterton, A Richards and R Harris

**Start/End Time:** 6.30 - 8.55 pm

### **24 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 Councillors Folkard, Burton (substitute: Cllr Hyde), Dent (substitute: Cllr A Jones), Cartey (substitute: Cllr Campbell), Line (substitute: Cllr Borton), Wexham (substitute: Cllr Collins), Cowdrey (substitute: Cllr Woodley) and Walker.

### **25 Declarations of Interest**

There were no declarations of interest at this meeting.

### **26 Questions from Members of the Public**

The Committee noted the responses of the relevant Cabinet Members to public questions.

### **27 Minutes of the Meeting held on 12 July 2023**

Resolved:

That the minutes of the meeting of the Committee held on 12<sup>th</sup> July 2023 be confirmed as a correct record.

### **28 Association of South Essex Local Authorities - Joint Committee**

The Committee received the minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities (ASELA), held on 27<sup>th</sup> July 2023.

The Committee asked a number of questions which were responded to by the Leader of the Council.

Resolved:

That the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities held on 27<sup>th</sup> July 2023, be noted.

Note: This is a Scrutiny function

## **29 Corporate Risk Register**

The Committee considered the report of the Executive Director (Finance and Resources), by way of pre-Cabinet scrutiny, presenting the Corporate Risk Register as at July 2023.

The Committee asked a number of questions which were responded to by the Executive Director (Finance and Resources), the Leader of the Council and the Cabinet Member for Housing and Planning.

On consideration of the report the Leader of the Council made commitments to make minor corrections to the register and undertake a refresh and review of the next iteration of the Corporate Risk Register, taking into account the following:

- Incorporate a risk around the recruitment of the Chief Executive.
- Review the risk associated with safeguarding.
- Incorporate risks associated with the Civic Centre/Council offices.

Resolved:

That the report to Cabinet, be noted.

## **30 Debt Management Position to 31 July 2023**

The Committee considered a report of the Executive Director (Finance and Resources), by way of pre-cabinet scrutiny, presenting the debt management position to 31 July 2023.

The Committee asked a number of questions which were responded to by the Executive Director (Finance and Resources) and the Leader of the Council. In relation to the debt write-offs the Leader undertook to provide a written response with more detailed information concerning high value debt.

Resolved:

That the report to Cabinet, be noted.



**31 Treasury Management Report - Quarter 1 (2023/24)**

The Committee considered the report of the Executive Director (Finance and Resources), by way of pre-cabinet scrutiny, presenting the quarter one treasury management activity for the period from April to June 2023 and compliance with the treasury management strategy for that period.

The Committee asked a number of questions which were responded to by the Executive Director (Finance and Resources) and the Leader of the Council.

Resolved:

That the report to Cabinet, be noted.

**32 Exclusion of the Public**

Resolved:

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

**33 Better Queensway and Waste Procurement - Confidential**

On consideration of Minute 29 (Corporate Risk Register) above the Leader of the Council provided an update on the current position concerning Better Queensway and Waste Procurement process.

**Chair:** \_\_\_\_\_

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# SOUTHEND-ON-SEA CITY COUNCIL

## Meeting of Policy and Resources Scrutiny Committee

**Date: Thursday, 5th October, 2023**  
**Place: Committee Room 1 - Civic Suite**

# 5

**Present:** Councillor S Wakefield (Chair)  
Councillors L Burton (Vice-Chair), B Beggs, M Borton, S Buckley,  
O Cartey, C Campbell\*, D Cowan\*, T Cowdrey, F Evans, N  
Folkard, S George, I Gilbert\*, J Harland, R McMullan, C  
Mulroney\* and J Warren

\*Substitute in accordance with Council Procedure Rule 31.

**In Attendance:** Councillors H Boyd, K Buck, T Cox, M Davidson, D Garston, J Lamb  
and D Jarvis (Cabinet Members)  
C Shuter and S Cox

**Start/End Time:** 6.50 - 8.35 pm

### 34 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 M Dent (Substitute: Councillor D Cowan), Councillor M Sadza (Substitute: Councillor I Gilbert), Councillor C Walker (Substitute: Councillor C Campbell) and Councillor P Wexham (Substitute: Councillor C Mulroney).

### 35 Declarations of Interest

The following interests were declared at the meeting:

- (a) Councillor M Borton – non-pecuniary interest, Minute 37 – Finance and Corporate Performance Report 2023/24 to end of July 2023 (Period 4) – as the report made reference to EPUT, daughter is employed at Basildon Mental Health Unit.
- (b) Councillors M Borton, N Folkard, D Garston (Cabinet Member), C Mulroney – non-pecuniary interest, Minute 37 – Finance and Corporate Performance Report 2023/24 to end of July 2023 (Period 4) – as the report made reference to concessionary travel fares and they held a concessionary bus pass.

- (c) Councillor N Folkard – non-pecuniary interest, Minute 37 – Finance and Corporate Performance Report 2023/24 to end of July 2023 (Period 4) – as the report referenced fusion leisure and he was a daily user of the swimming pool at Garon’s Park.

### **36 Questions from Members of the Public**

There were no questions from members of the public relating to business included in the agenda for the meeting.

### **37 Finance and Corporate Performance Report 2023/24 to end of July 2023 (Period 4)**

The Committee considered Agenda Item 7 of the meeting of the Cabinet held on 18 September 2023, ‘Finance and Corporate Performance Report 2023/24 to end of July 2023 (Period 4), Cabinet Minute No.36 refers. The report of the Executive Director (Finance & Resources) had been called-in and referred to the Policy and Resources Overview and Scrutiny Committee.

The Finance and Corporate Performance report set out the current operating environment and the significant increases experienced in both service demand and the ongoing unavoidable inflationary cost pressures, summarised the current forecast position and highlighted the need to make some difficult choices and take decisive action.

A brief discussion took place on tree net gain in the City, following which the Leader explained that in future he would request that any figures be reported in terms of tree canopy change rather than tree net gain.

The Leader confirmed that he would ensure a written response was provided to the Committee in relation to point 8.8, the average length of pre-proceedings for the Public Law Outline (PLO) in order to provide clarification on the above target of 14 by 4.7 due to late expert assessments.

It was highlighted that the Legal Services team had significant problems with permanent recruitment and as a result expenditure on agency staff to cover vacant roles was forecast to cause a pressure of £120,000.

The Leader reported that it would be clarified outside of the meeting how long the transition of Mental Health services was expected to take.

In relation to the quarterly snapshot of families with children in Bed and Breakfast for over 6 weeks, the Leader confirmed a written answer would be provided to the Committee to advise how many were out of area placements.

Resolved:

That the following recommendations of the Cabinet (1-3) be noted:

1. That the unprecedented levels of reported financial pressure and challenges right across the local government sector as set out at Appendix 1 of the submitted report, be noted.

2. That, in respect of the 2023/24 Revenue Budget Performance as set out in Appendix 2 to the submitted report:
  - (i) The forecast outturn for 2023/24 for the General Fund and the Housing Revenue Account as at 31 July 2023, be noted.
  - (ii) The plans and intentions to try to reduce the forecast overspend of the Council's revenue budget for 2023/24 be noted and that the Chief Executive and Executive Director (Finance & Resources) be requested to explore all opportunities within their delegated powers and authority to improve the financial position by the year-end as set out in section 5 of the submitted report.
  - (iii) The planned budget transfers (virements) of £308,600 from earmarked reserves, as set out in section 5.50 of the submitted report, be approved.
  
3. That, in respect of the 2023/24 Capital Budget Performance as set out in Appendix 3 of the submitted report:
  - (i) The expenditure to date and the forecast outturn as at 31 July 2023 and its financing, be noted.
  - (ii) The Corporate Performance Report as at 31 July 2023 set out in Appendix 4 of the submitted report, be noted.

That the following recommendation to Council be noted:

4. That the requested changes to the capital investment programme for 2023/24 and future years, as set out in section 4 of Appendix 3 of the submitted report, be approved.

Note: Recommendations 1-3 are an Executive Function. Recommendation 4 is a Council function.

Cabinet Member: Councillor T Cox

**Chairman:** \_\_\_\_\_

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**Meeting:** Cabinet  
**Date:** 20 November 2023  
**Classification:** Part 1  
**Key Decision:** No  
**Title of Report:** **Southend-on-Sea City Council  
Refreshed Corporate Plan 2023-2027**

**Executive Director:** Claire Shuter (Strategy and Change)  
**Report Author:** Suzanne Newman, Head of Corporate Strategy  
**Executive Councillor:** Councillor Cox, Leader of the Council

## 1. Executive Summary

1.1. Our Corporate Plan is the principal corporate strategy of Southend-on-Sea City Council. It recognises our primary role in delivering good quality local government services in the city. It sets out our areas of focus for the city in three overarching priorities and underpins them with a fourth priority for our organisation. It details the outcomes we wish to achieve, the actions we will take to deliver them and how we will resource the necessary activity. It covers the full range of the council's responsibilities and priorities and is an important tool to help focus our effort and resources on the right things. This is even more important in the context of reducing budgets and rapid change.

- The 'drivers' – why these things are important for Southend
- Our prioritised aims for the Council
- The outcomes and difference delivering on the aims will make
- The key things we are going to do to deliver the priority
- How we are going to measure success

1.2. Our four overarching priorities are:

- A growing city with a strong and prosperous community
- A safe city with a good quality of life for all
- A clean city with a resilient environment
- A transforming council delivering efficient, cost-effective services

- 1.3. Under each priority there are several outcomes we want to achieve and more detail about what we will do. In October 2022 the Local Government Association was invited to undertake a Corporate Peer Challenge. In the feedback, the Peer Team reflected that ‘we have done really well to set priorities (in reference to the 2022 Corporate Plan) but we need to prioritise our priorities’. The refresh of the Corporate Plan seeks to address this.

## **2. Recommendations**

### **It is recommended that Cabinet:**

- 2.1. Agree the draft Corporate Plan 2023-27 (**Appendix 1**) and responsibility for any final changes prior to publication be delegated to the Chief Executive, in consultation with the Leader of the Council.

## **3. Background**

- 3.1. In 2022 the Council reintroduced a Corporate Plan following a period between 2018 and 2022 where the council operated without one, instead directed by the Southend 2050 Ambition, with the Council’s contributions articulated through the Southend 2050 themes and Roadmap. This operating model enabled the vision for Southend to be clearly articulated. However, Southend 2050 focused on Southend as a place and community, not setting out how the council needs to operate and prioritise in order to deliver and contribute to the Ambition.
- 3.2. The intention of the Corporate Plan is to focus on the delivery of the council’s priorities and objectives. It is shaped by a number of influences which include: the administrations priorities; our statutory responsibilities; responses to inspections and audits, including feedback from the Local Government Association Peer visit; and national policy change.
- 3.3. Our Corporate Plan provides a helpful narrative and sets the direction for the work we’re doing, providing a place to knit all of the council’s work together in a way that makes sense to everyone. It’s aims are to:
  - Provide clarity and direction in a 4-year business plan
  - Ensure efficient use of resources
  - Provide a way of measuring success
  - Support effective decision making
  - Coordinate activities
  - Motivate and guide staff

## **4. Reasons for Decisions**

- 4.1. To ensure the Council has a robust strategic plan which clearly articulates the priorities for the organisation enabling efficient use of resources.

## **5. Other Options**

- 5.1. There is no requirement to have a Corporate Plan, but it is best practice and provides a helpful narrative to set the direction for the work.



## **6. Financial Implications**

- 6.1. Resourcing the council's strategic priorities as set out in the Corporate Plan will require tough choices and careful consideration over the next four years. Decisions will be underpinned by our Financial Sustainability Strategy and the Medium-Term Financial Strategy, helping to target resources and effectively consider and manage a range of financial impacts.

## **7. Legal Implications**

- 7.1. None.

## **8. Policy Context**

- 8.1. The Corporate Plan is shaped by a number of influences which include: the administrations priorities; our statutory responsibilities; responses to inspections and audits, including feedback from the Local Government Association Peer visit; and national policy change.

## **9. Carbon Impact**

- 9.1. The council is committed to becoming net zero carbon by 2030 to help meet the climate emergency, with this being a leading priority for the council. Priorities actions include: preventing waste, re-use and increase recycling; developing an active and sustainable travel network; enhance, promote and protect our natural environment; and undertake flood and coastal erosion risk management.

## **10. Equalities**

- 10.1. The council's Equality Objectives were updated in 2022 with a new approach to support our desire to be more effective and accountable on equality, diversity and inclusion matters. The approach includes an overarching Equalities Statement that sets a vision for the type of council we want to be. We will achieve the vision through a number of objectives, which cover four key topics: employees, access to services, partnership working and community cohesion. Under each topic we have identified a commitment which describes a specific and measurable piece of work, which when completed will help us on our journey to achieving our stated equalities vision. We will report on our progress against the commitments in future corporate plans.

