

Public Document Pack  
SOUTHEND-ON-SEA CITY COUNCIL

**Policy and Resources Scrutiny Committee**

Date: Thursday, 15th February, 2024

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)

**A G E N D A**

1 Chair's Introduction & Apologies for Absence

2 Declarations of Interest

3 Questions from Members of the Public

\*\*\*\* **ITEMS CALLED-IN/REFERRED DIRECT BY CABINET**

4 Independent review of Southend Care Ltd and Vecteo (Pages 3 - 18)

5 Corporate Performance Report - November 2023 (period 8) (Pages 19 - 46)

6 Finance Performance Report 2023/24 - to end of November 2023 (Period 8) (Pages 47 - 116)

7 Corporate Debt Management - Position to 30 November 2023 (Pages 117 - 166)

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

8 Treasury Management Report - Quarter 3 (2023/24) (Pages 167 - 188)

9 Approval of the Annual Procurement Plan for 2024/25 (Pages 189 - 202)

10 Corporate Risk Register January 2024 (Pages 203 - 214)

11 Southend-on-Sea City Council Tenancy Strategy 2024 (Pages 215 - 254)

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

12 Outside Bodies Task and Finish Group - Final Report and Recommendations (Pages 255 - 288)

13 South Essex Councils - Joint Committee (Pages 289 - 292)

To receive the draft minutes of the meeting of South Essex Councils held on 6 December 2023.

**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

**Meeting:** Cabinet  
**Date:** 4 March 2024  
**Classification:** Part 1  
**Key Decision:** No  
**Title of Report:** Independent review of Southend Care Ltd and Vecteo

**Executive Director:** Claire Shuter, Executive Director of Strategy and Change  
**Report Author:** Claire Shuter, Executive Director of Strategy and Change  
**Executive Councillor:** Cllr Tony Cox, Leader of the Council

## **1. Executive Summary**

- 1.1. In November 2023, Southend City Council (SCC) appointed 31ten Consulting to undertake an independent review of two of its wholly owned companies; Southend Care Ltd (SCL) and LHCS & Southend Travel Partnership Ltd (known as 'Vecteo'). The outcome of the review recommends that the Council continue with the wholly owned companies but with significant changes to the governance, operational efficiency, commissioning, contract management and relationship management.

## **2. Recommendations**

**It is recommended that Cabinet:**

- 2.1. **Accept the findings of the independent reviews of Southend Care Ltd and Vecteo**
- 2.2. **Approve the implementation of the proposed recommendations**

## **3. Background**

- 3.1. In November 2023, Southend City Council (SCC) appointed 31ten Consulting to undertake an independent review of two of its wholly owned companies; Southend Care Ltd (SCL) and LHCS & Southend Travel Partnership Ltd (known as 'Vecteo').
- 3.2. The independent review followed SCC's own recent internal audit and financial assessments. The review considered and reflected on the findings of this work and evaluated whether the companies are viable entities, capable of providing a financial return to SCC and delivering quality services.

- 3.3. 31ten considered the strategic context for the operation of the companies, conducted a desktop review and stakeholder interviews to establish a financial baseline and current state, and presented an options appraisal for the business operating model.

#### **4. Findings and recommendations**

- 4.1. Due to the commercial sensitivity of the full report a summary of findings specific to SCL is provided:

4.1.1. Financial assessment: The company performed well over its first five years of trading but increased cost pressures from salary costs and higher than expected inflation has resulted in financial instability. The proposed savings plans are considered to be potentially deliverable but may have wider implications that needs further analysis.

4.1.2. Stakeholder review: The evaluation identified opportunities to move to a more community-based model of care, the adaptability of the company to changing market preferences, and a view that the SCL and SCC were more distant in their relations than would be expected for a Teckal company.

4.1.3. Benchmarking review: This identified that for residential and nursing care rate better value is available in the local market than current contract rates with SCL. Project 49 and Viking House were considered to be operating significantly under capacity, inflating costs.

4.1.4. Governance and management review: The links with the Council could be further deepened to ensure the alignment of the Service Plans and Company Business Plan with Council priorities to limit duplication, focus on the customer journey, and deliver a more holistic service.

4.1.5. Options Appraisal: Four options were identified and assessed against financial and non-financial criteria.

Option 1: Continuing with the current arrangements.

Option 2: Maximising the benefits of "Teckal" status.

Option 3: Moving the services in-house for Council delivery.

Option 4: Collapsing SCL and commissioning services from an external provider.

Option 2 "Teckal Maximisation" was recognised as the preferred option for the following key reasons;

- It had no negative financial impact.

- No negative impact on the ability to trade.
- Gives SCC a greater level of control to plan services and support integration.
- Cost of change is relatively low.

4.2. Due to the commercial sensitivity of the full report a summary of findings specific to Vecteo is provided:

4.2.1. Financial Assessment: With the inception of Vecteo (March 2020) coinciding with the outbreak of COVID-19, Vecteo suffered major financial pressures, and as such were unable to mobilise their intended business model to self-deliver more routes to maximise fleet usage though integration of services as well as re-tender and engage with a variety of transport providers. External drivers (e.g. inflation, COVID) placed Vecteo in a challenging financial position whereby rising costs required additional investment from the Council in order to maintain operations and service delivery.

4.2.2. Stakeholder Review: The evaluation identified several cross-cutting themes:

- Cost misalignment
- Lack of clarity over the company's purpose and objectives
- Lack of clarity over roles and responsibilities
- Unrealistic expectations
- A lack of clarity over the process for route planning and route optimisation and
- a lack of clarity over responsibility for compliance.

4.2.3. Benchmarking Review: The review identified that the cost of the Council's direct delivery of SEND transport is cheaper than that commissioned from the wider local market when examining the average daily cost per child. When considering costs in other comparable Local Authorities, Southend pays less for SEND transport for school age children and young people than Medway, Bournemouth and Swindon but more than the Isle of Wight. From the data reviewed it can be concluded that it is cheaper for Vecteo to directly deliver this service than for Vecteo to commission this service from the local market.

4.2.4. Governance and Management Review: Whilst Vecteo was initially established as a Joint Venture partnership, it is now wholly owned by the Council. It is structured as a wholly owned company limited by shares. Several opportunities have been identified that would support the commercial progression of Vecteo. Due to the complex nature of the company's establishment, it is yet to maximise the benefits of a Teckal structure.

4.2.5. Options Appraisal: 5 options were identified and assessed against financial and non-financial criteria:

Option 1 – Continuing with the current arrangements (As Is)

Option 2 – Moving the company to “Teckal” status

Option 3 – Moving third party commissioned services in house and continuing self-delivered services through the company (Hybrid)

Option 4 - Moving third party commissioned services in house and continuing self-delivered services through the company utilising Teckal status (Hybrid+Teckal)

Option 5 – Moving all the services under Council control

Option 2 (Teckal) was chosen as the preferred option. The Options appraisal has demonstrated a clear preferred direction of travel in the form of the ‘Teckal’ option, as outlined below:

- No negative financial impact.
- No negative impact on the ability to trade.
- Provides SCC a greater level of control and a better ability to jointly plan services and resources across the Council.
- Cost of change is relatively low.

4.3. Appendix 1 sets out the recommendations from the review, owners and timescales for implementation.

## **5. Reasons for Decisions**

5.1. The findings and recommendations presented are the result of an independent review.

## **6. Other Options**

6.1. Comprehensive options have been presented in both reviews. In addition the Cabinet could decide not to accept the findings of the review or the recommendations and continue with the arrangements for the companies as they are. The likely consequence of this is that the financial viability of the companies will deteriorate and the quality of services will be compromised.

## **7. Financial Implications**

7.1. Implementation of the recommendations identified through the independent review should enable the companies to return to or sustain financial viability and enable savings for the Council.

## **8. Legal Implications**

8.1. Section 95 Local Government Act 2003 enables the Council to undertake commercial activities in relation to their ordinary functions. This power authorises the Council to provide transport facilities connected to its SEND functions. The power to trade for commercial purposes is extended by the general power of competence in the Localism Act 2011.

- 8.2. This activity can only be carried out by a company within the meaning of the Local Government and Housing Act 1989. Companies under the control of local authorities and subject to their influence are governed by the provisions in Part V of the 1989 Act.
- 8.3. A company limited by shares offers greater flexibility to the Council, particularly in relation to the distribution of profit and raising capital. Any profits that are made may go back to the council through the payment of dividends or service charges. The Council must also ensure full cost recovery for any services or resources it provides to the companies.
- 8.4. How the companies are run, managed and financed will require oversight by the S151 officer and Monitoring Officer to ensure compliance with the rules governing local authority companies.
- 8.5. The Leader/Cabinet act as the shareholder on behalf of the Council and the Shareholder Board has delegated authority to manage the companies. These reviews may prompt a refresh of the terms of reference of the Shareholder Board and a review of the governance underpinning the companies.

**9. Policy Context**

- 9.1. None arising from this report

**10. Carbon Impact**

- 10.1. None arising from this report

**11. Equalities**

- 11.1. Both companies provide services to residents with protected characteristics. Improvements to the governance and financial stability will support the companies and associated services to continue.

**12. Consultation**

- 12.1. 31ten worked collaboratively with SCC officers and key stakeholders in SCL and Vecteo throughout the review.

**13. Appendices**

- 13.1. **Appendix 1**: Recommendations

**14. Report Authorisation**

<b>This report has been approved for publication by:</b>		
	<b>Name:</b>	<b>Date:</b>
S151 Officer	Joe Chesterton	26/01/2024

Monitoring Officer	Kim Sawyer	25/01/2024
Executive Director(s)	Claire Shuter	25/01/2024
Relevant Cabinet Member(s)	Cllr Tony Cox	30/01/2024



## Appendix 1: Recommendations

### SCL

ID	Recommendation	Owner	Timescale for completion
SCL1	<p><b>Savings proposals:</b></p> <p>SCL has proposed a set of savings to retain a positive Profit and Loss position subject to the agreeing a contract uplift allowing this. This savings plan should be discussed agreed with SCC to ensure implications and risks of the proposed savings and understood and accepted.</p>	<p>Managing Director (SCL)</p> <p>and</p> <p>Executive Director of Adults and Communities (SCC)</p>	April 2024
SCL2	<p><b>Back Office Function:</b></p> <p>SCC should review its approach to back-office functions for its portfolio of companies to ensure value for money is achieved.</p>	Executive Director of Strategy and Change (SCC)	April 2025
SCL3	<p><b>Demand Management and Prevention Pathways:</b></p> <p>SCC and SCL should collectively review the efficacy and cost of existing prevention pathways and demand management activities/services to support wellbeing and increase independence. A shared understanding of the prevention pathways and activities should be developed across the local health and social care system to ascertain if there is an alternative way to achieve a saving through a reduction in demand.</p>	Executive Director of Adults and Communities (SCC)	September 2024
SCL4	<p><b>Specification Review:</b></p>	Executive Director of	September 2024

	SCL and the Council need to work together to update the specification underpinning the service delivery model, this will ensure that both the Council and SCL have a shared understanding of the requirements, workforce strategy and the commercial capabilities to deliver it.	Adults and Communities (SCC)	
<b>SCL5</b>	<b>Rate Card:</b>  SCL and the Council need to work together to update the rate card considering actual costs in the wider local care and support market. Additionally, the Council should update the overall specification for services to consider whether the current service delivery model still meets the need of the service user cohorts. This review should include a consideration of best practise relating to day services to resolve the issue of under occupancy and as per the requirements of the Care Act, should include feedback and co-production with service users alongside the external provider market.	Executive Director of Adults and Communities (SCC)	September 2024
<b>SCL6a</b>	<b>Review SCL Board Membership:</b>  The SCL Board membership should be updated, in order to achieve this a skills audit should be undertaken to ensure the new Board membership is established with an appropriate breadth of skills to be a functional governance body. As a part of this skills audit SCC nominated officers or Members should be identified with appropriate skills sets, whilst minimising any conflicting roles in the Council. These individuals should then be nominated to the Board.	Managing Director (SCL)  and  Executive Director of Strategy and Change (SCC)	April 2025
<b>SCL6b</b>	An 'observer' role could be incorporated and undertaken by a Member, whilst an Officer holds a Non-Executive Director position. This would offer a more balanced Member / Officer representation.	Executive Director of Strategy and Change (SCC)	April 2025

<b>SCL6c</b>	Appropriate Board Member training should be provided to the new Board members, as well as any other appropriate Board members.	Managing Director (SCL)	April 2025
<b>SCL7a</b>	<b>SCL / SCC Governance Review:</b>  The governance arrangements for SCL should be updated to provide better clarity of the roles and which groups / individuals are enfranchised to undertake them. These roles include SCC Shareholder, Commissioner and Contract Manager positions as well as the SCL Board, MD and management team.	Executive Director of Strategy and Change (SCC)	May 2024
<b>SCL7b</b>	Performance objectives for the MD and Chairman could be set by SCC to help define the roles and be better aligned with the business plan, tying into a corresponding change in the articles to reflect a reserved matter on appointment and dismissals of these key roles.	Leader of the Council (SCC)	May 2024
<b>SCL7c</b>	The establishment of a new officer group, or extension of the role of an existing group to undertake the more detailed officer led shareholder role.	Executive Director of Strategy and Change (SCC)	May 2024
<b>SCL8</b>	<b>Governance Documents Review:</b>  The key documents underpinning the operation of SCL and the Council, as shareholder, should be updated to ensure there is appropriate clarity over how and where decisions are taken. In particular the “Reserved Matters” to the Council should be updated and a “Delegations Matrix” developed that shows how these decisions are then taken within the respective organisations.	Director of Legal Services (SCC)	September 2024
<b>SCL9</b>	<b>Maximise Teckal Status:</b>	Executive Director of	April 2025

	<p>If the Council is to continue with SCL in its current form, there is an opportunity to operate the company in a more effective way by maximising the potential of its “Teckal” status. The relationship between the Council and the Company should be updated to move the two entities “closer together” and to better enable joint policy, strategy and service / resource planning. This should be supported by the update in the governance arrangements and the establishment of joint forums of officers and Members to support these roles, and the interaction between these groups and the existing governance groups should be clearly mapped.</p>	Strategy and Change (SCC)	
--	--	---------------------------	--

## Vecteo

*Text in italics are additions to recommendations made by stakeholders in reflection of the report.*

ID	Recommendation	Owner	Timescale
VEC1a	<p><b>Financial model:</b></p> <p><i>A full financial breakdown for Vecteo to be produced including all operating costs, overheads and income.</i></p>	Senior Finance Business Partner (SCC)	April 2024
VEC 1b	<p>Vecteo to provide further detailed proposals on cost savings, including details of the impact on services, and the cost of implementing the savings proposals. Where savings are based on driving income a detailed business case should be presented to justify the assumptions.</p> <p><i>Savings to be presented to Commissioning and Shareholder representatives</i></p>	Vecteo Board	April 2024
VEC2	<p><b>Central Operating Cost Model:</b></p>	Executive Director of	June 2024

	SCC should look to identify whether it can deliver some of the central operating costs of the Company at a lower price than they are currently delivered.	Strategy and Change (SCC)	
<b>VEC3</b>	<b>Passenger Transport Services Review:</b>  There is a fundamental need for a joint Council / Company review of the passenger transport services being undertaken and the cost base for delivery through commissioned and self-delivered services. This should include transport patterns, route planning, third party provision available in the market and the cost base across the Council and Company.	Interim Head of Placements and Contracts (SCC)	September 2024
<b>VEC4a</b>	<b>Clarifying the Company's Purpose:</b>  There is a need to provide greater clarity over the company's purpose and how it inter-relates with the Council. The objectives should be reviewed and agreed.	Interim Head of Placements and Contracts (SCC)	September 2024
<b>VEC4b</b>	The Shareholders agreement updated to match the company objectives	Executive Director of Strategy and Change (SCC)	September 2024
<b>VEC4c</b>	Updated Business Plan developed for the company to operate against.	Vecteo Board	September 2024
<b>VEC5</b>	<b>Route Planning Responsibilities:</b>  There is a need, as part of the anticipated change in operational arrangements for the Council / Company, to ensure that responsibility for the Route Planning approach and operation is clearly mapped across the Council and Company and that the specific team of specialists are brought together to plan and operate this critical role effectively. This should be a key	Interim Head of Placements and Contracts (SCC)  and  Vecteo Board	September 2024

	consideration in the establishment of updated governance and working practices.		
<b>VEC6</b>	<p><b>Back Office Functions:</b></p> <p>SCC should review its approach to Back Office functions across its company ecosystem, including Vecteo, SCL and other Council companies. As part of this the potential to establish a back-office service for these companies should be considered either through the Council's internal services or another entity.</p>	Executive Director of Strategy and Change (SCC)	April 2025
<b>VEC7a</b>	<p><b>Statutory Requirements Improvement:</b></p> <p>Home to School Transport Policy – The Council's home to school transport policy was reviewed from the Council's website <a href="https://www.southend.gov.uk">Home to School Transport Policy (southend.gov.uk)</a> but it was noted that this hasn't been updated since 2019. Given the recent updates to the statutory guidance (in June 2023) it is recommended that this is refreshed and updated.</p> <p>Independent Travel Training – The review found no evidence of independent travel training (ITT) being offered in Southend. There are many case studies which demonstrate the positive impact of ITT on a child/young person's life outcomes alongside Local Authority budgets. This approach should be considered.</p>	Interim Head of Placements and Contracts (SCC)	September 2024
<b>VEC7b</b>	<p>Alternative Travel – The review found no evidence of provision of alternative travel in Southend (for example travel budgets, expenses, cycling allowances, independent travel training or escorts to support their child/young person to attend school.) There are many case studies which demonstrate the positive impact of alternative travel arrangements on a child/young person's life outcomes alongside Local Authority budgets. This approach should be considered.</p>	Interim Head of Placements and Contracts (SCC)	September 2024

VEC8	<p><b>Commissioning Strategy Review:</b></p> <p>The Council / Company should undertake a review of the Vecteo commissioning strategy and currently deployed model. This should focus on understanding the difference in rates between Vecteo’s directly delivered services and commissioned service, and whether there are alternative means of commissioning such as preferred supplier rates / Dynamic Purchasing Systems or other models that could secure more competitive rates.</p>	Interim Head of Placements and Contracts (SCC)	September 2024
VEC9	<p><b>Update Board Membership:</b></p> <p>The Vecteo Board membership should be updated to ensure it is fit for purpose moving forward. Changes which include:</p> <ul style="list-style-type: none"> <li>• Completion of a skills audit in order to develop a board of appropriately skills representatives;</li> <li>• Consideration of the mix of Council officers, Non-Executive Directors and company representatives</li> <li>• Consideration of whether the Board Members have any conflict of interest through their Council roles (such as taxi licensing); and</li> <li>• An increase in the number of Board members to correlate with IOD guidance for an effective Board</li> <li>• Appropriate Board Member training should then be provided to the new Board members, as well as any other appropriate Board members.</li> </ul>	Executive Director of Strategy and Change (SCC)  and  Vecteo Board	June 2024
VEC10a	<p><b>Update Governance Arrangements:</b></p> <p>The governance arrangements for Vecteo should be updated to provide better clarity of the roles and which groups / individuals are enfranchised to undertake them. These roles include SCC Shareholder, Commissioner and Contract Manager positions as well as the Vecteo Board, and management team.</p>	Executive Director of Strategy and Change (SCC)	September 2024

VEC10b	The establishment of a new officer group, or extension of the role of an existing group to undertake the more detailed officer led shareholder role.	Executive Director of Strategy and Change (SCC)	May 2024
VEC12	<p><b>Update Underpinning Company Key Documents:</b></p> <p>The key documents underpinning the operation of Vecteo and the Council, as shareholder, should be updated to ensure they reflect the latest ownership and governance structure post the Council taking control of the entity. They should also ensure there is appropriate clarity over how and where decisions are taken. In particular the “Reserved Matters” to the Council should be reviewed and a “Delegations Matrix” developed that shows how these decisions are then taken within the respective organisations.</p>	Director of Legal Services (SCC)	September 2024
VEC13	<p><b>Reporting Lines:</b></p> <p>As part of the changes to governance and working arrangements for the company, the reporting line should be changed from the Executive Director for Environment and Place to the Executive Director of Childrens and Public Health. As part of this change, the Environment and Place staff and budget should be reviewed to ensure that any staff, and associated resources, that are relevant to the services provided, should be reviewed and moved as appropriate to the Childrens and Public Health Directorate.</p>	Executive Director for Environment and Place (SCC)	September 2024
VEC14a	<p><b>Adopt Teckal Status:</b></p> <p><i>In advance of taking a decision on Teckal status there should be consideration of the outcomes of the Financial Position (VEC1), Purpose (VEC4) and Commissioning Strategy (VEC8) as this may identify a more suitable delivery model for the Vecteo services.</i></p>	Director of Legal Services (SCC)	April 2025



	<p>Taking Teckal Decision - There is a need to take a paper through Shareholder Board and Cabinet to appraise and approve the Teckal status of the company.</p> <p>Updating Governance Documentation - There is a need to update the Shareholders Agreement and Articles of Association to highlight the new Teckal status of the company.</p>		
VEC14b	Implement new working practices – The Council needs to review its working practices and establish new working groups to support an ecosystem-based approach to policy, strategy, operations and as part of this critically resource planning.	Executive Director for Childrens and Public Health	September 2024
VEC14c	<p>Further Planning Activity - Further planning activity to consider:</p> <ul style="list-style-type: none"> <li>• The weight of focus between in self-delivery and commissioned services</li> <li>• The weight of focus on income generating activities</li> <li>• The options and costs associated with co-locating Vecteo with wider, complementary Council Services.</li> </ul>	Interim Head of Placements and Contracts (SCC)	September 2024
VEC15	<p><b><i>Additional recommendation identified by Vecteo Board:</i></b></p> <p><i>Review existing contractual arrangements that support the commissioning intentions and status of the company as wholly owned (VEC 8). This should include the terms of the contract and the performance indicators.</i></p>	<i>Head of Procurement (SCC)</i>	<i>September 2024</i>

This page is intentionally left blank

**Meeting:** Cabinet  
**Date:** 11 January 2024  
**Classification:** Part 1  
**Key Decision:** No  
**Title of Report:** **Corporate Performance Report - November 2023 (period 8)**

**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**

The corporate performance report is a key tool in scrutinising the Council's overall performance against the objectives set out in the Corporate Plan alongside the financial performance report. It is designed to provide an overview to all relevant stakeholders at regular stages throughout the financial year. It is essential that the Council monitors and assesses its performance regularly to ensure that it is meeting its strategic objectives and providing value for money. This approach highlights where corrective action is necessary and reasonable mitigation is required to try to deliver against performance targets alongside a balanced financial position by the end of the year.

## **2 Recommendations**

**2.1 Cabinet notes the Corporate Performance Report as at 30 November 2023 set out in Appendix 1.**

## **3 Corporate Performance**

**3.1** The Corporate Performance for November 2023 report (Appendix 1) covers Key Performance Indicators (KPIs) which align to the corporate priorities set out in the Corporate Plan 2023-2017 and highlights the Council's overall performance against agreed corporate objectives.

**3.2** The report shows our performance predominantly up to the period of November 2023, with some exceptions where data is unavailable at this time. Data has been rated against targets using Red, Amber Green (RAG) ratings where applicable and compares our current position to the previous month and previous year where data is available.

3.3 The report reflects the council's recently refreshed Corporate Plan (2023-2027) and how the council is performing against the agreed priorities detailed within the plan. This is presented by the four refreshed priorities:

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

3.4 Each of the four priorities are further broken down into corporate objectives, with the most appropriate KPI linked to illustrate how well the objective is performing. The refreshed corporate objectives are:

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

##### Objectives:

- Economic regeneration and business development
- Spending power used wisely
- Enhanced tourism, culture and leisure

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

##### Objectives:

- 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

#### **A clean city with a resilient environment**

##### Objectives:

- Enhanced and protected street scene and environment
- Improved transport system
- Prevent waste, promoting re-use and increase recycling

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

##### Objectives:

- Value for Money
- Transformation

3.5 The Council's strategic KPIs demonstrate measures that provide an indication of the Council's performance towards our corporate objectives. They are often short to medium term in the time taken to see a difference in performance and the Council has greater influence in affecting them. The strategic KPIs are fulfilled by Council services through strategies, action plans, programmes, projects and initiatives detailed in Service Plans.

3.6 The KPIs currently showing as red on their RAG status, indicate that they are at risk of missing target. These indicators are noted below by way of exception:

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

3.7 **Take up of the NHS Health Check programme**

This is a monthly measure. The Office for Health Improvement & Disparities report that the percentage of Health Checks offered and received for 2023/24 quarter 2 has increased, which tracks with Southend's increase from 1,577 (September 2023) to 2,024 (November 2023).

Engagement and improvements in partnership working, with Mid and South Essex Integrated Care System, continues to further improve the take up of the NHS Health Check. Following investigation and engagement, four GP practices that have not delivered the Health Check programme have confirmed their intention to commence delivery in 2024 to support improvement of this measure.

### **3.8 Percentage of children receiving MMR vaccinations (two doses at 5 years old)**

This is a quarterly measure. The percentage uptake in Southend for MMR 2 doses at 5 years is higher at 85% than England at 84.5% but lower than the East of England regional uptake at 87.9%.

Work planned and undertaken to support improvement of this measure includes Community Conversation (held in December 2023) focusing on keeping Southend Healthy; work in progress with EPUT to support catch up childhood vaccinations in primary schools, linked with nurseries and children's centres (to take place between January – March 2024); further work with the Childrens Family Young Persons Services to improve uptake and engage with parents and carers, including the dissemination of information resources by School nurses and Health visitors.

### **3.9 Rate of children on child protection plan per 10,000 population**

This is a monthly measure. As of October 2023 Gov.uk report that children on protection plans in 2023 have had a slight decrease against 2022 statistics. This trend tracks with Southend where there is a slight reduction of child protection plans from November 2023 (29.99) against November 2022 figures (32.211). There has been a slight increase from October 2023 (29.2) to November 2023 (29.99). This continues to be an area of focus including the review of Children In Need over the coming 12 months to ensure that children are being supported at the right level.

### **3.10 Percentage of placements in residential and Independent Fostering Agency (IFA) settings**

This is a monthly measure. Ofsted reporting evidences that in mainstream fostering, there has been an increasing use of IFAs nationally, with Local Authorities accounting for a steadily decreasing proportion of all approved households, from 61% in 2018 to 58% in 2022. In this period, IFAs have seen an increase in capacity of 3%, whilst the Local Authority sector has seen an 8% decrease. There has also been a downward trend in the number of applications for both Local Authorities and IFAs, and a higher number of deregistration's compared with approvals.

Increases in the use of residential and IFA settings coincides with increasing numbers of children in care in Southend, as well as an increase in complex

needs of these children. A focus on returning children and young people to their birth families where possible looks to reduce the number of children in care. The council is focussing time and effort on recruiting more Southend foster carers and encouraging more conversations with local residential providers to ensure Children and Young People are provided with more geographical appropriate placements.

### **3.11 Percentage of Children Looked After (CLA) long-term stability**

This is a monthly measure. Latest national data from gov.uk illustrates improved performance from March 2022 to March 2023, which tracks with Southend (67% in March 2023 against 62.9% in March 2022). The reduced performance at period 8 in Southend appears to be a localised issue; the Fostering team are working on their marketing strategy and there is hope the increase in inhouse carers over the coming year will mean we are able to offer direct support to improve this measure.

### **3.12 Total number of households in temporary accommodation**

This is a monthly measure. There is a national housing issue contributing to the Council's rise in temporary accommodation. The Department for Levelling Up, Housing and Communities released data in October 2023 demonstrating that households in temporary accommodation rose by 10% nationally from the same period last year. Locally this pressure is being further impacted by high volumes of out of area placements by other local authorities into Southend, the pressures arising from central government, refugee resettlement and asylum policy, frozen Local Housing Allowance rates and a declining private sector rented offer. The Hostel Improvement project is progressing with South Essex Homes looking at optimising use and improving standards within our current hostels and new build development opportunities.

## **A clean city with a resilient environment**

### **3.13 Percentage of waste recycled**

This is an annual measure. The latest national statistics for recycling provided by the Department for Environmental Food & Rural Affairs (2021 data, reported in 2023) notes that there was a small increase of households recycling in England from 2020 (44.0%) to 2021 (44.1%). This is compared to pre-COVID rates of 45.5% in 2019, demonstrating the ongoing impact of COVID-19 and the difficulty in returning to previous recycling rates.

The council will continue to use a variety of tools including resident engagement to maintain and increase recycling rates over time; 2022 data will be released at the end of the 2023/24 financial year.

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

### **3.14 Ensure a balanced budget for 2023/24**

The council is dealing with an unprecedented financial crisis that has impacted across all of Local Government. For 23/24 the council is focusing on a range of

initiatives to help break even with our finances for 23/24. The direction of travel towards no variance is positive as the level of overspend has reduced by £4.4m between period 6 to period 8.

- 3.15 For ease of reading, a Glossary of Terms is provided in the Corporate Performance report – Period 8 2023-24 (Appendix 1 pages 17-19).
- 3.16 The following table sets out corporate risks affiliated to KPIs. The KPIs with associated risks can be read throughout the SCC Corporate Plan Performance Report (Appendix 1).
- 3.17 Aligning our corporate risks and performance enables a holistic approach to understanding and presenting the impact the council’s highest risks may have on performance, and to allow for risk mitigation and planning to be informed by performance data. Performance can act as an early warning sign for risks, enabling performance to be viewed systemically and early mitigation to take place. The remaining corporate risks are overarching and therefore not linked to KPIs (4 – Public services landscape, 5 – Workforce, 6 – a) Cyber security b) Data protection, 7- Capital investment programme delivery, 12 – Other safeguarding responsibilities, 14 – Staffing vacancies impacting on the delivery of statutory responsibilities, 19 – Local Plan, 20 - Regeneration and major projects); the full risk register reference key can be found on SCC Corporate Plan Performance Report page 16.

<b>Corporate Risks Associated With KPIs</b>	
2 – Financial sustainability	13 – Health inequalities
3 – Inflation and cost of living pressures	15 – Adult social care
8 – Transformation programme	16 – Social cohesion
9– Mitigating for and adapting to climate change	17 – Housing
10 – Waste Management	18 – House building programme
11 – Safeguarding responsibilities and child welfare	21 – Visitor destination and major events
13 – Health inequalities	22 - Economic recovery and income inequalities

- 3.18 The following breakdown provides an overview of the corporate risks aligned to KPIs that are not meeting target (please note some KPIs are aligned to multiple risks). This illustrates what potential impacts may arise as a result of performance not meeting target:

<b>Corporate Risks with KPIs not meeting target</b>		
<b>Corporate Risk</b>	<b>Proportion of KPIs that are Red or Amber</b>	<b>Potential impact</b>
2 – Financial sustainability	1/9 KPIs rated red (11%)	This may impact the medium to long term financial sustainability of the Council.
9– Mitigating for and adapting to climate change	2/9 KPIs rated red (22%) 1/9 rated amber (12.5%)	This may impact the council’s ability to make an adequate contribution to the reduction in carbon emissions required.
10 – Waste Management	1/9 KPIs rated red (11%)	This may impact the Council’s ability to effectively manage waste arrangements results in a loss of service quality and additional financial liability for the Council.
11 – Safeguarding responsibilities and child welfare	3/9 KPIs rated red (33%) 2/9 rated amber (22%)	This could cause a failure to deliver the outcomes anticipated for vulnerable people that need support.
13 – Health inequalities	2/9 KPIs rated red (22%) 2/9 rated amber (22%)	This may impact on widening health inequalities in the city.
15 – Adult social care	1/9 rated amber (11%)	This could cause difficulty in meeting increasing demand for support, resulting in worsening outcomes for those in need of support.
17 – Housing	1/9 KPIs rated red (11%) 2/9 rated amber (22%)	This may impact on the council’s ability to address rising homelessness, particularly with the ongoing cost of living pressures.
18 – House building programme	1/8 rated amber (11%)	This may impact pressure on the local housing market and the ability to deliver the anticipated housing supply.

#### **4 Reasons for Decisions**

- 4.1 The Corporate Performance Report informs decision making to ensure that the Council’s priorities are on track to be achieved and aligns with the Financial Performance Report to ensure that they are delivered within the approved budget provision.
- 4.2 Improving efficiency and productivity is essential but the scale of the unprecedented financial pressures will inevitably lead to a reduction in the range, quality, cost and responsiveness of other discretionary Council services, as well as challenging our approach to statutory services.



## **5 Other Options**

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

## **6 Financial Implications**

- 6.1 The delivery of the Council's corporate plan and its related performance is undertaken within the overall budget resources of the Council and any adverse spending and its funding to achieve the related performance is identified within the finance budget monitoring report elsewhere on this agenda.

## **7 Legal Implications**

- 7.1 The report provides performance information. It is good governance and sensible management practice for the Council to consider monitoring information in relation to plans and budgets that it has adopted.
- 7.2 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Monitoring of financial and other performance information is an important way in which that obligation can be fulfilled.

## **8 Carbon Impact**

- 8.1 None arising from this report.

## **9 Equalities**

- 9.1 Some of the actions may have equality and diversity implications and these will be considered as part of our normal equalities impact assessments.

## **10 Consultation**

- 10.1 Engagement has already been made with staff and cabinet members and now with all councillors and this will continue as options to mitigate for 2023/24 are progressed as well as options for delivering a robust balanced budget for 2024/25.

## **11 Background Papers**

## 12 Appendix

### 12.1 Appendix 1: Corporate Performance report – Period 8 2023-24

#### Report Authorisation

This report has been approved for publication by:

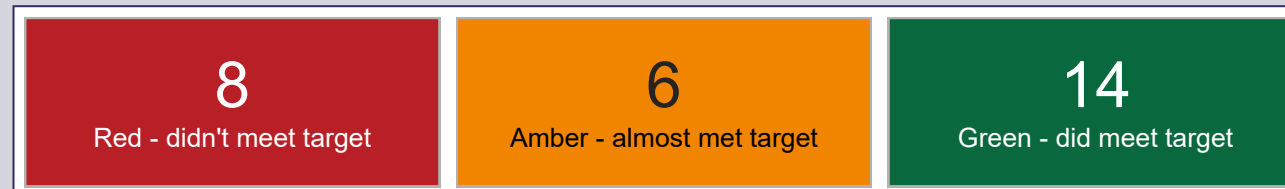
<b>This report has been approved for publication by:</b>		
	<b>Name:</b>	<b>Date:</b>
S151 Officer	Joe Chesterton	02.01.24
Monitoring Officer	Kim Sawyer	18.12.23
Executive Director(s)	Claire Shuter	22.12.23
Relevant Cabinet Member(s)	Councillor Cox	03.01.24

# Corporate Plan Performance Dashboard

The Corporate Plan Performance Report includes performance indicators relating to the council's recently refreshed Corporate Plan (2023 to 2027). This report shows our corporate performance presented by the four refreshed priorities. Where applicable, data has been RAG rated against targets.

Relevant corporate risks are noted underneath each applicable Key Performance Indicator (KPI) title.

For further information, please contact [Insights@southend.gov.uk](mailto:Insights@southend.gov.uk)



27

## A growing city with a strong and prosperous community

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

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

- 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

## A clean city with a resilient environment

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

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

- value for money
- transformation

## Corporate Risk Register key

## Glossary

# A growing city with a strong and prosperous community



Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Amount of council's spend with local businesses</b> Corporate Risk Register: risk 2 and 3 CP01.001	Maximise	2023/24	--	£63,000,000	GREEN	--	£63,456,910
		Annual	Snapshot	Annual target			
Latest Note Procurement continue to: attend Southend Business Partnership events to promote how local businesses can access our procurement portal, contract register, pipeline procurement plan and other public sector opportunities run quarterly on-line workshops with local businesses around sourcing and bidding for public sector contracts participate in Economic Recovery group alongside Economic Development promote the supplier search functionality in business world remind officers that they are expected to single source contracts (up to £10k) via local suppliers and seek at least 2 quotes from local suppliers on spend from £10-25k (as long as we have local suppliers in that given market) report and promote the above as part of the EDLT dashboard reports (October-November)							
<b>Visitor numbers to Southend Pier</b> Corporate Risk Register: risk 21 CP01.002	Maximise	November 2023	320,708	313,800	GREEN	286,291	322,603
		Monthly	Cumulative - year to date	Monthly target			
Latest note In November 2023, the pier attracted 7,564 visitors, keeping us on course to achieve our year's target. This was a decrease of 1,220 visitors compared to the same month last year, when 8,784 visitors were recorded. This can be explained by November being a particularly rainy month this year. We are hoping for a dry December and are planning for a busy festive period with the Santa event at the end of the pier.							

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



Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Take up of the NHS Health Check programme</b> Corporate Risk Register: risk 13 CP02.001	Maximise	November 2023	2024	2904	RED	1577	1375
		Monthly	Cumulative - year to date	Monthly target			
<b>Latest note</b> 20 practices have delivered health checks since April 2023. The four practices that have not yet delivered any health checks have confirmed their intention to start the delivery in 2024. We are continuing to support the four practices on the outstanding actions to start the process. To date, nearly half (49%) of health checks have been delivered to residents in more deprived areas of Southend-on-Sea.							
<b>Number of physically inactive adults completing a physical activity course</b> Corporate Risk Register: risk 13 CP02.002	Maximise	November 2023	286	272	GREEN	230	328
		Monthly	Cumulative - year to date	Monthly target			
<b>Latest note</b> On schedule to achieve the annual target. The figure achieved to date is 286. Local providers held various sports and physical activity courses for adults doing little physical activity each week. Courses were weekly sessions over a set period of time and included bouldering, netball and fitness. The courses were successful due to providers establishing demand before hosting and providing support for those who completed them to maintain physical activity.							
<b>Rate of under-18 conceptions</b> Corporate Risk Register: risk 13 CP02.003	Minimise	2023/24	--	9.50	AMBER	--	--
		Annual	Snapshot	Annual target			
<b>Latest note</b> Over the last 18 years, the under-18 conception rate has fallen by over 72%, with all councils achieving reductions. Southend-on-Sea has seen a decrease after a period of plateau, but it's unclear if this is due to Covid or if it's sustained. Teenage conception data is lagging due to two-year data requirements (conception and birth may occur in two different calendar years). The latest conception rates are for 2021/22, due to be refreshed in June 2024.  Where Southend-on-Sea is as of the 21/22 data: Currently below the England average (13.1 per 1000) at 9.8 per 1,000 births Currently below East of England average (11.0 per 1000) The East of England range is 8.5-18.7 RAG rated amber both regionally and with statistically neighbours Statistical neighbours range from 9.0 (green) to 21.1 (red), Southend amber at 9.8  The council's Teenage Pregnancy and Young Parents Working Group is implementing a range of strategies and activities to prevent unplanned teenage conceptions and provide support to young parents. This includes: Supporting and improving the relationship and sex education delivered by schools and understating the quality of this provision Targeting support for children at high risk for becoming young parents, including those in care and those with poor educational attendance and journeys Increasing access to emergency contraception and long-acting reversible contraception Accessing voice of young people undergoing an abortion to understand any missed opportunities at prevention Increasing skills and networking of professionals actively carrying caseloads of young parents to reduce inequalities and improve synergy Improving the access to timely, young people friendly contraception services Improving knowledge and skills to delivery relationship and sex education and have open and honest conversations with young people regardless of setting							

Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Percentage of children receiving MMR vaccinations at second birthday</b>  Corporate Risk Register: risk 13  CP02.004a	Maximise	Q1 2023/24	93.2%	95.0%	AMBER	88.6%	88.8%
		Quarterly	Snapshot	Annual target			
<b>Latest note</b>  Southend-on-Sea's uptake for MMR (measles, mumps and rubella) one dose at 24 months is the same as England's at 89.3%, but slightly lower than the East of England regional uptake at 90.9%.  Currently, GPs are commissioned to administer childhood MMR vaccinations. The NHS has launched their new vaccination strategy. The aim is to improve services by providing greater flexibility to local neighbourhood teams and Integrated Care Systems, to enable teams to increase vaccination uptake and coverage while reducing inequalities. There has been a national downward trend in the uptake of MMR vaccinations since the COVID pandemic lockdowns.  Work planned and undertaken:  Community Conversation on 6 December 2023 at Civic Centre focused on Keeping Southend Healthy, responding to 2019 measles outbreak, raising vaccination awareness and encouraging uptake. Well attended by the voluntary sector, healthcare professionals and the council. Work is underway with Essex Partnership University NHS Foundation Trust to support catch-up childhood vaccinations in primary schools, linked with nurseries and children's centres, with a focus on MMR vaccines from January to March 2024 Further work with the Children, Families and Young People Service to improve uptake and engage with parents and carers. Resources and information disseminated by school nurses and health visitors. This measure is reported with a one quarter lag in data.							
03  <b>Percentage of children receiving MMR vaccinations at fifth birthday</b>  Corporate Risk Register: risk 13  CP02.004b	Maximise	Q1 2023/24	85.7%	95.0%	RED	83.1%	88.4%
		Quarterly	Snapshot	Annual target			
<b>Latest note</b>  Southend-on-Sea's uptake for MMR (measles, mumps and rubella) two doses at 5 years is slightly higher at 85% than England's at 84.5%, but lower than the East of England regional uptake at 87.9%.  Currently, GPs are commissioned to administer childhood MMR vaccinations. The NHS has launched their new vaccination strategy. The aim is to improve services by providing greater flexibility to local neighbourhood teams and Integrated Care Systems, to enable teams to increase vaccination uptake and coverage while reducing inequalities. There has been a national downward trend in the uptake of MMR vaccinations since the COVID pandemic lockdowns.  Work planned and undertaken:  Community Conversation on 6 December 2023 at Civic Centre focused on Keeping Southend Healthy, responding to 2019 measles outbreak, raising vaccination awareness and encouraging uptake. Well attended by the voluntary sector, healthcare professionals and the council. Work is underway with Essex Partnership University NHS Foundation Trust to support catch-up childhood vaccinations in primary schools, linked with nurseries and children's centres, with a focus on MMR vaccines from January to March 2024 Further work with the Children, Families and Young People Service to improve uptake and engage with parents and carers. Resources and information disseminated by school nurses and health visitors. This measure is reported with a one quarter lag in data.							

Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Proportion of adults with learning disabilities who live in their own home or with their family</b> Corporate Risk Register: risk 15 CP02.006	Maximise	November 2023	88.1%	85.5%	GREEN	88.90%	85.60%
		Monthly	Snapshot	Annual target			
	<b>Latest note</b> The council's Learning Disability team is focused on supporting people with a learning disability to reside within tenanted arrangements to increase their choice and control. This measure remains consistently above target with November's performance at 88.1% exceeding a target of 85.5%.						
<b>Number of permanent admissions into residential and nursing care (18-64)</b> Corporate Risk Register: risk 15 CP02.007	Minimise	November 2023	7.00	7.00	GREEN	4.00	3.73
		Monthly	Snapshot	Monthly target			
	<b>Latest note</b> In November, there were seven permanent admissions into residential care, meeting the target of seven. The performance in December is on target, which is consistent with the performance throughout the year.						
<b>Proportion of adults in contact with secondary mental health services who live independently with or without support</b> Corporate Risk Register: risk 15 CP02.008	Maximise	October 2023	38.3%	39.0%	AMBER	38.7%	40.4%
		Monthly	Snapshot	Annual target			
	<b>Latest note</b> In October 2023, the performance for this measure was 38.3%, slightly below the current target of 39%. In January 2024, the third phase of a data quality project specifically focussing on the ASCOF measures will be implemented. This work will focus on those service users who do not have an employment and accommodation status updated in the past 12 months. The reporting criteria only considers statuses updated in the past 12 months when calculating the performance. Once this initial work has been completed, there will be a new pre-emptive report highlighting service users who's status will 'expire' in the next 3 months.  The above actions, hopefully will have a positive impact on performance. It is worth noting that while we will be working to ensure service users have an updated employment and accommodation status, this may not guarantee increased performance as the updated statuses won't all be 'Living independently or with support'. This measure is reported with a one month lag in data.						

Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services</b> Corporate Risk Register: risk 15 CP02.009	Maximise	November 2023	87.9%	80.0%	GREEN	90.20%	78.20%
		Monthly	Snapshot	Annual target			
<b>Latest note</b> November's performance of 87.9% exceeded the target of 80%. Of the 66 people discharged from hospital, 58 remain at home, 3 are deceased and 5 are now within a care home.  It is important to note that the NHS continues to lead on discharge from hospital, reducing the council's input and control over this measure.							
<b>Number of co-produced strategies and policies</b> Corporate Risk Register: risk 16 CP02.011	Maximise	November 2023	8.0	4.0	GREEN	4	--
		Monthly	Cumulative - year to date	Monthly target			
<b>Latest note</b> Activity in October and November 2023 includes:  publishing the Southend on Sea City Council Co Production Framework, setting out the council's vision and commitment for co-production developing new complaints policy, with input from Learning Disability user voice group taking the Ageing Well strategy to the Learning Disability user voice group to develop strands of work working on delivery of the Autism and Neurodivergence action plan.							



Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Rate of children on child protection plan per 10,000 population</b> Corporate Risk Register: risk 11 CP02.012	Balanced	November 2023	30.0	34 - 44	RED	31.57	32.21
		Monthly	Snapshot	Annual target			
	<b>Latest note</b> There has been a slight increase on the previous month. The Southend Children's Single Point of Contact has been a factor in the reduction of children subject to child protection plans. This is having a positive impact as the ethos is on working with children and families at the lowest levels prior to any escalations to statutory services. All requests are quality assured by a senior manager to make sure that thresholds are being applied correctly, which is also having an impact. This continues to be an area of focus, including the review of Children in Need over 12 months to ensure that children are being held at the right level, with an expected rise in the coming weeks.						
<b>Percentage of placements in residential and Independent Fostering Agency (IFA) settings</b> Corporate Risk Register: risk 11 CP02.013	Minimise	November 2023	53.0%	45.00%	RED	53.65%	54.20%
		Monthly	Snapshot	Annual target			
	<b>Latest note</b> There is an ongoing issue with placements, the availability and quality of placements that are appropriate for our children and young people, more so with foster placements. We do have to extend the search to residential route, particularly for our older cohort of children and young people.  We are focussing time and effort on recruiting more Southend foster carers to ensure our children and young people are provided with more geographical appropriate placements. We are encouraging more conversations with local residential providers so we can accommodate Southend children and young people with Southend providers.						
<b>Percentage of Children Looked After (CLA) long-term stability</b> Corporate Risk Register: risk 11 CP02.014	Maximise	November 2023	54.4%	70.00%	RED	62.38%	64.80%
		Monthly	Snapshot	Annual target			
	<b>Latest note</b> We have had a number of young people's placements end due to retirement, ill health and carers' being unable to manage young people's behaviour.  We are embedding the placement stability process and getting much more reactive at putting this in place. We are also trying to support placements through various options, but some have been disrupted for the reasons given above and this is out of our control.  The fostering team is working on its marketing strategy and there is hope the increase in our inhouse carers over the coming year will mean we are able to offer direct support.						

Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Percentage of children experiencing permanent exclusions in the academic year</b>  Corporate Risk Register: risk 11 CP02.015	Maximise	November 2023	0.03%	0.08%	GREEN	0.02%	0.03%
		Monthly	Cumulative - Sept-Jul	Annual target			
<b>Latest note</b> In November, two young people received permanent exclusions from school. A Year 11 female with special educational needs was permanently excluded from Shoeburyness High school and a Year 9 female with no special educational needs was permanently excluded from Chase High School.  There has been an increase in possible permanent exclusions, prompting a concerted effort by the council to engage schools and look at alternative measures, such as directions, applying for funding and further outreach support.							
<b>Percentage of council homes meeting the Decent Home Standards</b>  Corporate Risk Register: risk 11 CP02.015	Maximise	November 2023	96.8%	97.3%	AMBER	96.6%	89.0%
		Monthly	Cumulative - year to date	Monthly target			
<b>Latest note</b> The programme is progressing well; although, there are some challenges reaching target properties for electrical rewires due to access issues. Our Difficult Access Coordinator is actively working with these tenants to reach agreement on access and allow works to take place.							
<b>Percentage of properties brought into compliance (Selective Licensing Scheme)</b>  Corporate Risk Register: risk 17 CP02.017	Maximise	Q2 2023/24	20.0%	15.0%	GREEN	--	--
		Quarterly	Cumulative	Quarterly target			
<b>Latest note</b> The Selective Licensing Scheme is a five-year scheme, launched in 2021. The first year of the scheme was about issuing licences – 3,540 properties were issued with a selective licence. To date, 25% of licensed properties have been visited. Of these, 20% have been brought into compliance and 5% are currently being worked on. The overall target is for 100% of properties to be brought into compliance by December 2026. Our quarterly target is to increase the percentage of properties brought into compliance and will be 25% by the end of 2023.							
<b>Number of houses supplied by council, Registered Providers (RPs) and empty properties brought back into use</b>  Corporate Risk Register: risk 17 and 18 CP02.018	Maximise	Q2 2023/24	48	50	AMBER	30	--
		Quarterly	Cumulative - year to date	Quarterly target			
<b>Latest note</b> The council's Acquisitions Programme is progressing well, with all 15 homes purchased as part of the Local Authority Housing Fund. Marfleet & Blyth have now been appointed as contractor for Phase 3a of the Housing Revenue Account Land Review and have started pre-commencement works. The project will see 13 houses and bungalows built in Shoeburyness with completion in 2024/25.							

Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
	Minimise	November 2023	309	219	RED	269	240
		Monthly	Snapshot	Annual target			
<p><b>Latest note</b></p> <p>At the end of October 2023, 309 households were placed in emergency or temporary accommodation, exceeding available spaces. 280 households were placed due to us accepting a duty under housing legislation, while 29 were placed by our Rough Sleeping or Resettlement teams due to a vulnerability. Of these 29 households, 12 were in our commissioned rapid assessment hub, 10 were in newly commissioned winter provision and 7 were in private bed and breakfast.</p> <p>Due to the level of rough sleeping, winter weather, and additional government funding, the council and HARP have worked together to secure 35 emergency bed spaces for verified rough sleepers. The provision opened on 30 November 2023 and will continue until February 2024, with the goal of people being moved to more settled accommodation solutions before this comes to an end.</p> <p>The Hostel Improvement project is progressing with South Essex Homes looking at optimising use and improving standards within our current hostels and new build development opportunities. Remedial work to bring 22 x 2 bed flats in Quantock back into use is nearing completion on the last remaining homes. Once this work is complete, consideration will be given to voids works on other suitable vacant properties in the estate.</p>							
<p><b>Total number of households in temporary accommodation</b></p> <p>Corporate Risk Register: risk 17</p> <p>CP02.019</p>							

# A clean city with a resilient environment

1  
Red

1  
Amber

5  
Green

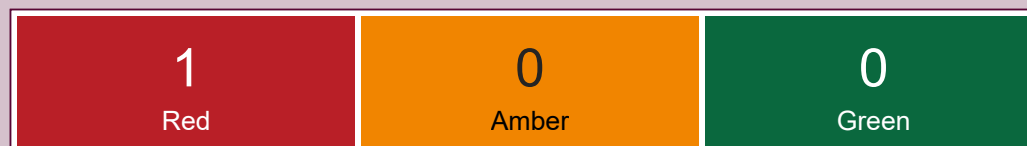
Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous
<b>Percentage of council homes that are Energy Performance Certificate (EPC) rated 'C' or above</b> Corporate Risk Register: risk 9 and 17 CP03.001 36	Maximise	2023/24	--	84.0%	AMBER	--	81.9%
		Annual	Snapshot	Annual target			
<b>Latest note</b> There has been progress on our retrofit action plan: the parity projects database and report, which outlines the cost benefit analysis of different retrofit pathways, has provided a baseline for mapping next steps towards net zero for our existing stock. we have prioritised key actions, such as improving data and undertaking pilot projects. we secured £1.15 million from the Social Housing Decarbonisation Fund (SHDF), which will support delivery of the action plan. our retrofit show home has been completed and is now open to the public. The show home will inform the best approaches for our wider retrofit programme. The action plan will address the need to set formal retrofit targets and key performance indicators. The action plan is being monitored by the council and South Essex Homes sustainability sub-group. The business plan for the Future Housing Revenue Account (HRA) is currently being worked through and will provide further direction for the retrofit programme. Our future phases of HRA newbuild developments are committed to achieving the Passivhaus standard and we have begun progressing Passivhaus pilot projects. We are exploring the possibility of developing a sustainable housing strategy via the housing pipeline group, which would establish our principles for sustainable development across all future housing development projects.							
<b>Pollutant levels in air quality management areas</b> Corporate Risk Register: risk 9 CP03.002	Minimise	2023/24	--	40	GREEN	--	37.00
		Annual	Snapshot	Annual target			
<b>Latest note</b> The council continues to monitor air quality in air quality management areas. In 2022, the Air Quality Management Area 1 recorded a nitrogen dioxide level of 36.2 µg/m3, which is below the air quality objective of 40 µg/m3.							

Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Percentage of carriageway potholes repairs, that have been inspected and meet required investigatory levels, are repaired within 28 days</b>  CP03.005	Maximise	November 2023	100.00%	100.00%	GREEN		
		Monthly	Snapshot	Annual target			
Latest note All carriageway pothole repairs requested in September and October 2023 have been inspected. All carriageway potholes that meet investigatory levels have been or are on track to be completed within the required 28-day timescale.							
<b>Percentage of waste collections carried out on schedule</b>  Corporate Risk Register: risk 10 CP03.006	Maximise	November 2023	99.96%	99.00%	GREEN	99.96%	99.94%
		Monthly	Cumulative - year to date	Monthly target			
Latest note In November 2023, there were 763 reported missed collections, which is a decrease of 10 on the previous month. To date, 99.96% of collections have been carried out on time, exceeding the annual target of 99.00%							

Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
	Maximise	2023/24	--	50.00%	RED	--	41.72%
		Annual	Snapshot	Annual target			
<p><b>Percentage of waste recycled</b></p> <p>Corporate Risk Register: risk 9 and 10</p> <p>CP03.007</p>							
<p><b>Latest note</b></p> <p>Tonnage and performance data unavailable for September to October 2023-24. Comparing the latest available data (Q1 2023-24) with the same period in 2022-23, shows the recycling rate for Q1 2023-24 was 45%, a decrease of 0.16 percentage points from 45.16% in Q1 2022-23. The data shows:</p> <p><b>Increases:</b>  2.2% increase in pink sack recycling tonnage collected at kerbside  an 11.7% increase in dry recycling tonnage collected at Household Waste Recycling Centres (HWRCs)  10.6% increase in garden waste tonnage collected at kerbside  49.9% increase in garden waste tonnage collected at HWRCs  40.3% increase in reuse tonnage collected at HWRCs</p> <p><b>Decreases:</b>  10.2% decrease in food waste tonnage collected at kerbside  17.1% decrease in paper and card tonnage collected at kerbside  5.7% increase in non-recyclable (residual) tonnage collected at kerbside  68.5% increase in non-recyclable (residual) tonnage collected at HWRCs.</p> <p><b>Activity this period:</b>  a waste composition analysis has shown that capture rates for certain materials, particularly food waste, are low and in some cases have fallen.  three Big Belly bins were relocated to new locations in the city to test operational efficiencies in lower foot fall areas.  ten local projects were awarded £4900 between them as part of Veolia's sustainability fund.  collections ran smoothly throughout October and November, with no instances of non-completion. Crew monitoring adhered to Veolia QHSE guidelines, and tool box talks were conducted with all crews to maintain high operational service delivery standards.</p> <p><b>Communications activity:</b>  delivery of 28,000 leaflets about our food waste service  launched paid social media campaign to promote recycling  257 letters were sent to households presenting incorrect materials in their recycling  217 social media posts covering Recycle Week, Halloween recycling, vape recycling and recycling events.</p>							

Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Percentage acceptable standard of cleanliness: litter</b> Corporate Risk Register: risk 10 CP03.008	Maximise	August 2023	98.82%	95.00%	GREEN	99.40%	97.03%
		Monthly	Cumulative - year to date	Annual target			
	Latest note At the last data entry of August 2023 performance demonstrated a good level of cleansing; the indicator is on track with the 23/24 target of 95%. The Waste team are holding vacancies in accordance with the corporate financial sustainability commitments. All team resources are currently team prioritising the waste collection procurement.						
<b>Percentage acceptable standard of cleanliness: detritus</b> Corporate Risk Register: risk 10 CP03.009	Maximise	August 2023	100.00%	95.00%	GREEN	100.00%	90.71%
		Monthly	Cumulative - year to date	Annual target			
	Latest note At the last data entry of August 2023 performance demonstrated a good level of cleansing; the indicator is on track with the 23/24 target of 95%. The Waste team are holding vacancies in accordance with the corporate financial sustainability commitments. All team resources are currently team prioritising the waste collection procurement.						

# A transforming council delivering efficient, cost-effective services



Measure	Aim	Time period	Latest value	Target	RAG rating	Previous period	Previous year
<b>Ensure a Balanced Budget for 2023/24</b>  Corporate Risk Register: Risk 2  CP04.001 40	Minimise	November 2023	£6,300,000	--	RED	£10,700,000	--
		Periodically	Snapshot				
	Latest note ▼ The council is dealing with an unprecedented financial crisis that has impacted across all of Local Government. For 23/24 the council is focusing on a range of initiatives to help break even with our finances for 23/24. The direction of travel towards no variance is positive as the level of overspend has reduced by £4.4m between period 6 to period 8.						



# Key Performance Indicators (KPIs) in development

## A growing city with a strong and prosperous community

- Number of businesses engaged with
- Value of inward investment secured by Southend-on-Sea City Council
- Number of jobs created through Southend-on-Sea City Council initiatives
- Number of higher education learning completions at Southend Adult Community College
- Accommodation occupancy rates
- Total value of tourism
- Overall number of total footfall for all identified council-run cultural assets (museums, galleries, theatres, libraries and leisure centres)
- Annual number of overnight trips
- Annual visitor numbers

## A clean city with a resilient environment

- Tree net gain in the city
- Proportion of bus services running on time

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

- Number of people who have quit smoking through the smoking cessation services
- Number of people completing the Falls Prevention Programme
- Rate of domestic abuse incidents per 1,000 population
- Rate of knife crime incidents per 1,000 population
- Rate of hate crime incidents per 1,000 population
- Rate of reported anti-social behaviour (ASB) incidents to Essex Police per 1,000 population
- Overall satisfaction of people who use services with their care and support
- Percentage of good or outstanding school (a) and early education settings (b)
- Percentage of children on free school meals (FSM) achieving national expectation at KS2 (a) and KS4 (b) outcomes in schools
- Percentage of persistent absences (10% or more missed) for all pupils
- Rate of children on a child in need plan

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

- Transformation programme (2024/25 onwards)

# Corporate Risk Register Key: Risk Numbers

Risk		
2 - Financial sustainability	9 - Mitigating for and adapting to climate change	16 - Social cohesion
3 - Inflation and cost of living pressures	10 - Waste management	17 - Housing
4 - Public services landscape	11 - Safeguarding responsibilities and child welfare	18 - House building programme
5 - Workforce	12 - Other safeguarding responsibilities	19 - Local Plan
6 - a) Cyber security b) Data protection	13 - Health inequalities	20 - Regeneration and major projects
7 - Capital investment programme delivery	14 - Staffing vacancies impacting on the delivery of statutory responsibilities	21 - Visitor destination and major events
8 - Transformation programme	15 - Adult social care	22 - Economic recovery and income inequalities

# Glossary of terms

Priority	Measure	Definition
Priority 1 - A growing city with a strong and prosperous community	Amount of council's spend with local businesses	Total spend by the council and South Essex Homes with external suppliers based in Southend-on-Sea.
Priority 1 - A growing city with a strong and prosperous community	Visitor numbers to Southend Pier	The total number of visitors who pay to walk Southend pier or ride the trains.
Priority 2 - A safe city with a good quality of life for all	Number of permanent admissions into residential and nursing care (18-64)	The number of council-supported younger adults (aged 18-64) whose long-term support needs were met by a change of setting to residential and nursing care during the year.
Priority 2 - A safe city with a good quality of life for all	Number of physically inactive adults completing a physical activity course	The total number of physically inactive adults completing a physical activity course. Physical activity courses are run as part of a programme to assist behaviour change. Physically inactive adults are defined as doing less than 30 minutes of moderate intensity physical activity per week. Continuing to be active is defined as doing some physical activity.
Priority 2 - A safe city with a good quality of life for all	Percentage of children receiving MMR vaccinations at second (a) and fifth (b) birthday	(a) The total number of children whose second birthday falls within the time period who received one dose of MMR on or after their first birthday and at any time before their second birthday. (b) The total number of children whose fifth birthday falls within the time period who received two doses of MMR on or after their first birthday and at any time before their fifth birthday.
Priority 2 - A safe city with a good quality of life for all	Proportion of adults in contact with secondary mental health services who live independently with or without support	The number of adults aged 18-69 who are receiving secondary mental health services recorded as living independently (with or without support), divided by number of adults aged 18-69 who have received secondary mental health services.
Priority 2 - A safe city with a good quality of life for all	Proportion of adults with learning difficulties who live in their own home or with their family	All people who are "living on their own or with their family" divided by the number of working-age clients with a primary support reason of learning disability support in long term services.
Priority 2 - A safe city with a good quality of life for all	Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services	The proportion of people at home after 90 days following a period of reablement post hospital divided by the total number of hospital discharges to reablement.
Priority 2 - A safe city with a good quality of life for all	Rate of under-18 conceptions	The rate of conceptions under 18 per 1,000 females aged 15 – 17 for the calendar year. The rate includes all conceptions under 18 but uses the ONS mid-year population estimates for females aged 15-17 as a denominator to calculate the rate (as 95% of under 18 conceptions occur within this age group).
Priority 2 - A safe city with a good quality of life for all	Take up of the NHS Health Check programme	The total number of NHS Health Checks delivered.

# Glossary of terms

Priority	Measure	Definition
Priority 2 - A safe city with a good quality of life for all	Number of co-produced strategies and policies	The number of council strategies and policies that have been co-produced with residents and relevant external organisations. These only relate to the number that involve or are known to the SCC Communities Team.
Priority 2 - A safe city with a good quality of life for all	Number of houses supplied by council, Registered Providers (RPs) and empty properties brought back into use	The total number of housing that have been supplied by the council and/or Registered Providers (RPs) and empty properties brought back into use.
Priority 2 - A safe city with a good quality of life for all	Number of properties brought into compliance (Selective Licensing Scheme)	The number of properties brought into compliance under the Selective Licensing Scheme.
Priority 2 - A safe city with a good quality of life for all	Percentage of children experiencing permanent exclusions in the academic year	The proportion of children attending all Southend-on-Sea schools being issued a permanent exclusion.
Priority 2 - A safe city with a good quality of life for all	Percentage of Children Looked After (CLA) long-term stability	The proportion of children who are looked after on the last day of the month who have been in the same placement for at least two years (730 calendar days) or, for those children in an adoptive placement, their previous placement and their adoptive placement added together is at least two years (730 calendar days).
Priority 2 - A safe city with a good quality of life for all	Percentage of council homes meeting the Decent Home Standards	The percentage of council homes meeting the Decent Home Standards. A decent home meets the following four criteria: a) It meets the current statutory minimum standard for housing. b) It is in a reasonable state of repair. c) It has reasonably modern facilities and services. d) It provides a reasonable degree of thermal comfort.
Priority 2 - A safe city with a good quality of life for all	Percentage of placements in residential and Independent Fostering Agency (IFA) settings	The proportion of children who are looked after on the last day of the month and have a placement in a residential or independent fostering agency setting.
Priority 2 - A safe city with a good quality of life for all	Rate of children on a child in need plan (a) or child protection plan (b) per 10,000 population	The rate of children who have an open Child in Need or Child Protection Plan on the last date of month, excluding children whose plan ceases on the last date of the month (excluding children who have a plan with another LA but are in Southend-on-Sea).
Priority 2 - A safe city with a good quality of life for all	Total number of households in temporary accommodation	The number of households in temporary accommodation on the last date of the month.
Priority 3 - A clean city with a resilient environment	Percentage of council homes that are Energy Performance Certificate rated 'C' or above	An Energy Performance Certificate (EPC) rates how energy efficient your building is using grades from A to G (with 'A' the most efficient grade). This KPI measures the percentage of all council homes that are grade C or above.
Priority 3 - A clean city with a resilient environment	Pollutant levels in air quality management areas	This measures air quality in Southend-on-Sea's two Air Quality Management Areas – The Bell Junction (AQMA 1) and A127 Victoria Avenue (AQMA 2).

# Glossary of terms

Priority	Measure	Definition
Priority 3 - A clean city with a resilient environment	Percentage of waste collections carried out on schedule	How well household waste is collected in line with the council's collection dates and times. More information can be found <a href="#">here</a> .
Priority 4 - A transforming council delivering efficient, cost-effective services	Ensure a Balanced Budget for 2023/24	It is essential that the council monitors its budgets to ensure that value for money is provided; corrective action and reasonable mitigation is in place where necessary to support delivery of a balanced financial position.
Priority 3 - A clean city with a resilient environment	Percentage acceptable standard of cleanliness: detritus	Percentage is calculated using a sample number of streets, which during inspection the amount of detritus is assessed to give an overall grade to a road or street. Detritus is comprised of small, broken-down particles of synthetic and natural materials. Detritus includes dust, mud, soil, grit, gravel, stones, rotted leaf and vegetable residues, and fragments of twigs, glass, plastic and other finely divided materials.
Priority 3 - A clean city with a resilient environment	Percentage acceptable standard of cleanliness: litter	Percentage is calculated using a sample number of streets, which during inspection the amount of litter is assessed to give an overall grade to a road or street. Litter is assumed to include a range of different materials, some associated with smoking, eating and drinking, that are improperly discarded and left.
Priority 3 - A clean city with a resilient environment	Percentage of carriageway potholes repairs, that have been inspected and meet required investigatory levels, are repaired within 28 days	Percentage of carriageway potholes repairs that have been inspected by the council's highways team and meet required investigatory levels and are repaired with a permanent repair within 28 days. The only exception is on key routes such as the A127, where a temporary fix will be carried out within 24 hours to reduce the risk, ahead of a permanent repair.
Priority 3 - A clean city with a resilient environment	Percentage of waste recycled	The cumulative amount of household waste that is collected by Southend-on-Sea City Council that is recycled per quarter.

This page is intentionally left blank

<b>Title:</b>	<b>Finance Performance Report 2023/24 - to end of November 2023 (Period 8)</b>
<b>Meeting:</b>	Cabinet
<b>Date:</b>	11 January 2024
<b>Classification:</b>	Part 1
<b>Policy Context:</b>	All corporate priorities
<b>Key Decision:</b>	No
<b>Executive Director:</b>	Joe Chesterton, Finance and Resources
<b>Report Authors:</b>	Pete Bates, Director of Financial Services, Caroline Fozzard, Senior Finance Lead (Strategy, Sustainability and Governance)
<b>Executive Councillor:</b>	Councillor Cox, Leader and Cabinet Member for Special Educational Needs & Disability

## **1 Executive Summary**

- 1.1 The finance performance report is a key tool in scrutinising the Council's overall performance. It is designed to provide an overview to all relevant stakeholders at regular stages throughout the financial year. It is essential that the Council monitors its budgets and assesses its performance regularly to ensure that it is meeting its strategic objectives and providing value for money. This approach highlights where corrective action is necessary and reasonable mitigation is required to try to deliver a balanced financial position by the end of the year.
- 1.2 Proactive action, strong leadership and decisive decision making has helped to deliver a continued improvement in the overall forecast financial position for the Council for 2023/24. Despite this positive direction of travel, the challenges of increasing service demand and cost pressures remains. It is unlikely that a balanced budget will be achieved in 2023/24, without the use of some of our earmarked reserves which have been prudently built up over the years. This report summarises the latest forecast position and highlights the need to make some difficult choices now and across the medium term.

## **2 Recommendations**

- 2.1 Cabinet notes the local government sector's reaction to the Government's Provisional Financial Settlement (issued 18 December 2023) (Appendix 1).**

**That, in respect of the 2023/24 Revenue Budget Performance as set out in appendix 2 to this report, Cabinet:**

- 2.2 Note the forecast outturn for 2023/24 for the General Fund and the Housing Revenue Account as at 30 November 2023 (section 6).**
- 2.3 Note the plans and intentions to try to further reduce the forecast overspend of the Council's revenue budget for 2023/24 and agree that the Chief Executive and Executive Director (Finance & Resources) continue to explore all opportunities within their delegated powers and authority to improve the financial position by the year-end (section 5).**
- 2.4 Note the potential requirement to use earmarked reserves to balance the 2023/24 budget (Section 5.4 and Appendix 2).**
- 2.5 Approve the planned budget transfers (virements) of £658,000 from earmarked reserves, as set out in section 5.69.**

**That, in respect of the 2023/24 Capital Budget Performance as set out in appendix 3 of this report, Cabinet:**

- 2.6 Note the expenditure to date and the forecast outturn as at 30 November 2023 and its financing.**
- 2.7 Approve the requested changes to the capital investment programme for 2023/24 and future years, as set out in section 4 of appendix 3.**

## **3 Southend-on-Sea City Council's financial situation**

- 3.1 As reported in July 2023, the Council ended the 2022/23 financial year with the largest level of overspending since it became a Unitary Authority on 1 April 1998. Following years of strong financial management, the Council had sufficient reserves to cope with the impact of this outcome for that year as a 'one-off' critical event. Despite the improved financial performance and positive direction of travel summarised in this report for 2023/24, the reduced level of forecast overspending at November 2023 (period 8) is still too high and remains a threat to its future viability.**



- 3.2 The Council's financial situation remains challenging. It is in the best interests of the Council for all Officers and Elected Members to continue to work closely and collaboratively together at pace to control all areas of identified overspending and to ensure that any adverse variances are brought back as close as possible to the approved budget for 2023/24. Without this collaborative action, this 'in-year' pressure could continue to increase the forecast budget gap for 2024/25 and the future. The Council has a statutory requirement to approve a balanced budget and set the Council Tax level for 2024/25 by 11 March 2024.
- 3.3 Despite the difficult circumstances the Council has responded positively to the severity of the financial challenge it faces and still has its financial destiny and control in its own hands. It needs to continue to reduce the revised forecast level of overspending throughout the rest of the 2023/24 financial year, approve and then successfully implement robust savings plans to deliver a balanced budget for 2024/25 and the future. A series of draft future budget proposals for consideration are reported elsewhere on this Cabinet's agenda.
- 3.4 Continued action is required to try to reduce all non-essential expenditure and/or generate extra local income. This priority must be achieved whilst ensuring that our most vulnerable residents are looked after appropriately, and our statutory responsibilities are effectively discharged. Like other Local Authorities we also need to consider how we deliver our statutory responsibilities and assess if changes can be made. The same principles have been applied to the development of ideas and proposals to deliver a balanced budget for 2024/25. Improving efficiency and productivity is essential but the scale of the continuing unprecedented financial pressures will inevitably lead to a reduction in the range, quality, cost and responsiveness of other discretionary Council services as well as challenging our approach to the delivery of our statutory responsibilities.
- 3.5 To help to begin to address and close the estimated budget gap over the next five years the Council will continue to aim to achieve financial sustainability by growing local income sources and relying less on grant support from Central Government in the future. The Council will continue to work collaboratively with its partners, increase its focus on the delivery or joint commissioning of services in a targeted way to ensure that those in most need and who will receive the greatest benefit are the recipients of services. It is vital that we learn from our COVID-19 experience and tailor our services and working practices accordingly. The Council will also continue to take measures to reduce its cost base through the ongoing service transformation programme.
- 3.6 This report will focus on providing some detail and commentary of the financial variances at a portfolio level that are currently forecast for 2023/24. It builds on the information that was reported as at September 2023 (period 6) and highlights what improvements have been made but clearly demonstrates that further work is still required. It should be noted that these revised forecasts have been based on the best information we currently have available.