## **11. Consultation**

- 11.1. The Corporate Plan has been informed by findings from the residents' perception survey undertaken in 2021 in addition to specific, consultation, engagement and co-production for associated strategies and plans.

## **12. Background documents**

- 12.1. Financial Sustainability Strategy  
12.2. Medium Term Financial Strategy

**13. Appendices**

13.1. **Appendix 1:** Draft Corporate Plan 2023-2027

**14. Report Authorisation**

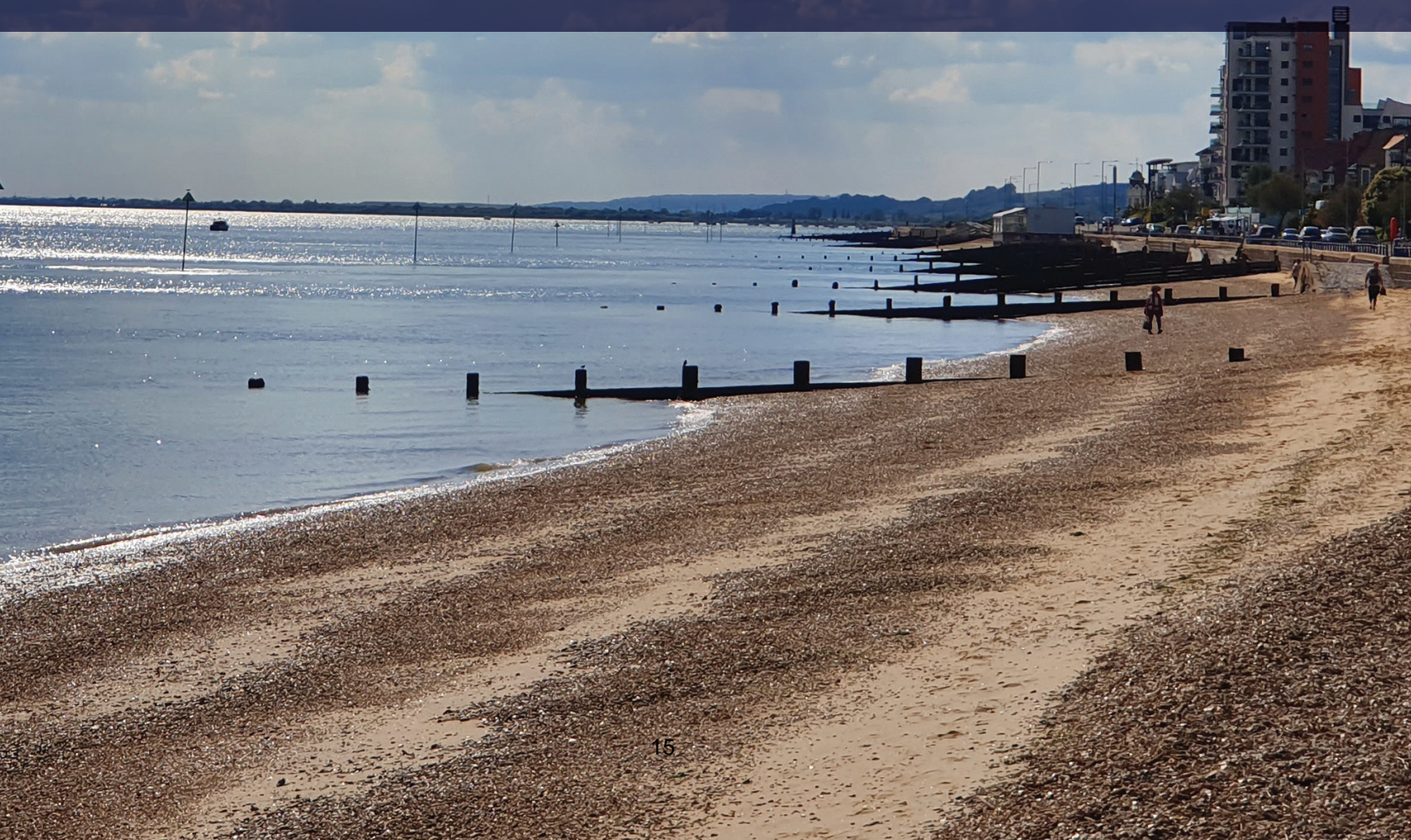
<b>This report has been approved for publication by:</b>		
	<b>Name:</b>	<b>Date:</b>
S151 Officer		
Monitoring Officer		
Executive Director(s)	C Shuter	24/10/23
Relevant Cabinet Member(s)	Councillor Cox	24/10/23



# Corporate Plan 2023 to 2027

Southend-on-Sea City Council

September 2023





# FOREWORD

Our corporate plan for 2023 to 2027 sets out the council's focus for the next four years, what we aim to deliver for our residents, businesses and millions of visitors, and how we will look to transform as an organisation.

As a council we continue to face significant challenges to remain financially stable and resilient for the future. Demand for social care services for adults, children and the most vulnerable, continues to rise and cost pressures are increasing weekly, with UK inflation remaining at high levels. This situation isn't unique to Southend-on-Sea. Like many councils across the country, we will be required to be brave and make difficult financial decisions, transform services and lead the council through these challenging times. Councillors and officers will work closely together to find a better, more cost-effective way forward. We will also continue to listen to residents and businesses, as we work to do things differently as a council and work alongside our stakeholders, including central Government, MPs, neighbouring councils and local partnerships.

Southend-on-Sea has much going for it, but some areas of our city face serious inequality and deprivation. Nearly four in every ten residents live in what are considered to be some of the most deprived areas of the country. This needs to change. Together, we need to give people in these areas skills and confidence and ensure we create good quality local jobs for local people. We will work with our partners to deliver a vision for the city focused on aspiration, wealth creation and creating an environment for success.

We will also engage our partners to deliver genuinely integrated care and support and achieve improved health and social care outcomes for our residents. In addition, we will maintain a clean and safe environment for our residents and visitors and do our bit to enable the roll-out of digital infrastructure in the city, to ensure that growing internet demand from businesses and residents is met and we remain an attractive area to invest in.

In October 2022, we asked the Local Government Association to come in and help us address issues and challenge our progress across key areas. Feedback told us that we are very self-aware and have huge potential. There are many positives within the council and the city, including the strong community ethos and sound financial management, but our approach to leadership, governance and decision making is impacting progress. One of the actions we are exploring in response to recommendations from the Local Government Association is the opportunity to consider changing our election cycle to whole council elections every four years. There is potential to implement this with the proposed boundary review of Southend-on-Sea wards.

We are under no illusions about the scale of the challenges we face. Difficult decisions must be taken around what services to fund with the limited money we have available, balanced against a need for people to pay a bit more for services. While these decisions will be difficult, they will enable us to embrace opportunities, ensure long-term financial sustainability for the council, address the inequalities and disparities that exist across the city's neighbourhoods and create the opportunities for our communities and residents.

Thank you to everyone who makes this work possible. We are grateful to our councillors and employees and also to our partners and stakeholders. We look forward to continuing to work together to achieve our strategic priorities.

**Councillor Tony Cox**  
Leader of the Council

**Rob Tinlin**  
Interim Chief Executive

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# 1 | INTRODUCTION

This corporate plan is the principal corporate strategy of Southend-on-Sea City Council. It recognises our primary role in delivering good quality local government services in the city. It sets out our areas of focus for the city in three overarching priorities and underpins them with a fourth priority for our organisation. It details the outcomes we wish to achieve, the actions we will take to deliver them and how we will resource the necessary activity. It covers the full range of the council's responsibilities and priorities and is an important tool to help focus our effort and resources on the right things. This is even more important in the context of reducing budgets and rapid change.

The council is committed to ensuring good governance principles and management practices are adopted in all business activities to ensure public trust. The Local Code of Governance provides a public statement that sets out the way in which the council will meet and demonstrate that commitment. The council commits in its Local Code of Governance that this Corporate Plan will "provide the necessary focus on the priorities for the council, so that the council's resources can be applied to the delivery of those priorities".

By articulating a clear set of ambitions and commitments, the corporate plan also helps residents to hold the council to account for its performance and challenge it to improve. Through aligning our resources, actions and activities to the corporate plan, we can measure how public money is turned into results for our communities. By defining outcomes, performance measures and key deliverables for each ambition, we regularly chart and report progress towards achieving the corporate plan.

The corporate plan informs other key strategies and plans, whether council documents or those of our partners. These documents vary widely in purpose, scope and time horizon. The corporate plan does not replace these other documents, but it should shape them whenever they are being updated. Good strategic planning also means aligning financial and service planning. The priorities identified in the corporate plan set the context for the allocation of resources within the council's budget and medium-term financial strategy.

## WE ARE COMMITTED

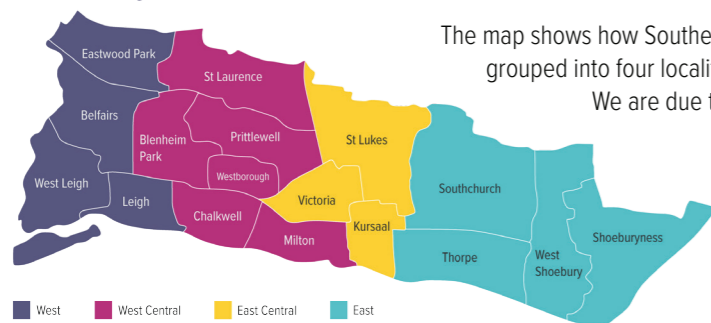
Southend-on-Sea is a newly designated city with a focus on creating wealth and prosperity for everyone. As one of the UK's leading visitor destinations, we are well-known for our large tourism and visitor economy, but we are so much more than that. Our city is a great place to live, with something exciting for everyone. There are just as many opportunities for sports and leisure as there are for arts and culture.



# 2 | OUR CITY

The following infographics show the make-up of our city, illustrating the context in which we are supporting and delivering services to our residents, visitors, businesses and wider stakeholders.

## Our City



Census 2021 population data  
**180,686** residents

**7000+**  
(4.1%) population increase since 2011, when it was 173,568. In England, the population grew by 6.6% from 2011.

**19.1%**  
of population aged 65 and over, a 1.3% percentage point increase since 2011. Across England, the percentage increased by 2 percentage points, from 16.3% to 18.3%.

**19%**  
of population aged 15 years and under, a 0% percentage point change since 2011. Across England, the percentage fell by 0.4 percentage points, from 18.9% to 18.5%.

**78,344**  
households in the city, an increase of 4.9% from 2011, when there were 74,678.

**4,336**  
residents per sq km in 2021, compared to 433.5 people per sq km for England. This is up 4% from 4,167 per sq km in 2011.

**4.2%**  
of households (3,304) had fewer bedrooms than required, down from 4.7% (3,545) in 2011. Some 32.8% (25,698) of households had the required number of bedrooms, and the remaining 63% (49,342) of households had more bedrooms than required.