## 4 Unprecedented levels of financial challenge right across the Sector

- 4.1 The current national operating environment, particularly for upper tier local authorities has never been so financially challenging with numerous Councils announcing or giving warnings of financial distress. The Local Government Provisional Finance Settlement for 2024/25 was released on 18 December 2023 and if anything, it has increased the tension and genuine financial concerns right across the sector. **Appendix 1** captures some of the initial articles that highlight the general reaction to the details within the settlement.
- 4.2 The issuing of a section 114 (s114) notice was once unheard of and whilst a lot more authorities are highlighting the possibility, it is still a major undertaking which has huge consequences for the local authority concerned. It is effectively a declaration that the organisation is forecasting that it cannot meet all its financial obligations.
- 4.3 The Department for Levelling Up Housing and Communities (DLUHC) now provide an option for local authorities in financial difficulties that are deemed to be unmanageable to apply for Exceptional Financial Support. In practice, this presents an intermediate step to avoid a s114 scenario. This action inevitably results in an escalation of direct intervention by DLUHC in the Council's management, administration and decision-making.
- 4.4 The ultimate consequences of issuing a s114 notice are serious and significant and would immediately result in the cessation of all but the most essential levels of expenditure and then only to meet the statutory minimum level of service and Council liabilities. There would also be the need to develop and deliver a comprehensive Council-wide financial recovery plan. This would need to be considered by a full Council meeting within 21 days of issuing the notice.
- 4.5 There remains widespread concern and risk to the continued delivery and level of public services in many local authority areas. The unprecedented levels of demand and huge increases in costs of maintaining statutory service provision, particularly for support and intervention for vulnerable children and adults has been at such a pace that discretionary universal services are continually being squeezed and are being forced to be significantly reduced to ensure some local authorities remain financially viable.
- 4.6 Given this combination of factors and unheard-of levels of financial distress being raised right across the sector, local authority networks up and down the country will respond to the Government's consultation offer on the provisional finance settlement and continue to press hard for recognition of the scale of the underfunding problem and the impact on local areas. Authorities are requesting more transparency and a fairer longer term funding deal particularly in the more deprived areas of the country, which are suffering most from huge increases in both the complexity and cost of responding to statutory service demand.
- 4.7 The fact that this scale of financial challenge is so widespread across the country remains of little comfort currently though as all Councils, including Southend-on-Sea, wrestle with maintaining the delivery of their key statutory responsibility to operate in a financially sensible and sustainable way.

- 4.8 An urgent budget update report<sup>1</sup> was considered at a Special Cabinet meeting on 31 October 2023. This was then supplemented by an additional report<sup>2</sup> that summarised a range of budget ideas and suggestions from Elected Members that was considered by Cabinet on 12 December 2023. The Council needs to continue to take decisive action to ensure good local governance of financial and operational decision making and for the future of the City.

### Local Government Provisional Finance Settlement - 18 December 2023

- 4.9 The Chancellor of the Exchequer shared some headlines of the Government’s ‘borrowing, tax and departmental spending’ plans that would feature within the Provisional Local Government Finance Settlement during a key Statement to the House of Commons on 22 November 2023. The Provisional Local Government Finance Settlement itself was published on 18 December 2023, and it confirmed that the settlement would be for one year only and that it is based primarily on the Spending Review 2021 (SR21) funding levels. All the detail contained within the provisional settlement is essentially just confirmation of previously announced national Government Departmental spending totals that have already been factored into the Council’s financial planning for 2024/25. The main national headlines from the provisional settlement are included within the main budget report, which is considered elsewhere on this Cabinet agenda.

## 5 Southend-on-Sea City Council Revenue Position – General fund

- 5.1 Due to the combined effect of major increases in core service demand post pandemic and the impact of inflationary cost pressures, the Council ended 2022/23 with a level of overspending that was higher than at any time since it became a Unitary Authority on 1 April 1998. The cost and service demand challenges have continued into 2023/24 and the financial challenge now and for the future is arguably the biggest in the Council’s history.
- 5.2 In February 2023, the Council approved a General Fund Revenue Budget requirement for 2023/24 of **£143.875M**. This report provides details of the current projected outturn position for 2023/24 based on information as at the end of November 2023 (period 8). In headline terms the Council’s Corporate Budgets and Service Portfolios are currently forecasting a net overspend by the year-end of **£6.284M** for 2023/24, this is an improvement of **£4.483M** on the position reported at September 2023 (period 6) (£10.767M).

2023/24	Projected Overspend £M
Feb 2023 (Budget Approved)	-
July 2023 (Period 4)	14.040
September 2023 (Period 6)	10.767
November 2023 (Period 8)	6.284

<sup>1</sup> [Agenda item - Budget Update \(southend.gov.uk\)](#)

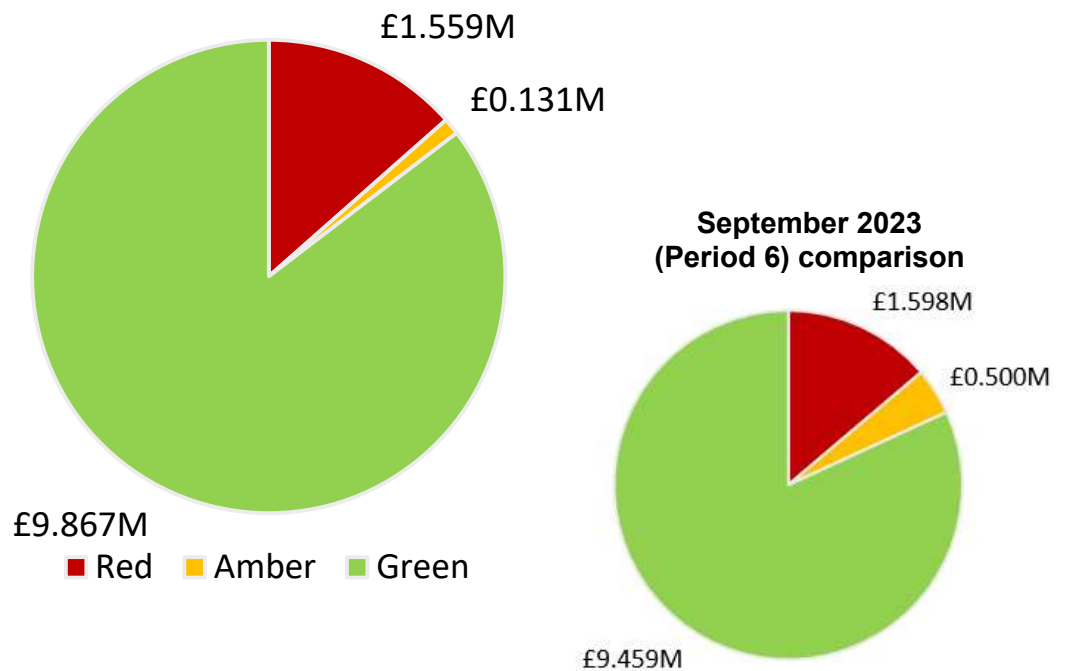
<sup>2</sup> [Agenda item - Councillor Budget Ideas and Budget Proposals \(southend.gov.uk\)](#)

- 5.3 This previous table clearly summarises a positive direction of travel, but more work is still required to try and reduce the currently predicted level of overspending within our front-line spending services as far as possible for 2023/24. Action is and will continue to be taken to further mitigate this revised potential overspend throughout the remainder of the year. The total projected overspend currently stands at around **1.8%** of the Council's gross expenditure budget. Whilst this improved position is encouraging it still represents a serious financial challenge to the Council.
- 5.4 Given the current forecast outturn position for 2023/24, the Council will have no choice but to use its earmarked reserves, which have been prudently developed over previous years, to cover any overspend that remains at the end of this financial year. The Council has proactively and intentionally established two specific risk reserves totalling £5M (£2.5M each) for Adult Social Care and Children's Social Care, which will be called on first if required at the year-end, anything more than £5M will have to be taken from our corporate earmarked reserves. The total estimated impact (based on this period 8 forecast) has been reflected in the 2023/24 forecast reserves balances included in this report (**Appendix 2**). This results in an estimated total closing reserve balance for the City Council as at 31st March 2024 of **£71.2M**.
- 5.5 An initial series of Budget Challenge sessions for each Executive Director and their service leads with the Chief Executive, Executive Director (Finance & Resources) and Senior Finance Officers took place between 5th and 12th September 2023. A second round of challenge sessions took place week commencing 20 November 2023, with invites extended to include political Group Leaders. Key lines of enquiry for all services to identify opportunities for cost reduction, savings and income generation were explored. The outcome from these sessions have had a positive impact on the Council's financial performance for 2023/24 as summarised in this November 2023 (period 8) report and contributed to developing initial budget ideas and proposals for 2024/25.
- 5.6 The revised predicted financial position for 2023/24 and an evaluation of all action taken following the Budget challenge sessions has been represented in this report. A continued focus to drive down the reduced overspending levels further is still essential. Tightening the measures already introduced with even greater enforcement or changing intervention thresholds needs to be implemented safely. A range of opportunities are available to the Council to help drive down the overspend which include the following activities: -
- Target Operating Model (TOM) Changes, delayering of Management and Supervisors – full implementation of Organisation Design principles.
  - Recruitment freeze with approval for essential/critical roles only.
  - Essential spending only.
  - Close services/reduce services.
  - Continue to proactively manage service demand down where possible.
  - Driving real value from contract management, procurement and commissioning activity.

- Implementing fair and appropriate charging for all relevant services – inflationary increases where necessary.
- Removing part/all subsidy from discretionary services
- Risk managed commercial approach.
- Rationalise/reduce the overall running costs of our estate.
- Capital programme – stop, defer, pause.
- Clear service standards on highways asset management.

### Summary of performance against savings and income generation initiatives

5.7 The 2023/24 approved budget included **£11.557M** of savings and income generating initiatives. Some further positive progress has been achieved from the previously reported September 2023 (period 6) position, as illustrated below. The following pie charts represent the current value of savings which have been categorised as Green – will be achieved, Amber – will be partially achieved or Red – unlikely to be achieved based on the current assessment of progress. It is critical that all approved plans are delivered, or alternative options are urgently developed.



5.8 Where savings or income generating initiatives are not currently being achieved, they have been highlighted in the relevant Portfolio service sections within this report.

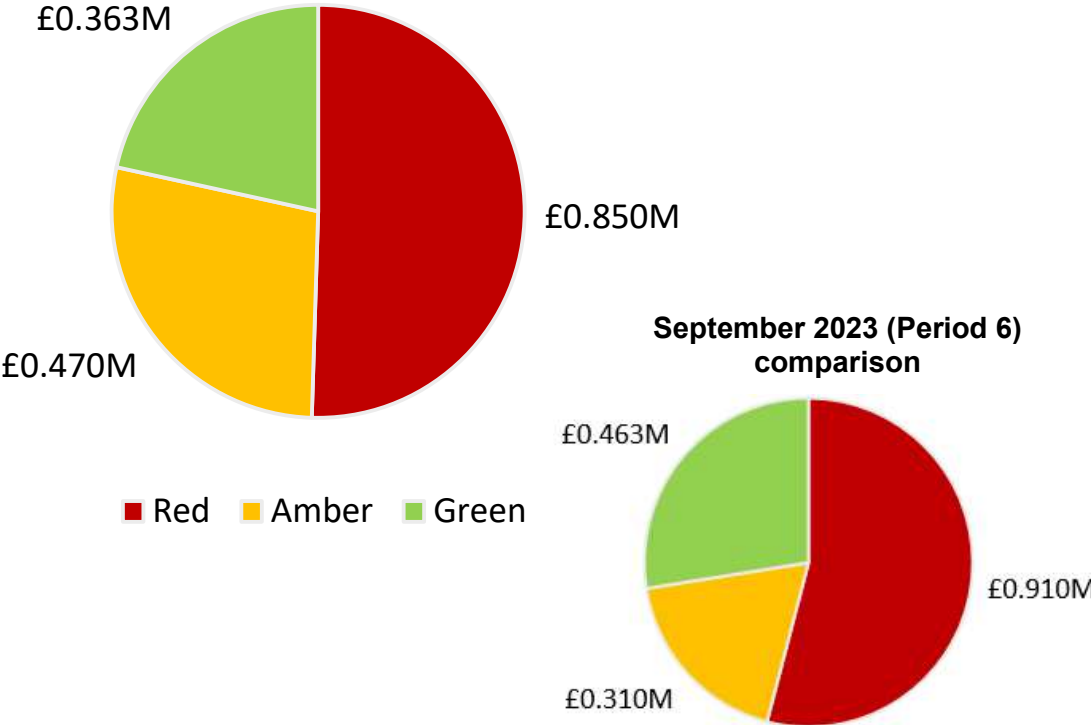
5.9 The following table highlights a summary of the initiatives that are currently classified as Red or Amber. Work is ongoing to try to improve the delivery of these areas and/or alternative proposals are being developed. A final summary of the performance against the initiatives will be provided in the Outturn 2023/24 report to June 2024's Cabinet meeting.

Reference	Title of Proposal	£000
EAP-01	Disabled Facilities Grant	250
EAP-06	System for management of sickness absence	25
ORE-09	Staffing Reduction – Digital & ICT	85
SOC-04	Review of public toilet offer with focus on securing external operator	150
IGC-03	Cremation and burial costs for non-residents	100
IGC-09	Sales, Fees & Charges (this includes a saving from 2022/23 ref. PY-FW06-SP)	471
IGC-11	Street Lighting Advertising Banners	40
PY-SW08	Introduce a new strengths-based refresh in 2021/22	200
PY-ES08	Better use of email for communication	3
PY-SW16-IS	Learning Disability Services Transformation	75
PY-SW17-IS	Shared Lives Expansion	10
PY-SW19-IS	Enhanced In-house Foster Care Offer	150
<b>Red - unlikely to be achieved sub-total</b>		<b>1,559</b>
ORE-04	Staffing Reduction – Revenues Service (£145k)	35
SOC-03	Review Travel Centre Operation / Closure (£40k)	27
TPP-04	Employee Assistance contract for service (£10k)	3
TPP-05	Occupational Health contract for service (£75k)	25
IGC-09	Sales, Fees & Charges (this includes a saving from 2022/23 ref. PY-FW06-SP) (£39k)	16
IGC-10	CCTV Control Room commercial activity (£25k)	20
PY-OP03	Park Sponsorship (£5k)	5
<b>Amber – will be partially achieved sub-total*</b>		<b>131</b>

*\* This amount is the value of the saving which has not yet been delivered, the original value of each initiative is shown in brackets at the end of the Title of Proposal. The difference of £208,000 between the original value of the initiatives (£339,000) and the undelivered amount of (£131,000) has been added to the total initiatives being reported as Green.*

**Summary of performance against targeted overspend reductions.**

5.10 When setting the budget for 2023/24 it was recognised that there were overspends of £1.683M which occurred in 2022/23 that would need to reduce in 2023/24 for the organisation to operate within the agreed budget. The operating environment experienced throughout the year to date has severely impacted the delivery of this ambition. The following pie charts represent the value of overspend reductions which were identified and have been categorised as Green – will be achieved, Amber – will be partially achieved or Red – unlikely to be achieved.



5.11 Where significant overspends are continuing to occur, or have increased, they have been highlighted in the relevant Portfolio service sections within this report. Most of the high values of continued pressure are within our statutory social care services for our most vulnerable children and adults.

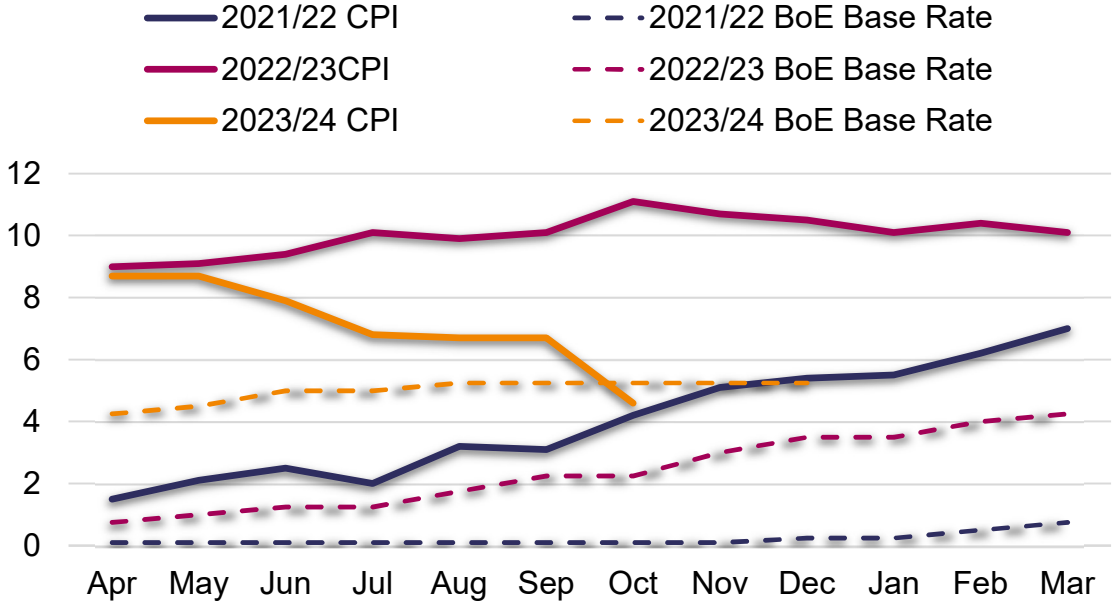
**Summary of the major factors contributing to the forecast overspend in 2023/24**

5.12 The revised forecast revenue overspend at November 2023 (period 8) of **£6.284M** for 2023/24 is driven by a wide range of factors which are considered in more detail in the remainder of this section.

5.13 Budget provision for the nationally negotiated Pay Award April 2023 and inflationary increases on most existing contracts have now been applied appropriately to all services.

- 5.14 There is around £750,000 of the £4.425m provision for 2023/24 Pay Awards remaining, £250,000 of this is earmarked for the Senior Management pay award and some other pay scales where increases are yet to be agreed and implemented (e.g. Soulbury scale). £500,000 of the remaining provision is now being reported as an underspend within the Corporate Budgets line.
- 5.15 Inflation continues to drive costs upwards and although the price of energy has not risen as steeply as expected when the budget was set in February 2023 this has been more than offset by price increases elsewhere right across the supplier/provider market. There is around £450,000 of the £2.950m provision remaining which is being reported as an underspend on Corporate Budgets, this is a reduction of £474,000 compared to September 2023 (period 6), primarily due to the price indexation impact on the Highways contracts.
- 5.16 In October 2023 the rate of inflation, as measured by the Consumer Price Index (CPI), was 4.9%, down from 6.7% in September 2023. The largest downward contribution to the decrease in inflation came from housing and household services, where the annual rate for CPI was the lowest since records began in January 1950. The second largest downward contribution came from food and non-alcoholic beverages. Although the rates of inflation are lower than at the same time last year (see graph below) they are increases on already higher prices creating a cumulative impact that is stretching most Council budgets to breaking point.<sup>3</sup>
- 5.17 In its efforts to bring inflation back down to its target of 2% the Bank of England increased interest rates at every opportunity from December 2021 until August 2023, when the Bank of England Base Rate was 5.25%. They have decided to maintain this rate on 21 September, 2 November and 14 December 2023, meaning it will not change for a further 6 weeks, until at least 1 February 2024.

**Consumer Price Inflation (CPI) and Bank of England (BoE) Base Rate**



<sup>3</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2023>



- 5.18 The increase in the base rate has driven up interest rates being paid on savings and investments. The 2023/24 budget reflected the projected increase with an additional £1.450M of income built into the budget. As at November 2023 (period 8) it is forecast that a further £2.101M will be earned, and this is reported as a favourable variance against Corporate Budgets in Appendix 2.
- 5.19 Rising interest rates are not entirely beneficial to the Council and will impact on the cost of borrowing over time. Perhaps more significantly they will affect residents' costs of borrowing (i.e. mortgages) and household bills (i.e. food and energy). It is likely that increasing numbers of residents will be pushed into a position of requiring additional Council services, advice and support over the coming months. A key risk that could add even further demand pressure on already over stretched services.

### 2023/24 Forecast Variance Comparison – Sept 2023 to Nov 2023

Portfolios	P6 Reported Variance £M	P8 Reported Variance £M	Movement £M
Leader: Special Educational Needs & Disability	0.780	0.672	(0.108)
Deputy Leader: Environment	0.465	0.441	(0.024)
Adult Social Care, Health, Public Health, and Constitutional Affairs	5.355	4.457	(0.898)
Arts, Culture, Heritage and Leisure	0.080	0.130	0.050
Childrens Services, Education and Learning	7.159	6.986	(0.173)
Community Safety and Public Protection	0.268	0.182	(0.086)
Economic Growth and Investment	(0.019)	(0.039)	(0.020)
Highways, Transport and Parking	0.649	0.492	(0.157)
Housing and Planning	(0.299)	(0.200)	0.099
Regulatory Services	0.312	0.385	0.073
<b>Portfolios Subtotal</b>	<b>14.750</b>	<b>13.506</b>	<b>(1.244)</b>
Levies and Precepts	0.049	0.049	0
Contingency	(0.400)	(0.400)	0
Provision for cost inflation	(0.924)	(0.450)	0.474
Provision for Pay Award	0	(0.500)	(0.500)
Financing Costs	(1.909)	(5.122)	(3.213)
<b>Corporate Budgets Subtotal</b>	<b>(3.183)</b>	<b>(6.422)</b>	<b>(3.239)</b>
<b>TOTAL</b>	<b>10.767</b>	<b>6.284</b>	<b>(4.483)</b>

The previous table clearly demonstrates a significant improvement in the overall forecast financial performance of the Council for 2023/24 since the last reported position as at September 2023. What is concerning though is the remaining high level of forecast overspending (**£13.506M**) across portfolios. This clearly means that the overall cost of delivering front line local services remains too high and it is essential that the Council successfully delivers the ambition to redesign its range of services to reduce costs in the short to medium-term. This will be essential to ensure the future sustainability of the Council. The following paragraphs provide a summary of the key pressures and status for each portfolio.

### **Leader: Special Educational Needs & Disability**

- 5.20 Children with a special need and disability (SEND), is the main cause of the £130,000 spend pressure. There is a national shortage of Educational Psychologists (a critical statutory service supporting and advising both schools, parents and carers for children with SEND). Interim cover has therefore been required to sustain an appropriate statutory service level. These arrangements, together with increases in demand are the key contributory factors of the forecast overspend being reported. Recruitment and retention plans are in place to try to secure a permanent workforce moving forward. Smaller pressures also remain where direct SEND team cover is required for staff on maternity leave.
- 5.21 The forecast pressure in Human Resources has reduced by £113,000, this is primarily due to additional budget allocated from contingency to mitigate £104,000 of unachievable savings, the revenue base will be permanently adjusted in the 2024/25 budget to ensure the service remains on a more robust footing. A further £43,000 of savings are not expected to be achieved this year, these are deemed to be one-off pressures as the savings are part of larger projects that have experienced implementation delays but will be deliverable in the future. The service will not meet its annual income target, the final outturn for 2022/23 showed a shortfall of £74,000 and a similar pressure is forecast for 2023/24.
- 5.22 Legal Services had an approved staffing budget for the 2023/24 financial year of £1.14M. As at November 2023 (period 8) the forecast spend on permanent staff is £0.87M and the forecast spend on agency is £0.575M, giving a combined forecast overspend on staffing of £0.31M. This is an increase of £0.075m compared to September 2023 (period 6). The Legal Services team are currently undergoing a restructure within its existing budget envelope, this will hopefully lead to permanent recruitment and reduced expenditure on agency staff in 2024/25.

## Deputy Leader: Environment

- 5.23 Residual waste tonnages increased significantly during the Covid pandemic but positively the tonnages the Council needs to dispose of is now forecast to return to comparable pre-pandemic levels as the volume is steadily decreasing compared to the same time period last year. However, the reduction of residual waste is not significant enough to deliver this service within its approved budget and a pressure of £700,000 is currently forecast. This amount could be decreased further by reducing the amount of residual waste presented by households which brings with it both financial and environmental benefits. This is currently being explored as part of the waste collection contract procurement.
- 5.24 The pressure of residual waste disposal is being partly offset by the income received from the disposal of food waste for which we receive an income. It is anticipated that this will be somewhere in the region of £300,000 in 2023/24.
- 5.25 Based on the income received last year within the Grounds Maintenance service and current income levels it seems unlikely that the service will achieve its income target in 2023/24. This is being offset by holding staffing vacancies and reducing the number of seasonal workers.
- 5.26 The trees and grass verges budget is forecasting an underspend due to efficiencies in merging contracts and amending the prioritisation of works across the estate with a primary focus on emergency works.

## Adult Social Care, Health, Public Health, and Constitutional Affairs

- 5.27 Adult Social Care is now forecast to overspend by £4.551M, which is a reduction of £371,000 compared to what was reported at September 2023 (period 6). The primary driver of the movement is due to a review of Direct Payment account balances which are in surplus, this is resulting in an anticipated £300,000 claw back to date. The accounts have been reviewed to ensure that there is no impact on the Service User, as the underspend has been driven by the year-to-date underutilisation of their account.
- 5.28 The cost of support to Older People is forecast to be £2.776M overspent, this has remained static since September 2023 (period 6), with the pressure deriving from Home Care where several clients have a high level of complexity, which results in the need for double handed care. A range of residential placements which are costing above our contract rate, due to a lack of availability is resulting in additional cost pressures.
- 5.29 The forecast for learning disabilities has remained broadly the same as previously reported, with additional costs forecast for some transitions cases being offset by some backdated funding from Continuing Health Care (CHC).
- 5.30 A further £60,000 saving has been reported within Commissioning following the review of eligible spend against a government grant.

- 5.31 The Digital and Technology team has decreased the likely shortfall on income further since last reporting at September 2023 (Period 6), this has been offset by a small increase in the forecast for employee costs. The combined impact is an improvement of £20,000.
- 5.32 Mental Health reports a minor movement this month, predominantly due to the review of a contractual commitment with Health. There remains an ongoing pressure on the budget as the saving from the transfer of the service back from Essex Partnership Trust (EPUT) has only had a part year effect.

### **Arts, Culture, Heritage and Leisure**

- 5.33 The September 2023 (period 6) forecast assumed the Director of Culture, Tourism and Communities post would remain vacant for the remainder of the financial year. Now the updated forecast reflects that this has been filled on a 0.5FTE basis, in addition to the inclusion of £25,000 of recruitment costs for the role. This has resulted in a £50,000 increase to the forecast.

### **Children Services, Education and Learning**

- 5.34 As reported in both the July 2023 (period 4) and September 2023 (period 6), the significant spend pressure trend continues from 2022/23 into 2023/24 within Children Services. This is mainly due to a combination of Residential Care placement costs particularly for those cases that are most complex within a market that is stretched and short of supply (resulting in some very high prices) and the continued reliance on external foster care placements in 2023/24. The strategy remains to reduce reliance on external foster care placements by building and sustaining capacity within our own inhouse fostering service promoted by the new and improved inhouse foster care offer from April 2023. The cost of external care placements continues to be the main cause of this significant overspend pressure.
- 5.35 Whilst the safety and wellbeing of Children remain of paramount importance the Council continues to explore opportunities to reduce costs where it is safe and possible to do so. As previously highlighted the costs relating to residential care placements are significant and any further placements or net increased placement costs continues to have a risk impact on the remaining financial position reported the rest of this year.
- 5.36 Work building and sustaining capacity within the Inhouse foster carer provision continues and this is promoted by the new, improved and revised Inhouse foster care remuneration offer from April 2023, and work continues to engage regionally with the risks of the costs of the care market to Councils.

- 5.37 Other pressures within Children Services for 2023/24 (as reported previously) remain and includes continued reliance on temporary agency staff to cover critical statutory social work and certain critical social work management posts. There are further financial pressures including the national transfer scheme for Unaccompanied Asylum seekers where those children have now turned 18 and remain in supported accommodation whilst their asylum application is considered (as the Home Office grant to support their costs reduces once the child turns 18). Previously reported pressures for care and support costs for Children with Disabilities under Section 17 status are also continuing. Within the Youth Justice Service there is also a confirmed pressure on secure remand placements. This is due to the confirmed grant level now received for 2023/24, which is significantly lower than the actual costs being experienced. The HM Prison & Probation secure remand grant is based on the average of the last 3-years costs and therefore the Council expects to receive an increase in the level of grant for 2024/25.
- 5.38 Whilst significant financial pressure remains across this portfolio, within Education and Learning the position has improved further and reduced by £173,000 from September 2023 (period 6). Children Services have continued to review and where possible reduce spend pressure within supported accommodation placements where young adults 18+ who were previous care experienced children have transitioned safely into adults. Further work and detailed analysis is continuing.

## **Community Safety and Public Protection**

- 5.39 As part of the 2023/24 budget package, it was agreed to review the public toilet offer with a focus on securing an external operator. This £150,000 saving will not be delivered this year, and the proposal is not currently being progressed. An alternative saving proposal has not yet been agreed but if one is developed and implemented then this pressure could be mitigated before the end of the year.
- 5.40 The current toilet provision also requires ongoing repairs and maintenance, it is anticipated that this will overspend by a further £45,000 this year, a reduction of £25,000 from the September 2023 forecast. The Council is exploring if it is possible to deal with some of this reported pressure through the capital budget allocated to public toilets.
- 5.41 Due to a diligent review of utility costs an investigation has been completed on the value of water bills across the toilet blocks and a credit note of circa £30,000 has been secured in this financial year.
- 5.42 The CCTV service is delivered by an established team of staff and as such staff turnover is very low. This is resulting in a budget pressure on staffing costs, due to an assumption that there would be some staff turnover. The drive to deliver services on a commercial basis is continuing but formal contracts are yet to be signed to bring in additional income.

## Economic Growth and Investment

- 5.43 There has been no significant movement forecast since September 2023 (period 6).

## Highways, Transport and Parking

- 5.44 Before COVID-19 there was a slow decline in the use of cash, but the pandemic sped that up considerably. As a result, a significant proportion of parking payment transactions are now made by card or phone app and the impact of that is higher costs for card transaction and processing fees. The overspend for this is expected to be in the region of £300,000 in 2023/24. Cash collection costs have not reduced to offset some of this as there is still some cash (although significantly less than in previous years) that must be physically collected from machines located across the City.
- 5.45 There continues to be a requirement to have security staff in place at the University Square car park. This is resulting in a forecast overspend of £120,000. It is intended that this security provision will be included in the new parking contract.
- 5.46 The parking enforcement contract is currently overspending by approximately £600,000 due to the volume of variable works undertaken by the contractor and changes made as part of the short-term extension whilst a new contract is procured. The main changes relate to an increase in the number of Civil Enforcement Officers and the wage increases they have received to retain staff. Alternative options will be considered as part of the procurement, including the potential for shared services opportunities.
- 5.47 Concessionary fares payments are linked directly to actual usage on local buses. Due to the reduction in journeys post-pandemic our financial contribution has continued to reduce. Based on the most up to date information the estimated position by the end of the year is currently forecast to underspend by £550,000.
- 5.48 The reported overspend at September 2023 (period 6) on the Highways (including maintenance) line has reduced due to the utilisation of an external capital grant which can be utilised for this purpose. Ongoing spend pressures in this area include a shortfall in the amount of staff time which is charged to delivering the capital investment programme which is being offset by additional staffing vacancies and an increase in income from PVX (private vehicle crossings) applications.
- 5.49 The operation of the Travel Centre in Chichester Road continues to bring with it additional cost pressures due to increased security, cleaning and utility costs totalling approximately £80,000. Contract changes have been put into effect to reduce costs, but this will only show a part-year saving.

## Housing and Planning

- 5.50 The Building Control service exceeded their income budget last year due to some significant works coming into the team in early 2022/23. However, since September 2022 income has been down year on year. As this is a commercial service there is a risk that if the Authority cannot deliver the service on commercial terms the works will go to competitors in the market and we may struggle to obtain repeat business. At year end any residual shortfall in this budget will be funded via the drawdown from the Planning reserve which is earmarked to respond to this volatility in the market.
- 5.51 The Housing Benefit team (Benefits Administration and Essential Living Fund) continues to hold vacancies to try to help with the overall financial pressures across the Council whilst maintaining an acceptable level of service. The forecast has not changed since last reporting in September 2023 (Period 6) but any further significant increase in the number of Southend residents seeking support will be severe pressure on the team to maintain the statutory minimum levels of service for the rest of the financial year.
- 5.52 Following a review of the Disabled Facilities Grant and the staff time which has been capitalised to date, it has been identified that not all the work completed meets the criteria and thus must remain charged to revenue. This has resulted in an adverse movement of £87,000 this financial year.
- 5.53 There is an anticipated £186,000 overspend for provision of temporary accommodation due to the ongoing placement of a small number of rough sleepers in guest house accommodation under a non-priority power. This is funded from our Rough Sleeping Initiative grant however the overspend will be mitigated through housing reserves.
- 5.54 We continue to fund these places as each individual is vulnerable due to health, social care or other needs and finding onward affordable accommodation is a challenge however we want to prevent a return to rough sleeping. There are plans in place for each individual and we hope to seek appropriate 'move on's' to more sustainable accommodation in the new year.
- 5.55 This projected overspend is an estimate based upon current provision. The situation is very volatile, and the overspending could decrease if affordable 'move on' options can be secured sooner or increase if further pressures and requirements emerge. There are also additional pressures on statutory provision to homeless families which continues to increase compared to previous years. This is a major concern as we predict that this will continue to be a growing pressure into future financial years as demand continues to increase.

## Regulatory Services

- 5.56 The Director role within Asset Management has been vacant all financial year and is earmarked for deletion as part of the 2024/25 budget setting. Acting up arrangements have been in place for much of the year and the team have been operating without backfill which has added to the staffing underspend. These reduced levels of staffing have a knock-on impact on the amount of time being capitalised against the budget, but the combination has resulted in a predicted underspend of around £190,000.
- 5.57 The refurbishment of the crematorium is underway and due for completion in March 2024 bringing with it greater efficiency, ensuring that the crematorium can function into the future and improving the environmental impact of the service. During the works and to minimise disruption services have been restricted to Tuesday - Thursday so that 4 days a week are available to deliver the scheme. Reducing the operating hours of the crematorium is resulting in a significant reduction in income over this 12-month period with current estimates forecasting a shortfall of around £635,000. This income reduction is expected to be temporary and when the crematorium is fully operational again it is expected that business and income levels will fully recover. In addition, the new equipment will be significantly more energy efficient bringing further cost avoidance by reducing future energy bills.
- 5.58 The Service Director is intentionally holding vacancies across his Financial Services teams to try and help with the overall financial pressures experienced across the Council. This is proving to be more and more difficult as the demands on the service continues to increase and the forecast underspend has reduced by £15,000 partly because of the team working additional hours.
- 5.59 The financial performance of the Property and Commercial service is forecast to remain consistent since last reporting in September 2023 (period 6).
- 5.60 Vacancies with the Regulatory Services team are intentionally being held for longer than anticipated in July 2023 (period 4) and as a result the expected underspend from these roles has increased to circa £180,000.

## Corporate Budget Developments

- 5.61 The Minimum Revenue Provision (MRP) is an amount to be set aside for the repayment of debt. The Council has a general duty to make an MRP charge to revenue which it considers to be prudent. The MRP Guidance sets out that such policies may be amended at any time, so long as the Council maintains a prudent and transparent approach whilst ensuring any changes are sustainable from a revenue budget perspective.



- 5.62 Following participation across the Chief Finance Officer networks and extensive consultation with our Treasury Management advisers, over the last few months opportunities have been explored to identify whether a more prudent MRP policy could be adopted. Our Treasury Management advisers undertook a review of the MRP policy which considered the Council's current method for calculating MRP and assessed the impact of adopting alternative options available that are fully compliant with the MRP guidance and regulations. The outcome of this analysis has only just concluded, following a rigorous assessment and evaluation of all viable alternative options.
- 5.63 The Guidance and legislation do not define what is prudent. It is for each Authority to determine a prudent repayment based on its own individual circumstances, considering its medium and long-term financial plans, current budgetary pressures, future capital expenditure intentions and funding needs. The Chief Finance Officer is content that the options to be taken forward will make an MRP charge that is both prudent and proportionate, given the severity and urgency of the Council's current financial situation.
- 5.64 A revised MRP policy for 2023/24 is included as an appendix to the main Budget Report for 2024/25 to 2028/29 elsewhere on this agenda, alongside the new MRP policy for 2024/25. The expected savings for 2023/24 (net of fees for the review) have been included in the forecast outturn in this report.
- 5.65 The forecast outturn for investment income remains higher than expected as interest rates have increased faster and by more than initially predicted. This is due to the Bank of England's response to the rate of inflation being slower to reduce than desired.
- 5.66 There have also been other movements across a range of financing transactions since the last position was reported at September 2023 (period 6), most notably for the recharges of interest receivable and payable between the General Fund (GF) and the Housing Revenue Account (HRA), which have been affected by increasing interest rates throughout 2023/24. An updated 2022/23 final position has now been received by Essex County Council in relation to the Coroners Service, which has informed the 2023/24 forecast outturn position.
- 5.67 Other variances include: a surplus from business rates rebates regarding museums and galleries which is a one-off benefit backdated to 1 April 2017; a favourable variance regarding the amount of the original provision for the Local Government Pay Award that will now not be required; a favourable variance regarding the amount of the original provision for cost inflation that will now also not be required.
- 5.68 Altogether, this range of initiatives provide an overall net positive forecast variance for 2023/24 for corporate budgets of £6.422M. This represents an improvement of £3.239M from the position reported at September 2023 (period 6).

**Budget Virements**

5.69 All budget transfers (virements) over £250,000 between portfolios or between pay and non-pay budgets are considered and approved by Cabinet. These budget transfers have a net nil impact on the Council’s overall budget. The budget transfers for Cabinet approval this period are as follows.

<u>£</u>	
368,800	Improved Better Care Grant draw down carried forward from 2022/23 – one off 2023/24
289,200	Afghanistan Education Grant draw down carried forward from 2022/23 – one off 2023/24
<b><u>658,000</u></b>	<b><u>TOTAL</u></b>

**6 Revenue – Housing Revenue Account**

6.1 In February 2023, the Council approved a balanced 2023/24 Housing Revenue Account budget. This section of the report details the projected outturn position for this year based on actual activity and financial performance as at the end of November 2023 (period 8).

6.2 The forecast for the Housing Revenue Account (HRA) at period 8 indicates that the service is forecast to underspend by £645,000 against the approved budget.

6.3 There are several areas of volatility within the forecasting of this position, including resourcing challenges on the delivery of voids work which have led to the need to use a secondary contractor resulting in a pressure of £180,000. Due to increasing interest rates the interest payable on the HRA’s share of the Council’s internal borrowing has increased by £500,000. The number of void units at Queensway had been increasing which was resulting in a higher rent loss than expected of circa £620,000. While new regeneration options for the Estate are being explored a new programme of works is now in place to bring a number of units back up to a lettable standard to meet local housing need.

6.4 The sustained requirement for rental income to be collected against a background of the continued challenging economic environment for local tenants is a key objective. Appropriate support and advice for any tenant that is struggling with keeping up with their rental payments continues to be provided. All these pressures are being offset by the interest payable on the balances held within the HRA, which due to the increased interest rates is due to bring an estimated additional £1,900,000 into the HRA by year end.

6.5 The assumptions within the budget forecast will continue to be reviewed and refined throughout the year and the key risks will continue to be monitored.

6.6 Any surplus on the HRA will be appropriated to earmarked reserves at the end of the year to be reinvested back into the housing stock.

## 7 Capital

- 7.1 Successful and timely delivery of the capital investment programme is a key part of achieving the Council's Corporate Plan and delivering priority outcomes. The investment contributes to the four main priorities in the following way:
- 7.2 A growing city with a strong and prosperous community – the key investment areas are: the Airport Business Park to deliver benefits for both local businesses and local communities, creating thousands of job opportunities and attracting inward investment; refurbishment works at the Victoria Centre to make a significant contribution to the attraction and amenity of the centre and improve and enhance that end of the City Centre; the Levelling Up Fund projects at Leigh Port, Cliffs Pavilion and City Beach; the refurbishment and enhancement of Southend's historic pleasure pier; the Council's ICT infrastructure to provide core services and to progress the Smart Council project.
- 7.3 A safe city with a good quality of life for all – the key investment areas are the schools' high needs and special provision programmes to enhance the facilities and number of places available for children with special educational needs and disabilities or requiring alternative provision. Key housing related investment areas include the construction and acquisition of new council homes and the refurbishment of existing ones via the decent homes programme.
- 7.4 A clean city with a resilient environment – the key investment areas are energy saving and efficiency projects; cliff stabilisation, coastal defence, flood prevention and resilience schemes; the investment in the City's highways and transport network, including Better Networks and Better Sustainable Transport projects funded via the Local Transport Plan.
- 7.5 A transforming council delivering efficient, cost-effective services – there is a project within the ICT capital investment programme to replace the My Southend system. Later phases of the project relating to system development are expected deliver efficiencies and improvements in productivity.
- 7.6 In February 2023 the Council agreed a capital investment programme budget for 2023/24 of £95.4M. The outturn for 2022/23 showed a final spend of £51.8M against a revised budget of £61.8M, an underspend of £10.0M. The proposed budget carry forwards, accelerated delivery requests and other budget re-profiles and amendments at July Cabinet resulted in a revised budget for 2023/24 of £101.7M. Budget re-profiles and other changes as a result of the review of the capital investment programme were approved at September Cabinet and November Cabinet and reduced the revised budget for 2023/24 to £97.0M, then to £59.3M respectively. Of this amount approved at November Cabinet £45.5M is deliverable directly by the Council and £13.8M is to be delivered by South Essex Homes Limited and Kent County Council.
- 7.7 This amount should be considered in the context that there is a further list of schemes that are not in the approved programme but are subject to viable business cases. This includes schemes where the costs have been estimated, totalling £87M and schemes that are yet to be costed. There may also be urgent health and safety works that might occur that are as yet unforeseen.

7.8 The Council is being impacted by the sustained and ongoing inflationary pressures which is affecting the affordability of capital schemes and therefore in some cases the Council’s ability to deliver all the expected outcomes. Given this, and the Council’s finite capacity to deliver capital schemes, the Capital Programme Delivery Board have considered how to review all capital projects and programmes and the status of their business cases. As a result all capital projects with a budget over £100k are being reviewed and assigned a RAG rating as follows:

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

7.9 A generic approach to the programme as a whole would not be appropriate, as each project is different in its nature, extent and impact. The way that projects are funded also needs to be considered as grant and third-party funding would have to be returned if not spent or if delayed beyond the agreed expenditure timeframe. It is also recognised that these options need to be considered alongside any forthcoming capital challenge sessions.

7.10 The capital investment programme should continue to be subject to continuous review and re-prioritisation to ensure resources are aligned to the Council’s Corporate Plan, administration priorities and the need to deliver a balanced financial position. This will inevitably lead to some difficult decisions having to be made regarding the programme with the delivery of some schemes being scaled back, delivered over a longer timescale, paused or removed.

7.11 Progress of schemes will be reassessed, and some schemes may be removed from the main programme entirely and others held as ‘subject to viable delivery plans’ until it can be demonstrated that there is the capacity and resources to deliver them in the timescales indicated. Schemes can then be brought back into the main programme as and when it is appropriate to do so.

- 7.12 As this review progresses via challenge meetings, the Capital Programme Delivery Board and the Investment Board, re-profiles and other adjustments to the programme for 2023/24 and future years will be put forward for approval.
- 7.13 The results of the early stages of this review were included in the July 2023 (period 4) performance report to Cabinet in September. The review is on-going and comprehensive cross party capital challenge sessions chaired by the Leader took place in early October. This included the direction from Cabinet that if capital projects had not yet commenced this year, they would not do so (see the Red RAG rating in the table in paragraph 7.8). The resulting requested changes to the capital investment programme were included in the September 2023 (period 6) performance report to Cabinet in November. Follow up cross party capital challenge sessions chaired by the Leader then took place in early December. The resulting requested changes to the capital investment programme from those sessions have been included in this report.
- 7.14 Approximately 35% of the revised capital investment programme is financed by Government grants and external developer and other contributions and at the end of November 94% of that had been received. The rest of the programme is funded by capital receipts, the use of reserves or by borrowing. Funding schemes by borrowing has a revenue consequence of approximately £70k p.a. for every £1M borrowed.
- 7.15 This report details the projected outturn position for 2023/24 based on information as at the end of November 2023 (period 8). The report includes details of progress in delivering the 2023/24 capital investment programme and in receiving external funding relating to that year.
- 7.16 This report includes any virements between schemes, re-profiles across years, any new external funding, deletions from the programme and transfers between the main programme and the 'subject to viable business case' section.
- 7.17 The progress of schemes for 2023/24 is detailed in sections 1 to 3 of Appendix 3 with Section 4 setting out the resulting requests to:

For schemes to be delivered by the Council:

- Carry forward £4,453,000 of 2023/24 scheme budgets and £3,286,000 of 2024/25 scheme budgets into 2025/26.
- Accelerated delivery of £378,000 of 2024/25 scheme budgets and £195,000 of 2027/28 scheme budgets into 2023/24.
- Add scheme budgets of £369,000 into 2023/24 for new schemes and additions.
- Add scheme budgets totalling £268,000 into 2023/24, £591,000 into 2024/25 and £148,000 into 2025/26 where new external funding has been received.
- Delete scheme budgets totalling £2,000 from 2023/24.
- Action virements of budget between approved schemes.
- Transfer £850,000 of 2024/25 scheme budgets from the main capital investment programme to the 'subject to viable business case' section.

- Transfer £116,000 from the 'subject to viable business case' section into 2023/24 of the main programme.

For schemes to be delivered by Subsidiary Companies and Partners:

- Carry forward £500,000 of 2023/24 scheme budgets into 2024/25.

7.18 As at the end of November the capital outturn for 2023/24 is currently estimated at £42,810,000 for schemes to be delivered by the Council and £13,283,000 for schemes to be delivered by subsidiary companies and partners.

7.19 The 2023/24 capital budget is part of the wider capital investment programme spanning several years. The table below shows the revised programme if all the above requests are approved:

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

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
At November Cabinet	45,502	64,376	11,169	6,681	4,172	131,900
Amendments	(3,129)	(3,923)	7,887	0	(195)	640
Revised programme	42,373	60,453	19,056	6,681	3,977	132,540

**Programme to be delivered by Subsidiary Companies and Partners:**

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
At November Cabinet	13,783	6,774	6,329	6,491	0	33,377
Amendments	(500)	500	0	0	0	0
Revised programme	13,283	7,274	6,329	6,491	0	33,377

## 8 Reasons for Decisions

- 8.1 The regular reporting of Revenue and Capital Budget Monitoring information provides detailed financial information to members, senior officers and other interested parties on the financial performance of the Council. It sets out the key variances being reported by budget holders and the associated management action being implemented to try to address any identified issues.
- 8.2 It also informs decision making to ensure that the Council's priorities are delivered within the approved budget provision.

- 8.3 It is important that any adverse variances are addressed in order for the Council to remain within the approved budget provision or where this cannot be achieved by individual service management action, alternative proposals are developed, and solutions proposed which will address the financial impact. Members will have a key role in approving any actions if the alternative proposals represent significant changes to the service delivery arrangements originally approved by them.
- 8.4 The challenge of delivering a balanced financial outturn for 2023/24 remains significant. Continued urgent action is required to try to reduce all non-essential expenditure even further and/or generate extra income. This priority must be achieved whilst ensuring that our most vulnerable residents are looked after appropriately, and our statutory responsibilities are effectively discharged. Improving efficiency and productivity is essential but the scale of the unprecedented financial pressures will inevitably lead to a reduction in the range, quality, cost and responsiveness of other discretionary Council services, as well as challenging our approach to statutory services.

## **9 Other Options**

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

## **10 Financial Implications**

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

## **11 Legal Implications**

- 11.1 The report provides financial performance information. It is good governance and sensible management practice for the Council to consider monitoring information in relation to plans and budgets that it has adopted.
- 11.2 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Monitoring of financial and other performance information is an important way in which that obligation can be fulfilled.

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

## **12 Carbon Impact**

- 12.1 None arising from this report.

## **13 Equalities**

- 13.1 Some of the actions may have equality and diversity implications and these will be considered as part of our normal equalities impact assessments.

## **14 Consultation**

- 14.1 Engagement has continued with staff, cabinet members and all councillors and this will continue as options to mitigate for 2023/24 are progressed as well as options for delivering a robust balanced budget for 2024/25.

## **15 Background Papers**

Approved 2023/24 Budget – Report to Council 23 February 2023

Medium Term Financial Strategy 2023/24 – 2027/28

## **16 Appendices**

Appendix 1 Summary of responses to the Provisional Local Government Finance Settlement

Appendix 2 Period 8 – November 2023 Revenue Budget Performance 2023/24

Appendix 3 Period 8 – November 2023 Capital Investment Programme Performance 2023/24



## Report Authorisation

This report has been approved for publication by:

<b>This report has been approved for publication by:</b>		
	<b>Name:</b>	<b>Date:</b>
S151 Officer	Joe Chesterton	18/12/2023
Monitoring Officer	Kim Sawyer	19/12/2023
Executive Director	Joe Chesterton	18/12/2023
Relevant Cabinet Member	Councillor Cox	20/12/2023

This page is intentionally left blank

## Summary of responses to the Provisional Local Government Financial Settlement

Ctrl+Click on captions to follow links to online articles.

“Today’s settlement does not provide enough funding to meet the severe cost and demand pressures which have left councils of all political colours and types warning of the serious challenges they face to set balanced budgets next year.”

LGA statement on provisional Local Government Finance Settlement (18 December 2023)

“The County Councils Network... said that county authorities will be ‘bitterly disappointed’ by the announcement... [T]he absence of additional funding leaves its councils with ‘no choice but to implement more severe reductions to services and to levy higher council tax rises’, while ‘an increasing number of local authorities will struggle to deliver a balanced budget next year’.”

CCN Latest News (18 December 2023)

75 “Seeing the local government financial settlement... published in the last week before Christmas is not helpful. But even less welcome is the content of the settlement.

Local authorities right across England are facing unprecedented financial pressures – and all the independent analysis makes clear that the problems are systemic... The ever-growing number of councils issuing or warning of forthcoming s114 notices underlines the peril we face.”

The Society of Local Authority Chief Executives and Senior Managers (Solace Group) (18 December 2023)

“The real pain looks set to be from 2025-26 onwards.

2023–24 and 2024–25 are... tougher years financially for councils than economy-wide inflation figures would suggest.

But we’d hazard that the worst could be yet to come. ”

Institute for Fiscal Studies: The 2024–25 local government finance settlement (19 December 2023)

“Provisional local government settlement fails to ease long-term funding crisis.”

Chartered Institute of Public Finance and Accountancy (CIPFA) (18 December 2023)

“Today’s funding increase will not match inflationary and demand-led pressures... [H]alf of the increase comes from assumed council tax increases... There is nothing new to address the funding pressures in children’s services, the biggest pressure our members currently face... The final settlement in late January is now the Government’s last opportunity to provide councils with the funding and flexibility they need to stabilise their finances. If this is not done then there will be a surge of Section 114s next year.”

Special interest Group of Municipal Authorities (SIGOMA) (18 December 2023)

This page is intentionally left blank

## Appendix 2

### Budget Monitoring & Reporting 2023/2024

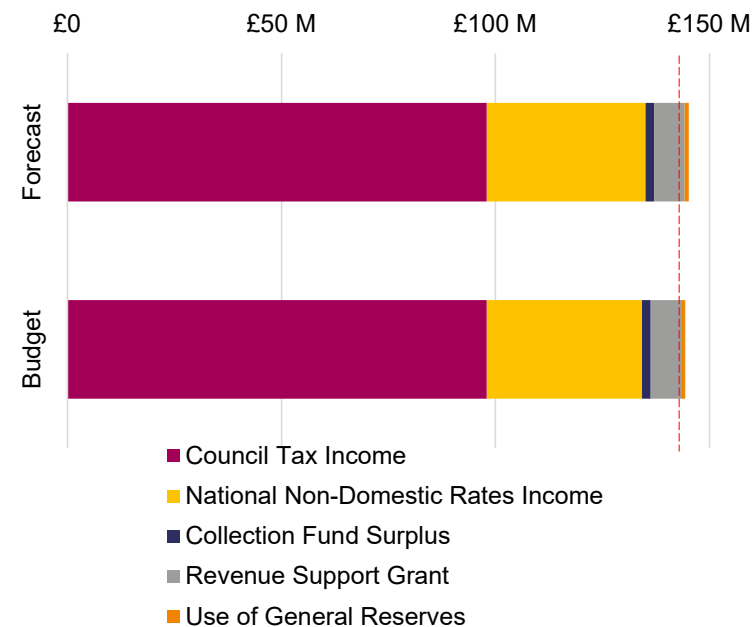
#### Period 08 - November 2023 Revenue Budget Performance



## Summary

Last Reported Variance £M	Portfolio	Revised Budget £M	Forecast Outturn £M	Variance £M
0.780	Leader: SEND	18.006	18.678	0.672
0.465	Deputy Leader: Environment	20.618	21.059	0.441
5.355	Adult Social Care, Health, Public Health, and Constitutional Affairs	63.338	67.795	4.457
0.080	Arts, Culture, Heritage and Leisure	4.566	4.696	0.130
7.159	Childrens Services, Education and Learning	34.601	41.587	6.986
0.268	Community Safety and Public Protection	2.029	2.211	0.182
(0.019)	Economic Growth and Investment	1.263	1.224	(0.039)
0.649	Highways, Transport and Parking	0.290	0.782	0.492
(0.299)	Housing and Planning	4.286	4.086	(0.200)
0.312	Regulatory Services	2.540	2.925	0.385
<b>14.750</b>		<b>151.537</b>	<b>165.043</b>	<b>13.506</b>
(3.183)	Corporate Budgets	20.847	14.425	(6.422)
<b>11.567</b>		<b>172.384</b>	<b>179.468</b>	<b>7.084</b>
0.000	Contribution to / (from) earmarked reserves	(8.622)	(8.622)	0.000
0.000	Revenue Contribution to Capital	0.471	0.471	0.000
0.000	Non Service Specific Grants	(19.896)	(19.896)	0.000
<b>11.567</b>	<b>TOTAL</b>	<b>144.337</b>	<b>151.421</b>	<b>7.084</b>
(0.800)	Funding (including Collection Fund)	(143.337)	(144.137)	(0.800)
0.000	Planned contributions from reserves	(1.000)	(1.000)	0.000
<b>10.767</b>		<b>0.000</b>	<b>6.284</b>	<b>6.284</b>

## Sources of funding



Portfolio services are forecast to overspend by **£13.506m**, an improvement of **£1.244m** on the position reported at September 2023 (Period 6). An analysis of these variances are explained in more detail over the following pages. The net overall forecast overspend has reduced to **£6.284m**, an overall improvement of **£4.483m** on the position reported at September 2023 (Period 6).

The VOA confirmed that, for its 2023 revaluation, it has changed the methodology it uses to calculate business rates for the majority of museums. The rateable value is now calculated by receipts and expenditure, which considers whether the property makes a net surplus, rather than the contractor's method, which assesses the cost of rebuilding the existing museum or gallery. The updated rateable values took effect from 1 April 2023 but there was also the opportunity to appeal the rateable value of the affected buildings since the 2017 revaluation. The rebate has now been received and the one-off benefit of £400,000 is shown in the Corporate Budgets line.

It is estimated that £450,000 of the provision for CPI % increases on existing contracts and rises in energy costs will not be required in 2023/24, £2.5m of the original £2.950m provision has been allocated to services.

The Local Government Pay Award April 2023 was confirmed in November; employees on salary scale points 3 to 41 received a fixed increase of £1,925, employees on salary scale point 42 and above received an increase of 3.88%. £3.659m has been allocated to services to fund this pay award and staff received their backpay on 1 December 2023. The Senior Management pay award has not been implemented yet and there are some other pay scales where the pay award is still outstanding, £250,000 is earmarked for these costs. It is estimated that £500,000 of the original £4.425m provision will not be required in 2023/24.

Forecast outturn for investment income is higher than expected as interest rates have increased faster and by more than initially expected. This is due to the Bank of England's response to the rate of inflation being slower to reduce than expected. However, there is also a forecast adverse variance arising from the effect of increased interest rates on the recharges of interest receivable and payable between the GF and the HRA. A comprehensive review of the Minimum Revenue Provision policy has highlighted savings options that can be achieved by re-profiling the provision for repayments of debt through the General Fund.

The overall net forecast favourable variance on Corporate Budgets of (£6.422m) includes all the items outlined above.

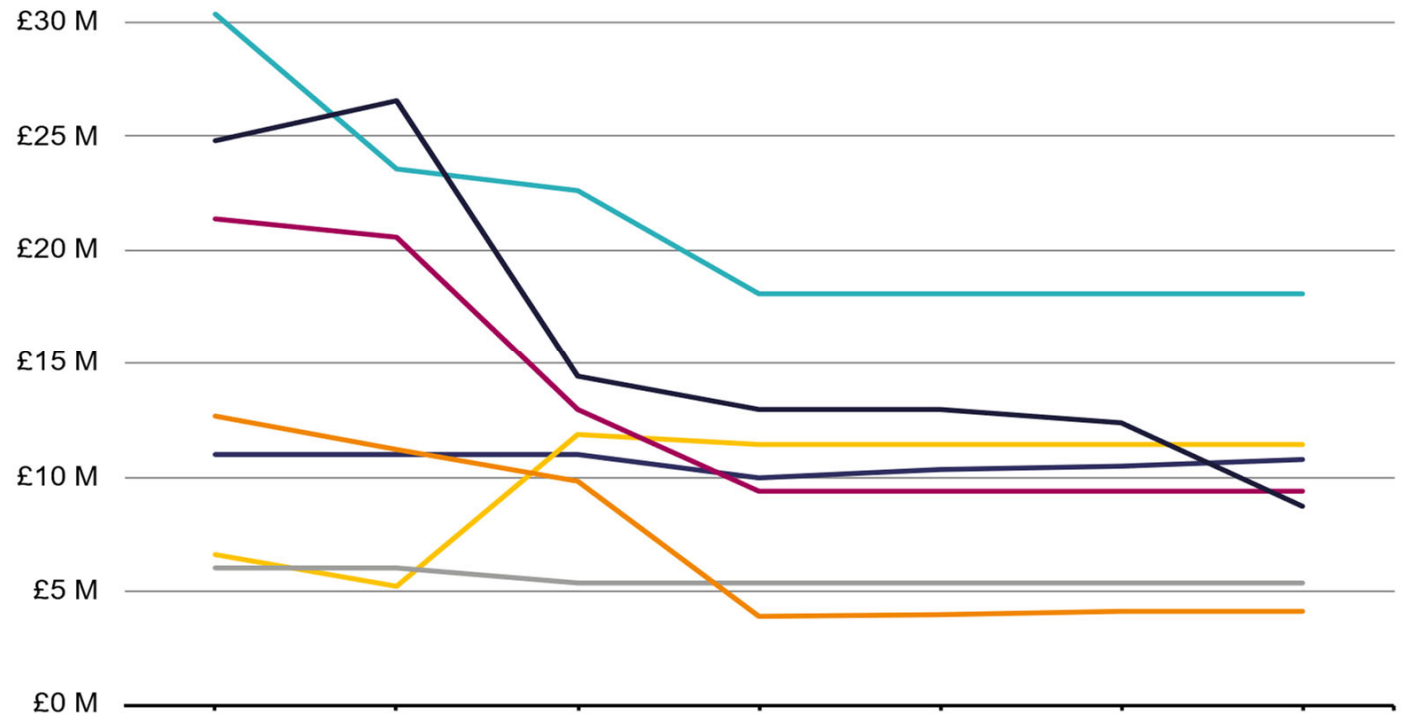
The Council is also estimating to receive a circa £800k benefit in 2023/24 as part of its continued participation in the Essex Business Rates Pool. This is shown as part of the Funding line in the table above.

## Reserves

The Council maintains General Fund reserves between £10M and £12M in line with the Medium Term Financial Strategy. This provides a working cashflow balance and allows a degree of financial security in the case of unexpected events or emergencies.

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

The forecast outturn for 2023/24 has been reflected in our Reserves position with the potential use of £6.284M to meet the current forecast overspend.



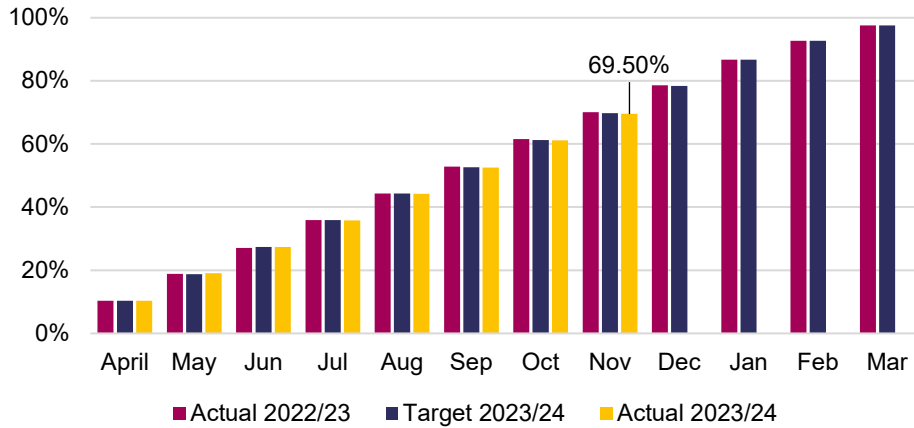
Reserves in £M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
General Reserves	11.0	11.0	11.0	10.0	10.3	10.5	10.8
Capital Reserves	6.6	5.2	11.9	11.4	11.4	11.4	11.4
Corporate Reserves	21.4	20.6	13.0	9.4	9.4	9.4	9.4
Grant Reserves	30.4	23.6	22.6	18.1	18.1	18.1	18.1
Insurance Reserves	6.0	6.0	5.4	5.4	5.4	5.4	5.4
Service Reserves	12.7	11.2	9.8	3.9	4.0	4.1	4.1
Technical Reserves*	24.8	26.6	14.4	13.0	13.0	12.4	8.7
	<b>112.9</b>	<b>104.2</b>	<b>88.1</b>	<b>71.2</b>	<b>71.6</b>	<b>71.3</b>	<b>67.9</b>

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

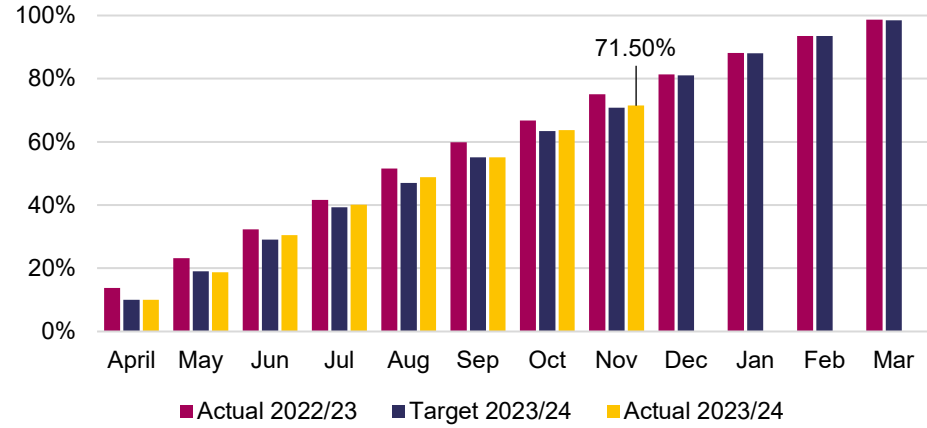


# Collection Rates

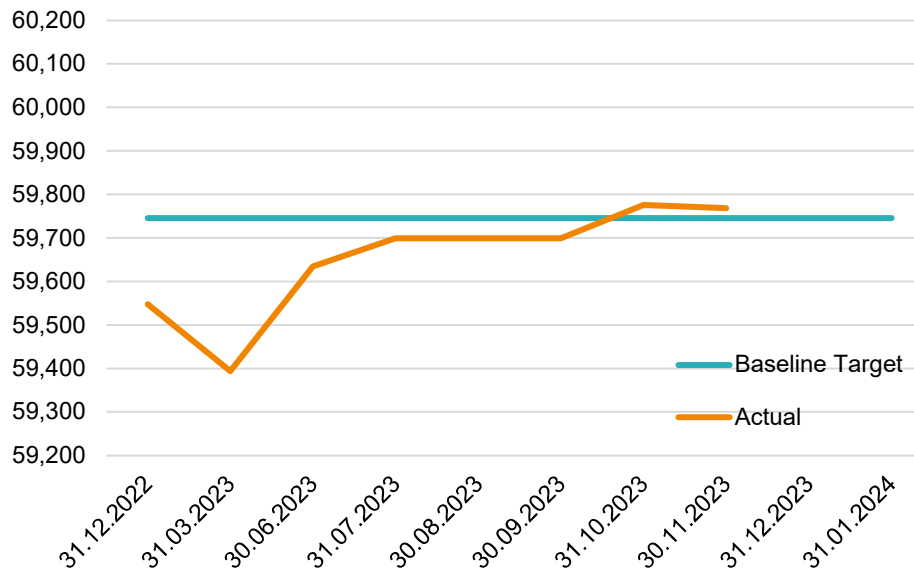
## Council Tax Collection



## Business Rates Collection



## Council Tax Base



The Council Tax Base reflects a slight increase in comparison to the base setting figure, with an increase of 22 Band D equivalent properties.

Council Tax collection is 0.2% (£239k) lower than the current year target for the period. This does not represent a risk of non-collection at this stage.

Business rates in year collection is 0.7% (£255k) higher than the current year target for the period, increasing confidence that the year-end collection can be achieved.

## Leader: SEND

**12.10%**

of Total Gross Revenue  
Service Budget

**£0.7M**

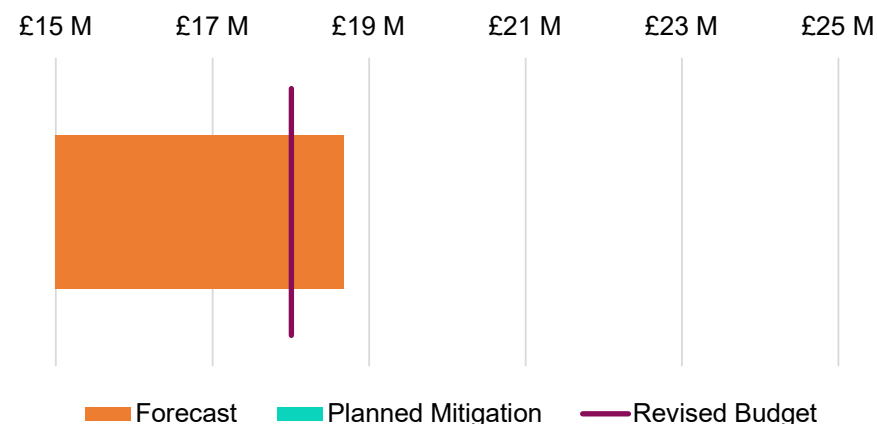
Forecast Adverse Variance

**3.73%**

Variance as % of Net Portfolio  
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.150	Children with a special educational need and disability (SEND)	4.061	4.191	0.130
0.000	Home to School Transport Contract	2.613	2.613	0.000
0.116	Passenger Transport / Vehicle Fleet	0.220	0.336	0.116
(0.215)	Audit	0.833	0.622	(0.211)
0.026	Civic Affairs	1.108	1.118	0.010
(0.014)	Corporate Budget and Resources Planning	0.877	0.907	0.030
0.099	Corporate Planning and Strategic Directio	1.766	1.829	0.063
0.065	Council Tax and Business Rates	0.232	0.310	0.078
0.301	Human Resources	1.881	2.050	0.169
(0.137)	Learning and Workforce Development	0.847	0.710	(0.137)
(0.032)	Performance Delivery	1.566	1.493	(0.073)
0.000	Transformation	0.257	0.257	0.000
0.000	Emergency Planning and Business Continuity	0.260	0.260	0.000
0.422	Legal Services & Land Charges	1.486	1.982	0.496
<b>0.781</b>		<b>18.007</b>	<b>18.678</b>	<b>0.671</b>

Last Reported Variance £M		Revised Budget £M	Forecast Outturn £M	Variance £M
0.636	Gross Expenditure	43.845	44.536	0.691
0.145	Gross Income	(25.838)	(25.858)	(0.020)
<b>0.781</b>		<b>18.007</b>	<b>18.678</b>	<b>0.671</b>



Children with a special need and disability (SEND) pressures are continuing. There is a national shortage of Educational Psychologists (a critical statutory service supporting and advising both schools, parents and carers for children with SEND). Interim cover has therefore been required to sustain an appropriate statutory service level. These arrangements, together with increases in demand are the key contributory factors of the forecast overspend being reported. Recruitment and retention plans are in place to try to secure a permanent workforce moving forward. Smaller pressures also remain where direct SEND team cover is required for staff on maternity leave.

The internal audit team is continuing to operate with five full time vacancies which is resulting in a significant underspend, this is being partly offset by additional spend on external agencies which has remained static since the last position was reported at September 2023 (Period 6).

The forecast position for Human Resources has improved by £132,000 since the last report at September 2023 (Period 6). £104,000 is associated with the successful renegotiation of commission for the Hays contract, this benefit is distributed across the organisation through reduced commission on individual agency placements.

The interim Director of Legal Services (Monitoring Officer) has been in post since the beginning of September and is undertaking a full service restructure. While this goes through the necessary approval and consultation some agency costs continue to be incurred. There is also some long-term sickness in the team which is causing a budget pressure. The combined effect of these has increased the forecast by £81,000 since the last position was reported in September 2023 (Period 6).

Forecast income from Local Land Charges has remained stable since the forecast was produced for September 2023 (Period 6). The underspend on staffing to partially offset this pressure continues and the overall forecast for the service has improved by £8,000.