## Culture and Tourism



**150**  
historic buildings and structures

**Purple Flag**  
accreditation for our evening and night-time economy

**2**  
nationally recognised art companies

**3**  
theatres, including one regional theatre

**5**  
museums

**1**  
university

**2**  
colleges

**56**  
schools

### Ethnicity

Percentage of usual residents in Southend-on-Sea by ethnic group

- 5.5% Asian
- 2.9% Black, Caribbean or African
- 3.1% Mixed or Multiple ethnic groups
- 87.5% White
- 1% Other ethnic groups

## Schools and colleges

[www.southend.gov.uk](http://www.southend.gov.uk)

## Careers, businesses and jobs

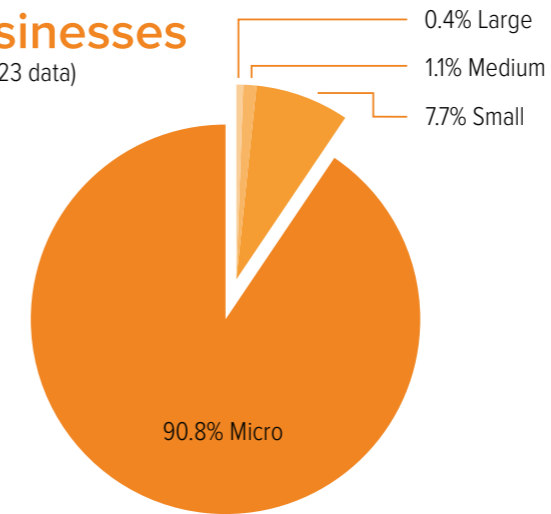
**7025 businesses**  
(Business Counts 2023 data)

**6380**  
micro businesses

**540**  
small businesses

**80**  
medium businesses

**25**  
large businesses



**48**  
commercial areas, including fishing industry in Leigh-on-Sea

**20**  
business/industrial estates

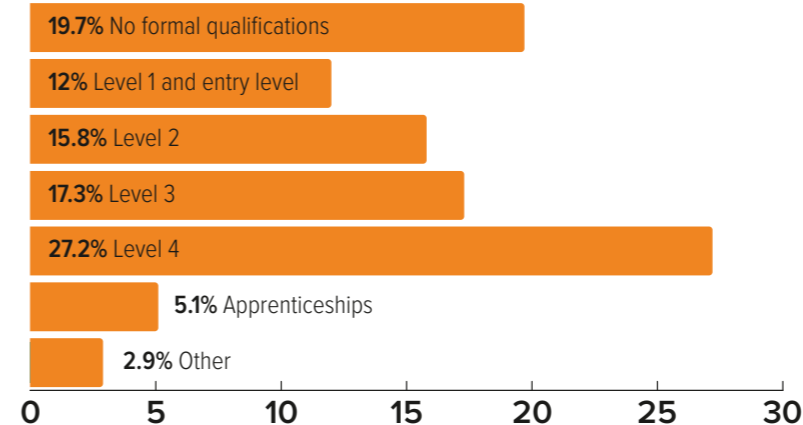
**0.73**  
jobs density, compared to jobs density of 0.85 for Great Britain

**65,000**  
jobs in Southend-on-Sea  
**40,000** full-time and  
**25,000** part-time  
(2021 figures)

**£697.70**  
resident full-time median weekly wage (by place of residence. 2022 data)  
**£759** male  
**£630.40** female

**£335,000**  
median house price, compared to £286,000 for England Q4 2022/23

### Level of qualifications



## Parks and green spaces

**7 miles of coastline**  
8 beaches and 5 Blue Flags

**33**  
parks

**7**  
Green Flags

**14**  
allotments

**15**  
conservation areas

**8**  
nature conservation areas

**47k+**  
trees, including street trees

**50+**  
sports facilities and pitches

**529.9**  
hectares of protected greenspace

## Transport connections in the city

**31**  
bus routes

**35.39km**  
(21.99 miles) of cycle paths

**9**  
railway stations

**1**  
international airport

**487.15m**  
average distance to the nearest park, public garden or playing field, compared to 379.6m for England



# 3 | OUR PRIORITIES

We have identified three overarching city-focused priorities, with a fourth priority focused on our organisation. These seek to address the needs and the challenges of our city and the council.

## A growing city with a strong and prosperous community

**Challenges:** Growing the economy, tackling the rising cost of living and tackling poor labour market outcomes.

**Our response:** We will boost Southend-on-Sea's local economy in a way that benefits everyone, enhance the city's role as a place for prosperity and opportunity, safeguard businesses and help those most affected by cost-of-living pressures. We will use the council's spending power to support economic growth and regeneration and improve the skills base of the city's workforce and we will do our best to support the Southend pound. We will enhance our tourism, culture and leisure offer, promoting Southend-on-Sea as a welcoming place to visit and stay.

## A safe city with a good quality of life for all

**Challenges:** Making our communities safer; ensuring the right care and access to adult and children's services; improving life chances for all children and young people; and delivering housing and the infrastructure to support housing.

**Our response:** We will build strong resilient communities and create a city that is safe for all. We will ensure the right care and advice is available for those who need social care support. We will ensure every child and young person has the best possible start in life and improve support for children with Special Educational Needs. We will deliver the housing and infrastructure the city needs.

## A clean city with a resilient environment

**Challenges:** Maintaining the street scene; optimising environmental sustainability; addressing risks of natural flooding and coastal erosion; improving the transport system and increasing our recycling rate.

**Our response:** We will protect and enhance the street scene, tackle environmental sustainability, adaptation and resilience, and make Southend-on-Sea a national exemplar for flood and coastal erosion risk management. We will also ensure effective travel choices and optimise recycling and waste collection opportunities.

## A transforming council delivering efficient, cost-effective services

**Challenges:** Financial sustainability and a balanced budget; having an election cycle that offers best value and allows the council more time to conduct business; maintaining employee engagement and performance; having a clear overview of our customers; accessibility of services and delivering the right quality services at the right time.

**Our response:** We will work hard to achieve better value for money for our residents, consider changing our election cycle to whole council elections every four years, transform as an organisation and deliver against service standards. We will provide a properly governed, structured approach to transforming the council and rethink how we offer council services, to make them more efficient, resident-focused and digitally-enabled in their delivery.





# 4 | DELIVERING PRIORITIES

The actions we will take to deliver the priorities.

## A growing city with a strong and prosperous community

### Outcomes:

- economic regeneration and business development
- spending power used wisely
- enhanced tourism, culture and leisure

### Economic regeneration and business development

Our economic growth strategy, being developed during 2023/24, will seek to boost Southend-on-Sea's local economy in a way that benefits everyone, promoting economic growth, ensuring environmental sustainability and securing inward investment into the city, by attracting new businesses and improving business conditions. It will seek to enhance skills and job opportunities for local residents, help local businesses with their recruitment needs, and support Southend-on-Sea's economy through maximising our spend with local businesses and helping local businesses to source and bid for public sector contracts.

We will continue to implement our

Tackling Poverty Strategy and Action Plan by, for example, delivering projects such as council officers going to One Love Soup Kitchen Southend to provide people with face-to-face advice about finances, benefits and ways to improve their household finances (pilot summer 2023); providing our most vulnerable residents with a mobile dentist unit (in place now); and hosting cost-of-living and energy usage drop-in sessions. The strategy's comprehensive approach aims to tackle long-term and emerging inequalities in our city, creating a better life for those impacted by poverty, high living costs, and the challenges of being in debt.

## WE WILL DELIVER

We are committed to boosting Southend-on-Sea's economy, creating resilient communities and improving the city's safety. We will ensure we look after and support our children and young people and deliver housing and associated infrastructure.



## A growing city

All council joint ventures will be reviewed during 2023/24, to ensure that they offer value for money and are operating effectively. We will continue to enhance Southend-on-Sea's important sub-regional role as a leading economy in South Essex, protecting our economic advantages in our strategic sectors (such as retail, aviation and engineering, tourism, fisheries and medical technologies) and growth sectors (such as creative and cultural industries, specialist construction and manufacturing and health and social care).

We will ensure that the views of residents and stakeholders are taken into consideration before major projects are undertaken. Local forums will also be set up to enable portfolio holders to consult and pursue ideas with businesses, residents' associations and key stakeholders.

We will bid for funding opportunities throughout 2023/24, focusing resources on funding sources, such as the UK Shared Prosperity Fund, the Levelling Up Fund, the Housing Infrastructure Fund and the No Use Empty scheme.

We will facilitate the growth of London Southend Airport, in partnership with Rochford District Council and other stakeholders, to realise its potential as a regional transport hub, providing significant new employment opportunities, providing space for growing businesses and an opportunity for any larger manufacturers in the area to consolidate their operations. We are mindful of the impact of night flights on communities and will work with London Southend Airport to minimise the impact of night flights on residents who live under the airport's flight path.

Improving adults' skills levels in the city is an important part of boosting the local economy in a way that benefits everyone. We can do this by maintaining Southend Adult Community College's key role in delivering community learning; offering learning opportunities in our libraries; and securing added social value from our contracts to deliver improved learning and skills. Alongside this, projects such as the A Better Start Southend Work Skills (due to conclude March 2024), will enable adults to upskill, retrain, and to enter, or move back into, the workforce or move to different sectors. This will help to spread opportunities, increase productivity, reduce poverty and inequality and improve health and wellbeing.

We will also ensure that people and businesses in Southend-on-Sea have access to the right digital skills and equipment to access jobs and learning. We will help businesses to thrive and unlock the city's economic potential by encouraging and supporting investment into superfast broadband, connectivity and the use of data. This will include the future delivery of smart technology, such as devices with sensors, and software that connects to and exchanges data with other devices and systems over the Internet or other communications networks.

We will ensure that residents are digitally included and deliver improved experiences to residents by exploring opportunities to offer affordable connectivity, training and access to digital tools and technology. Digital hubs will provide spaces for residents and businesses to connect, collaborate and engage, regenerating libraries and other council buildings, such as the Victoria Centre, into inclusive, accessible and vibrant assets.

## Spending power used wisely

We will use the council's spending power wisely by ensuring that our spending is economical, efficient and effective. We will make sure that all projects we undertake are financially viable and do not put the council and the city's taxpayers at financial risk.

We will also maximise benefits from our spending power by including social value asks in all relevant procurements, which will deliver added benefits for Southend-on-Sea and its residents and visitors through our contracts, particularly benefiting disadvantaged areas and addressing entrenched inequalities (for example, through new facilities, job opportunities, digital enablement, improved living space and improved health and wellbeing.)

## Enhanced tourism, culture and leisure

We will deliver our city centre strategy and investment plan, improve the city centre and optimise commercial and community uses of the Victoria Centre. We want to make the High Street more attractive to businesses and create a place where shops, services and people want to be. This includes making the streets cleaner and more inviting, adding plants and trees, and ensuring easy access for everyone, including those with disabilities and social and economic disadvantages. We will also actively bid for government funding to enhance the city centre.

We will deliver our culture vision and tourism strategy, which will raise the national and international profile of Southend-on-Sea as a visitor destination. We recognise the major contribution that our seven million visitors a year make to our economy and will balance the needs

and impacts of our visitors with those of our residents, to ensure that Southend-on-Sea is a consistently safe, clean and welcoming tourist destination for residents and visitors to be proud of.

We will enhance the visitor experience and levels of satisfaction by bringing varied, vibrant, well-organised and smoothly run events to the city for residents and visitors to enjoy, streamlining our events application process to encourage more organisations and groups to host events and festivals. We will support our businesses and partners to deliver excellent customer service by developing a customer service support programme across the local tourism sector, offering training and development via the Southend Tourism Partnership. We will run campaigns that promote the wide range of experiences Southend-on-Sea and the surrounding area has to offer, encouraging more people to visit Southend-on-Sea and creating a vibrant visitor economy.

We will continue to conserve and enhance our heritage assets. We will invest in our world-famous pier, upgrading and improving it to enhance visitor experience and accessibility and increase visitor numbers. We will make sure the Jazz Centre UK remains in its home at the Beecroft Art Gallery for the long term. We will also work with communities, partners and the building owner of the Kursaal to reopen the Kursaal.

We will continue to work in collaboration with key partners on a series of projects to ensure our beaches, streets, parks and public places are clean and inviting, and ensure our libraries, museums, galleries and leisure facilities support community needs and play an important role in the life of our city.

## A safe city with a good quality of life for all

### Outcomes:

- safe, inclusive communities and neighbourhoods
- people live well, age well and care well
- children and young people, including those in care, feel and are safe at home, school and in their communities
- quality, affordable safe homes

### Safe, inclusive communities and neighbourhoods

We will take a place-based approach for reducing health inequalities, including mental and physical health and life expectancy inequality. We will make sure our sports facilities, parks, open spaces and coastline are accessible to our residents and visitors. For example, we will not introduce parking charges in our park car parks and will make sure there is no charging to use our public toilets.

We want to tackle social isolation, so people feel connected to their community, valued and included. We will make sure council officers who provide frontline services to residents are trauma informed. We will strengthen our community, faith and voluntary sector to increase community resilience.

We will work with our partners to improve community safety, protect vulnerable people, reduce crime and create a city that is safe for all. This will include giving powers to council officers and the police to tackle anti-social behaviour and strengthening the relationship between the council and the police. We will also support Essex Police's drive to have more Special Constables in Southend-on-Sea and look to encourage new opportunities for enhancing community safety in the city.

### People live well, age well and care well

We will ensure the right care and advice

is available for those who need social care support, ensuring independence and opportunity as well as dignity throughout their lives. The council will work with residents to co-design a new delivery and practice model based on our Living Well, Ageing Well and Caring Well strategies. We will ensure care and support services are resilient, diverse, sustainable and high quality, including for those who pay for their own care. Care and support services must also meet the needs of all who are eligible. We will ensure we make the most of our collaboration with health partners and the community sector to create a public health service which meets the needs of local people, focusing on health-related priorities, such as tackling health inequalities, developing a Healthy Food Environment policy, focus on suicide prevention, building our resilience to public health issues and improving workplace health. We will continue to work positively as part of the Integrated Care Partnership to deliver better care and health support for our residents.

We will use co-production, so that services and strategies are designed by those who have first-hand knowledge and experience of the challenges being addressed and the improvements that are needed. We will also modernise and improve our information, advice and prevention offer as set out in the Care Act 2014.

### Children and young people, including those in care, feel and are safe at home, school and in their communities

We will ensure every child and young person has the best possible start in life and access to the opportunities they need to thrive in life, including an excellent education. In partnership with early year providers and partners, we will:

- work to ensure every child and young person has the opportunity to attend an Ofsted-rated Good or Outstanding school
- coproduced improved support for children and young people with special educational needs and disability (SEND)
- make sure school-age children have access to suitable, full-time education and attend the setting regularly.

We have created a portfolio for Special Educational Needs and Disability to focus on the outcomes for children and young people with SEND. We will also continue to improve the experience of SEND parents and carers by involving them and by delivering the SEND Strategy, maintaining our focus on safeguarding all children and young people.

### Quality, affordable safe homes

We will deliver the housing and infrastructure the city needs. For example,

we will:

- make sure all our council housing stock continues to meet the Decent Homes Standard
- invest all right to buy receipts into new council housing
- continue to build more council housing and affordable homes in appropriate areas

We will encourage good housing design, management and maintenance in social housing and the private sector, including building new carbon net zero homes and piloting retrofit in our council-owned homes. We are also strongly committed to reducing the number of empty homes.

Those at risk of homelessness will be supported to live independently in their own homes and avoid homelessness. We will make any instance of homelessness brief and non-recurrent.

We will deliver a new Local Plan for Southend-on-Sea that is shaped by the needs of our communities. We will make sure the ambitions set out in the Local Plan are achieved. We will plan for new homes, jobs and infrastructure and contribute to tackling climate change, improving quality of life, reducing inequality and protecting and enhancing our natural spaces, Green Belt land, parks, biodiversity and habitats.





## A clean city with a resilient environment

### Outcomes:

- enhanced and protected street scene and environment
- improved transport system
- prevent waste, promoting re-use and increase recycling

### Enhanced and protected street scene and environment

We will make sure our street scene is attractive and welcoming for our visitors and residents. This will include:

- maintaining our parks and open spaces
- planting new trees and shrubs
- maintaining our grass verges
- clearing weeds from street pavements
- keeping public land clear of litter
- maintaining street furniture to a good standard and making any ongoing repairs
- cleaning and maintaining gullies.

We will develop the council's pathway to net zero carbon and take a strategic approach to reduce emissions for the council and the city. For example, we will reduce emissions by requiring all new council-built homes to be carbon neutral.

Air quality in Southend-on-Sea has improved over the past 40 years, but we recognise there is still more to do. We will take measures to meet national air quality targets and further improve our air quality. We will also continue to monitor air pollution in air quality management areas, implementing our Local Air Quality Action Plan and monitoring our outcomes via annual status reports.

We will undertake flood and coastal erosion risk management and continue to invest in protecting and nurturing our coastline and its marine biodiversity, which continues to be our much loved and best

used asset.

### Improved transport system

We will work to ensure effective travel choices for all residents in the city, including travelling by car, public transport, taxi, private hire, bike or on foot. The Local Transport Plan 4 (2024 to 2040) will set out the council's plans, policies and programmes on transport and transport infrastructure.

We will keep people and goods moving in Southend-on-Sea by:

- keeping Queensway free-flowing as a major city centre traffic artery
- increasing parking in and around our High Street and seafront
- only installing traffic calming measures in residential areas following full consultation and with the support of residents
- maintaining our roads, pavements and footpaths to an acceptable standard
- improving signage to all major destinations and attractions in the city and erecting new signage to signpost visitors to our beaches
- promoting low-carbon vehicles by rolling out the necessary infrastructure to increase the number of electric vehicle charging points across the city.

We value our local bus service provision and will work with bus companies to improve bus services. Bus service improvements in the Southend-on-Sea

Bus Service Improvement Plan 2022 to 2027 will be delivered through the Southend-on-Sea Enhanced Partnership Plan 2023 to 2028.

We will make walking and cycling more convenient and accessible. For example, by creating an integrated cycle network of segregated cycle paths and quieter routes across the city, supporting the national safe passing of cyclist's campaign, which promotes the safe passing of cyclists by drivers, and enhancing retail areas for the safety of pedestrians.

### Prevent waste, promoting re-use and increase recycling

We will provide recycling and waste collection and treatment services aligned to the needs of our communities and local environment. We will continue to provide a high-quality waste collection service for all residents. We are committed to increasing recycling across the city and encouraging people to prevent waste, re-use and recycle.





## A transforming council delivering efficient, cost-effective services

### Outcomes:

- value for money
- change our election cycle
- transformation
- clear service standards

### Value for money

We are taking proactive steps to deal with the predicted budget challenges and avoid potentially more difficult financial decisions in the future and to deliver a balanced budget for 2023/24 and to set a balanced budget for 2024/25. We will maintain robust financial planning, scrutinise budgets, manage risks, measure social value, robust contract management and strive to deliver better value for money for people.

We will continue to seek to better understand key cost and income drivers across all our services and have a commercial mindset when thinking about our assets.

We will support people to enable them to be included in our future planning and will continue to measure the satisfaction of our customers and residents through consultation and gain insight, learning from compliments, complaints and information requests.

### Change our election cycle

Following the Local Government Association (LGA) Corporate Peer Challenge in October 2022, a number of recommendations were made, mainly relating to governance and decision-making. We will deliver our action plan in response to the LGA Corporate Peer Challenge recommendations to strengthen and improve these areas.

This includes consulting our residents on changing our election cycle to whole council elections every four years. This will be done within a timeline appropriate to the relevant boundary review.

### Transformation

To achieve our strategic priorities, we need to transform how we work as an organisation. Our transformation programme will provide a structured approach to transforming the council using digital as an enabler and service redesign. It will help us to deliver a programme of optimised services, using our knowledge of how the council operates, how services could be delivered differently and what is needed to enable change to happen. The next stage of our transformation journey means working together to modernise and improve how we deliver services, create efficiencies to close the budget gap, and drive positive outcomes for residents. We are working with partners to improve and transform the organisation. This will build on the good progress we have already made and is focused on ensuring that services are sustainable, fit for purpose, and put residents at the centre - now and in the future. In November 2023, a plan and roadmap will be agreed, setting out how the organisation will implement the transformation and change.

We will build a future-proof council that

lays the foundation for future financial sustainability and smart city ambitions. Modernisation of the council will include the digital transformation of key resident facing processes on the council's website by April 2025.

We will deliver robust oversight and good governance arrangements, ensuring that we operate in accordance with the law and proper standards, and public money is safeguarded, properly accounted for and used economically, efficiently and effectively. We will review our governance framework which will set out how the council's governance arrangements work towards meeting the seven principles of good governance.

We will work to create a great employee experience, building a working environment where all employees feel respected and included, everyone receives equal opportunities to the council's resources, discrimination is eliminated, and underrepresented groups are supported at senior levels. By 2026, we aim to reach the 'Excellent' standard within the Local Government Association Equality Framework.

### Clear service standards

We are committed to making sure residents receive the best possible service from the council.

We will monitor service provision and adhere to mandatory service standards and we will ensure this is transparent and accessible to the public.







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## HOW WE WILL DELIVER

To achieve this ambitious plan, we must build on our strengths, reflect on our development areas, follow Local Government Association Corporate Peer Challenge recommendations and transform into an outstanding, inclusive organisation.

## 5 | HOW THE CORPORATE PLAN WILL BE DELIVERED

To deliver this ambitious plan we need to build on our strengths. We must take forward the recommendations from the Local Government Association Corporate Peer Challenge, reflect on our areas of development, and transform as a council. As a major employer and leader in the city, we must become an outstanding and inclusive organisation that all councillors, employees and residents can be proud of.

### A clear set of priorities

This plan sets out a clear and ambitious set of priorities, which provide a sense of purpose for every council employee and are collectively owned by the organisation's leadership at political and officer level. All departments in the council will deliver on or enable one or more of these priorities to be delivered.

### Outcome-based approach

We are committed to achieving changes for the better for our residents and visitors. We will make better use of insight gained from analysing data and information, effectively engage and coproduce where possible with our residents and communities and deliver the right services to achieve desired outcomes.

### Measure and monitor our progress

We will measure and monitor our progress in delivering priorities and flex our resources and approach accordingly. Our performance monitoring is aligned with our financial reporting and risk management. Key performance indicators are aligned to each of our strategic priorities, reporting to our Cabinet and Corporate Leadership Team. All council employees will have performance and development conversations, connecting them to the delivery of outcomes.



## Tackling inequality

We will challenge inequality to make sure Southend-on-Sea is a city that works for everyone. Inequalities between the city's most and least disadvantaged communities in areas such as income, productivity, housing affordability, life expectancy and skills levels cannot continue to hold people back and prevent them from reaching their full potential. We will act to remove barriers that people face, such as poor-quality housing, low educational and skills attainment, poverty and ill-health, with particular emphasis on spatial inequality, equality of access to opportunities and giving every child the best start in life.

## Employee and member development

Together our councillors and employees combine the essential skills, experience and knowledge to manage and lead our council. A core component of our People Vision is to build a collaborative learning culture that embeds personal growth, ensuring the right skill sets and behaviours to build mutual trust and respect are at the heart of the working relationship between councillors and officers. We will be clear to our present and future employees what our employment proposition is, how they will be supported to perform their roles well and progress their careers. We will support underrepresented groups at senior levels and eliminate discrimination. The council's constitution review will enable better decision making by councillors and council employees.

## Improving equality, diversity and inclusion

Our Equalities Statement sets a vision about the type of council we aspire to be - a council that values the benefits of diversity and inclusiveness in our city, supports all councillors and employees to feel they belong at the council and have opportunities to succeed, and that works in collaborative partnership with residents from all groups of protected characteristics to design, co-produce and deliver high quality services that work for all. We will deliver on our equality objectives and commitments under our Equalities Statement to ensure that we achieve our equalities vision.

## Empowering our communities and residents

We will engage and empower our communities and residents through co-design and co-production, where service providers and users work together to reach a collective outcome.

We will further develop our online engagement platform 'Your Say Southend', develop a consistent approach for working with communities and residents, and reach out to voices seldom heard. We will involve residents in the design and delivery of services and help increase the capacity for communities to come together to enhance their environment. Understanding the knowledge and experiences that people gain in their lives is crucial to co-producing local solutions. We will build trust and relationships with residents and communities, work jointly on challenges, provide support and training, and where possible, share power and resources.

## Working in partnership

We will continue to work alongside national, regional and local stakeholders, including central government, MPs, neighbouring councils and local partnerships. We will share services where appropriate. We will also work jointly with our partners in the Mid and South Essex Integrated Care Partnership. This includes the Integrated Care Board and Integrated Care Partnership. We will continue to explore the potential for joint working and additional powers that could bring in south Essex and wider work across pan Essex with the Association of South Essex Local Authorities.

## Financial sustainability

The council ended the financial year 2022/23 with the largest level of reported overspending since becoming a unitary authority in April 1998. Following years of strong financial management, we had enough reserves to cope with the impact of this overspend as a one-off critical event. We cannot continue to overspend at that level. The 2023/24 financial forecast puts the council at serious risk, posing the largest financial challenge in our history.

Urgent action is required to make sure the council remains financially stable and resilient for the future. Elected Members and council officers need to work together at pace to control overspending and maintain the approved budget for 2023/24, as well as reduce forecast overspending throughout the period of this corporate plan.

We must reduce all non-essential expenditure and generate extra income. This must be achieved while making sure our most vulnerable residents are looked after appropriately and our statutory responsibilities are discharged effectively. Like other local authorities, we need to consider how we deliver our statutory responsibilities. The scale of the continuing financial pressures will inevitably lead to a reduction in the range, quality, cost and responsiveness of other discretionary council services.

We will continue to strive for financial sustainability over the next five years. We will do this by growing local income sources and relying less on government grants. We will work with our partners and increase focus on the delivery or joint commissioning of services to make sure those in most need are the recipients of services.

**COLLABORATIVE**  
**HONEST**  
**INCLUSIVE**  
**PROUD**

## Our values and behaviours

This corporate plan is underpinned by our organisational values and behaviours. Our values and behaviours represent our core principles and ethics for how we approach our work, and collaborate as individuals, teams and one organisation.

Our values are collaborative, honest, inclusive and proud. In terms of our behaviours, we will drive positive change, embody trust and respect, demonstrate strong leadership, act with integrity, behave responsibly, and build relationships to work well together.