## Deputy Leader: Environment

**6.08%**

of Total Gross Revenue  
Service Budget

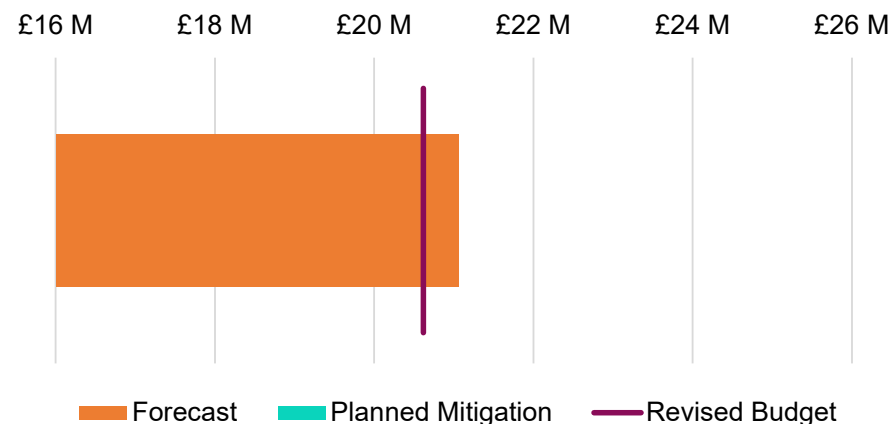
**£0.4M**

Forecast Adverse Variance

**2.14%**

Variance as % of Net Portfolio Service  
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.022)	All matters relating to trees, plants, grass verges and other flora	0.562	0.490	(0.072)
(0.004)	Cleansing of highways and public realm	1.749	1.745	(0.004)
(0.010)	Climate Change, Renewable Energy and Energy Saving	0.201	0.200	(0.001)
0.040	Parks and Open Spaces, Grounds Maintenance	5.162	5.175	0.013
0.461	Waste collection, disposal, management, recycling & sanitation	12.945	13.450	0.505
<b>0.465</b>		<b>20.619</b>	<b>21.060</b>	<b>0.441</b>
84				
0.089	Gross Expenditure	22.043	22.095	0.052
0.376	Gross Income	(1.424)	(1.035)	0.389
<b>0.465</b>		<b>20.619</b>	<b>21.060</b>	<b>0.441</b>



The small increase in the forecast overspend reported at September 2023 (Period 6) for waste is based on a slight increase in the estimated tonnage of residual waste and an anticipated reduction in the volume of food waste which generates an income. The cost of waste disposal continues to be the largest driver of financial pressure within this portfolio area. Although tonnages have reduced by 2% on a year on year basis, the volume of residual waste continues to be higher than the budget position can sustain. Tonnages are starting to return to levels similar to that seen pre-covid and the recent waste disposal procurement has seen the costs of disposal and haulage reduce as well as improving the environmental impact of its disposal.

The position on the trees and verges budget has improved due to the benefit of merging two contracts together and the team managing the volume of works undertaken by prioritising emergency works only.

# Adult Social Care, Health, Public Health, and Constitutional Affairs

**29.18%**

of Total Gross Revenue  
Service Budget

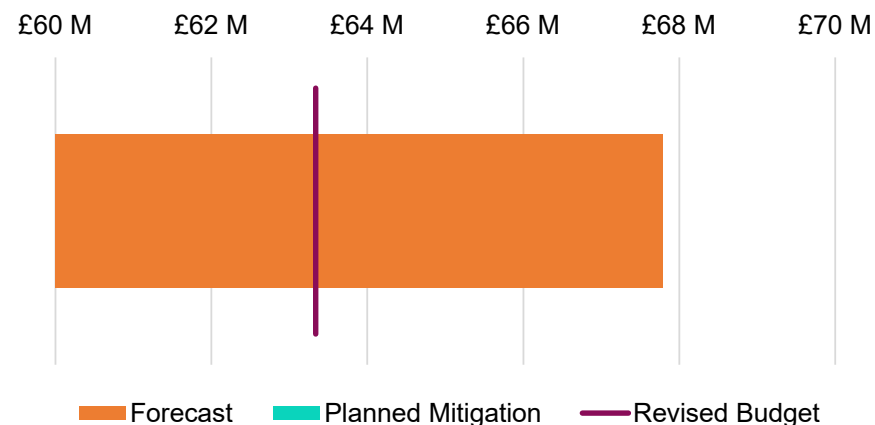
**£4.46M**

Forecast Adverse Variance

**7.04%**

Variance as % of Net Portfolio Service  
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
4.922	Adult Social Care	42.029	46.580	4.551
(0.509)	Commissioning	4.030	3.428	(0.602)
0.016	Community Cohesion and community assets	0.017	0.033	0.016
0.062	Customer Contact	5.228	5.519	0.291
0.411	Digital and Technology	5.001	5.392	0.391
0.000	Domestic Abuse (Social Aspects)	0.068	0.068	0.000
0.376	Mental Health Services	5.035	5.358	0.323
0.000	Public Health	0.218	0.218	0.000
0.078	Democratic Services	0.825	0.812	(0.013)
0.000	Transformation	0.888	0.388	(0.500)
<b>5.356</b>		<b>63.339</b>	<b>67.796</b>	<b>4.457</b>
6.961	Gross Expenditure	105.779	112.490	6.711
(1.605)	Gross Income	(42.440)	(44.694)	(2.254)
<b>5.356</b>		<b>63.339</b>	<b>67.796</b>	<b>4.457</b>



Adult Social Care reports a reduction in the overall forecast outturn, this is primarily due to the anticipated reclaim of un-utilised Direct Payment account balances. Due diligence is being undertaken to ensure that this has no impact on the Service User. The underlying pressure continues to relate to the provision of statutory care, particularly around the cost of support to older people, both in residential settings and home care packages. A combination of an increase in both complexity and costs of individual care packages continues.

An additional £60,000 saving is reflected in Commissioning as part of the allocation of eligible spend against government grants.

The Digital and Technology team has decreased the likely shortfall on income further since last reporting at September 2023 (Period 6), this has been offset by a small increase in the forecast for employee costs. The combined impact is an improvement of £20,000.

The Mental Health Service has now transferred back to the council and all care packages are being reviewed to ensure that they are up to date, on the Council's system and appropriate for the service users' social care needs.

At budget setting £1.0M was allocated to cover increased costs of licenses under the transformation heading, it is now estimated that £0.5m of this will not be required in 2023/24.

# Arts, Culture, Heritage and Leisure

**1.93%**

of Total Gross Revenue  
Service Budget

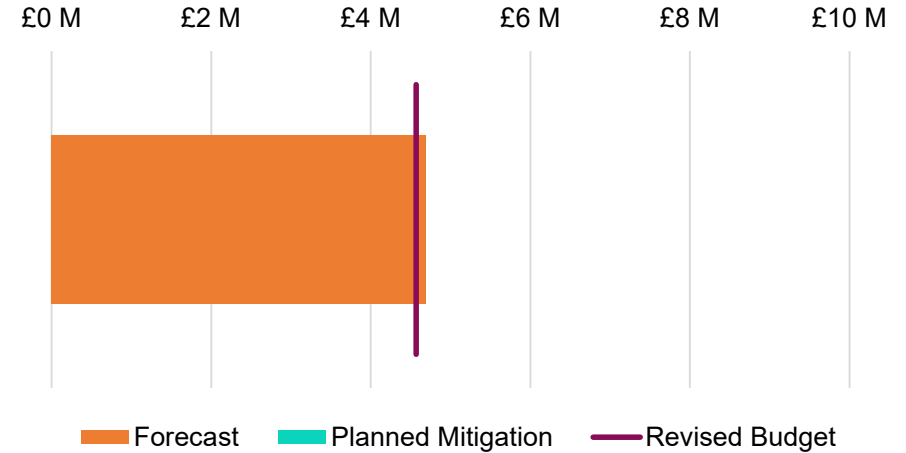
**£0.1M**

Forecast Adverse Variance

**2.85%**

Variance as % of Net Portfolio Service  
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.002)	Museums and Galleries, Theatres and Libraries	4.249	4.297	0.048
0.074	Pier and Foreshore	0.434	0.508	0.074
0.008	Sport Development	(0.116)	(0.108)	0.008
<b>0.080</b>		<b>4.567</b>	<b>4.697</b>	<b>0.130</b>
0.080	Gross Expenditure	6.989	7.163	0.174
0.000	Gross Income	(2.422)	(2.466)	(0.044)
<b>0.080</b>		<b>4.567</b>	<b>4.697</b>	<b>0.130</b>



Museums and Galleries, Theatres and Libraries now includes a forecast of 0.5FTE of the Director role, which at September 2023 (Period 6) was forecast to remain vacant for the remainder of the year, along with £25,000 of recruitment costs for the role.

The Pier and Foreshore, which encompasses the Pier, the Foreshore, Visitor Information, Cliff Lift and the Pier Approaches continues to forecast a small overspend. This net reported position at the end of November 2023 is a result of a combination of additional Pier income due to higher visitor numbers in the summer, offset by additional staffing costs across the service and other premises related expenses.

## Childrens Services, Education and Learning

**22.84%**

of Total Gross Revenue  
Service Budget

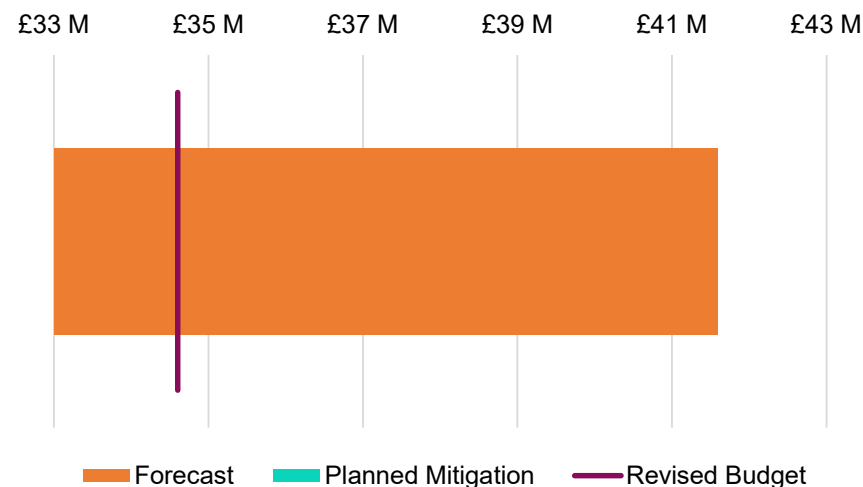
**£7.0M**

Forecast Adverse Variance

**20.19%**

Variance as % of Net Portfolio Service  
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.000	Adult and Community Learning	0.062	0.062	0.000
0.000	Children's Safeguarding	0.068	0.068	0.000
7.368	Children's Services	30.221	37.243	7.022
(0.050)	Family Centre, Early Years and Childcare	1.252	1.187	(0.065)
(0.235)	Schools, Education and Learning	1.580	1.345	(0.235)
0.050	Youth and Connexions	0.829	0.874	0.045
0.026	Youth Justice Service	0.590	0.809	0.219
<b>7.159</b>		<b>34.602</b>	<b>41.588</b>	<b>6.986</b>
∞				
8.051	Gross Expenditure	82.775	90.678	7.903
(0.892)	Gross Income	(48.173)	(49.090)	(0.917)
<b>7.159</b>		<b>34.602</b>	<b>41.588</b>	<b>6.986</b>



As reported in July and September, the significant spend pressure trend continued from 2022/23 into 2023/24 within Children Services. This is mainly due to a combination of Residential Care placement costs particularly for those cases that are most complex within a market that is stretched and short of supply (resulting in some very high prices) and the continued reliance on external foster care placements in 2023/24. The strategy remains to reduce reliance on external foster care placements by building and sustaining capacity within our own inhouse fostering service promoted by the new and improved inhouse foster care offer from April 2023. The cost of external care placements continues to be the main cause of this significant overspend pressure.



Other pressures within Children Services for 2023/24 (as reported in July and September) remain and includes continued reliance on temporary agency staff to cover critical statutory social work and certain critical social work management posts. Financial pressures including the national transfer scheme for Unaccompanied Asylum seekers where those children have now turned 18 and remain in supported in accommodation whilst their asylum application is considered (as the Home Office grant to support their costs reduces once the child turns 18), and pressures for care and support costs for Children with Disabilities under Section 17 status are continuing. Within the Youth Justice Service whilst temporary vacancies remain present, there is an even further confirmed pressure on secure remand placements where the grant level now received for 2023/24 is significantly lower than the actual costs being experienced. The HM Prison & Probation service grant is based on average of the last 3 year costs and therefore the Council will be expecting to receive an increase in the level of grant in 2024/25.

Whilst the safety and wellbeing of Children remain of paramount importance the Council continues to explore opportunities to reduce costs where it is safe and possible to do so. As previously highlighted the costs relating to residential care placements are significant and do remain a very volatile spend area.

Whilst significant financial pressure remains across the portfolio directorate of Children Services, within Education and Learning the position has improved and reduced by a further (£173,000) from September 2023 (Period 6) and this is mainly due to where Children Services have continued to intensely review and reduced spend pressure within supported accommodation placements where young adults 18+ who were previous care experienced children have transitioned safely into adults, and some further pressure has also reduced on the national transfer scheme where those now young adults have achieved  $\infty$  status .

# Community Safety and Public Protection

**1.22%**

of Total Gross Revenue  
Service Budget

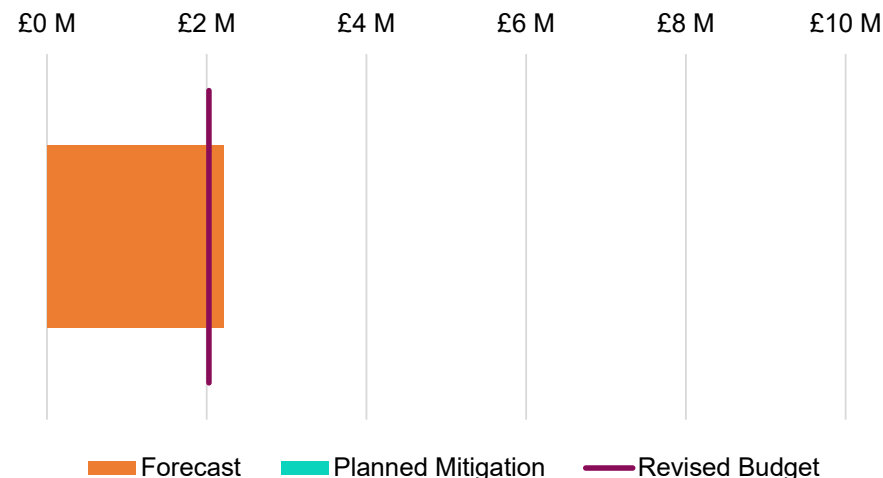
**£0.2M**

Forecast Adverse Variance

**8.97%**

Variance as % of Net Portfolio Service  
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.097	Closed Circuit Television	0.522	0.624	0.102
(0.050)	Community Safety	0.891	0.823	(0.068)
0.001	Drugs and Alcohol Service	0.096	0.096	0.000
0.220	Public Toilets	0.397	0.545	0.148
0.000	Town Centre Management	0.123	0.123	0.000
<b>0.268</b>		<b>2.029</b>	<b>2.211</b>	<b>0.182</b>
0.089	Gross Expenditure	4.426	4.440	0.014
0.179	Gross Income	(2.397)	(2.229)	0.168
<b>0.268</b>		<b>2.029</b>	<b>2.211</b>	<b>0.182</b>



The £150,000 saving associated with a review of the public toilet offer is not being progressed which leaves this service area unable to be delivered within its budget envelope for 2023/24. An alternative saving proposal has not yet been agreed but when one is developed then this pressure could be mitigated before the end of the year. The position has improved since September 2023 (Period 6) due to a reduction in the forecast repairs and maintenance pressure by £25,000 and the receipt of a credit note for water charges after investigation by the team.

The CCTV service is delivered by an established team of staff and as such staff turnover is very low. This is resulting in a budget pressure on staffing costs, due to an assumption that there would be some staff turnover. The drive to deliver services on a commercial basis is continuing but formal contracts are yet to be signed to bring in guaranteed additional income.

# Economic Growth and Investment

**0.38%**

of Total Gross Revenue  
Service Budget

**(£0.0M)**

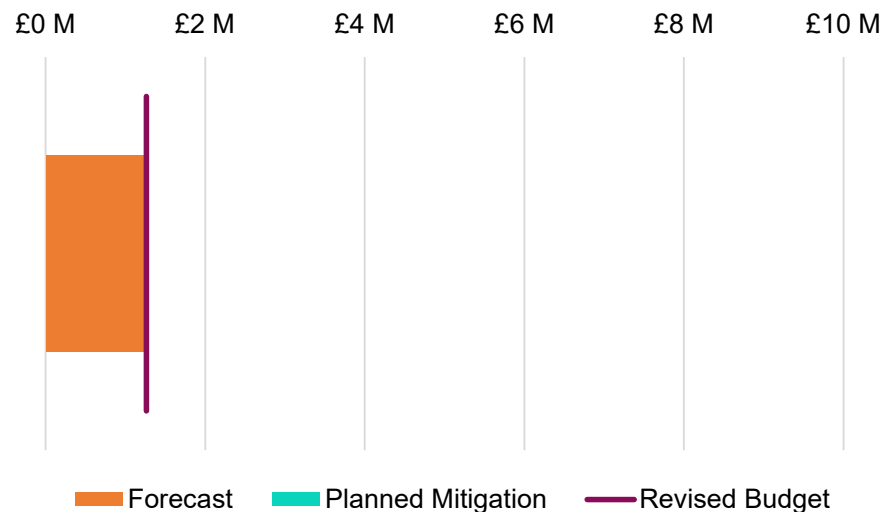
Forecast Favourable  
Variance

**-3.01%**

Variance as % of Net Portfolio Service  
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.042	Marketing (Place Branding/Tourism)	0.460	0.491	0.031
(0.061)	Regeneration and business growth	0.803	0.734	(0.069)
<b>(0.019)</b>		<b>1.263</b>	<b>1.225</b>	<b>(0.038)</b>
(0.019)	Gross Expenditure	1.395	1.336	(0.059)
0.000	Gross Income	(0.132)	(0.111)	0.021
<b>(0.019)</b>		<b>1.263</b>	<b>1.225</b>	<b>(0.038)</b>

16



There has been no significant movement to comment on since the last report in September 2023 (Period 6).

# Highways, Transport and Parking

**3.53%**

of Total Gross Revenue  
Service Budget

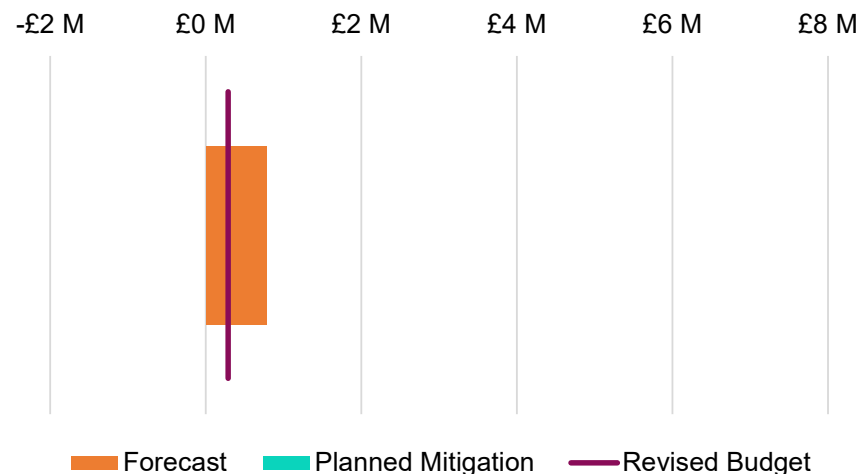
**£0.5M**

Forecast Adverse Variance

**-170.00%**

Variance as % of Net Portfolio Service  
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.987	Car parks and all car parking matters	(8.620)	(7.634)	0.986
(0.550)	Concessionary Fares	2.840	2.290	(0.550)
0.000	Engineering (Bridges and Structures)	0.051	0.051	0.000
0.097	Highways (including maintenance)	4.836	4.798	(0.038)
(0.048)	Highways and Transport	(0.294)	(0.316)	(0.022)
0.143	Public Transport	0.192	0.335	0.143
0.018	Transport (including Transport Policy and Licensing)	1.285	1.259	(0.026)
<b>0.647</b>		<b>0.290</b>	<b>0.783</b>	<b>0.493</b>
NS	1.147 Gross Expenditure	12.809	13.762	0.953
(0.500)	Gross Income	(12.519)	(12.979)	(0.460)
<b>0.647</b>		<b>0.290</b>	<b>0.783</b>	<b>0.493</b>



The parking enforcement contract is currently overspending significantly due to the volume of variable works undertaken by the contractor and changes made as part of the short term extension whilst a new contract is procured. The major spend pressures include an increase in the number of Civil Enforcement Officers and the wage increases they have received in response to national living wage increases and the need to retain staff.

Car parking income to the end of September is exceeding the assumed budget profile but expenditure pressures in relation to transaction fees, bank charges and security at University Square car park are continuing to add additional cost pressures in 2023/24.

Concessionary fares payments are now linked directly to actual usage on local buses. Due to the reduction in journeys post-pandemic our financial contribution has also continued to reduce.

The reported overspend on the Highways (including maintenance) line has reduced since September 2023 (Period 6) due to the appropriate utilisation of an external capital grant to fund the replacement of damaged / broken street lighting columns. Ongoing spend pressures in this area include a shortfall in the amount of staff time which is charged to delivering the capital programme which is being offset by additional staffing vacancies and an increase in income from PVX (private vehicle crossings) applications.

The public transport service is forecast to overspend due to spend pressures on the bus shelter maintenance contract and the costs in relation to the travel centre. Plans are continuing to be developed to try to mitigate some of this additional pressures for the remainder of 2023/24.

The Transport (including Transport Policy and Licensing) position has improved since September 2023 (Period 6) due to the extended vacancy of a post in the team.

# Housing and Planning

**19.28%**

of Total Gross Revenue  
Service Budget

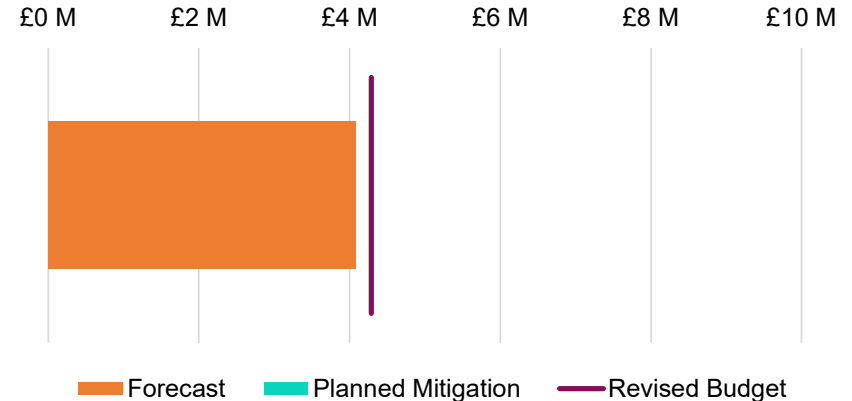
**(£0.20M)**

Forecast Favourable  
Variance

**-4.67%**

Variance as % of Net Portfolio Service  
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.051)	Homelessness and Rough Sleeping	0.404	0.363	(0.041)
(0.187)	Housing Benefit	1.750	1.561	(0.189)
0.000	Housing Management	0.088	0.088	0.000
0.002	Housing Strategy	0.401	0.410	0.009
(0.048)	Planning Policy and Planning Control, Building Control	0.593	0.545	(0.048)
(0.016)	Private sector housing standards and grants	0.620	0.689	0.069
0.000	Queensway Development	0.000	0.000	0.000
0.000	Sea and Foreshore Defences	0.431	0.431	0.000
<b>(0.300)</b>		<b>4.287</b>	<b>4.087</b>	<b>(0.200)</b>
(0.014)	Gross Expenditure	69.888	69.976	0.088
(0.286)	Gross Income	(65.601)	(65.889)	(0.288)
<b>(0.300)</b>		<b>4.287</b>	<b>4.087</b>	<b>(0.200)</b>



94

The Service Director continues to intentionally hold vacancies within Housing Benefit teams (Benefits Administration and Essential Living Fund) to try to help with the overall financial pressures across the Council whilst maintaining an acceptable level of service.

Following an internal audit review of the Disabled Facilities Grant, it has been identified that staff time had been capitalised where it does not fully meet the criteria. A detailed review of staff time has now identified a new £87,000 pressure on the Private Sector Housing Standards and Grants Service, that was previously assumed to be capitalised.

The Building Control service exceeded their income budget last year due to some significant works coming into the team in early 2022/23. However, since September 2022 income has been down year on year. As this is a commercial service there is a risk that if the Authority cannot deliver the service on commercial terms the works will go to competitors in the market and we may struggle to obtain repeat business. At year end any residual shortfall in this budget will be funded via the drawdown from the Planning reserve which is earmarked to respond to this volatility in the market.

# Regulatory Services

**3.46%**

of Total Gross Revenue  
Service Budget

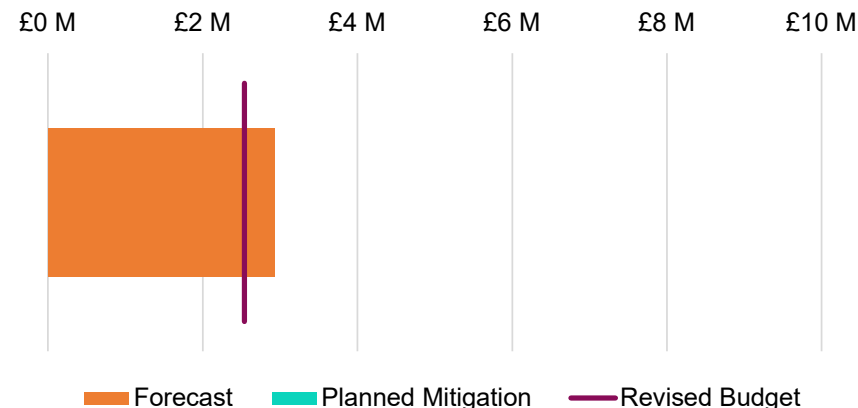
**£0.39M**

Forecast Adverse Variance

**15.21%**

Variance as % of Net Portfolio Service  
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.229)	Asset Management	0.637	0.450	(0.187)
0.795	Cemeteries, Crematoria and Bereavemen	(1.628)	(0.841)	0.787
0.000	Corporate Procurement	1.056	1.056	0.000
(0.170)	Financial Services (including Insurance etc.)	2.851	2.696	(0.155)
0.065	Property and Commercial	(1.495)	(1.426)	0.069
0.031	Registration Services	(0.122)	(0.091)	0.031
(0.180)	Regulatory services	1.239	1.080	(0.159)
<b>0.312</b>		<b>2.538</b>	<b>2.924</b>	<b>0.386</b>
0.909	Gross Expenditure	12.533	13.506	0.973
(0.597)	Gross Income	(9.995)	(10.582)	(0.587)
<b>0.312</b>		<b>2.538</b>	<b>2.924</b>	<b>0.386</b>



Asset Management have a reduced staffing complement due to acting up arrangements across the team operating without backfill. There is a knock-on impact of reduced levels of staff time being capitalised and the forecast for this has reduced by around £40,000 since last reporting at the end of September 2023 (Period 6). The net impact is still a substantial underspend.

The refurbishment of the crematorium is underway and due for completion in March 2024 bringing with it greater efficiency, ensuring that the crematorium can function into the future and improving the environmental impact of the service. During the works and to minimise disruption, services have been restricted to Tuesday - Thursday so that 4 days a week are available to deliver the development. Reducing the operating hours of the crematorium is resulting in a significant reduction in income over this 12 month period with current estimates forecasting a shortfall of £635,000. This income reduction is expected to be temporary and when the crematorium is fully operational again it is expected that income levels will return.

Previously reported vacancies in Financial Services are still being held to try and help with the overall financial pressures experienced across the Council. This is proving to be more and more difficult as the demands on the service continues to increase and the forecast underspend has reduced by £15,000 partly as a result of the team working additional hours.

## Housing Revenue Account

**(£0.7M)**

Forecast Favourable Variance

**-2.3%**

Variance as % of Gross Operating Expenditure

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.180	Gross Expenditure	28.449	29.148	0.699
0.465	Gross Income	(32.556)	(33.921)	(1.365)
<b>0.645</b>	<b>NET OPERATING EXPENDITURE</b>	<b>(4.107)</b>	<b>(4.773)</b>	<b>(0.666)</b>
0.000	Revenue Contribution to Capital	7.384	7.384	0.000
(0.645)	Contribution to / (from) Earmarked Reserves	(3.277)	(2.611)	0.666
<b>0.000</b>	<b>TOTAL</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

HRA Reserves 2023/24	Opening Balance	Forecast Movement	Closing Balance
Capital Investment Reserve	27.614	(3.922)	23.692
Major Repairs Reserve	9.916	0.047	9.963
Repairs Contract Pension Reserve	0.760	0.000	0.760
HRA Reserve	3.502	0.000	3.502
<b>HRA Reserves Total</b>	<b>41.792</b>	<b>(3.875)</b>	<b>37.917</b>

Since the September 2023 (Period 6) monitoring report, the only anticipated changes in the HRA relate to interest paid on borrowing and interest received on balances. The value of income received is £1.4M higher than that paid out which has improved the HRA forecast position considerably and it is expected that this will be transferred to earmarked reserves at the year end.





# Budget Monitoring & Reporting 2023/24

## Period 8 – November 2023 Capital Investment Programme Performance



# Capital Investment Programme Performance Report

## 1. Overall Budget Performance by Investment Area

The revised Capital budget for the 2023/24 financial year which includes all changes agreed at November 2023 Cabinet is as follows:

Schemes	Revised Budget 2023/24 £'000	Proposed Budget at January Cabinet 2023/24 £'000
Total Schemes Delivered by General Fund	32,550	30,999
Total Schemes Delivered by General Fund Funded by the Levelling Up Fund	2,738	1,600
Total Schemes Delivered by Housing Revenue Account	10,214	9,774
Total Schemes Delivered by Subsidiary Companies and Joint Ventures	13,783	13,283
<b>Total Capital Programme</b>	<b>59,285</b>	<b>55,656</b>

Actual capital spend as at 30 November 2023 is £28.733 million representing approximately 48% of the revised budget. This is shown in section 5. (Outstanding creditors totalling £0.128 million have been removed from this figure).