## Equality, diversity and inclusion

The council's equalities statement and equality objectives were produced in 2022 following consultation with residents, council employees and representatives from groups and organisations who work with and support people with protected characteristics.

### Equalities statement:

Southend-on-Sea City Council recognises and values the benefits of diversity and inclusiveness in our city, where people from different backgrounds are valued and get on well together. We will work to bring equality, diversity and inclusion issues into sharper focus and seek out improvements to our services and work environment.

We are committed to supporting all councillors and employees to feel they belong at the council and have opportunities to succeed. We will work with employees to identify and remove barriers to inclusivity and diversity.

The council will actively celebrate the value that a diversity of perspectives brings and will proactively seek opportunities to celebrate our differences as well as the common goals that connect and unify us all – together we are stronger.

As an inclusive local authority, we will seek opportunities to work with residents from all groups of protected characteristics to design, co-produce and deliver high quality services that work for all. Collaborative partnership working is the way to achieve this.

We will achieve our equalities vision through our equality objectives. These are:

### Our employees, councillors and volunteers

Support and enhance resilience in our employees, councillors and volunteers who are representative of our communities.

### Cohesive community

Raise awareness of the richness in diversity, by celebrating our communities' differences and what unites us.

### Access to services

Provide support in accessing services for all, accommodating diverse needs, and promoting inclusion at all levels, including a developed digital literacy offer.

### Partnership working

Seek opportunities to co-produce, co-design and bring partners' knowledge and experiences into policy making, strategy development and implementation / service delivery.

# 6 | ANNEX

## Supporting strategies and plans

This plan and the priorities in it are supported by a range of strategies and plans (both current and new), which set out how and what the council will deliver, including:

- **Our Performance Management Framework** sets out how we will manage and review the performance of the council's strategic priorities.
- **Service Planning** sets out the activity of each service area, how it will support the delivery of the corporate plan and how success will be measured.
- **Individual Performance Agreements** support the performance of employees, making sure individuals are set goals that help the council to deliver its priorities and outcomes.

There are also enabling strategies, frameworks and structures in place to support and enable the council to deliver priorities:

- Our **Governance Framework** allows the council to operate in accordance with the law and proper standards, and ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It brings together a set of values, legislative requirements, governance principles and management processes.
- Our **Financial Sustainability Strategy 2022 - 2032** and **Medium-Term Financial Strategy for 2023 - 2024 to 2027 - 2028** underpin the priorities set out in the corporate plan. They support the achievement of desired outcomes in the corporate plan and will ensure the council remains financially resilient.
- Our **People Vision** supports the creation of a great employee experience linked to the council's strategic priorities. Our People Vision is structured to reflect the stages of employee recruiting, induction, development and retention.
- Plans to improve the council's efficiency, effectiveness and ways of working include:
  - o **Our Transformation Programme** provides a framework for transforming our organisation with digital as an enabler and service redesign.
  - o The **Local Government Association Corporate Peer Challenge Action Plan** is our response to recommendations arising from the Local Government Association Corporate Peer Challenge, which took place in October 2022.
  - o Our **Smart Digital Strategy** will enable efficiency, effectiveness, smarter working and savings.
  - o Our **Data Strategy** will ensure good quality data and confidence in data-driven decisions.





## Relevant delivery strategies and plans for each of our priorities

### A growing city with a strong and prosperous community

- Destination Southend 2020 - 2050
- Essential Living Fund Scheme Southend
- Financial Sustainability Strategy 2022 - 2032
- Medium-Term Financial Strategy 2023 - 2028
- Our Culture Vision
- Procurement and Contract Management Strategy 2023 - 2026
- SMART Digital Strategy 2021 - 2024
- Social Value Policy (in development)
- Southend Adult Community College's strategic plan (in development)
- Southend City Centre Strategy and Investment Plan
- Southend Skills Strategy 2023 - 2028 (in development)
- Tackling Poverty Strategy and Action Plan 2023 - 2026

### A safe city with a good quality of life for all

- Ageing Well Strategy 2022 - 2027
- Caring Well Strategy 2022 - 2027
- Co-production framework (in development)
- Core20PLUS5 – Mid and South Essex Integrated Care Partnership
- Domestic Abuse Strategy
- Empty Homes Strategy
- Essex Armed Forces Community Covenant
- Health and Wellbeing Strategy 2021 - 2024
- Healthy Environment – Food policy (in development)
- Housing Revenue Account Business Plan
- Housing, Homelessness and Rough Sleeping Strategy 2018 - 2028
- Living Well Strategy 2022 - 2027
- Local Plan (in development)
- Modern Slavery Statement (in development)
- Music Inclusion Strategy 2022 - 2025
- Neighbourhood plans (in development)
- Prevent Action Plan (in development)
- School Performance Strategy 2019 - 2023
- Social Care Workforce Strategy for external 2023 - 2027 care and support providers of Southend (in development)
- Southend Special Educational Needs and Disabilities Strategy 2023 - 2026
- Southend-on-Sea Community Safety Partnership Strategy 2022 - 2025
- Southend-on-Sea Prevention Strategy (in development)
- Street Prostitution Strategy 2022 - 2023
- Tenancy Strategy (in development)

### A clean city with a resilient environment

- Air Quality Action Plan
- Bee Happy - A Strategy for bees and other pollinators 2020 - 2025
- Bus Service Improvement Plan 2022 - 2027
- Green City Action Plan 2024 (in development)
- Local Plan (in development)
- Local Transport Plan 4 2024 - 2040 (in development)
- Low Carbon Retrofit Action Plan (in development)
- Net Zero Carbon Strategy (in development)
- Resources and Waste Strategy (in development)

- Southend-on-Sea Local Flood Risk Management Strategy 2015
- Southend-on-Sea Shoreline Strategy 2019
- Tree Policy 2020
- Urban Heat Stress Strategy 2023/24 (in development)

### A transforming council delivering efficient, cost-effective services

- Equality, diversity and inclusion improvement plan
- Financial Sustainability Strategy 2022 - 2032
- Governance Framework
- Individual performance agreements
- Local Government Association Corporate Peer Challenge action plan
- Local Code of Governance
- Medium-Term Financial Strategy 2023 - 2028
- People Vision
- Procurement and Contract Management Strategy 2023 - 2026
- Service plans
- SMART Digital Strategy 2021 - 2024
- Transformation Framework





**Title:** Treasury Management Report – Mid Year 2023/24

**Meeting:** Cabinet

**Date:** 20 November 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 Mid-Year Treasury Management Report covers the treasury management activity and compliance with the treasury management strategy for both quarter two and the period from April to September 2023.

## **2. Recommendations**

**That the following is approved:**

**2.1 The Treasury Management Mid-Year Position report for 2023/24.**

**That the following is noted:**

**2.2 Treasury management activities were carried out in accordance with the CIPFA (The Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management in the Public Sector during the period from April to September 2023.**

**2.3 The loan and investment portfolios were actively managed to minimise cost and maximise interest earned, whilst maintaining a low level of risk.**

**2.4 £3.130m of interest and income distributions for all investments were earned during this six-month period at an average rate of 4.41%. This is 0.32% lower than the average SONIA rate (Sterling Overnight Index Average) and 0.39% lower than the average bank rate. Also, the value of the**

externally managed funds decreased by a net of £0.561m due to changes in the unit price, giving a combined overall return of 3.62%. (Section 8).

**2.5 The level of borrowing from the Public Works Loan Board (PWLB) (excluding debt relating to services transferred from Essex County Council on 1<sup>st</sup> April 1998) remained at £347.3m (Housing Revenue Account (HRA): £74.2m, General Fund: £273.1m) during the period from April to September 2023 at an average rate of 3.46%.**

**2.6 The level of financing for 'invest to save' schemes decreased from £8.22m to £8.13m during the period from April to September 2023.**

### **3. Background**

3.1 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. The code recommends that local authorities submit reports regularly as part of its Governance arrangements.

3.2 Current guidance is that authorities should report formally at least twice a year and preferably quarterly. The Treasury Management Policy Statement for 2023/24 set out that reports would be submitted to Cabinet quarterly on the activities of the treasury management operation. This is the second quarterly report for the financial year 2023/24, covering both quarter two and the period from April to September 2023.

3.3 Appendix 1 shows the in-house investment position at the end of quarter two of 2023/24.

3.4 Appendix 2 shows the treasury management performance specifically for quarter two of 2023/24.

### **4. National Context**

4.1 Despite the ongoing economic and fiscal challenges UK gross domestic product (GDP) is rose by 0.2% in the quarter from April to June 2023. The services sector grew by 0.1% on the quarter, driven by increases in information and communication, accommodation and food service activities, and human health and social work activities. Manufacturing also grew by 1.6%.

4.2 The latest unemployment rate for the quarter from May to July 2023 was 4.3%, an increase of 0.5% on the previous quarter (February to April 2023). The increase was largely driven by people unemployed for up to 12 months. The economic inactivity rate increased for people aged 16 to 24 years. Those looking after family or home decreased to a record low, whereas those inactive because of long-term sickness increased to another record high.

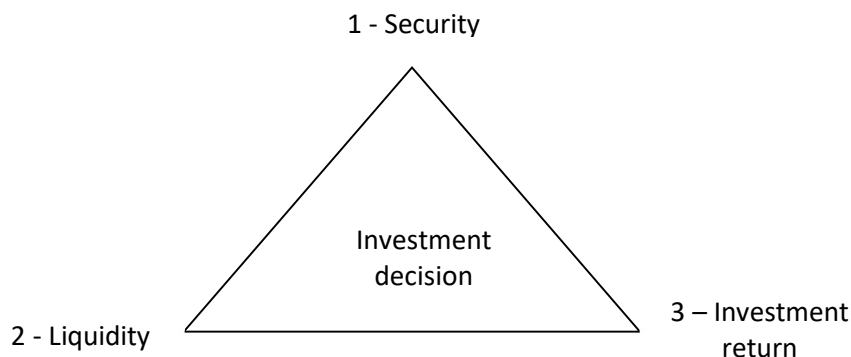
4.3 The Consumer Prices Index including owner occupiers' housing costs (CPIH) was at 6.4% in July, at 6.3% in August and 6.3% in September. The largest downward contributors to the CPIH inflation rate came from food and non-

alcoholic beverages, where prices fell for the first time since September 2021, and furniture and household goods, where prices rose by less than a year ago. Rising prices for motor fuel made the largest upward contribution to the change in rates.

- 4.4 During the quarter, in response to persistent inflationary pressures, the Bank of England increased the bank base rate from 5% to 5.25% on 3 August. The Monetary Policy Committee will continue to closely monitor indications of inflationary pressures in the economy as a whole and have indicated that they will adjust the bank base rate as necessary to return inflation to the 2% target.
- 4.5 The economic situation together with the financial market conditions prevailing throughout the quarter provided opportunities for in-house treasury management activities. Variable rate instant access accounts benefited from the increasing interest rates and as fixed term deposits matured, advantage could be taken of the increased rates when reinvesting those monies. However, the prevailing financial market conditions were less favourable to the performance of the property funds, with their unit prices decreasing over the period from July to September 2023, albeit to a lesser extent than during 2022/23. These funds have been impacted by falling property valuations since mid-2022 and it is predicted that further smaller valuation declines are likely in 2023, followed by a period of stabilisation.

## 5. Investments – quarter two (July to September)

- 5.1 A prime objective of our investment activities is the security of the principal sums invested. To ensure this security before a deposit is made an organisation is tested against a matrix of credit criteria. During the period from July to September 2023 investment deposits were limited to those who met the criteria in the Annual Treasury Management Investment Strategy when the deposit was placed.
- 5.2 Other investment objectives are to maintain liquidity (i.e. adequate cash resources to allow the council to operate) and to optimise the investment income generated by surplus cash in a way that is consistent with a prudent level of risk. Investment decisions are made with reference to these objectives, with security and liquidity being placed ahead of the investment return. This is shown in the diagram below:



## Security:

- 5.3 To maintain the security of sums invested, we seek to lower counterparty risk by investing in financial institutions with good credit ratings, across a range of sectors and countries. The risk of loss of principal of monies is minimised through the Annual Treasury Management Investment Strategy.
- 5.4 Pie chart 1 of Appendix 1 shows that at the end of quarter two; 26% of our in-house investments were placed with financial institutions with a long-term rating of AAA, 28% with a long-term rating of A+ and 46% with a long-term rating of A.
- 5.5 As shown in pie chart 2 of Appendix 1, these monies were with various counterparties, 74% being placed directly with banks and 26% placed with a range of counterparties via money market funds.
- 5.6 Pie chart 3 of Appendix 1 shows the countries where the parent company of the financial institution with which we have monies invested is registered. For money market funds there are various counterparties spread across many countries. The cumulative balance of funds held with any one institution was kept within agreed limits.