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

**Total Schemes Delivered by General Fund**

Investment Area	Revised Budget 2023/24	Outturn to 30 November 2023	Current Variance to 30 November 2023	Expected outturn 2023/24	Latest Expected Variance to Revised Budget 2023/24	Amended Budget 2024/25 to 2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing	635	417	(218)	830	195	6,377
Social Care	64	437	373	501	437	199
Schools	2,759	1,050	(1,709)	1,497	(1,262)	6,960
Enterprise & Regeneration	1,612	905	(707)	1,542	(70)	1,175
Southend Pier	1,499	913	(586)	1,499	0	6,741
Culture & Tourism	906	602	(304)	922	16	35
Community Safety	142	100	(42)	142	0	0
Highways & Infrastructure	14,107	7,653	(6,454)	13,853	(254)	21,878
Works to Property	6,251	3,380	(2,871)	6,080	(171)	3,796
Energy Saving	231	58	(173)	231	0	636
ICT	3,367	2,045	(1,322)	3,614	247	4,828
S106/S38/CIL	977	73	(904)	725	(252)	948
<b>Total</b>	<b>32,550</b>	<b>17,633</b>	<b>(14,917)</b>	<b>31,436</b>	<b>(1,114)</b>	<b>53,573</b>

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

Investment Area	Revised Budget 2023/24	Outturn to 30 November 2023	Current Variance to 30 November 2023	Expected outturn 2023/24	Latest Expected Variance to Revised Budget 2023/24	Amended Budget 2024/25 to 2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Enterprise & Regeneration	2,738	684	(2,054)	1,600	(1,138)	22,100
<b>Total</b>	<b>2,738</b>	<b>684</b>	<b>(2,054)</b>	<b>1,600</b>	<b>(1,138)</b>	<b>22,100</b>

**Total Schemes Delivered by Housing Revenue Account**

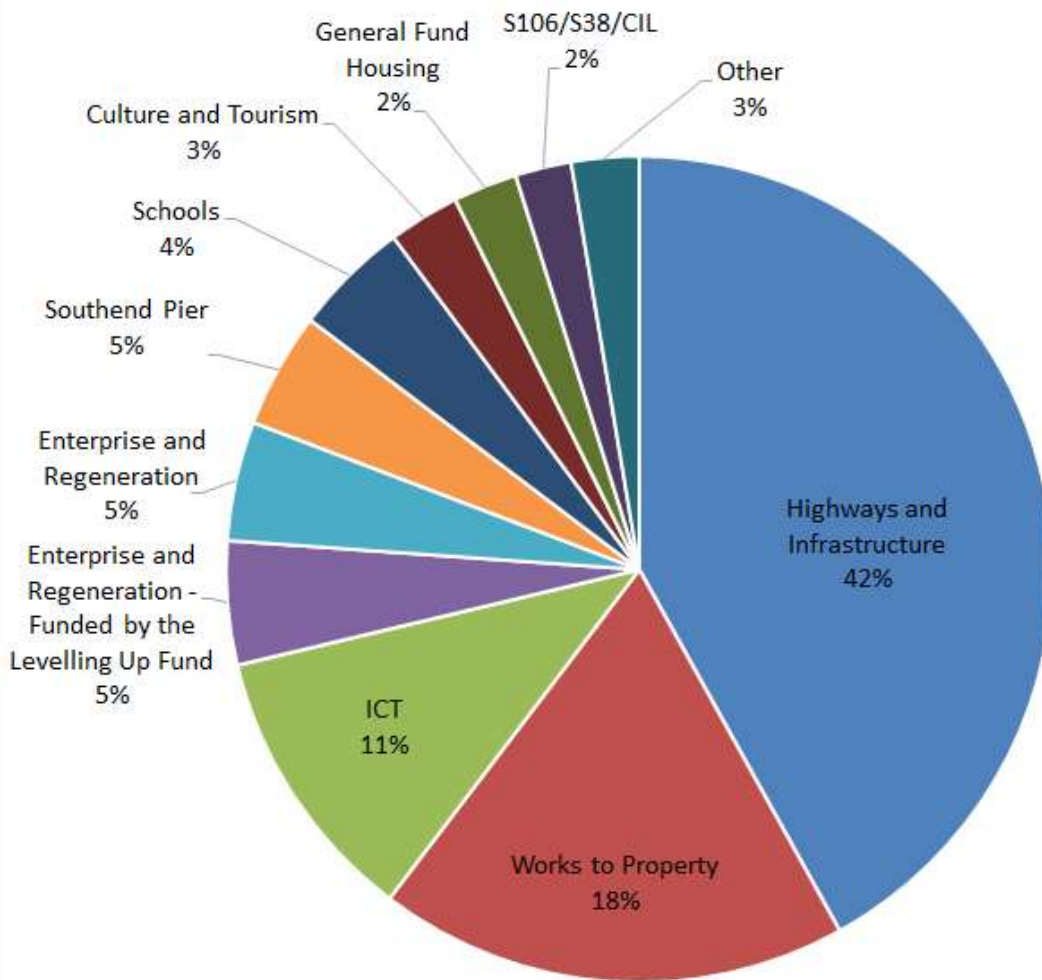
Investment Area	Revised Budget 2023/24	Outturn to 30 November 2023	Current Variance to 30 November 2023	Expected outturn 2023/24	Latest Expected Variance to Revised Budget 2023/24	Amended Budget 2024/25 to 2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Council Housing New Build Programme	1,523	288	(1,235)	1,513	(10)	9,933
Council Housing Acquisitions Programme	8,041	4,592	(3,449)	7,611	(430)	3,408
Council Housing Refurbishment – Disabled Adaptations	650	337	(313)	650	0	1,153
<b>Total</b>	<b>10,214</b>	<b>5,217</b>	<b>(4,997)</b>	<b>9,774</b>	<b>(440)</b>	<b>14,494</b>

**Total Schemes Delivered by Subsidiary Companies and Joint Ventures**

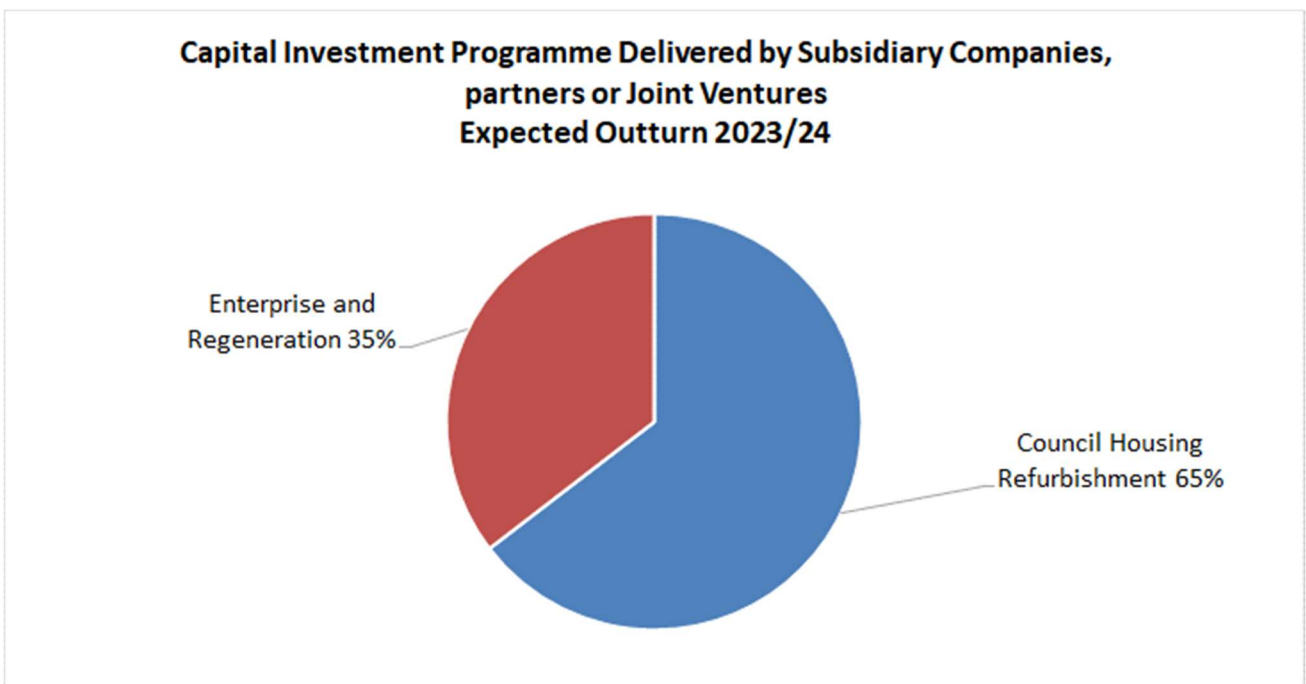
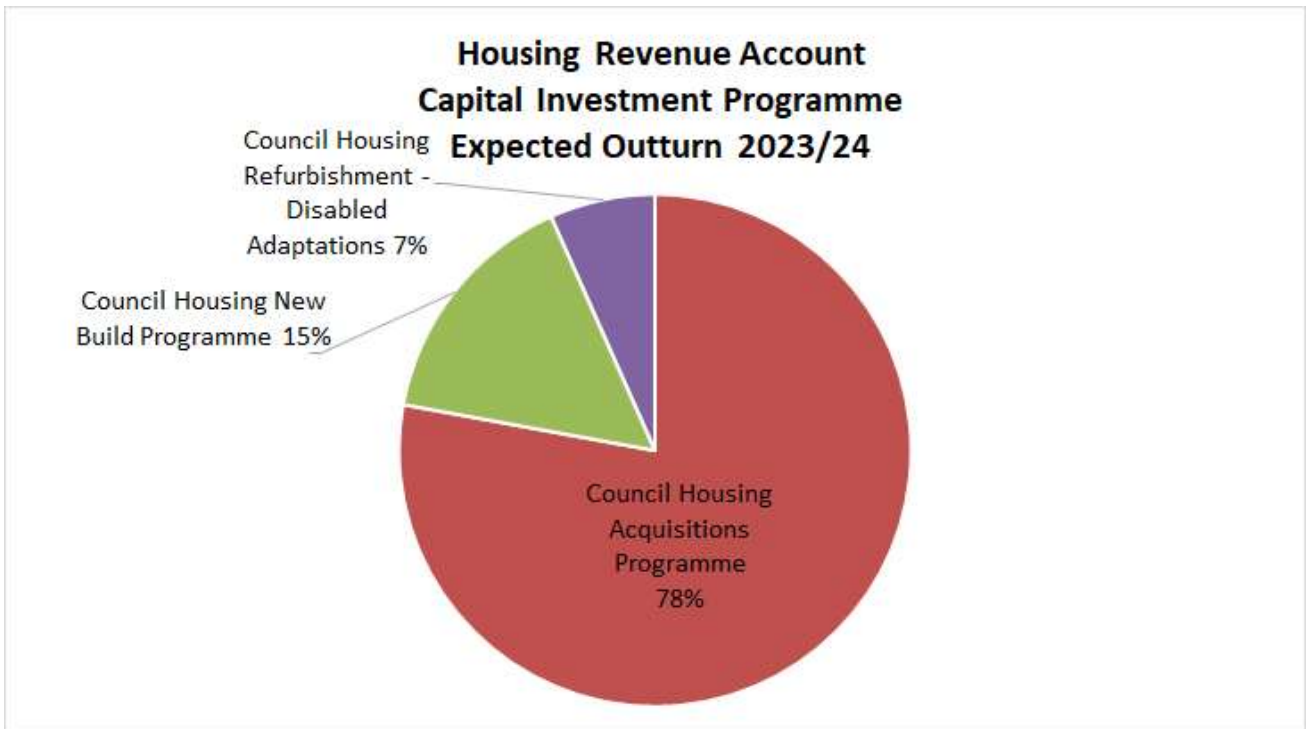
Investment Area	Revised Budget 2023/24	Outturn to 30 November 2023	Current Variance to 30 November 2023	Expected outturn 2023/24	Latest Expected Variance to Revised Budget 2023/24	Amended Budget 2024/25 to 2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Council Housing Refurbishment	8,578	4,425	(4,153)	8,578	0	19,094
Enterprise and Regeneration	5,205	774	(4,431)	4,705	(500)	1,000
<b>Total</b>	<b>13,783</b>	<b>5,199</b>	<b>(8,584)</b>	<b>13,283</b>	<b>(500)</b>	<b>20,094</b>

<b>Total Capital Programme</b>	<b>59,285</b>	<b>28,733</b>	<b>(30,552)</b>	<b>56,093</b>	<b>(3,192)</b>	<b>110,261</b>
--------------------------------	---------------	---------------	-----------------	---------------	----------------	----------------

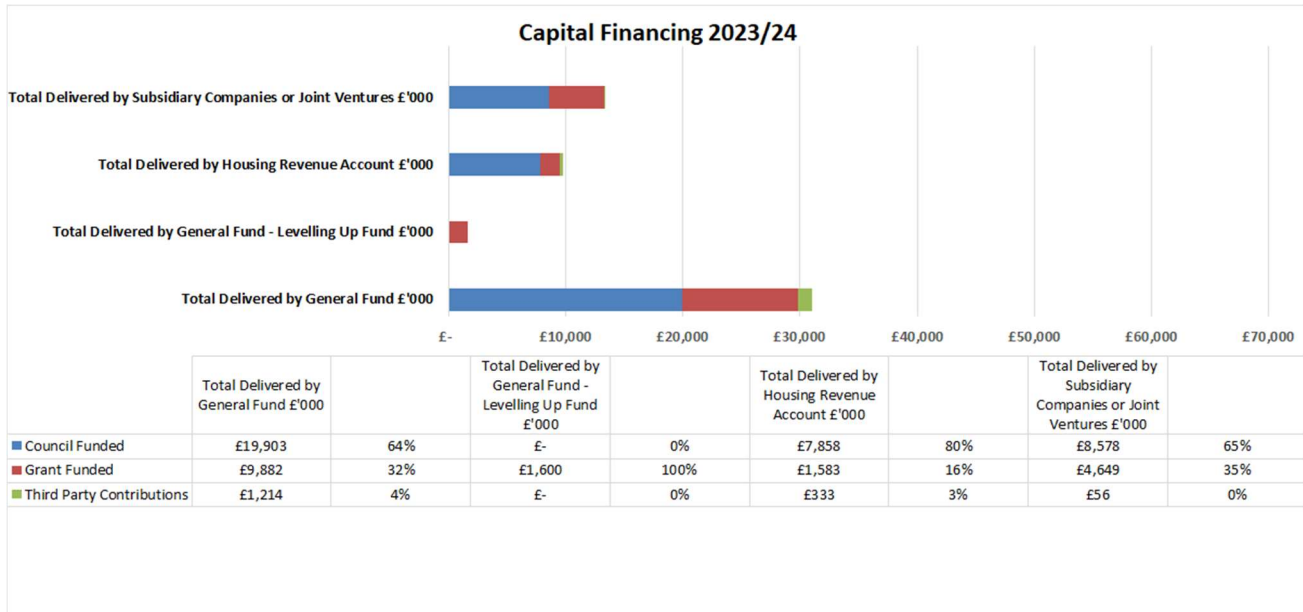
### General Fund Capital Investment Programme Expected Outturn 2023/24



	Expected Outturn 2023/24	
Social Care	£	501,000
Energy Saving	£	231,000
Community Safety	£	142,000
	<b>£</b>	<b>874,000</b>



The capital investment for 2023/24 is proposed to be funded as follows:



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

Of the £19.317 million of external funding expected, £18.169 million had been received by 30 November 2023.

## 2. Progress of Strategic Schemes

Successful and timely delivery of the capital investment programme is a key part of delivering the Corporate Plan.

£38.330 million of this relates to strategic schemes and approximately 48% spend has been achieved to date for these strategic schemes.

Investment Area	Scheme	Revised Budget 2023/24 £000	Outturn to 30 November 2023 £000	Expected outturn 2023/24 £000	Latest Expected Variance to Revised Budget 2023/24 £000	Amended Budget 2024/25 to 2027/28 £000
<b>Strategic Schemes</b>						
Enterprise and Regeneration	Airport Business Park (including Local Growth Fund)	908	517	908	-	825
Enterprise and Regeneration	Better Queensway - Programme Management	554	388	484	(70)	270
Enterprise and Regeneration	Queensway Footbridge	150	-	150	-	80
Works to Property	Victoria Centre	876	612	876	-	-
Social Care	Brook Meadows House	-	437	437	437	-
Schools	High Needs Provision	1,661	466	232	(1,429)	6,641
Southend Pier	Southend Pier schemes	1,499	913	1,499	-	6,741
ICT	ICT schemes	3,367	2,045	3,614	247	4,828
Highways and Infrastructure	Footways and Carriageways Schemes	5,373	4,343	5,592	219	12,992
Highways and Infrastructure	Parking Schemes	503	136	503	-	-
Highways and Infrastructure	Transport Plan Schemes	3,447	1,489	3,308	(139)	3,467
<b>Total General Fund Strategic Schemes</b>		<b>18,338</b>	<b>11,346</b>	<b>17,603</b>	<b>(735)</b>	<b>35,844</b>
Enterprise and Regeneration	Leigh Port Detailed Design and Construction	1,000	307	1,000	-	13,206
Enterprise and Regeneration	Cliffs Pavilion	500	363	500	-	6,956
Enterprise and Regeneration	Marine Parade	1,238	14	100	(1,138)	1,938
<b>Total General Fund - Funded by Levelling Up Fund Strategic Schemes</b>		<b>2,738</b>	<b>684</b>	<b>1,600</b>	<b>(1,138)</b>	<b>22,100</b>
Council Housing New Build Programme	Council Housing New Build Programme	1,523	287	1,513	(10)	9,933
Council Housing Acquisitions	HRA Affordable Housing Acquisitions Programme	2,878	1,527	2,878	-	-
Council Housing Acquisitions	Acquisition of Tower Block Leaseholds - Queensway	450	-	450	-	-
<b>Total HRA Strategic Schemes</b>		<b>4,851</b>	<b>1,814</b>	<b>4,841</b>	<b>(10)</b>	<b>9,933</b>
Council Housing Refurbishment	HRA Decent Homes Programme	8,578	4,425	8,578	-	19,094
Enterprise and Regeneration	Better Queensway - SELEP	3,825	-	3,825	-	-
<b>Total Delivered by Subsidiary Companies and Joint Ventures Strategic Schemes</b>		<b>12,403</b>	<b>4,425</b>	<b>12,403</b>	<b>-</b>	<b>19,094</b>
<b>Total Strategic Schemes</b>		<b>38,330</b>	<b>18,269</b>	<b>36,447</b>	<b>(1,883)</b>	<b>86,971</b>



## **Strategic schemes - General Fund**

### **Enterprise and Regeneration**

The Launchpad at the Airport Business Park has now opened. There is still some outstanding expenditure to be incurred, which was estimated in the November Cabinet report to be £1,317k. There have been no changes to this estimate since November.

The refurbishment works to the Victoria Centre are progressing, and a number of the projects within this are now complete. The Council is committed to works which will utilise the remaining 2023/24 budget by the end of the financial year. As reported to November Cabinet, any works over and above the current commitments will be subject to a viable business case being presented.

Better Queensway Programme Management: the Council remains committed to the Better Queensway project and has secured Capacity Funding from Homes England towards this project. There however continue to be delays in this project. This report therefore includes a request to carry forward £70k to 2024/25.

The Queensway footbridge is in the final stages of the demolition design process. The project is expected to commence onsite in March 2024. Demolition works are expected to be carried out quickly from this point, and within budget.

### **Social Care**

As reported in previous Cabinet reports, construction of the new care home Brook Meadows House was completed in 2021/22 with residents having moved into the building in early 2022 and the Priory Care Home has been demolished. Works incurred during 2022/23 and 2023/24 do not have a budget allocation with £437k of expenditure incurred in 2023/24 over and above the overspend of £4.9M already incurred in 2021/22 and 2022/23. The overspend has been incurred due to a number of issues including the performance of the design team. The Council is currently taking forward actions with a view to recovering significant costs incurred where these have been caused by the performance of third parties. The timing of any cost recovery is uncertain.

### **Schools**

The High Needs Provision budget is financed by grant monies from the Department for Education to enhance the facilities and number of places available for children with special educational needs and disabilities or requiring alternative provision. This project has commenced in 2023/24 but has not made as much progress as previously anticipated and is not now expected to conclude until 2025/26. This report therefore includes a request to carry forward £1,429k from 2023/24 to 2024/25, and £4,224k from 2024/25 to 2025/26.

### **Southend Pier**

Whilst work on the pier schemes are in progress, different elements of the project are at different stages of completion. Planned work in the summer months is limited with more significant expenditure anticipated to be incurred over the winter. All 2023/24 budgets are anticipated to be fully utilised by the end of the financial year.

## **ICT**

Whilst work on ICT schemes is in progress, different projects are at different stages of completion. There are four projects where work which was planned for 2023/24 is now expected to take place in 2024/25. This report therefore includes requests to carry forward £40k, £27k, £15k and £40k against projects ICT Application Transformation, ICT Childrens and Adults Social Care – Implementation of ContrOCC Modules, ICT Core Application and Database Migration and ICT Digital Enablement respectively.

Four of the Council's software systems have moved to new SAAS models in 2023/24. As a result, there is now an annual subscription fee which needs to be paid for the licenses for these applications, which replaces the support and maintenance costs previously incurred. The total cost of these licenses for 2023/24 is £535k, of which £166k can be funded from existing capital budgets. This report therefore includes a request to add an additional budget of £369k to the Software Licensing project. There will be associated cost savings in revenue as a result of the above changes.

## **Highways and Infrastructure**

The Footways and Carriageway schemes are progressing well with plans in place to deliver the allocated budget by the end of the financial year. Both are on course to overspend against their budgets as a result of inflationary pressures, with an estimated overspend of £110k across the two projects. The funding of this potential overspend is currently being reviewed.

New grant funding of £219k has been received for each of the 2023/24 and 2024/25 years relating to potholes. This report therefore includes a request to add new budgets of £219k to each year.

There is limited work planned for the remainder of 2023/24 on the A127 growth corridor project. This report therefore includes a request to carry forward £139k to 2024/25.

Works on the Local Transport Plan Maintenance, Better Networks, Traffic Management Schemes, Better Operation of Traffic Control Systems, Better Sustainable Transport and Street Lighting projects are ongoing. It is anticipated that the total spend across all schemes in 2023/24 will be in line with the budget.

## **Car Parks**

Car park infrastructure improvement works are progressing and are expected to be delivered in line with the budget.

No expenditure has been incurred for the year-to-date on parking signage replacement. This project will fund replacement signs required as a result of parking tariff changes which will be decided upon towards the end of the financial year. The allocated budget is expected to be utilised in full.

## **Strategic schemes - General Fund - Funded by the Levelling Up Fund**

### **Enterprise & Regeneration**

Leigh Port remains on course to be delivered within the timetable proposed at November Cabinet. The project is expected to complete by March 2025, with the majority of work undertaken in 2024/25.

As previously reported to Cabinet, progress against the Marine Parade project has been limited in recent months. The project is about to go out to tender with the work due to commence later in 2023/24. This is a further delay than previously reported, and this report therefore includes a request to carry forward £1,138k to 2024/25.

As reported in previous Cabinet reports, the Cliffs Pavilion project was placed on hold to enable the commercial terms to be agreed between the Council and the current operator. There have now been further delays as the tender results with the current operator were higher than expected and were determined to not represent value for money. The project will be re-tendered in early 2024. The majority of this project is expected to be delivered in 2024/25, and a request was previously made at July Cabinet to carry forward most of the budget to that year.

## **Strategic schemes - Housing Revenue Account**

### **Construction of New Housing on HRA Land**

The Council has entered into the main contract for phase 3A and is expecting to commence onsite works in early 2024. Expenditure is expected to accrue quickly in the coming months and the project remains on course to be delivered within the timetable communicated to November Cabinet. Phase 3B is about to commence its procurement process.

As previously reported to Cabinet, planning permission for Phase 4 was obtained at Development Control Committee in October 2022. An issue with access to the site has subsequently arisen regarding a right of way, which is yet to be resolved. This has resulted in delays to the project, and it is unlikely any significant work will be performed in 2023/24. The Council is expecting to go out for tender for this project imminently. This report therefore includes a request to carry forward £50k from 2023/24 to 2024/25, and £1,384k from 2024/25 to 2025/26.

As previously reported to Cabinet, there have been delays to the West Shoebury scheme as a result of the Council parting company with the main contractor. The Council is currently in the process of exiting the existing contract. A new contract can then be issued with the intention to commence works in 2024/25. The project remains on course to be delivered to the timetable communicated to November Cabinet.

This report includes a request to add £40k of funds to the phase 5/6 feasibility project in order to utilise existing S106 funds.

The land assembly fund project was to be utilised to purchase one dwelling in 2023/24, the purchase of which has now been completed. This project was previously funded by S106 contributions. In order to utilise the available stamp duty land tax reliefs, this project includes

a request to fund £111k of the project costs using capital receipts rather than S106 contributions. As a result of this change, £111k of S106 receipts will be made available for other projects.

### **Affordable Housing Acquisitions Programme**

11 properties are to be acquired under this programme in 2023/24. They have all either been purchased or are currently with solicitors awaiting completion. The total cost of these properties is expected to utilise the allocated budget in full in 2023/24.

### **Acquisition of Tower Block Leaseholds – Queensway**

There are four properties currently with solicitors awaiting completion, and a fifth property which is currently in the pipeline. If these properties complete before year-end, the 2023/24 budget will be fully utilised.

### **Strategic schemes - Subsidiary Companies and Joint Ventures**

#### **HRA Decent Homes Programme**

The main programme works are contractually committed and progressing. All works are under contract, although there have been some delays due to supply chain issues. The overall budget is expected to be spent over the course of 2023/24.

#### **Better Queensway**

The Council remains fully committed to the Better Queensway regeneration scheme for the benefit of the residents of the estate. There is no change at this stage to the position reported to November Cabinet.

### **3. Progress of other schemes**

#### **General Fund**

##### **Highways and Infrastructure**

As reported to November Cabinet, there have been delays to the Belton Way East Cliff Slip project as a result of badgers continuing to access the site. The delays are not as severe as previously expected. This report therefore includes a request to accelerate delivery of £16k into 2023/24.

As reported to November Cabinet, there has also been a delay to procurement for traffic surveys to update the Southend Transport Model. Traffic surveys will now be undertaken in 2024/25 and the Model will be updated in 2024/25. The delays are not as severe as previously expected. This report therefore includes a request to accelerate delivery of £50k into 2023/24.

The Safer Roads project relating to the A13 is expected to commence in early 2024. This is a delay from previous proposals, and this report therefore includes a request to carry forward £500k from 2023/24 to 2024/25 and £1,588k from 2024/25 to 2025/26.

Urgent works to the sea wall at Two Tree Island have been identified, with the estimated cost of temporary repairs being £100k. This report therefore includes a request to bring £100k of the £500k of funds relating to the coastal defence refurbishment programme, which is currently subject to viable business case, into the capital programme for 2023/24. This will be added to the sea wall access refurbishment project.

##### **Works to Property**

There is expected to be limited further work performed on the Civic Centre – efficient use of space project in 2023/24. This report therefore includes a request to carry forward £169k to 2024/25.

The Parks Fuel Storage project has been completed with an underspend of £2k. This report therefore includes a request to release the remaining unspent budget of £2k from 2023/24.

There is not expected to be any further progress on the Seaways – Homes England Conditions Funding project in 2023/24 or 2024/25. This report therefore includes a request to carry forward £99k from 2024/25 to 2025/26.

##### **Schools**

The Fairways Primary curtain walling project has been detailed and is not now expected to take place until 2024/25. This report therefore includes a request to carry forward £95k to 2024/25.

The Special Provision Capital Fund is expected to be completed in 2023/24. This report therefore includes a request to accelerate delivery of the £262k budget currently allocated to 2024/25 into 2023/24.

New external funding of £224k relating to Childcare Expansion has been notified to the Council. This report therefore includes a request to add a budget of £224k to 2024/25 in respect of this funding.

### **Energy Saving**

New external funding towards the Local Electric Vehicle Infrastructure scheme has been secured. This report therefore includes requests to add new budgets of £148k to 2024/25 and 2025/26 respectively.

### **Culture and Tourism**

It was reported to November Cabinet that the allotments water supply upgrade and irrigation tanks projects have not made any progress so far in 2023/24, and both projects were therefore placed on hold, with the budgets of £7k and £24k respectively being released from the main capital programme subject to a viable business case being produced. The irrigation tanks project has now been completed at a cost of £16k. This report therefore includes a request to reinstate a budget of £16k in respect of this project, and to remove the remaining £8k.

The Cliffs Pavilion Auditorium Air Handling Unit project is now complete with an overspend of £1k. The Cliffs Pavilion Air Handling Unit project remains in progress but is expected to come in under budget. This report therefore includes a request to transfer £1k from Air Handling Unit project to the Auditorium Air Handling Unit project.

### **Social Care**

The disabled facilities programme is ahead of schedule. This report therefore includes a request accelerate delivery of £195k from 2027/28 to 2023/24.

### **S106/S38/CIL**

This report includes a request to add budgets for two projects which will be funded by CIL contributions as follows:

- CIL Ward NA - Victoria - Patchwork Orchard Project: £5k
- CIL Ward NA - Prittlewell - Gainsborough Park Woodland and Orchard Project: £4k

The enhancing children's play provision in public parks project has commenced but is still in the early stages. The November Cabinet report include a request to carry forward £250k to 2024/25. This report includes a request to carry forward an additional £250k to 2024/25.

The enhancing cycle infrastructure scheme is to be reviewed. This report therefore includes a proposal to remove £850k from the capital programme, subject to a viable business case being received.

There have been delays in three S106 projects meaning they will not now take place until 2024/25. This report therefore includes requests to carry forward budgets of £8k, £2k and £1k respectively to 2024/25 for projects: S106 23/04/2015 Hinguar and Saxon - Public Art Contribution, S106 Avenue Works 14/01968/AMDT - Public Art and S106 Former Balmoral 14/00914/FULM - Public Art Contribution.

## **Housing Revenue Account**

The Next Steps Accommodation Programme, which is used to refurbish properties for complex needs, is progressing, but there has not been as much need for these funds in 2023/24 as expected. The need for these funds is also expected to be reduced in 2024/25. Previous Cabinet reports included requests to carry forward £50k to 2024/25. This report includes a request to carry forward this £50k from 2024/25 to 2025/26.

As previously reported to September Cabinet, the Passive House Pilot project has experienced delays with obtaining planning permission. As of September, it was considered unlikely that any significant work will be performed on this project in 2023/24. Works are now progressing slightly quicker than expected, and this report therefore includes a request to accelerate delivery of £50k from 2024/25 to 2023/24.

The social housing decarbonisation fund, which aims to bring all Council dwellings up to a minimum energy rating standard, has experienced delays due to teething issues with the contractor. This report therefore includes a request to carry forward £480k to 2024/25. The project is expected to complete by March 2025.

Previous Cabinet reports have included requests to carry forward amounts in respect of the HRA disabled adaptations project from 2023/24 to 2024/25. 2024/25 expenditure is expected to be in line with the revised 2023/24 position. This report therefore includes a request to carry forward £394k from 2024/25 to 2025/26.

## **Subsidiary Companies and Joint Ventures**

The No Use Empty – Growing Places Fund is not expected to commence until 2024/25. This report therefore includes a request to carry forward £500k to 2024/25.

## 4. Requested Changes to the Capital Investment Programme

### Summary - programme to be delivered by the Council:

	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
<b>Approved Capital Investment Programme - November 2023 Cabinet</b>	<b>45,502</b>	<b>64,376</b>	<b>11,169</b>	<b>6,681</b>	<b>4,172</b>	<b>131,900</b>
Carry Forwards	(4,453)	(3,286)	7,739	-	-	-
Accelerated Deliveries	573	(378)	-	-	(195)	-
Additions to the Programme	369	-	-	-	-	369
Deletions from the Programme	(2)	-	-	-	-	(2)
Virements	-	-	-	-	-	-
New External Funding	268	591	148	-	-	1,007
Transfers from 'Subject to Viable Business Case' section of the programme	116	-	-	-	-	116
Transfers to 'Subject to Viable Business Case' section of the programme	-	(850)	-	-	-	(850)
<b>Proposed Investment Programme - following amendments</b>	<b>42,373</b>	<b>60,453</b>	<b>19,056</b>	<b>6,681</b>	<b>3,977</b>	<b>132,540</b>

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

	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
<b>Approved Capital Investment Programme - November 2023 Cabinet</b>	<b>13,783</b>	<b>6,774</b>	<b>6,329</b>	<b>6,491</b>	<b>-</b>	<b>33,377</b>
Carry Forwards	(500)	500	-	-	-	-
<b>Proposed Investment Programme - following amendments</b>	<b>13,283</b>	<b>7,274</b>	<b>6,329</b>	<b>6,491</b>	<b>-</b>	<b>33,377</b>

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

Scheme	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Marine Parade - Levelling Up Funding	(1,138)	1,138	-	-	-	-
Local Growth Fund - A127 Growth Corridor	(139)	139	-	-	-	-
Better Queensway - Programme Management	(70)	70	-	-	-	-
Safer Roads Fund - A13	(500)	(1,088)	1,588	-	-	-
CIL Main Fund Allocation - Enhancing Children's Play Provision in Public	(250)	250	-	-	-	-
Housing Construction Scheme - Phase 4	(50)	(1,334)	1,384	-	-	-
Next Steps Accommodation Programme	-	(50)	50	-	-	-
Social Housing Decarbonisation Funding	(480)	480	-	-	-	-
ICT - Application Transformation	(40)	40	-	-	-	-
ICT - Childrens and Adults Social Care - Implementation of ContrOCC	(27)	27	-	-	-	-
ICT - Core Application and Database Migration	(15)	15	-	-	-	-
ICT - Digital Enablement	(40)	40	-	-	-	-
Civic Campus - Efficient Use of Space	(169)	169	-	-	-	-
Seaways - Homes England Condition Funding	-	(99)	99	-	-	-
High Needs Provision	(1,429)	(2,795)	4,224	-	-	-
Fairways Primary - Curtain Walling	(95)	95	-	-	-	-
S106 23/04/2015 Hinguar and Saxon - Public Art Contribution	(8)	8	-	-	-	-
S106 Avenue Works 14/01968/AMDT - Public Art Contribution	(2)	2	-	-	-	-
S106 Former Balmoral 14/00914/FULM - Public Art Contribution	(1)	1	-	-	-	-
HRA Disabled Adaptations - Major Adaptions	-	(394)	394	-	-	-
<b>Total Carry Forwards - programme to be delivered by the Council</b>	<b>(4,453)</b>	<b>(3,286)</b>	<b>7,739</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Scheme	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
No Use Empty - Growing Places Fund	(500)	500	-	-	-	-
<b>Total Carry Forwards - programme to be delivered by Subsidiary Companies, Partners and Joint Ventures</b>	<b>(500)</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Accelerated Deliveries - programme to be delivered by the Council**

Scheme	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
DfT - Belton Way East Cliff Slip	16	(16)				-
Southend Transport Model	50	(50)				-
Passive House Pilot	50	(50)				-
Special Provision Capital Fund	262	(262)				-
Disabled Facilities	195				(195)	-
<b>Total Accelerated Deliveries - programme to be delivered by the Council</b>	<b>573</b>	<b>(378)</b>	<b>-</b>	<b>-</b>	<b>(195)</b>	<b>-</b>

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

Scheme	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Software Licensing	369					369
<b>Total Additions to the Programme - programme to be delivered by the Council</b>	<b>369</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>369</b>

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

Scheme	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Parks Fuel Storage	(2)					(2)
<b>Total Deletions from the Programme - programme to be delivered by the Council</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>

**Virements between schemes - programme to be delivered by the Council**

Scheme	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Cliffs Pavilion - Air Handling Unit	(1)					(1)
Cliffs Pavilion - Auditorium Air Handling Unit	1					1
<b>Total Virements between schemes - programme to be delivered by the Council</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**New External Funding - programme to be delivered by the Council**

Scheme	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Housing Construction Scheme - Phase 5/6 Feasibility (S106)	40		148			40
Local Electric Vehicle Infrastructure Funding		148	148			296
Highways Maintenance - Potholes	219	219				438
Childcare Expansion		224				224
CIL Ward NA - Victoria - Patchwork Orchard Project	5					5
CIL Ward NA - Prittlewell - Gainsborough Park Woodland and Orchard	4					4
<b>Total New External Funding - programme to be delivered by the Council</b>	<b>268</b>	<b>591</b>	<b>148</b>	<b>-</b>	<b>-</b>	<b>1,007</b>

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

Scheme	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
Irrigation Tanks	16					16
Sea Wall Access Refurbishment	100					100
<b>Total Transfers from 'Subject to Viable Business Case' section to main Capital Investment Programme - programme to be delivered by the Council</b>	<b>116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116</b>

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

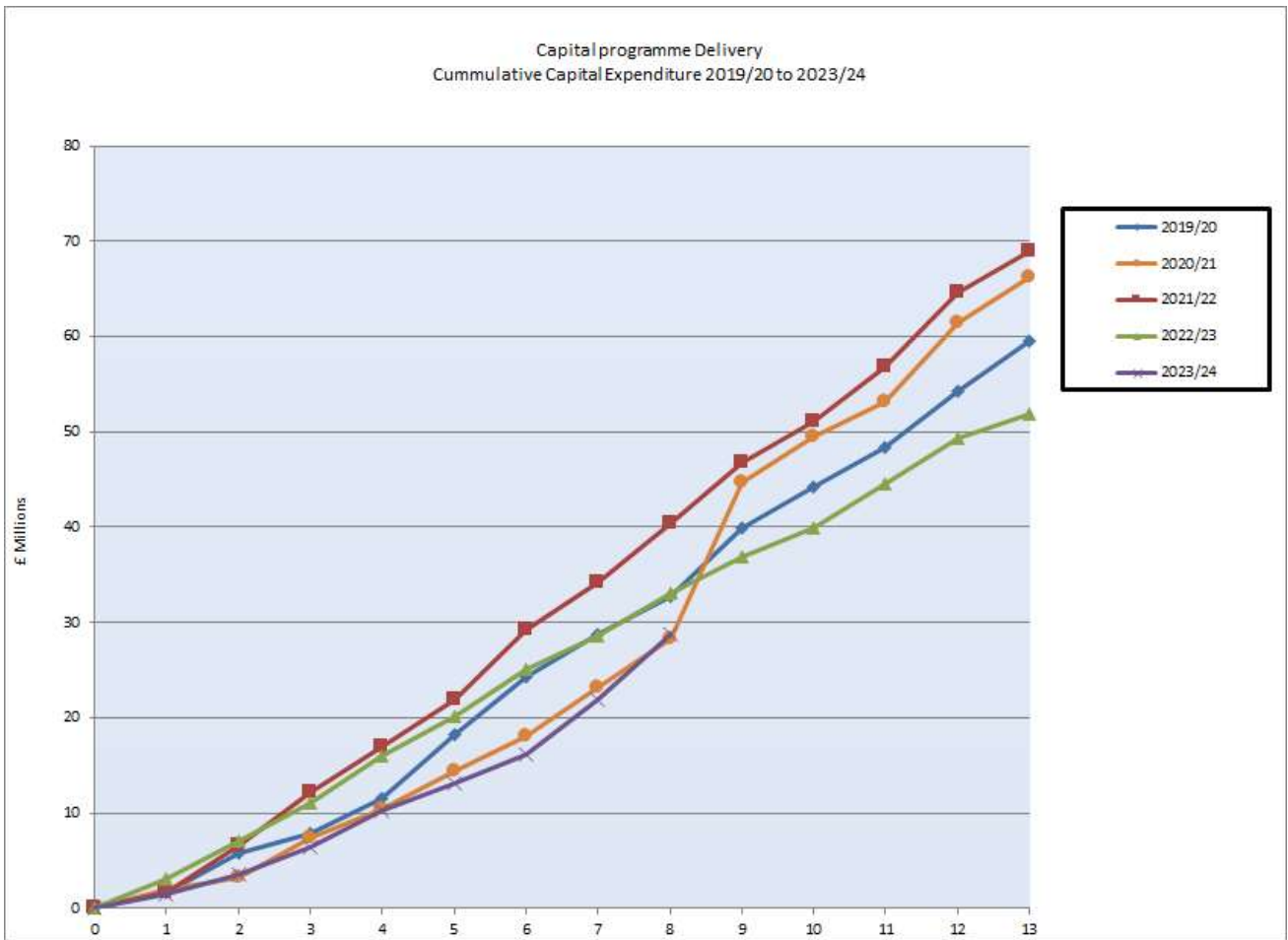
Scheme	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 and future years Budget £000	Total Budget (all years) £000
CIL Main Fund Allocation - Enhancing Cycle Infrastructure		(850)				(850)
<b>Total Transfers to 'Subject to Viable Business Case' section from main Capital Investment Programme - programme to be delivered by the Council</b>	-	(850)	-	-	-	(850)