## Liquidity:

- 5.7 At the end of quarter two £43.8m of our in-house monies were available on an instant access basis and £37.5m was invested in fixed term deposits. The table below shows the fixed term deposits during the period July to September 2023.

Table 1: Fixed Term Deposits

Counterparty	Date of Deposit	Return Date	Number of days	Interest rate (%)	Amount (£m)
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 Corporate Markets (NRFB)*	29/12/2022	29/09/2023	274	4.71	10
Lloyds Bank Corporate Markets (NRFB)*	29/09/2023	27/09/2024	364	5.78	10
National Bank of Kuwait (International) plc	17/05/2023	16/05/2024	365	5.27	12.5

\* NRFB – Non Ring-Fenced Bank

- 5.8 The maturity profile of our investments is shown in pie chart 4 of Appendix 1.

## Investment return:

- 5.9 During the quarter 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 quarter. The table on the next page shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 3 of Appendix 2.

Table 2: Payden Sterling Reserve Fund

Quarter 2	£m	Investment return (%)
Value of fund at start of quarter	4.926	
Increase in fund due to value of unit price	0.050	4.00
Value of fund at end of quarter	4.976	
Income distributions	0.044	3.51
Combined investment income (income distribution plus change in fund value due to unit price)	0.094	7.51

5.10 The Council had an average of £92.9m of investments managed in-house over the period from July to September, and these earned an average interest rate of 5.05%. Of the in-house managed funds:

- an average of £26.4m was held in the Council's main bank account earning an average of 5.00% over the quarter.
- an average of £29.0m was held in money market funds earning an average of 5.14% over the quarter. These work in the same way as a deposit account but the money in the overall fund is invested in a number of counterparties, therefore spreading the counterparty risk.
- an average of £37.5m was held in fixed term deposits and earned an average return of 5.01% over the quarter.

5.11 In accordance with the Treasury Management Strategy the in-house performance during the quarter is compared to the SONIA rate. Overall, investment performance was 0.04% lower than the SONIA rate (Sterling Overnight Index Average). This was due to the balances invested in fixed term investments where the interest rate does not vary with the Bank of England base rate whereas the SONIA rate does. The SONIA rate fluctuated between 4.929% and 5.186% throughout the quarter. The bank base rate started the quarter at 5% and increased to 5.25% on 3 August. Performance is shown in Graph 1 of Appendix 2.

5.12 As investment balances fluctuate, all investment returns quoted in this report are calculated using the average balance over the period and are quoted as annualised returns.

## 6. Short Dated Bond Funds – quarter two (July to September)

6.1 Throughout the quarter 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.

6.2 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 value of the corporate bonds in the fund. So, these investments

would be over the medium term with the aim of realising higher yields than short term investments.

- 6.3 In line with the capital finance and accounting regulations the Council's Financial Instrument Revaluation Reserve will be used to capture all the changes in the unit value of the funds and therefore there will be no impact from these changes on the revenue budget. Members should be aware that 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 distributions paid to the Council will impact that and not the change in the unit price.
- 6.4 An average of £7.2m was managed by AXA Investment Managers UK Limited. The table below shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 2 of Appendix 2.

Table 3: AXA Sterling Credit Short Duration Bond Fund

<b>Quarter 2</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	7.105	
Increase in fund due to value of unit price	0.177	9.80
Value of fund at end of quarter	7.282	
Income distributions*	0.064	3.54
Combined investment income (income distribution plus change in fund value due to unit price)	0.241	13.34

\* This income distribution is an estimate and will be confirmed and distributed in quarter 3.

- 6.5 An average of £6.9m was managed by Royal London Asset Management. The table below shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 2 of Appendix 2.

Table 4: Royal London Investment Grade Short Dated Credit Fund

<b>Quarter 2</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	6.791	
Increase in fund due to value of unit price	0.149	8.60
Value of fund at end of quarter	6.940	
Income distributions	0.066	3.83
Combined investment income (income distribution plus change in fund value due to unit price)	0.215	12.43

## 7. Property Funds – quarter two (July to September)

- 7.1 Throughout the quarter long term funds were invested in two property funds: Patrizia Hanover Property Unit Trust and Lothbury Property Trust.

- 7.2 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.
- 7.3 In line with the capital finance and accounting regulations the Council's Financial Instrument Revaluation Reserve will be used to capture all the changes in the unit value of the funds and therefore there will be no impact from these changes on the revenue budget. Members should be aware that 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 distributions paid to the Council will impact that and not the change in unit price.
- 7.4 An average of £19.1m was managed by Patrizia Property Investment Managers LLP. The table below shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 1 of Appendix 2.

Table 5: Patrizia Hanover Property Unit Trust

<b>Quarter 2</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	19.056	
Decrease in fund due to value of unit price	(0.111)	(2.32)
Value of fund at end of quarter	18.945	
Income distributions*	0.181	3.77
Combined investment income (income distribution plus change in fund value due to unit price)	0.070	1.45

\* This income distribution is an estimate and will be confirmed and distributed in quarter 3.

- 7.5 An average of £11.2m was managed by Lothbury Investment Management Limited. The table below shows the movement in the fund value over the quarter, the income distributions for that quarter, the returns both for each element and the combined return. See also Table 1 of Appendix 2.

Table 6: Lothbury Property Trust

<b>Quarter 2</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	11.206	
Decrease in fund due to value of unit price	(0.182)	(6.43)
Value of fund at end of quarter	11.024	
Income distributions*	0.100	3.52
Combined investment income (income distribution plus change in fund value due to unit price)	(0.082)	(2.91)

\* This income distribution is an estimate and will be confirmed and distributed in quarter 3.

## 8. Investments – quarter two cumulative position

- 8.1 During the period from April to September 2023 the Council complied with all the relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. Its adoption and implementation of the Code of Practice for Treasury Management means its treasury practices demonstrate a low-risk approach.
- 8.2 The Council is aware of the risks of passive management of the treasury portfolio and has proactively managed levels of debt and investments over the six-month period with the support of its treasury management advisers.
- 8.3 The table below summarises the Council’s investment position for the period from April to September 2023:

Table 7: Investment position

	At 31 March 2023	At 30 September 2023	April to September 2023	
	Actual Balance (£000s)	Actual Balance (£000s)	Average Balance (£000s)	Average Rate (%)
Call accounts <sup>#</sup>	19,017	22,759	25,603	4.66
Money market funds	21,000	21,000	30,847	4.77
Fixed term deposits	27,500	37,500	35,642	4.96
<b>Total investments managed in-house</b>	<b>67,517</b>	<b>81,259</b>	<b>92,092</b>	<b>4.81</b>
Enhanced Cash Funds	4,962	4,976	4,968	4.07
Short Dated Bond Funds	14,262	14,222	14,116	3.08
Property funds	30,504	29,968	30,393	0.19
<b>Total investments managed externally</b>	<b>49,728</b>	<b>49,166</b>	<b>49,477</b>	<b>1.40</b>
<b>Total investments</b>	<b>117,245</b>	<b>130,425</b>	<b>141,569</b>	<b>3.62</b>

<sup>#</sup>The council’s main current account.

8.4 In summary the key factors to note are:

- An average of £92.1m of investments were managed in-house. These earned £2.221m of interest during this six-month period at an average rate of 4.81%. This is 0.08% above the average SONIA rate and 0.01% above the average bank base rate.
- An average of £5.0m was managed by an enhanced cash fund manager. During this six-month period this earned £0.088 from income distributions at



an average rate of 3.51% and the value of the fund increased by £0.014m giving a combined overall return of 4.07%.

- An average of £14.1m was managed by two short-dated bond fund managers. During this six-month period these earned £0.257m from income distributions at an average rate of 3.64% and the value of the funds decreased by £0.039m giving a combined overall return of 3.08%
- An average of £30.4m was managed by two property fund managers. During this six-month period these earned £0.564m from income distributions at an average rate of 3.70% and the value of the funds decreased by £0.536m giving a combined overall return of 0.19%.

8.5 The total for interest and income distributions in paragraph 8.4 above is £3.130m. The total change in external fund values due to the unit price is a net decrease of £0.561m, which is set out in the table below. In line with the capital finance and accounting regulations the Council's Financial Instrument Revaluation Reserve will be used to capture all the changes in the unit value of the funds and therefore there will be no impact from these changes on the revenue budget.

Table 8: Externally managed funds – changes in unit price

<b>Fund</b>	<b>Table Number</b>	<b>Amount (£m)</b>
Payden Sterling Reserve Fund	Paragraph 8.4	0.014
AXA Sterling Credit Short Duration Bond Fund	11	(0.004)
Royal London Investment Grade Short Dated Credit Fund	12	(0.035)
Patrizia Hanover Property Unit Trust	13	(0.166)
Lothbury Property Trust	14	(0.370)
<b>Total net decrease due to changes in unit price</b>		<b>(0.561)</b>

8.6 Some cash balances held by the Council are required to meet short term cash flow requirements and therefore throughout the six-month period monies were placed into Money Market Funds 6 times for periods of one year or less. The table on the next page 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 9: Counterparties used

Counterparty	Country	No. of Deals	Value of Deals (£m)
BlackRock	Money Market Fund (Various Counterparties)	3	29
Aberdeen Liquidity	Money Market Fund (Various Counterparties)	2	20
Goldman Sachs	Money Market Fund (Various Counterparties)	1	5
<b>Total</b>		<b>6</b>	<b>54</b>

8.7 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 the period from April to September 2023 an average of £25.6m was held in such accounts.

8.8 Monies were also invested in fixed term deposits of up to one year, depending on the liquidity requirements. The table below shows the fixed term deposits held during the period from April to September 2023.

Table 10: Fixed Term Deposits

Counterparty	Date of Deposit	Return Date	Number of days	Interest rate (%)	Amount (£m)
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 Corporate Markets (NRFB)*	29/12/2022	29/06/2023	182	4.33	2.5
Lloyds Bank Corporate Markets (NRFB)*	29/12/2022	29/09/2023	274	4.71	10
National Bank of Kuwait (International) plc	17/05/2023	16/05/2024	365	5.27	12.5
Lloyds Bank Corporate Markets (NRFB)*	29/09/2023	27/09/2024	364	5.78	10

\* NRFB – Non Ring-Fenced Bank

## 9. Short Dated Bond Funds – quarter two cumulative position

9.1 An average of £7.2m was managed by AXA Investment Managers UK Limited. The table on the next page shows the movement in the fund value over the period from April to September, the income distributions for that period, the returns both for each element and the combined return.

Table 11: AXA Sterling Credit Short Duration Bond Fund

<b>April to September 2023</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of financial year	7.286	
Decrease in fund due to value of unit price	(0.004)	(0.10)
Value of fund at end of quarter 2	7.282	
Income distributions*	0.126	3.49
Combined investment income (income distribution plus change in fund value due to unit price)	0.122	3.39

\* This income distribution is an estimate and will be confirmed and distributed in quarter 3.

- 9.2 An average of £6.9m was managed by Royal London Asset Management. The table below shows the movement in the fund value over the period from April to September, the income distributions for that period, the returns both for each element and the combined return.

Table 12: Royal London Investment Grade Short Dated Credit Fund

<b>April to September 2023</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of financial year	6.975	
Decrease in fund due to value of unit price	(0.035)	(1.03)
Value of fund at end of quarter 2	6.940	
Income distributions	0.131	3.78
Combined investment income (income distribution plus change in fund value due to unit price)	0.096	2.75

\* This income distribution is an estimate and will be confirmed and distributed in quarter 3.

## 10. Property Funds – quarter two cumulative position

- 10.1 An average of £19.1m was managed by Patrizia Property Investment Managers LLP. The table below shows the movement in the fund value over the period from April to September, the income distributions for that period, the returns both for each element and the combined return.

Table 13: Patrizia Hanover Property Unit Trust

<b>April to September 2023</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of financial year	19.111	
Decrease in fund due to value of unit price	(0.166)	(1.74)
Value of fund at end of quarter 2	18.945	
Income distributions*	0.363	3.80
Combined investment income (income distribution plus change in fund value due to unit price)	0.197	2.06

\* This income distribution is an estimate and will be confirmed and distributed in quarter 3.

- 10.2 An average of £11.3m was managed by Lothbury Investment Management Limited. The table below shows the movement in the fund value over the period from April to September, the income distributions for that period, the returns both for each element and the combined return.

Table 14: Lothbury Property Trust

<b>April to September 2023</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of financial year	11.393	
Decrease in fund due to value of unit price	(0.370)	(6.52)
Value of fund at end of quarter 2	11.023	
Income distributions	0.201	3.54
Combined investment income (income distribution plus change in fund value due to unit price)	(0.169)	(2.98)

\* This income distribution is an estimate and will be confirmed and distributed in quarter 3.

- 10.3 As reported in the quarter one report, over the last few quarters the Lothbury Fund has received a lot of redemption requests from unitholders. In the best interests of all investors the Fund Managers suspended redemptions. The suspension was put in place to run for a period of up to 12 months from the settlement date of 10 October 2023.
- 10.4 The Executive Board presented a revised fund strategy to all investors but those in the redemption queue did not change their mind and withdraw their requests. This left three options: a smaller fund, termination of the fund or a merger with another property fund. Given the level of remaining redemption requests, continuing the fund with a smaller size was not deemed to be a viable option. This meant that a fund termination would be the likely outcome, however a merger with another property fund remains as an option to explore.
- 10.5 The Fund Managers have now given notice to all unitholders that, in the event that no other option has been identified for the continuation of the Fund by 31 December 2023, the Fund will terminate. If another option is identified and deemed to be viable prior to the termination date, then an EGM will be held to determine whether to move forward with that option, to postpone the termination date, or determine not to proceed with the termination of the fund.
- 10.6 The fund's portfolio is not required to be realised in full by the termination date. The fund managers will continue with the sale programme whilst options are being explored. If the termination of the fund does occur, then distributions would be paid to unitholders pro rata to the number of units they hold in the fund as at the termination date and then over a period of time until all assets were sold in an orderly and planned way.
- 10.7 A further update will be provided as part of the quarter three report to March Cabinet.

**11. Borrowing – quarter two**

- 11.1 The Capital Financing Requirement (CFR) is the Council’s theoretical need to borrow but the Section 151 Officer can manage the Council’s actual borrowing position by either:
  - 1. borrowing to the CFR;
  - 2. choosing to use temporary cash flow funds instead of borrowing (internal borrowing) or;
  - 3. borrowing for future increases in the CFR (borrowing in advance of need)
- 11.2 The Council began quarter two in the second of the above scenarios, with actual borrowing below CFR.
- 11.3 This, together with the Council’s cash flow, the prevailing Public Works Loans Board (PWLB) and the future requirements of the capital investment programme, will be taken into account when deciding the amount and timing of any future loans. During the quarter no new PWLB loans were taken out, no loans matured, and no debt restructuring was carried out.
- 11.4 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 the same at £347.3m during the quarter. The average rate of borrowing at the end of the quarter was 3.46%. A profile of the repayment dates is shown in Graph 2 of Appendix 2.
- 11.5 The level of PWLB borrowing at £347.3m 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.
- 11.6 Interest rates from the PWLB fluctuated throughout the quarter in response to economic and political events: 10-year PWLB rates between 4.97% and 5.52%; 25-year PWLB rates between 5.18% and 5.73% and 50-year PWLB rates between 4.86% and 5.45%. These rates are after the PWLB ‘certainty rate’ discount of 0.20%.
- 11.7 During quarter two, no short-term loans were taken out for cash flow purposes. This is shown in Table 4 of Appendix 2.

**12. Borrowing – quarter two cumulative position**

12.1 The Council’s borrowing limits for 2023/24 are shown in the table below:

Table 15: Borrowing limits

	<b>2023/24 Original (£m)</b>
Authorised Limit	400
Operational Boundary	390

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 and allows sufficient headroom to take account of unusual cash movements.

The Operational Boundary is the expected total borrowing position of the Council during the year and reflects decisions on the amount of debt needed for the Capital Programme. Periods where the actual position is either below or over the Boundary are acceptable subject to the Authorised Limit not being breached.

12.2 The Council’s outstanding borrowing as at 30 September 2023 was:

- Southend-on-Sea City Council £355.4m
  - PWLB: £347.3m
  - Invest to save: £8.13m
- ECC transferred debt £8.83m

Repayments in the first 6 months of 2023/2024 were:

- Southend-on-Sea City Council £0.09m
  - PWLB: £0.00m
  - Invest to save: £0.09m
- ECC transferred debt £0.39m

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

12.4 The interest payments for PWLB and excluding transferred debt, during the period from April to September 2023 were £6.0m which is same as the original budget for the same period.

12.5 The table on the next page summarises the PWLB borrowing activities over the period from April to September 2023:

Table 16: PWLB borrowing activities

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 2023	347.3	0	0	(0)	347.3
July to September 2023	347.3	0	0	(0)	347.3
<i>Of which:</i>					
General Fund	273.1	0	0	(0)	273.1
HRA	74.2	0	0	(0)	74.2

All PWLB debt held is repayable on maturity.

### **13. Funding for Invest to Save Schemes**

- 13.1 Capital projects have been completed on energy efficiency improvements at the new Beecroft Art Gallery, replacement lighting on Southend Pier 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.
- 13.2 To finance these projects the Council has taken out interest free loans of £0.079m 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. £0.008m of these loans were repaid during the period from April to September 2023.
- 13.3 At the meeting of Cabinet on 23 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 Finance Limited. The balance outstanding at the end of quarter two was £8.12m. A repayment of £0.085m was made during the period from April to September 2023.
- 13.4 Funding of these invest to save schemes is shown in Table 5 of Appendix 2.

### **14. Compliance with Treasury Management Strategy – quarter two**

- 14.1 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 Annual Treasury Management Investment Strategy approved by the Council on 23 February 2023. The investment activity during the quarter conformed to the approved strategy and the cash flow was successfully managed to maintain liquidity. This is shown in Table 7 of Appendix 2.

### **15. Reasons for Decisions**

- 15.1 The CIPFA Code of Practice on Treasury Management recommends that Local Authorities should submit reports regularly. The Treasury Management Policy Statement for 2023/24 set out that reports would be submitted to Cabinet quarterly on the activities of the treasury management operation.

## **16. Other Options**

- 16.1 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.

## **17. Financial Implications**

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

## **18. Legal Implications**

- 18.1 The 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.

## **19. Carbon Impact**

- 19.1 None arising from this report.

## **20. Equalities**

- 20.1 None arising from this report.

## **21. Consultation**

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

## **22. Background Papers**

None.

## **23. Appendices**

Appendix 1 – In-House Investment Position as at 30 September 2023

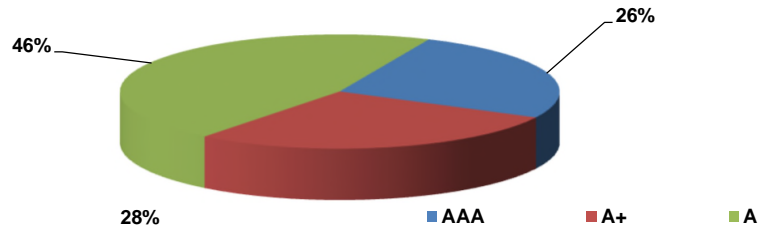
Appendix 2 – Treasury Management Performance for Quarter Two – 2023/24



## INVESTMENTS - SECURITY AND LIQUIDITY

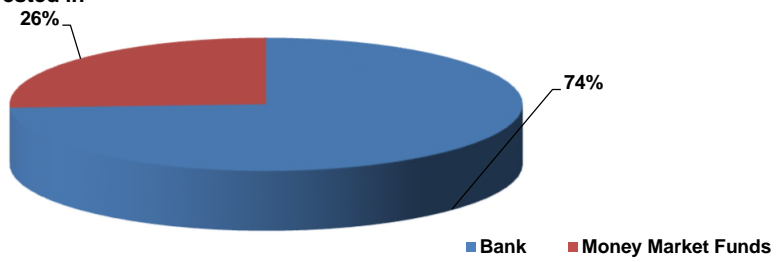
**Pie Chart 1**

**Spread of investments by long term credit rating**



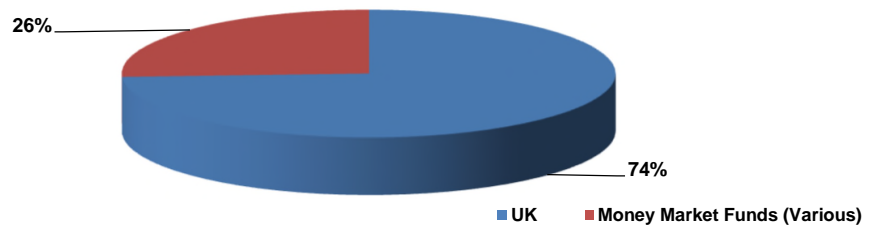
**Pie Chart 2**

**Financial Sector invested in**



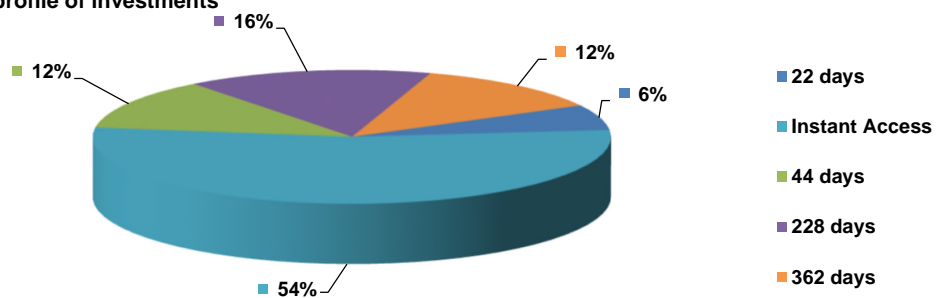
**Pie Chart 3**

**Countries where parent company is registered**



**Pie Chart 4**

**Maturity profile of investments**



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Appendix 2

INVESTMENT

Graph 1 -Investment Return

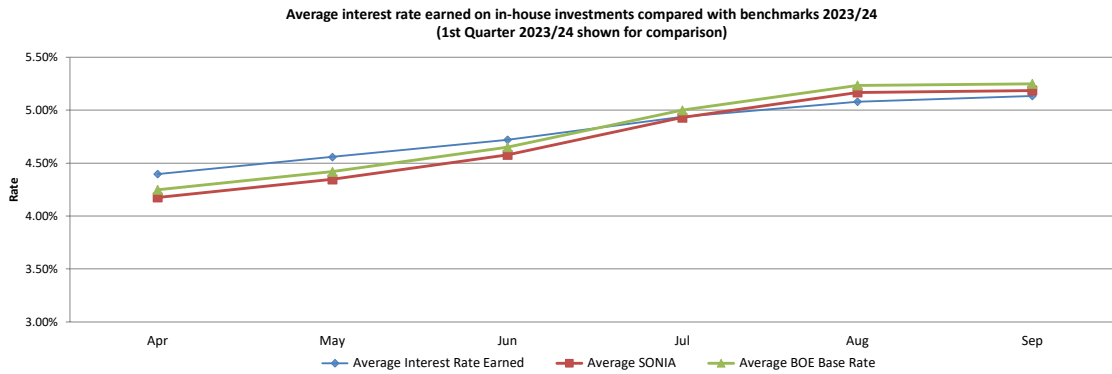


Table 1 - Property Funds

Financial Institution	Quarter	Value of fund at the start of the Qtr £	Number of units in the Qtr Units	Increase / (Decrease) in fund value £	Value of fund at end of the Qtr £	Income Distribution for the Qtr £	Combined interest Rate %
Patrizia(Rockspring) Hanover Real Estate Management Limited	2	19,055,758.60	1,327.00	(111,274.35)	18,944,484.26	181,146.57	1.45
Lothbury Investment Management - Property Fund	2	11,205,837.25	6,844.14	(181,976.20)	11,023,861.05	99,589.68	(2.91)

Table 2 - Short Dated Bond Funds

Financial Institution	Quarter	Value of fund at the start of the Qtr £	Number of units in the Qtr Units	Increase / (Decrease) in fund value £	Fund Value at end of the Qtr £	Income Distribution for the Qtr £	Combined Interest Rate %
Royal London	2	6,790,886.27	7,751,268.43	148,824.35	6,939,710.63	66,276.17	12.43
AXA	2	7,105,417.09	7,406,876.99	177,024.36	7,282,441.45	63,859.44	13.34

Table 3 - Enhanced Cash Fund

Financial Institution	Quarter	Value of fund at the start of the Qtr £	Number of units in the Qtr Units	Increase / (Decrease) in fund value £	Fund Value at end of the Qtr £	Income Distribution for the Qtr £	Combined Interest Rate %
Payden & Rygel	2	4,926,329.26	501,591.35	50,008.66	4,976,337.92	43,929.43	7.51

**BORROWING**

**Table 4 - Short Term Borrowing**

	Counterparty	Rate %	Amount £	From	To
In place during this Quarter	None				
Taken Out This Quarter	None				