## 5. Summary of Capital Expenditure at 30 November

	Original Budget 2023/24	Revisions	Revised Budget 2023/24	Actual 2023/24	Forecast outturn 2023/24	Forecast Variance to Year End 2023/24	% Variance
	£000	£000	£000	£000	£000	£000	
General Fund Housing	1,135	(500)	635	417	630	195	66%
Social Care	263	(199)	64	437	501	437	683%
Schools	4,053	(1,294)	2,759	1,050	1,497	(1,262)	38%
Enterprise and Regeneration	2,195	(583)	1,612	905	1,542	(70)	56%
Southend Pier	5,053	(3,554)	1,499	913	1,499	0	61%
Culture and Tourism	152	754	906	602	922	16	66%
Community Safety	29	113	142	100	142	0	70%
Highways and Infrastructure	13,878	229	14,107	7,653	13,853	(254)	54%
Works to Property	6,739	(488)	6,251	3,380	6,080	(171)	54%
Energy Saving	256	(25)	231	58	231	0	25%
ICT	3,109	258	3,367	2,045	3,614	247	61%
S106/S38/CIL	35	942	977	73	725	(252)	7%
<b>TOTAL PROGRAMME TO BE DELIVERED BY THE GENERAL FUND</b>	<b>38,897</b>	<b>(4,347)</b>	<b>32,550</b>	<b>17,633</b>	<b>31,436</b>	<b>(1,114)</b>	54%
Enterprise and Regeneration	22,405	(19,667)	2,738	684	1,600	(1,138)	25%
<b>TOTAL PROGRAMME TO BE DELIVERED BY THE GENERAL FUND - FUNDED BY THE LEVELLING UP FUND</b>	<b>22,405</b>	<b>(19,667)</b>	<b>2,738</b>	<b>684</b>	<b>1,600</b>	<b>(1,138)</b>	25%
Council Housing New Build Programme	7,875	(6,352)	1,523	288	1,513	(10)	19%
Council Housing Acquisitions Programme	2,846	5,195	8,041	4,592	7,611	(430)	57%
Council Housing Refurbishment - Disabled Adaptations	770	(120)	650	337	650	0	52%
<b>TOTAL PROGRAMME TO BE DELIVERED BY THE HOUSING REVENUE ACCOUNT</b>	<b>11,491</b>	<b>(1,277)</b>	<b>10,214</b>	<b>5,217</b>	<b>9,774</b>	<b>(440)</b>	51%
Council Housing Refurbishment	7,593	985	8,578	4,425	8,578	0	52%
Enterprise and Regeneration	17,050	(11,845)	5,205	774	4,705	(500)	15%
<b>TOTAL PROGRAMME TO BE DELIVERED BY SUBSIDIARY COMPANIES OR JOINT VENTURES</b>	<b>24,643</b>	<b>(10,860)</b>	<b>13,783</b>	<b>5,199</b>	<b>13,283</b>	<b>(500)</b>	38%
	<b>95,436</b>	<b>(36,151)</b>	<b>59,285</b>	<b>28,733</b>	<b>56,093</b>	<b>(3,192)</b>	48%
<b>Council Approved Original Budget - February 2023</b>	<b>95,436</b>						
<b>Programme to be delivered by the General Fund</b>							
General Fund Housing	(500)						
Social Care	(199)						
Schools	(1,294)						
Enterprise and Regeneration	(583)						
Southend Pier	(3,554)						
Culture and Tourism	754						
Community Safety	113						
Highways and Infrastructure	229						
Works to Property	(488)						
Energy Saving	(25)						
ICT	258						
S106/S38/CIL	942						
<b>Programme to be delivered by the General Fund - Funded by the Levelling Up Fund</b>							
Enterprise and Regeneration	(19,667)						
<b>Programme to be delivered by Housing Revenue Account</b>							
Council Housing New Build Programme	(6,352)						
Council Housing Acquisitions Programme	5,195						
Council Housing Refurbishment - Disabled Adaptations	(120)						
<b>Programme to be delivered by Subsidiary companies or Joint Ventures</b>							
Council Housing Refurbishment	985						
Enterprise and Regeneration	(11,845)						
<b>Council Approved Revised Budget - November 2023</b>	<b>59,285</b>						

Actual compared to Revised Budget spent is £28.733M or 48%

## 6. Capital Programme Delivery



Year	Outturn £m	Outturn Against Budget %
2019/20	59.5	83.8
2020/21	66.2	81.0
2021/22	69.0	88.0
2022/23	52.0	83.0

**Title:** Corporate Debt Management - Position to 30 November 2023

**Meeting:** Cabinet

**Date:** 11 January 2024

**Classification:** Part 1

**Policy Context:** All corporate priorities

**Key Decision:** No

**Executive Director:** Joe Chesterton, Finance and Resources

**Report Authors:** Pete Bates, Director of Financial Services,  
Richard Campbell, Council Tax Manager.

**Executive Councillor:** Councillor Cox Leader and Cabinet Member for SEND

## 1. Executive Summary

1.1. The purpose of this report is to inform Cabinet of the following:

- The position as at 30 November 2023 of outstanding debt to the Council.
- Debts that have been written off, or are recommended for write off, for the financial year to 30 November 2023.
- Specific irrecoverable debts that are over £25,000 and therefore require Cabinet approval.
- The Council's updated Debt Collection and Recovery Policy

## 2. Recommendations

- 2.1. That Cabinet considers the outstanding debt position as of 30 November 2023 and notes the position of debts written off under delegation to 30 November 2023 as set out in **Appendices A & B**.
- 2.2. That Cabinet approves the two write-offs exceeding £25,000, as shown in **Appendix B**.
- 2.3. That Cabinet approves the updated Debt Collection and Recovery Policy, presented at **Appendix C**.

### **3. Background Information**

- 3.1. It was agreed by Cabinet on 19 March 2013 that the S151 Officer would submit regular reports to Cabinet on all aspects of the Council's outstanding debt, along with the required write off position.
- 3.2. Southend-on-Sea City Council is made up of several service areas, of which all are responsible for the collection and administration of outstanding debt. The main areas are our Accounts Receivable team who conduct a large proportion of invoicing and the collection of debts owed to the Council. Our Revenues team are responsible for the collection of statutory levies such as Council Tax and Non-Domestic Rates (Business Rates).
- 3.3. There are also other areas of debt that are included in this report, namely recovery of Housing Benefit Overpayments, Parking and Enforcement penalties, Adult Social Care and Library fines. In addition, the position regarding outstanding debt levels for the Housing Revenue Account for rent arrears and service charges is also reported.
- 3.4. The process and legislative framework for the collection and write off of debt was detailed in the report to Cabinet on 17 September 2013. It is worth highlighting that the Council has a good success rate in the collection of debt. The collection targets are agreed annually as part of the Council's service and financial planning process.
- 3.5. Debts are only considered for write off where all other courses of recovery available have been undertaken or explored and the debt is considered irrecoverable.

### **4. Council Tax**

- 4.1. £119.9m of Council Tax is due to be collected in 2023/24, with a year-end collection target of 97.5%. The Council to date has collected a total of £83.3m, with a percentage collection of 69.5% achieved. This is currently £239k less than the target profile for this period of the year but does not present a risk to the overall end of year collection target being achieved.

- 4.2. Collection continues for historic arrears from previous years. The following chart shows the actual in year collection rate over the past 4 years, and the collection rate of each year's charge to date, including debts that have been written off.

<b>Council Tax Performance</b>		
	As of 31 March of relevant year	As of 30 November 2023
<b>2019/20</b>	97.5%	99.1%
<b>2020/21</b>	96.7%	99.0%
<b>2021/22</b>	97.4%	98.7%
<b>2022/23</b>	97.5%	98.4%

- 4.3. The team continue to collect debts outside of this financial year and at time of reporting have collected £1.9m, meaning 17.9% of all historical debt held has now been collected.
- 4.4. The revenues team plans to commence a comprehensive review later this year in connection to any debts that are several years old and where the Council has a 100% bad debt provision. This remains a priority of the team, and work will hopefully commence in this area in early 2024, after the large court sessions have been reviewed.

## **5. Non-Domestic Rates (Business Rates)**

- 5.1. £38.5m of Non-Domestic Rate is due to be collected in 2023/24, with a collection target of 98.5%. The Council to date has collected a total of £27.5m, with a percentage collection of 71.5% achieved. This is currently £255k higher than the target profile for this period of the year therefore presents a positive position, with no current risk to the end-of-year collection. Collection is continuing for historic arrears from previous years. The following chart shows the actual in year collection rate over the past 4 years, and the collection rate of each year's charge to date, including debts that have been already written off.

<b>Non-Domestic Rates Performance</b>		
	As of 31 March of relevant year	As of 30 November 2023
<b>2019/20</b>	98.3%	99.7%
<b>2020/21</b>	90.6%	99.6%
<b>2021/22</b>	96.3%	99.1%
<b>2022/23</b>	98.7%	98.9%

The team continue to collect debts outside of this financial year and at time of reporting have collected £206k, meaning 12.6% of all historic debt held has been collected. This is lower than expected for this time of the year and analysis is being conducted to ensure the appropriate action is being taken in respect of all debts that remain outstanding.

## 6. Housing Benefit Overpayment

- 6.1. This is any rent allowance or rent rebate that a person has received but is not entitled to. Most commonly this accumulates when there is a change to a person's circumstance, and they fail to notify us in good time. The overpayment will be invoiced unless they are in receipt of Housing Benefit in which case their benefit entitlement is reduced to enable recovery of the overpayment. The vast majority of Housing Benefit overpayment is due to claimant error.

<b>Housing Benefit Overpayment Created by Year (£000s)</b>				
	Claimant Error	LA/DWP Error	Admin Delay	Liability Reduction
2022/23	651	55	36	45
2023/24 (to date)	605	34	20	37

- 6.2. Collection during the reporting period is comparable to last year, and as a result the debt in this area is similar, the cumulative debt position on 30 November 2023 is £4.2m, reduced from £4.5m in the previous financial year.

## 7. Libraries

- 7.1. Library debt is made up of several small value overdue fines and replacing lost or non-returned books.

## 8. Adult Services

- 8.1. Adult Services make charges for the following services:
- (i) Contributions to residential accommodation
  - (ii) Charges for non-residential services i.e. Home Care, Community
- 8.2. Support, Day Services and transport to services
- (iii) Charges to other local authorities
  - (iv) Charges to National Health Service



- 8.3. As of 30 November 2023, the level of debt was £7.842m, which is an increase of £1.885m compared to this time last year. The main driver of the increased debt level is the increased rates paid to providers, which are subject to means testing and passed onto the service user.
- 8.4. Of this debt, £2.095m (27%) is debt deferred against property and £0.958m (12%) is under 30 days old, which includes sums owed by the National Health Service or other local authorities.
- 8.5. Of the remaining £4.771m (61%), the majority has been overdue for greater than one year and in some cases, the debt is now charged to the service users' estate. This poses a significant risk to recovery as it is unsecured. This has been reflected by an appropriate increase in the Bad Debt provision specifically earmarked for this Service area.
- 8.6. Social care debt management has been highlighted as an area for improvement and the council recognises the potential vulnerability of the service user and the need for this debt to be managed in a sensitive manner. A review of working practices from financial assessment through to billing, collection, recovery and reporting for social care debt has commenced with the intention of integrating the Adult Social Care finance team into the Finance and Resources Directorate, under the leadership of the Director of Financial services. Consultation with appropriate staff will commence in early 2024, with a view to completing the transition for the start of the 2024/25 financial year. This would also have the benefit of delivering a corporate debt collection focus for all debt streams for the whole Council.

## **9. Parking**

- 9.1. The recovery of unpaid Penalty Charge Notices is undertaken by a semi-judicial process under the current Traffic Management Act 2004.
- 9.2. From 1 April 2023 to 30 November 2023, a total of 48,500 Penalty Charge Notices (PCNs) have been issued identifying a projected income of £1.45m.
- 9.3. It should be noted that PCNs are issued at a higher rate and lower rate (£70.00 and £50.00 respectively) depending on the seriousness of the parking contravention. PCNs may be paid at a discounted rate of 50% of the charge if paid within 14 days of the date of issue.
- 9.4. This value is continuously being amended as payments are received and it should be recognised that payments made at the 50% discount amount will reduce the projected income level. Historically, 75% of paid PCN's are paid at the discounted payment.
- 9.5. The value of cancelled notices for the period 1 April 2023 to 30 November 2023 is £170,479 and cases written off where no vehicle owner has been identified totals £22,256.

- 9.6. Since 2018/19 the number of PCN's issued has increased by 31%. Although this is expected to bring more income into the Council it is also expected to result in an increased value of write offs too. Proportionally, the number of cancelled PCN's has not increased at this same rate which shows that those currently issued are more robust and appropriate.
- 9.7. To reduce the value of outstanding debt the service is considering exploring the possibility of joining the National Persistent Evader Database (NPED) which is intended to help authorities navigate their way through persistent evaders whom rarely or never pay legitimate fines. In conjunction, the NPED may also help to reduce our Traffic Enforcement Centre (TEC) costs as in some cases it is not viable to progress to court if the debt is deemed unlikely to be recovered.

**Note:** "In parking enforcement process, only PCNs that have been registered as an unpaid debt at the Traffic Enforcement Centre are classed as being at debt stage."

## **10. Miscellaneous Income**

- 10.1. This is a range of services that the Council charge for including such areas as rental income on commercial properties, recharges to other bodies for services we have provided.
- 10.2. It is important to note that collection can vary month by month depending on the value of invoices raised as a reasonable period needs to be allowed for payment to be made.
- 10.3. There has been a significant increase in the write off position due to high value debt agreed for write off in the previous quarters report.
- 10.4. Total debt outstanding at time of reporting is £5.9m compared to £3.7m at the same time last year, an increase of £2.2m.
- 10.5. This increase is not a cause for concern, with an additional £5m raised in this financial year and collection rates remain positive at 91.05%, 1.05% above target for this period of the year.

## **11. Housing**

- 11.1. Under the management of South Essex Homes there are arrears of outstanding debt of Rent and Service Charges for housing tenants. Extensive recovery procedures are followed but if the debt is deemed to be irrecoverable then the cost of any write-offs for this category of debt is specifically charged to the Housing Revenue Account and not to Council Taxpayers.

## 12. Debt Collection and Recovery Policy and Write-Off Levels

- 12.1. The current Debt Collection and Recovery Policy was approved in November 2017, at this time delegation was given to the Executive Director (Finance & Resources) to update the values and level of write-off that can be written off by various designated officers with the Council.
- 12.2. As part of the last Debt Management report to Cabinet, it was recommended that the current Debt Collection and Recovery Policy be reviewed, with any proposed changes being brought back for consideration and approval. A full assessment has been undertaken and it has been concluded that the Council's existing policy remains robust and effective and therefore only minor amendments have been made. The exception is the collection of Housing Benefit Overpayments, which has been updated in its entirety. An updated draft policy is attached at **Appendix C** for approval.
- 12.3. When the integration of the adults social care finance team into the Finance and Resources Directorate takes place, the policy may need to be further reviewed alongside this transition to assess and document any potential new enhancements to processes, procedures, working practices and workflows specifically for social care debt. Any further changes to the policy will then come back to Cabinet for consideration and final approval.
- 12.4. Write-off approval levels are not proposed to be changed and are shown in the following tables and are in accordance with the latest Financial Procedure rules as set out in the Constitution and the updated corporate debt recovery policy.

<b>Debt Type: Accounts Receivable/Adult Services/ Housing and Council Tax Benefit</b>	
<b>Designation</b>	<b>Amount</b>
Assistant Manager	under £5,000
Manager	Up to £10,000
Executive Director (Finance & Resources)	Between £10,000 and £25,000
Cabinet	£25,000 and above

<b>Debt Type: Council Tax and NNDR (National Non-Domestic Rates)</b>	
<b>Designation</b>	<b>Amount</b>
Senior Officer	Up to £2,000
Team Leader	Up to £5,000
Manager	Up to £10,000
Executive Director (Finance & Resources)	Between £10,000 and £25,000
Cabinet	£25,000 and above

<b>Debt Type: Parking</b>	
<b>Designation</b>	<b>Amount</b>
Team Leader	Up to £5,000
Head of Parking	Up to £10,000
Jointly - Head of Parking and Executive Director (Finance & Resources)	Between £10,000 and £25,000
Cabinet	£25,000 and above

- 12.5. South Essex Homes, as managing agent, submit proposed write-offs to the Council, following which the following approval levels are exercised.

<b>Debt Type: Housing Rents and Service Charges</b>	
<b>Designation</b>	<b>Amount</b>
Jointly - Head of Housing Service and Executive Director (Finance & Resources)	Under £25,000
Cabinet	£25,000 and above

### **13. Reasons for Decisions**

- 13.1. Debt collection is conducted independently by the following teams Accounts Receivable, Council Tax, Business Rates, Housing Benefit Overpayment, Parking and Enforcement penalties, Adult Social Care. All action instigated is in accordance with the Council's Corporate Debt Management Policy to ensure a fair and consistent approach is applied to each case, and to maximise collection for the Council. The Council have agreed to consolidate the debt collection of the services included in this report to form a Corporate Debt collection team to maximise revenue and the experience of residents.
- 13.2. Each write-off is considered on an individual basis to assess the viability of collection and via the Council's Corporate Debt Management Policy to ensure a standard consistent approach.

### **14. Other Options**

This is a report notifying members of the current position of the Council's debt and related write offs, and therefore there are no other options.

## 15. Financial Implications

- 15.1. Debts that are written off will have been fully provided for within the Council's bad debt provision and as such there should be no specific additional financial implications for the Council. However, it is possible that unforeseen and unplanned additional write-offs occur, which could lead to the value of debts written off in any year exceeding the bad debt provision.
- 15.2. Where there is a potential for this occur, this report will act as an early warning system and will enable additional control measures to be agreed and undertaken to either bring the situation back under control, or to make appropriate adjustments to the bad debt provision.
- 15.3. Relevant service areas are aware that they will have to bear the full cost of the value of debts that are written off from within their service's budget.
- 15.4. The Council's bad debt provision is calculated according to the type of debt using an agreed formula. Exceptions can be made on a case-by-case basis by Finance Officers applying their professional judgement considering specific service knowledge. The proposed arrangements for each debt type are reviewed annually, and the approach is agreed with the Council's external auditors.
- 15.5. For General Fund debt the following percentages are used to calculate the value of provisions for various types of debt

Type of debt	Age of debt in months						
	<1	1-2	2-3	3-4	4-6	6-12	>12
<b>Sundry Debt</b>	0%	10%	10%	50%	50%	90%	90%
<b>Adult Social Care</b>	0%	10%	10%	50%	50%	90%	100%
<b>Commercial Rents</b>	0%	10%	15%	25%	50%	70%	90%

- 15.6. Where there is an active payment plan in place no formal bad debt provision is made.
- 15.7. Provisions for bad debt associated with Council Tax or NNDR are calculated as part of the Collection Fund accounting arrangements and apportioned between Southend-on-Sea City Council as the billing authority and preceptors. These calculations follow a similar formulaic approach for the calculation bad debt provision over the last 23 years. The approach and calculations are also shared and agreed with the Council's external auditors each year.
- 15.8. Provisions for bad debt associated with the Housing Revenue Account follow specific recommended guidelines. The Council follows this approach, and the overall bad debt provision is calculated on this basis.

## 16. Legal Implications

- 16.1. If there are debts to be written off that exceed the level at which officers have delegated powers to deal with the matter, authorisation is required from Cabinet.

## 17. Carbon Impact

- 17.1. No carbon impact implications.

## 18. Equalities

- 18.1. Debt Collection is managed through a Corporate Debt Management Policy and is based on an approach of "Can't Pay Won't Pay". Each write-off is considered on an individual basis through a standard consistent best practice approach.

## 19. Consultation

- 19.1. No consultation required for the write off of debt.

## 20. Appendices

**Appendix A:** Debt Management Position - 30 November 2023

**Appendix B:** Summary of Write Offs - 30 November 2023

**Appendix C:** Updated Debt Collection and Recovery Policy

### Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
S151 Officer	Joe Chesterton	28/12/23
Monitoring Officer	Kim Sawyer	
Executive Director	Joe Chesterton	28/12/23
Cabinet Member	Councillor Cox	3/1/24

Summary of Outstanding Debt**A. Outstanding Debt in respect of arrears before 2023/24 – all amounts are shown in £000s.**

Pre 1 <sup>st</sup> April 2023	Council Tax (a)	Business Rates (a)	Housing Benefit O/payments (b)	Adult Services	Misc. Income	HRA (Care Line/ Service Charges)	Parking (c)	Libraries (d)	HRA Current Tenants (e)	HRA Former Tenants (e)
Net Collectable Debt at 30.11.2023	11,067	1,630	4,259	8,238	11,361	410	763	n/a	n/a	477
Amount Paid 30.11.2023	1,979	206	947	3,379	9,412	144	143	4	n/a	82
<b>Total Outstanding</b>	<b>9,088</b>	<b>1,424</b>	<b>3,312</b>	<b>4,859</b>	<b>1,949</b>	<b>266</b>	<b>620</b>	<b>(4)</b>	<b>n/a</b>	<b>395</b>
Number of Accounts	18,379	436	1,549	3,153	1,389	124	n/a	n/a	n/a	488

**B. Current Year Debt (Debt raised in respect of 2023/24) – all amounts are shown in £000s.**

Post 1 <sup>st</sup> April 2023	Council Tax (a)	Business Rates (a)	Housing Benefit O/payments (b)	Adult Services	Misc. Income	HRA (Care Line/ Service Charges)	Parking (c)	Libraries (d)	HRA Current Tenants (e)	HRA Former Tenants (e)
Net Collectable Debt at 30.11.2023	119,923	38,549	932	11,330	34,728	2,840	424	n/a	26,551	196
Amount Paid 30.11.2023	83,347	27,548	947	8,365	28,791	2,565	32	5	25,491	22
<b>Total Outstanding</b>	<b>36,576</b>	<b>11,001</b>	<b>(15)</b>	<b>2,965</b>	<b>5,937</b>	<b>275</b>	<b>392</b>	<b>(5)</b>	<b>1,060</b>	<b>174</b>
Number of Accounts	75,775	2,247	500	1,867	942	511	n/a	n/a	1727	180

## C. Total Debt (A + B) – all amounts are shown in £000s.

Total Debt	Council Tax (a)	Business Rates (a)	Housing Benefit O/payments (b)	Adult Services	Misc. Income	HRA (Care Line/ Service Charges)	Parking (c)	Libraries (d)	HRA Current Tenants (e)	HRA Former Tenants (e)
Total Net Collectable Debt at 30.11.2023	130,990	40,179	5,191	19,568	46,089	3,250	1,187	n/a	26,551	673
Total Amount Paid 30.11.2023	85,326	27,754	947	11,744	38,203	2,709	175	9	25,491	104
<b>Total Debt Outstanding</b>	<b>45,664</b>	<b>12,425</b>	<b>4,245</b>	<b>7,824</b>	<b>7,886</b>	<b>541</b>	<b>1,012</b>	<b>(9)</b>	<b>1,060</b>	<b>569</b>
Total Number of Accounts	94,154	2,683	2049	5,020	2,331	635	n/a	n/a	1,727	668

Notes

- (a) Council Tax and Business Rates include adjustments for write-offs, credits and outstanding court costs.
- (b) Unlike NDR and Council Tax, HB Overpayment is not attributable to a financial year i.e. a yearly debit is not raised. When a payment is made, it is not feasible to state which specific aged debt the payment was made against. For these reasons the outstanding amounts in the report reflect the actual outstanding debt at the date requested. It does not reflect the outstanding debt against current year and previous year debts.
- (c) Parking total outstanding is net of PCNs cancelled and written off.
- (d) The total figure of £9k relates to Library fines paid between 1 April 2023 and 30 November 2023
- (e) HRA tenancy debts (residential rent accounts) are rolling amounts, with no breaks in years or rollovers. Any cash received is applied to the oldest rent week outstanding. The figures shown are total arrears outstanding, and therefore include arrears still outstanding from prior years.



**Summary of Write-off's**

Debts written off in 2023/24

Period 1 April 2023 – 30 November 2023 relating to any year

*All amounts stated in (£)*

Write-offs	Council Tax	Business Rates (NDR)	Housing Benefit O/payment	Adult Services	Misc. Income	HRA (Service Charges)	Parking (a)	Libraries	HRA Tenants
<b>Under £5k</b>	251,889	32,348	14,263	41,981	94,508	15	814,195	734	31,546
<b>£5k-£25k</b>	29,768	128,128	0	23,186	24,357	0	0	0	19,316
<b>Over £25k</b>	25,686	52,260	0	0	265,946	0	0	0	0
<b>Total</b>	<b>307,343</b>	<b>212,735</b>	<b>14,263</b>	<b>65,167</b>	<b>384,811</b>	<b>15</b>	<b>814,195</b>	<b>734</b>	<b>50,861</b>

(a) Parking debts written off in the first two periods relate to:

- (i) expired warrants
- (ii) PCNs where DVLA has no keeper details
- (iii) PCNs where unable to register the debt and
- (iv) PCNs with invalid VRM

There are two write-offs over £25,000 submitted for approval for this period.

Amount to write-off	Justification	Service Area
£119,903.27	<p>Esquire Retail Limited – The High Court have provided an outcome ruling on a restructuring plan for the company, with a scheme of repayments agreed by the court, with the sum of £14,771.00 of the outstanding £134,674.27 falling to be payable by the company in this financial year.</p> <p>Collection will become available again in the upcoming 2024/2025 financial year for this company whilst they continue to trade, but due to the High Court ruling, the Council have no legal recourse to collect the sum of £119,903.27 and therefore it is proposed that this sum is approved for write off.</p>	Business Rates
£26,383.28	<p>Use Our Space Limited – This company owns the lease for two premises on the High Street with debts of £26,383.28 raised accordingly. The company has made attempts to claim relief via section 45a of the Local Government Finance Act 1988 (exemption applied for a charitable organisation if the property when next used in used for that charity) however this has been rejected as the intention is not for this organisation to occupy the property with the business model being that of reletting the property.</p> <p>The Council have been unable to collect said fees and have now exhausted all avenues for collection, except for the commencement of insolvency proceedings. However, a company search indicates that there are no assets for the company and therefore such proceedings will be costly to the Council with no prospect of payment.</p>	Business Rates

# Southend-on-Sea City Council

## Debt Collection and Recovery Policy

January 2024

**Covering the following areas for Southend City Council:**

- **Council Tax**
- **Business Rates**
- **Housing Benefit**
- **Social Care**
- **Sundry Debts**
- **Parking management**

## Contents

1.0	Purpose of the policy .....	3
2.0	Introduction .....	4
3.0	Can't Pay .....	5
4.0	Won't Pay .....	6
5.0	Principles common to all debt types .....	7
6.0	Principles of Enforcement (all debt types) .....	9
7.0	Collection specific to Sundry Debts .....	10
8.0	Collection specific to Housing Benefit Overpayments .....	12
9.0	Authorisation limits for write offs .....	13
10.0	Methods of recovery action .....	14
11.0	Debt management process .....	16
12.0	Responsibilities to Directorates in the raising of invoices .....	17
13.0	Stages of collection (flow chart) .....	19
14.0	Payment Arrangements.....	20
Annex 1	Adult Social Care - Social Debt Policy .....	23

---

## 1.0 Purpose of the Policy

- 1.1 The purpose of this document is to set out Southend on Sea City Councils strategic approach to the collection of public money across a varied sector of services.
- 1.2 All service providers within the council will need to understand the document and ensure their processes and procedures are suitable to deliver the required outcomes for both the council and residents within the City.
- 1.3 Whilst it is recognised the financial position of individuals and business owners alike are affected by the cost-of-living crisis, we are obligated to collect 100% of the revenue to ensure the local authority can operate within the current financial constraints, and to be able to continue to deliver critical services for all residents.
- 1.4 The document will also give clear guidance on the appropriate levels of credit checks and assessment required prior to service delivery. Clearly, we are and must continue to be ethical in our approach to delivering chargeable services. Although credit checks and assessments are a good indicator to someone's ability to pay back a debt it cannot be relied on totally. This is about mitigating the council's risk of exposure to bad debt and also supports our residents and businesses from falling into increased debt.
- 1.5 It will give clear instruction on "Payment in Advance" service areas where possible. Will collect monies in advance of service delivery, this will prevent debt and will ensure the service requester has the means to pay in advance of the service.
- 1.6 Whatever service is being delivered, the key to excellent collection is to ensure we collect the outstanding monies at the earliest possible stage. Therefore, the document will set out the required timescales to resolve queries and complaints, which have historically resulted in a loss of revenue when not dealt with appropriately.
- 1.7 In essence it will set out a corporate approach to debt collection and will ensure every available means will be used to collect outstanding monies.
- 1.8 Including: -
  - Payment in advance of service delivery
  - Revised reminder process to speed up collection in accordance with the relevant legislation

- Channel shift/ Promotion of Online Services
- Promotion of Direct Debit as the optimum method of payment
- Payment arrangements within a set criteria
- Legal framework
- Fraud initiative

## 2.0 Introduction

- 2.1 The Council has a duty to recover outstanding debt and in doing so seeks to ensure all monies due are collected in a timely and efficient way, whilst ensuring that its processes are fair to everyone. To this end, all debts are administered in line with corporate policy, national legislation, and financial procedure rules. Overall responsibility relating to the management and recovery of debt rests with the Section 151 Officer.
- 2.2 Recovery of outstanding debts relating to Council Tax, NDR (Business Rates) are undertaken by the Revenues team, Housing Benefit Overpayments are recovered within the Benefits team. Recovery of outstanding debts relating to Sundry Debt is undertaken by the Accounts Receivable team who report directly to the Director of Financial Services.
- 2.3 Recovery of outstanding Social Care debt is undertaken by the finance team within the “Adults and Communities” directorate. It is widely recognised across local government due to the nature and complexity of this debt; it requires specialist knowledge. It is also recognised that when dealing with this sensitive area of collection, arrears will be pursued with care and specialist knowledge. See Annex 1 Social Debt Policy 2017 on specific collection processes regarding Social Care Debts.
- 2.4 - The key aim of this policy is as follows: -
- To maximise the level of income collected by the Council by;
- Reducing the level of debt
  - Accurate and timely billing with evidence to justify the Invoice/bill.
  - Effective and timely recovery processes
  - Utilising the appropriate recovery method by debt type
  - Recognising that causes of debt vary and recovery methods should be focused accordingly. Debt will be categorised and methods of recovery focused by type, with debtors identified either as: -  
‘Can’t Pay’ or Won’t Pay’:

---

### 3.0 Can't Pay

Our customers and businesses will receive appropriate assistance and support through debt management and benefit advice, our residents or businesses will be helped to make and adhere to payment arrangements and understand options to minimise costs in the future.

There could be several reasons where clients could fall into this category including but not limited to: -

- Unemployment
- Hardship due to personal illness
- Mental health issues
- Alcohol or drug dependence
- Imprisonment
- Difficult family issues

We have experienced staff within the authority who will support and work with our residents and businesses that experience debt, and will also sign post to the advice sector for further support including: -

- Available information on the Council website on support
- Citizen Advice,
- Step Change
- and other appropriate support organisations

## 4.0 Won't Pay

All available and appropriate methods of recovery will be considered depending on the nature of the debt and the individual or businesses circumstances including their assets and income.

### General Principles

- That the citizens and businesses of Southend on Sea have a responsibility to pay for the services they receive and the charges for which they are liable.
- Council Tax revenue collected by the Council on behalf of taxpayers is recognised in legislation as priority debt, and debtors must give priority to the payment of these debts.
- Wherever possible and when appropriate, services will not be provided until payment has been made and cleared funds received.
- The cost of collection will be minimised by encouraging citizens to use the most cost-effective payment methods such as direct debit. Online and debit card payments will also be promoted in preference to other methods such as cash.
- The Council will advise our residents or businesses of any appropriate benefits, exemptions, discounts, or other reliefs which may reduce their debt.
- When the Council is made aware that debtors have multiple debts or require specific budgetary advice, staff will signpost debtors to external advice agencies. The council will endeavour to collect multiple debts at a single point of contact with the debtor whenever possible.
- Disputes in relation to the debt or recovery process will be resolved where possible within 30 days; Debtors will be kept fully informed of the ways in which they can contact the Council to discuss any dispute they may have. It will be the responsibility of the originating service area to resolve these disputes. Any disputes that run beyond the 30 days will be escalated to the relevant service manager.
- Where part of the debt is disputed, the Council will still continue to collect the undisputed amount within the legislation at the earliest possible opportunity whilst also dealing effectively with the disputed debt. It must be made clear at the initial contact with the client they must pay the undisputed part of the debt.
- When correspondence between the citizen/business and the responsible department fails to rectify any grievance or dispute and the citizen wishes to



make a complaint regarding the way in which the Council has attempted to collect debt, they will be fully informed of the Council's Feedback/Complaints procedure and will be given assistance to register that complaint.

- The Council will encourage effective sharing of information between departments and will explore the most efficient and effective way of achieving this whilst taking full account of relevant legislation e.g. Data Protection Act (DPA). If any officer of the council is unclear of their responsibilities under the DPA they must ask for advice from the corporate data protection officer to ensure no breach of legislation occurs

## 5.0 Principles common to all debts

- Every invoice must be correctly addressed to the person or organisation liable to pay it. The name on the invoice will be that of a person or body possessing "legal personality" under the legislation hierarchy.
- Invoices will be issued on the day of production. Exceptions to this must be approved by the relevant manager.
- Where we are dealing with an organisation or Small Medium Enterprise (SME) or any other type of business a purchase order number or payment reference must be entered on the invoice.
- If you do not obtain a Purchase order at the first point of contact with the organisation you will have 14 days to obtain one and pass onto the accounts receivable team.
- Service areas are responsible to compile evidence in the event to secure recovery of the debt through the courts. This must be compiled when an invoice is raised. All documentation relating to the invoice will be kept by the originating department in electronic format for 6 years after the last recovery action adhering to the Corporate Retention Policy.
- In each case the Council will use the most appropriate and effective method of recovery in order to maximise income, working with our commercial partners where appropriate.
- All invoices, reminders and final notices will be issued using the most cost-effective means available.

- 
- Officers will employ flexibility and discretion when dealing with hardship, vulnerability, or dispute situations. This includes the ability to make deferred payment arrangements or suspend recovery action due to the debtor's individual circumstances.
  - Where appropriate a "Means Test or an Income & Expenditure" assessment will be required to ascertain an individual's ability to pay with appropriate evidence to support this. If this is refused, a payment arrangement may not be possible.

Note: - Arrangements to pay in instalments to clear the full outstanding amount are determined by individual departments, however the maximum period would be a 12-month period, any arrangement which is outside this period must be agreed with the relevant Manager.

- The council has a duty to monitor all payments arrangements and will ensure missed payments are actioned appropriately. The council will, dependent on circumstances hold the right to withdraw a payment arrangement making the full amount of debt due.
- Any member of staff, who has an interest in any debt must not participate in any form of monitoring/management of that debt and must declare their interest to their manager. This includes, but is not limited to:
  1. Self, including any business interest i.e. director, accountant
  2. Family members
  3. Friends
- All notices issued by Southend-on-Sea City Council will comply with the corporate style and will be easily identifiable as being from Southend-on-Sea City Council.
- Prompt recovery action is key to managing debt and maximising income the Council will: -
  1. Set clear targets and timescales for the recovery of debt
  2. Regularly monitor the level and age of debt
  3. Have clear documented recovery procedures and processes
  4. Set and regularly review priorities for specific areas of debt and the recovery methods used to ensure maximum collection
  5. Regularly review irrecoverable debt and submit write-offs for consideration by the appropriate Officer.  
All write off approvals will follow Southend-on-Sea City Councils constitution.
- Performance in relation to current and aged debt will be produced on a monthly basis and reported directly to the "Chief finance officer".