**Table 5 - Invest to Save Funding**

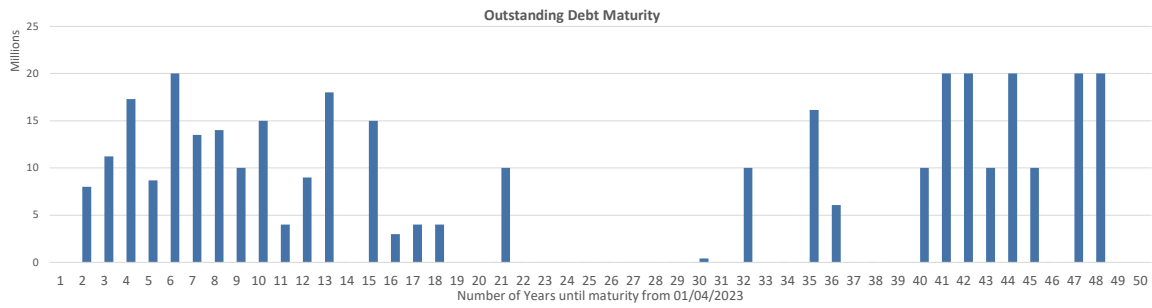
Financial Institution	Date	Period of loan	Final Repayment date	Amount borrowed £	Amount Repaid to Date £	Closing Balance Qtr 2 £	Rate of interest %
Salix Finance Ltd Energy Efficiency Programme	22/02/2019	5 Years	01/02/2024	64,148	(57,733.20)	6,414.80	0
	25/11/2019	5 Years	01/11/2024	8,200	(5,740.00)	2,460.00	0
	02/07/2020	5 Years	01/06/2025	6,171	(3,702.54)	2,468.36	0

L1 Renewables Finance Ltd

- 25 year reducing balance finance
- balance of £8.1m outstanding at the end of quarter 2
- there was a repayment of £0.085m in quarter 2

**Table 6 - PWLB Borrowing**

**GRAPH 2 - Long Term Borrowing - PWLB**



**PWLB - New this quarter**

None

**PWLB - Repaid this quarter**

None

**PWLB Rates**

	Lowest	Highest
Range of 10 years PWLB new loan rates this quarter (inc certainty rate)	4.97	5.52
Range of 25 years PWLB new loan rates this quarter (inc certainty rate)	5.18	5.73
Range of 50 years PWLB new loan rates this quarter (inc certainty rate)	4.86	5.45

**TABLE 7 - Compliance with Treasury Management Strategy**

All transactions properly authorised	✓
All transactions in accordance with approved policy	✓
All transactions with approved counterparties	✓
Cash flow successfully managed to maintain liquidity	✓
Any recommended changes to procedures	None required

## SOUTHEND-ON-SEA CITY COUNCIL

### Meeting of Association of South Essex Local Authorities (ASELA) - Joint Committee

**Date: Thursday, 28th September, 2023**

**Place: Thurrock Borough Council**

# 9

**Present:** Councillor A Jefferies (Chair – Thurrock BC)  
Councillor A Baggott (Vice-Chair – Basildon BC)  
Councillor B Aspinall – Brentwood BC  
\*Councillor J Newport – Rochford DC  
\*Councillor B Palmer – Castle Point BC  
Councillor T Cox – Southend CC  
Councillor L McKinlay – Essex CC

\*Substitute in accordance with Council Procedure Rule 31.

**In Attendance:** S Logan, J Stephenson, K Sawyer, L Aelberry, R Gilbert, R Harris, A Hutchings, T Walker, D Smith and L Helm.

**Start/End Time:** 10.00am – 10.50am

#### **9 Apologies for Absence**

Apologies for absence were received from Councillors D Blackwell (substitute: Cllr B Palmer), J Mason (substitute: Cllr J Newport) and K Bentley.

#### **10 Declarations of Interest**

No declarations of interest were made at the meeting.

#### **11 Minutes of Previous Meeting**

Resolved:

That the minutes of the meeting of the Committee held on Thursday, 27<sup>th</sup> July 2023, subject to Councillor B Aspinall to be deleted from the list of those present and added to apologies for absence and Councillor K Bentley be added to the list of those present, be confirmed as a correct record.

#### **12 ASELA - The Next Chapter including workstream updates**

(a) ASELA – The Next Chapter

The Joint Committee considered a report setting out the next phase of ASELA's development.

Resolved:

That the refreshed approach to the next phase of ASELA's development, be approved, including:

- a) Refreshing the strategy, consolidating the evidence base and revising our implementation plans, including developing investable propositions for future funding.
- b) Exploring the potential for a South Essex Growth Zone as the centrepiece of this future approach, demonstrating ambition and maximising the opportunities for funding from government and private sector.
- c) Reviewing the impact on existing workstreams, potentially integrating key elements of the Economy, Housing and Transport workstreams into a single Growth Zone programme to achieve maximum impact with constrained resources, and retaining other projects that are affordable and impactful.
- d) Identifying quick wins such as publishing principles for good growth.
- e) Exploring further sharing of resources at officer level.
- f) Engaging consultants to provide the necessary capability and capacity to achieve the above by March 2024; reallocating resources allocated to the ASELA Programme Director and Programme Officer positions which will no longer be recruited to, providing up to £100,000 to fund the commission.
- g) Putting businesses at the heart of our approach by developing new business engagement arrangements from April 2024 as set out in the accompanying report (Minute 13 below).
- h) Ensuring that the work of ASELA is effectively communicated and understood by business and public through a rebranding exercise and development of an accompanying communications strategy from April 2024 as set out in the accompanying paper below.
- i) Building on existing work within South Essex Councils to achieve the agenda set in this report.

(b) Good Homes Workstream

- The Joint Committee considered a report presenting an update on the ASELA Good Homes workstream.

Resolved:

That the report, be noted.

(c) Environment and Climate Change

- The Joint Committee considered a report presenting an update on the work of the Environment and Climate Change workstream.

Resolved:

1. That the report be noted.

2. That the release of 1 day FTE per calendar month per authority towards the operational work to be undertaken by the Workstream, be approved.

(d) Sustainable Transport

-

The Joint Committee received a verbal update on the work of the sustainable transport workstream.

Resolved:

That the verbal update, be noted.

(e) ASELA Economy, Jobs and Skills Workstream

The Joint Committee considered a report presenting an update on the work of the Economy, Jobs and Skills workstream.

Resolved:

1. That the report be noted.
2. That it be confirmed that the Joint Committee is content with the key opportunities Identified in the report.
3. That the Joint Committee commit to prioritising this work for the existing officer cadre to enable individuals to effectively drive forward this work within organisations.

### **13 Future South Essex Business Engagement Arrangements**

The Joint Committee considered a report presenting the future business engagement arrangements.

The Joint Committee emphasised the significant role of businesses and they must be at the forefront of this work.

Resolved:

1. That the Joint Committees extends its expression of thanks to the Chair and business members of OSE for their commitment to South Essex and everything that has been achieved.
2. That a further report be brought to the December 2023 meeting of the Joint Committee with proposals for future business engagement arrangements for South Essex, building on and learning from OSE, in the context of LEP transition and a potential Devolution Deal.
3. That each ASELA constituent council shall, no later than 30 December 2023, recommend through their own governance procedures that their Council ceases its financial subscription to OSE at the end of this Financial Year in line with the transfer of SELEP functions to local government.

4. That each ASELA constituent Council shall, no later than 30 December 2023, recommend through their own governance procedures that their Council indemnifies Castle Point Borough Council against all costs and liabilities arising from any redundancy arising as a consequence of resolution 3 above, in the same proportion that each constituent Council pays current OSE subscriptions (as set out in Appendix 1) provided that reasonable attempts are made to secure any outstanding OSE balances or reserves be used to offset the costs.

#### **14 ASELA Rebrand and Communications Strategy**

The Joint Committee considered a report outlining the proposal to rename ASELA to South Essex Councils (SEC) and setting out initial activity that will lead to the creation of a new communications strategy for the partnership.

The Joint Committee discussed the resources for the rebranding and new communications strategy emphasising that the costs/resources should be kept to a minimum. It was confirmed that the majority of the costs would come from within existing resources.

Resolved:

1. That the update set out in the report be noted and that the renaming of ASELA to South Essex Councils (SEC) with the tagline 'Working Together', be endorsed and the change be made with immediate effect.
2. That the development of a high-level narrative for SEC be endorsed.
3. That the plan to develop a robust communications strategy once work to consolidate the partnership's workstreams is agreed, with a view to present a draft for approval at the next Joint Committee, be noted.

#### **15 Finance Update Report**

The Joint Committee considered a report summarising the 2022/23 outturn position and the latest forecast financial position for the various programmes within SEC / ASELA.

Resolved:

That the report be noted.

At the end of the meeting the Joint Committee discussed a number of aspects relating to devolution and stressed the significant importance of the role ASELA/SEC within the devolution agenda.

**Chair:** \_\_\_\_\_



## Cover Note

Date: 19 October 2023

Report Author: Nicola Spencer, Policy Advisor

Committee for submission: Policy & Resources Scrutiny Committee, 2 November 2023

### 1. Summary

The Policy & Resources Scrutiny Committee has received the draft minutes of the meeting of the Joint Committee of the Association of South Essex Local Authorities (ASELA, now rebranded as South Essex Councils (SEC)) held on 28th September 2023.

This cover note seeks to highlight any implications, benefits or considerations for Southend and its interests arising from the ASELA / SEC Joint Committee, its work programme, and its operations.

### 2. Background

The Leader of the Council, at the meeting of the Policy & Resources Scrutiny Committee that took place on 8 June 2023, undertook to provide a brief summary of the discussions at future meetings of the ASELA / SEC Joint Committee and highlight the benefits for Southend.

### 3. Implications for Southend

#### 3.1.1. Governance and resourcing

- Re-establishment of the Good Homes Board was approved, with senior representatives from all ASELA (SEC) Authorities and Homes England to participate – this will continue the resource requirement from Southend.
- The release of 1 day FTE per calendar month per authority towards the operational work to be undertaken by the Environment and Climate Change Workstream was agreed.
- The Government has confirmed that the functions of SELEP will transfer to upper tier local authorities from April 2024. This links with the current negotiation activity around a potential devolution deal that, if accepted, would create a Combined Authority for the “Greater Essex” area, i.e., the areas of Essex County, Southend, and Thurrock councils. ASELA / SEC intends to work with officers from across the three councils over the rest of the year to form a view on the right spatial level for each of SELEP’s current functions.

#### 3.2. Finance

3.2.1. The final outturn for the 2022/23 financial year was a £206,000 surplus. The current 2023/24 forecast is a surplus of £263,000.

3.2.2. The Joint Committee approved the engagement of consultants to provide the necessary capability and capacity to refresh and consolidate ASELA / SEC's strategy by March 2024. This is to be funded by reallocating resources for the ASELA / SEC Programme Director and Programme Officer positions, which will no longer be recruited to, providing up to £100,000 to fund the consultancy work. No additional financial contributions are requested from ASELA / SEC authorities at this time.

3.2.3. The proposal to wind up Opportunity South Essex (OSE) and develop new business engagement arrangements from April 2024 is likely to require Southend to contribute financially to support such a new functional arrangement in future. A report is planned to be brought to the December 2023 meeting of the Joint Committee where the full details of a new proposal will be considered.

3.2.4. Southend will be liable, along with the other ASELA / SEC authorities, for the costs of the redundancy of the OSE Director post in the proportions in which we currently subscribe to OSE – currently 17% of the overall costs. An approach will be made to OSE to secure OSE unspent funds to mitigate those costs.

3.2.5. Any OSE funds which remain unspent at the point at which OSE ceases to exist would be returned to the us in the proportion in which we contributed (17%).

3.2.6. The majority of the costs for the rebranding and communications strategy development work will come from within existing resources.

### **3.3. Governance**

3.3.1. Southend must recommend through our own governance procedures that we will cease our financial subscription to OSE at the end of this financial year by 30 December 2023.

3.3.2. Southend is also asked to recommend through our own governance procedures that we indemnify Castle Point Borough Council against all costs and liabilities arising from the OSE-related redundancy, in the same proportion as our current OSE subscription (currently 17%).

### **3.4. Communications and Engagement**

3.4.1. A proposal to rename ASELA to "South Essex Councils" (SEC) was endorsed and agreement that the change be made with immediate effect was reached.

### **3.5. Other**

The next meeting of the Joint Committee will take place in December 2023, at which time the Policy & Resources Scrutiny Committee can expect further briefing and analysis of the Joint Committee's work programme and its implications and benefits for Southend.

...

**NS 19/10/2023**