- Write off will only occur when all recovery action has been exhausted. All debts that are written off will be written off against the income code against which it is held. In cases where the debt was originally shown as a balance sheet liability (for example car loans issued prior to the cessation of the scheme), the debt will be written back to the relevant department.
- Third party recovery agencies will be used when appropriate. Where a third-party agency is instructed to carry out activity on behalf of Southend-on-Sea City Council, information between the agency and the council will be in a secure electronic format.

## 6.0 Principles of Enforcement (All debt types)

- The Council will ensure that any enforcement action is:
  1. Proportional - a balance must be struck between the potential loss of income to the Council and the costs of the enforcement action.
  2. Consistent – That a similar approach to enforcement will be taken in similar circumstances to achieve consistency in the:
    - Advice given
    - Powers used
    - Recovery action taken
- At all times the following will be considered to inform the collection team of the severity of the action to be taken.
  - The debtor's payment history
  - The debtor's ability to pay
  - The social circumstances or vulnerability of the debtor
- Transparent – that reasons and clear explanations will be given for any enforcement action taken.
- If action is required, this should be within the guidance and should adhere to the Taking Control of Goods Regulations 2014 and should be clearly explained.
- Timescales for actions must be clearly stated and within the regulations.
- A written explanation must be given of any rights of appeal the debtor may have against the enforcement action either before or at the time the action is taken, this will be agreed with our commercial partners during the procurement process and awarding of any contract.

## 7.0 Collection specific to Sundry Debtors

- Sundry debtors are any other services the Council provides for which monies are due.
- Where practical payment must be received, and funds cleared before services are provided “Payment In Advance”.
- Where payment cannot be made before the service is provided invoices must be raised within 5 working days. It is recognised that there will be exceptions where a department is waiting for information from another source e.g. Social Care assessments and service packs.
- All invoices must be raised via the corporate debtors system Business World, the exception being Housing Benefit overpayments, Council Tax and Business Rates which are raised through the Northgate system. Staff responsible for raising invoices/bills must be properly trained in the use of the relevant system. In all other cases invoices will be raised by the accounts receivable (AR) team unless otherwise agreed with the AR Manager.
- Each Department will ensure all invoices are supported by sufficient evidence of the liability to secure recovery through the courts. Such evidence is to be retained and may be requested for any future recovery process as required.
- All staff responsible for providing chargeable services and/or raising invoices must attend a Training Session by the Accounts Receivable Team. This ensures that they understand the principles of the corporate debt strategy and the implications arising from uncollectable debts. System access will be restricted so that only “staff” that completes the training, will be able to raise invoices on the system.
- Information provided on an invoice must include the following:-

What the bill or Liability is for

The Amount Due

How to make a payment

A contact point for all enquiries

The council will provide a choice of convenient methods of payments and details of these options will be advised on each Invoice.

- In accordance with accounting principles, the budgets of the originating service will be credited with the value of the invoice at the time the invoice is raised. Where a disputed debt remains unpaid after 3 months the amount will be written back to the budget of the originating department. The Department will remain responsible for resolution of the debt and once paid will receive the income. Exceptions to this must be agreed between the service manager and the Accounts Receivable manager.
- In line with the general principles of this strategy the originating department must show that payment in advance is considered before the service is provided. If this option is not practical the service should seek payment at the time the service is delivered, provided that robust income collection arrangements are established. Sundry debtor accounts should only be raised as a last resort where payment in advance is inappropriate.
- Before raising an invoice, services must consider whether it is cost effective to do so. As a general rule, services should not raise invoices for less than £10 unless they have a legal obligation to do so, for example, ground rent income.
- Ownership of all sundry debts will be with the originating departments Budget Holder, and it is only the originating departments that can:
  1. Issue an e-mailed/written instruction to cancel an invoice
  2. Correspond with or discuss with the debtor issues relating to the validity of the debt, which must be in line with the Council's charging and income policy.
  3. Deal with complaints relating to the provision of the service or the raising of the invoice.
- Except for invoices payable by instalments or as otherwise contractually agreed, the settlement terms for all invoices will be 30 days.
- Recovery action will commence no later than 10 days after the settlement date has fallen due. All recovery action is the responsibility of the relevant collection team.
- Where initial recovery action has proved unsuccessful the debt will be referred back to the issuing department for further investigation to enable further recovery action to be taken. If proof of the debt cannot be provided upon request the debt will be considered for write off.

## 8.0 Collection specific to Housing Benefit Overpayments

A Housing Benefit Overpayment (HBOP) is any amount which has been paid but to which there was no entitlement.

An overpayment can occur after a claim is initially processed when the entitlement is reduced (sometimes to nil) following a supersession or revision assessment.

### Decision Notice

An overpayment decision notice must be issued to anyone who the overpayment is legally recoverable from, even if the Local Authority (LA) has decided to recover the overpayment from someone else.

- The following information is the minimum that should be included in a decision notice, as stated in Housing Benefit Regulation Sch 9/(SPC) Sch 8.
- That there is a recoverable HB overpayment
- The reason there is a recoverable overpayment
- The amount of the recoverable overpayment
- How the amount was calculated
- The period of the overpayment
- Who the overpayment is legally recoverable from, and why
- Who the LA has decided to recover the overpayment from, and why
- The method of recovery
- When the recovery of an HB overpayment is to be made by deductions from future HB payments, the amount of the deduction
- The person's right to request a written statement
- The person's right to apply for a revision of the decision or appeal against it and the manner and time in which to do so

### Methods of recovery

Depending on a person's circumstances at the time of recovery, there are several options available to the LA to use: -

- From arrears of HB that become payable while there is an outstanding overpayment
- By deduction from ongoing HB, which could be paid to the claimant, landlord, appointee, or agent (sometimes known as 'claw-back')
- By deduction from the partner's ongoing HB, if the claimant and partner were a couple at both the time of the overpayment and when deductions are being made.
- By transferring a Rent Rebate overpayment to the tenant's Rent Account
- By deduction from certain Department of Work and Pension (DWP) benefits

- By deduction from certain DWP benefits payable to the partner, if the claimant and partner were a couple at both the time of the overpayment and when deductions are being made
- By applying to another LA to ask them to deduct the overpayment from the claimant's ongoing HB entitlement
- By recovery from HB paid to a landlord/agent for another tenant (sometimes known as 'Blameless Tenant' recovery)
- By 'invoicing' the affected person for the amount outstanding
- By civil proceedings, which can lead to but not limited to County Court Bailiffs, 3<sup>rd</sup> party debt orders, charging orders.
- Debt collections services
- From the estate of a deceased person who had an overpayment prior to death
- By Direct Earnings Attachment (DEA)

If the debt can be collected at source from ongoing entitlement, then this will be the first method of recovery. Once benefit entitlement has ceased the council will issue an invoice, reminder, and final notice. If payment is not made in full or a suitable arrangement is not made, then further recovery action will commence.

### **County Court Action**

If the debtor is a homeowner the Local Authority can apply for an application for a charging order to be made. This requires proceedings through the County Court, starting with obtaining a judgment against the debtor, however as the authority's local taxation team undertakes such action already when pursuing unpaid council tax, the process is understood, and is a remedy the County Court is familiar with the authority adopting.

The success of all enforcement action lies in the selectivity of the cases chosen, and for HBOP the intention is to target debts of a significant value and where the debtor has a clear history of either failing to engage with us or make a suitable arrangement to repay their debts. Cases progressed for charging orders would be selected with the utmost care after forensic review and evaluation as part of a concerted effort to secure the repayment of debts owed to the Authority where no other enforcement remedy has proved successful.

## 9.0 Authorisation limits for write offs

<b>Debt Type:</b> <b>Accounts Receivable/Social Care/ Housing Benefit Overpayments</b>
---

Designation	Amount
Assistant Manager	under £5,000
Manager	Up to £10,000
Executive Director (Finance & Resources)	Between £10,000 and £25,000
Cabinet	£25,000 and above

<b>Debt Type: Council Tax and NNDR (Non-Domestic Rates)</b>
---

Designation	Amount
Senior Officer	under £2,000
Team Leader	Up to £5,000
Manager	Up to £10,000
Executive Director (Finance & Resources)	Between £10,000 and £25,000
Cabinet	£25,000 and above

<b>Debt Type: Parking</b>
---------------------------

Designation	Amount
Team Leader	Up to £5,000
Head of Parking	Up to £10,000
Jointly – Head of Parking and Executive Director (Finance & Resources)	Between £10,000 and £25,000
Cabinet	£25,000 and above

The Recovery Manager will produce a report as required for the Executive Director and Cabinet members to inform of **All** write offs within each area.



## 10.0 Methods of Recovery Action

When proof of debt has been confirmed the debt will be referred to the Accounts Receivable Team who will take the necessary action which could include Enforcement.

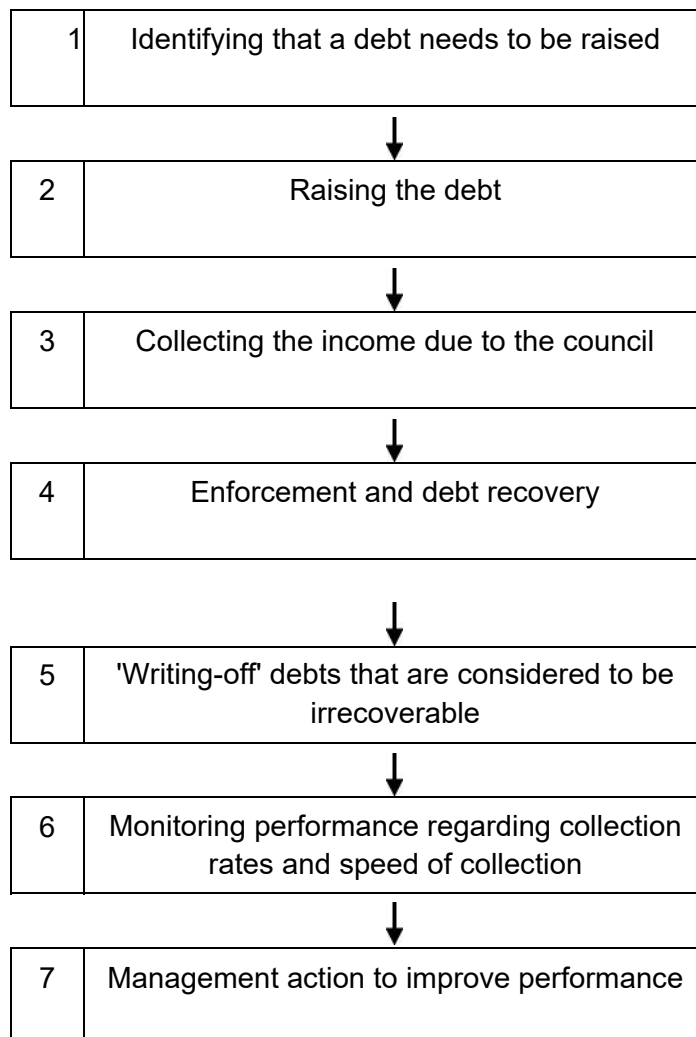
The first method of recovery will be to send cases for “Doorstep Recovery” Non-Enforcement action.

If the Council’s Collection Agents are not able to collect the debt, the statutory methods of enforcement will be considered as appropriate to each debt type. These methods include: -

1. Direct Earnings Attachment
  2. Warrants of execution
  3. High Court Enforcement Officer
  4. Insolvency
  5. Possession proceedings
  6. Third party Debt Orders
  7. Charging Order
  8. Enforced sale of assets
- These methods may only be used after a County Court Judgement is obtained. The methods will be used in accordance with the principles of Legal enforcement.
  - Further enforcement action will be taken where appropriate by converting the debt to a High Court Writ. The decision to convert the debt will be taken by the relevant service manager in agreement with the relevant department Director.
  - The costs of any enforcement action to recover sundry debts will be charged against the budget of the service raising the invoice and any costs recovered from the debtor will be credited against these budgets.
  - Where legally able to do so, services should suspend provision of future services to the debtor until outstanding debts are settled.
  - The Accounts Receivable Team will provide reports to business units on a regular basis usually Monthly/Quarterly, advising the amount of debt raised in the relevant period and the age and value of outstanding accounts.

- The business areas will receive reports detailing accounts which require a decision in relation to on-going recovery action. The reports will detail, but not be limited to, the following: -
  1. Accounts requiring county court action
  2. Accounts where recovery has been suspended by the originating unit
  3. Disputed accounts
  4. Accounts requiring other action
  5. Accounts suitable for write off
- Originating departments must review the reports and communicate their decisions regarding on-going recovery action to the relevant team within 10 working days of receipt of the report; any dispute must be resolved following the corporate complaints procedure timescales.
- The Accounts Receivable Manager will report the position of debts and any concerns regarding collection to the relevant Director as required.

## 11.0 Debt management process



## **12.0 Responsibilities to Directorates in the raising of invoices**

Directorates responsible for raising invoices must note their responsibilities as part of the Debt recovery process.

### **Stage 1**

Each department is responsible for ensuring services provided are correctly invoiced and agreed with the recipient of the service. Payment in advance must be the approach taken to minimise debt and maximise income whenever possible.

All reasonable efforts must be made to credit check clients in the event of Payment in Advance not being an appropriate method.

### **Stage 2**

IF Payment in Advance is not appropriate:-

The raising of debts will be undertaken by the Accounts Receivable Team wherever possible and by exception will be undertaken by the directorates where agreed by the Chief Finance Officer (or deputy).

To aid debt collection, the Council will provide clear and prompt information about invoices and liabilities.

The information provided will show;

- What the Invoice or liability is for;
- The amount due;
- How to make payment
- Contact details for all enquiries.

When dealing with an organisation a Purchase Order must be obtained to quote on the invoice raised, as this is a commitment to pay from the organisation and should ensure prompt payment upon receipt.

All staff raising debt must have specific training and be made aware of their responsibilities before being authorised in the system to do so. Part of the process will be an assessment to determine if it would be more efficient to raise the debt centrally rather than devolved to a service.

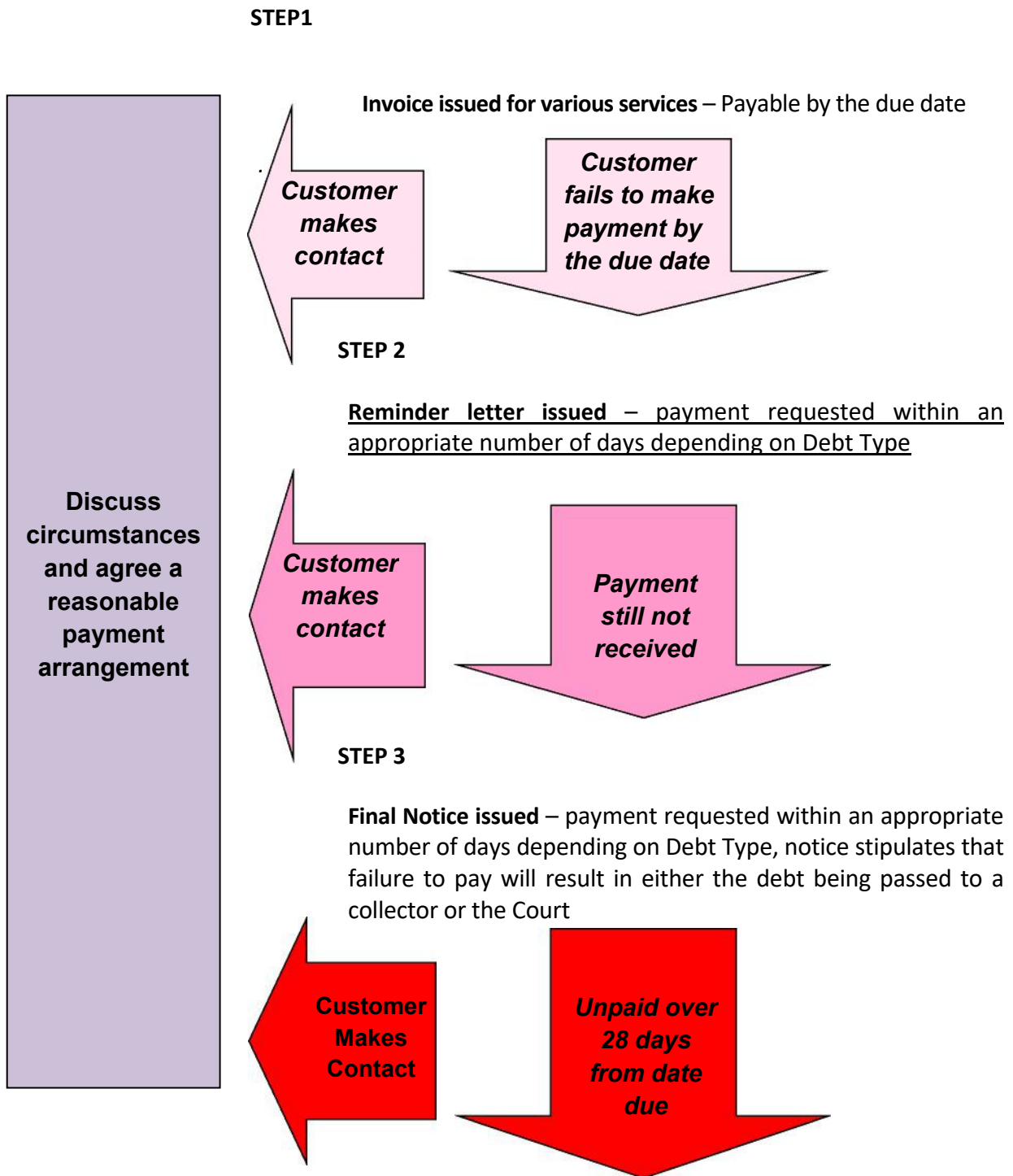
### Stage 3

Debt will be collected and recovered through the relevant collection team

- a- Sundry Debtors - Accounts receivable
- b- Social Care - ACS Finance team (supplemented by Annex1 – Adult Social Care – Social Debt Policy)
- c- Parking Enforcement – APCOA third party contractor
- d- Council Tax – Council Tax Revenues Team
- e- Business Rates- Business Rates Revenues team
- f- Housing Benefit – HB Benefits Team

(Accounts receivable manager will support the ACS finance team and supply age debt reports on a monthly basis)

## 13.0 Stages of collection



Note: - Parking Enforcement follow the same principles, Legislation variances exist and are managed by the service area.

Social Care: - Follows the same principles, complex issues do exist with managing case work. A separate social care strategy document is available which covers the complex issues however where issues do not exist the debts follow the same route to collection.

It is the responsibility of the service area to resolve disputed invoices.

The debt manager will monitor invoices ensuring they are resolved within agreed corporate timescales as laid out within the Corporate Complaints Process.

It is the responsibility of the Debt Manager to:-

- To promote a corporate approach towards sharing debtor information and managing multiple debts owed to the Council
- To acknowledge the role of the recognised advice agencies and to work with such agencies whenever possible
- To treat individuals consistently and fairly regardless of age, race, religion, gender, disability and sexual orientation.

## 14.0 Payment Arrangements

It is the responsibility of the debt manager to manage payment arrangements

- All payment arrangements will be closely monitored;
- Prompt action will be taken to collect the debt in respect of missed payments;
- The individual should be reminded that the date on which instalments are to be paid is the final date on which money should reach the Council's account;
- The responsibility remains with the individual for making sure they allow sufficient time for the payment to reach the Council's account by the due date;
- Action may be taken, even where payment is received shortly after the due date.
- When payment arrangements are not maintained, it is important to ensure that prompt action is taken (by the individual) to try and bring the arrangement back up to date. Although the Council ideally will require the original agreement to be brought up to date within a short timescale, if there has been a significant change in circumstances it may be possible to negotiate a new arrangement.

It is the responsibility of the Debt Manager to apply charges as agreed by the organisation:-

- The first reminder letter will not carry a charge to the customer but will contain a notification that subsequent reminder letters may be subject to a charge.
- The Council maintains the right to charge for reminder letters and statements.
- The council maintains the right to charge interest on late payments of certain types of debt in accordance with the agreements in place.

**Specifically in relation to:-**

- a. Commercial rent agreements
- b. Social Care invoices where the payment is deferred until a client's asset is sold.

#### Stage 4

It is the responsibility of the service area to supply the relevant evidence/Documentation for the recovery process beyond the reminder stage is pursued.

It is the responsibility of the debt team to carry out all reasonable steps to collect income due to the council.

The debtor's team will manage and are responsible for the process of collection for those clients who **"Won't Pay"** and will use all reasonable action to collect outstanding debt for the service area.

The Debtor's team will manage the process for those clients that **"Can't Pay"** by making reasonable payment arrangements and sign posting for support on debt advice.

In the event of a service area dealing with a payment issue any decision outside of the corporate approach must be agreed by the debt manager.

Extra costs incurred in debt recovery (e.g. legal costs) will be charged to the originating department

Costs recovered through court activity will be credited back to the service area

#### Stage 5

Once all activity is exhausted and it is clear it is no longer cost effective to collect debts will be promptly written off against the business debt provision.

Budgetary provision is agreed each year to ensure it does not impact on current year services however the provision does impact on service budgets which makes it critical the earlier stages are strictly adhered to ensure service areas can continue to deliver services.

Where it is clear that a debt is uncollectable or is uneconomic to collect it will be promptly written off and the originating department will be charged



#### Stage 6

It is the responsibility of the debt manager to provide management information on current debtors by means of an Aged debt report

Debt outstanding for more than 30 days will be reported with a narrative of actions to collect subject to appropriate de-minimus levels as agreed by the chief finance officer.

#### Stage 7

Management action will be taken when necessary to improve performance regarding collection rates and speed of collection, this could include working with our commercial partners who have expertise in specific areas of recovery.

All debt will be invoiced and tracked on the corporate debtors system wherever possible. Where other systems are being used (e.g. PCN) these systems will be kept under review and the debts will be moved to the corporate system when practical. Where the use of the corporate debtors system is not appropriate the system used needs to be approved by the council's chief finance officer (or deputy) and the service area will be responsible for reporting the monthly debt position to ensure an accurate corporate debt position can be understood.

Ownership of the debt remains with the directorate originating the invoice

The directorate requesting the debt has a duty to assist and co-operate with the corporate function to ensure collection of debt

Annex 1

Adult Social Care – Social Debt Policy  
November 2017

## **Index**

Introduction

Scope

Care Act 2014

Residential and Non-Residential Care Charges- actions, escalation process,  
executors process

Instalment Plans

Deferred Payment Debt

Unrecoverable Debt

Write-off Process

Waiver of Charges

Exempt from Charges

Charges to Health Authority

Charges to Other Local Authorities

Residential Care Home Debt

Recording

Credit Notes

Parked Debt

Complaint Date- Holding Reminders

Safeguarding Concerns

---

## **Introduction**

Southend-on-Sea City Council raises charges for a wide range of services across the organisation. All debts owed should be pursued according to the Corporate Debt Collection and Recovery Policy October 2017.

However it is acknowledged that within the role of the protection of vulnerable adults, there will be some debt that cannot be pursued in the same way. Within the strategy document these are referred to as social debts.

This document sets out the debt recovery process for social debts.

## **Scope**

Adult Social Care within the Department for People makes charges for the following services

- Contributions to residential accommodation
- Charges for Home Care services
- Charges for Community Support services
- Charges for day services
- Charges for transport to services
- Charges to other local authorities
- Charges to Health Authority

Adult Social Care charges are raised within the Department for People by Finance Officers within the Adult Social Care Finance Team, using the corporate financial system Agresso. The Corporate Accounts Receivable Team (AR) authorise the invoices and they are sent by post. If the invoice is unpaid the Agresso system will send 2 reminders at seven day intervals. If the invoice remains unpaid, recovery will pass back to Adult Social Care for action.

**The Care Act 2014** introduces a modern legal framework for the recovery of debts as a result of non- payment of care charges. This is covered in section 69 and 70 of the Care Act 2014. The key points are:

- Local authorities should clearly discuss with the person or their representative at the outset that care and support is a chargeable service. Provision of information and advice should cover the person's responsibility to pay for care and support
- Financial assessment – This should be carried out in a timely manner and the person/rep notified in writing of the outcome of the financial assessment, the frequency of invoice and payment methods. They should also be informed of their right to a review and what they should do if they disagree with their financial assessment.
- As part of the financial assessment process, LA's should find out if any person has an enduring Power of Attorney or Lasting Power of Attorney for property and financial affairs or a Court of Protection deputy for property and affairs or someone who has

been given appointee-ship<sup>1</sup> for the purpose of benefit payments who is responsible for payment of the care and support charges.

- All LA's should have a process for identifying when a sum becomes due and at what point it becomes overdue and falls into a recovery process.
- The recovery process should include issuing reminder notices and either contacting the debtor by telephone or visiting. Comprehensive notes of any discussions with persons/ reps should be kept. A solicitor's letter rather than a standard system generated reminder letter has proved very effective in getting a response from a debtor who has not engaged with the LA previously.
- If there is any doubt over the person's capacity or safeguarding concerns the case should immediately be referred back to social care staff.
- Within the Care Act is an obligation to have considered and evidenced well-being. This should be followed through within debt recovery processes.

All people receiving services are financially assessed to ascertain what they should pay towards services and therefore there should be no reason for invoices to be unpaid. However service users may be elderly, vulnerable, lack capacity to understand charges and every unpaid invoice needs to be investigated to understand the reason for non-payment. Invoices raised for grant re-charges, NHS re-charges and to other local authorities, should not be raised until agreement is received from the third party.

From the start of a period of care enquiries are made about whether an adult has someone to help with finances and could be their contact instead of the individual service user. Social workers will ask when assessing for care and our financial assessment form also asks the question.

If someone falls into arrears we will ask again, as the adults health may have declined since the care started.

If an adult is in a care home setting they will usually have someone dealing with their finances. If they haven't and we are invoicing the adult at the home, then we would be checking systems for any notes and also contacting the care home. They again may have deteriorated and could no longer manage their own finances or we may not have been made aware of an admission to hospital.

All charges are made following financial assessment and so should be able to be paid. However Finance staff are fully appreciative that the adults we serve are vulnerable, often elderly and confused and although debts to the authority have to be collected, we act with sensitivity and respect for the adult.

### **Residential Care and Non-Residential Care Services**

Each month 3 reports are run, residential care debt, non-residential care debt and various debts. These detail all debts over 30 days old. The various debt report is interrogated by the Finance Manager.

Finance Officers will interrogate the residential and non-residential debt reports and try to find out why an amount is unpaid e.g. by phoning the person direct, contacting families. Often these steps are sufficient to pay the debt.

Further actions include:

Interrogation of all systems to ensure invoices are being sent to the person with payment responsibility

Look at the financial assessment to ensure it is correct

Liaison with DWP if benefits are not in payment/suspended etc

Social workers made aware of the debt – to ensure there are no safeguarding/financial abuse issues

Refer to Legal Section for advice

Refer to independent advocacy service for assistance with debt issues

Follow Safeguarding procedure

Investigate settlement of estates, who is next of kin, executor

Gather further information that may cause the financial assessment to be revised and debts adjusted

All cases will be looked at individually and actions will vary from case to case.

In order to get to a level of consistency the following process will be followed:

- 1) Officer runs report
- 2) New debt is identified and report sheet is opened in Civica
- 3) Telephone contact- resolution or issue identified

### **Dispute/Complaint**

Decide who needs to resolve/investigate dispute, initiate on Civica

A 14 day reminder will be sent to officers work tray to ensure follow up action

Will result in payment, charge adjusted and paid or charge written off or waived.

### **Billing Issue**

Invoice may be unpaid as being sent to incorrect address or should be sent to a care-of address. Make correction resulting in payment. No further action.

### **No Telephone Contact or Unsuccessful**

Standard letter 1 asks for contact to be made

If no contact standard letter 2

Still no contact, refer to social worker via Civica for contact at home

May be resolved during a yearly review

A recurring reminder will be sent to officers work tray to ensure follow up action

If no resolution initiate safeguarding referral

### **Escalation Of Debt Issue**

If no resolution following safeguarding, a further Civica process is started sending an email to Finance Manager to consider legal action. The Local Authority should be seen to have taken all actions possible to negotiate following any dispute. Full chronology would be required by County Court.

The Finance Manager and Group manager will discuss how to resolve the debt.

### **Executors Accounts**

When the authority is advised of the death of an adult, invoices should be raised for services up to date of death and produce a balancing invoice. The officer will start a CIVICA process to ensure prompt debt recovery. The process will ask who is dealing with the estate and enquire at intervals about how the probate process is progressing.

### **Instalment Plans**

As charges are made following a financial assessment, all charges should be affordable.

Instalments to clear arrears can be negotiated, however as ongoing charges need to be paid, regard needs to be made to that when setting an instalment plan.

The instalment plan should be made by ACS Finance Team as they are aware of what ongoing payments will need to be made and how much someone could afford as an additional instalment

### **Deferred Payment Debt**

For people in residential care who own a property but have capital under £23,250.00, a Deferred Payment Agreement may be the option chosen.

Where a Legal Charge can be registered against the property land title, the accruing debt is secured. However there are occasions where it is not possible to secure with a land charge from the start of the placement. The land title may need to be corrected or capacity issues resolved. In this circumstance the resident or family member will be asked to sign a Letter of Agreement. This together with a chronology of evidence would be put to County Court in cases of dispute over payments.

Differing codes will be used to identify secured or un-secured debts for accountancy purposes.

### **Unrecoverable Debt**

It should be considered whether a debt is uneconomic to pursue. All debt should follow the action timetable but following the 2<sup>nd</sup> letter it may be written off as uneconomic to collect. In general this would be for invoices under £50.00.

If all actions have been taken it may be that the debt is considered unrecoverable.

- 1) An estate may not have sufficient funds to pay invoices after death. The payment of funeral charges has first call on an estate. A request should be requested from family advising that the estate was spent on funeral .
- 2) Safeguarding investigation results in referral to the SBC Court of Protection Team for protection of finances. Once access has been gained to benefits/pensions/capital then there may be sufficient to pay all outstanding invoices. However it could also be that COP Team can pay future invoices once access has been gained to funds but that previous debt is written off. Although we refer to Police for investigation into financial abuse, very often they are unable to substantiate allegations and funds are not recovered. In this instance debt prior to SBC gaining access to funds is identified and written off.
- 3) Legal advice that cost of legal action would mean it uneconomical to pursue.

Distinction needs to be made between a waiver and a write-off.

- Waiver, charge should be made for a service but circumstances dictate that it is not reasonable to apply a charge
- Write-off, a charge has been correctly applied but has not been able to be collected

### **Write-Off Process**

Once all recovery actions have been exhausted and it is the agreement of the Finance Officer and Finance Team Manager that a debt will not be pursued:

- 1) Debt memo completed, signed as seen by Finance Team Manager and approved by Group Manager Customer Services and Finance. Copy of CIVICA action report to evidence actions taken.
- 2) Under £5k no further authority is required
- 3) Over £5k the papers will be signed as seen by Finance Team Manager and Group Manager and passed to AR Team for Director of Financial Services approval.
- 4) Write off documentation forwarded to AR Team and copy kept on client file on CIVICA system

Corporate authority levels for write-off:



Up to £5k Assistant Manager  
Up to £10,000 Manager  
Between £10,000 and £25,000 Director  
£25, 000 and above Cabinet

### **Waiver of Charges**

An invoice is raised following financial assessment. There are occasions when it is not reasonable to apply a charge

- 1) Service user/family not advise about charges at the start of care
- 2) Contradictory advice given regarding health funding and social care charges
- 3) Death prior to completion of the form, dependant on records kept.

The Finance Officer will email the relevant Team Manager with circumstances of the individual care. If Team Manager agrees the waiver, the response email will be filed on CIVICA If a charge is waived then no charge should be made. Any invoice raised should be cancelled and records kept on CIVICA.

### **Exempt from Charges**

All service users are financially assessed to ascertain what they should pay for services. There may be rare occasions where the social worker will ask the Operational Team Manager for someone to be made exempt from charges. This may be if someone is threatening harm to themselves or others by applying a charge. Other examples could be waiting for application of benefits, family appropriating income and capital and awaiting safeguarding outcome.

A form is sent to the Finance Team; it should hold details of exemption and be time limited.

### **Charges to Health Authority**

Following formal notification of eligibility for health funding, if a recharge needs to be made an invoice is raised by the Senior Payments Officer.

Invoices are raised monthly and any non-payment will be picked up by the Senior Payments Officer and resolved in conjunction with the Group Manager

### **Charges to Other Local Authorities**

If another Local Authority places residents in Southend-on-Sea City Council establishment's invoices are raised at the full cost of care.

The other Local Authority will be responsible for collection of their own client contributions.

Collection of income will be the responsibility of the Finance Manager. Before placement a copy agreement should be made available to the Finance Manager in case of any query.

There should be no debt recovery necessary, at times there may be adjustments necessary in the event of service adjustment.

### **Residential Care Home Debt**

If a care home owes money to the authority due to an overpayment of fees, it will generally be deducted from payments to providers. There may be occasion when the care home has closed or changed ownership and an invoice needs to be raised. Usual debt recovery action will be followed.

### **Recording**

- Monthly report is kept electronically
- Report is noted with actions taken
- Officer will note Civica system with actions taken and initiate a Civica record sheet
- Monthly meeting with Debt Officers, Finance Manager and Group Manager
- Monthly summary of outstanding debt, identifies real debt not amounts involved in direct debits.

### **Credit Notes**

An invoice may need to be credited, either in part or wholly, if information is made known to the Department after an invoice has been raised. For example:

- Reassessment of finances results in lower charge, invoice to be reduced. Financial assessment on CIVICA
- Home care visits/ day services charged for that did not take place. Provider information saved on CIVICA
- Date of death not made known to Finance Team, care charges made after death. Ensure date of death recorded on Carefirst

The Finance Officer will raise the credit on Agresso, ensuring documentary evidence is recorded on the EDRMS system or on Carefirst, or noted on the Access database. A Finance Manager will approve the credit on the Agresso system, ensuring separation of duties.

### **Parked Debt**

The recovery process can be halted if a debt is parked. If an invoice is parked then the reminder cycle will not be applied. Invoices should only be parked as a last resort and the Finance Officer needs to keep the parked item as a task to follow up. No invoice should be parked indefinitely. The Finance Officer should use the notes field to record why the invoice is being suspended

For example: service user deceased and with solicitor for probate.

: With Safeguarding and no contact to be made at this time

All parked invoices are reported on monthly by the AR Manager and sent to ACS Finance Manager for action.

### **The Complaint Date - Holding Reminders**

The reminder cycle can be changed by inputting a complaint date against the invoice. Once the date arrives then the reminder cycle will again be activated.

The complaint date should be used in cases where the officer wishes the reminder cycle to be reinstated as opposed to be parked, in which case no reminders will be produced at any point. For example:

- Family member going on holiday, hold for 2 weeks.
- Application made for benefit

### **Managing Safeguarding Concerns**

Unpaid invoices may be the first sign of financial abuse.

If contact is not made or reasons for non-payment are not acceptable, within the workflow the matter will be referred to allocated social worker. If there is no allocated worker the referral is made to the Access Team. A form SETSAF1 is completed and the circumstances of the debt, contact attempted, responses received all noted on the form.

The following investigation may result in referral to Police and family meetings.

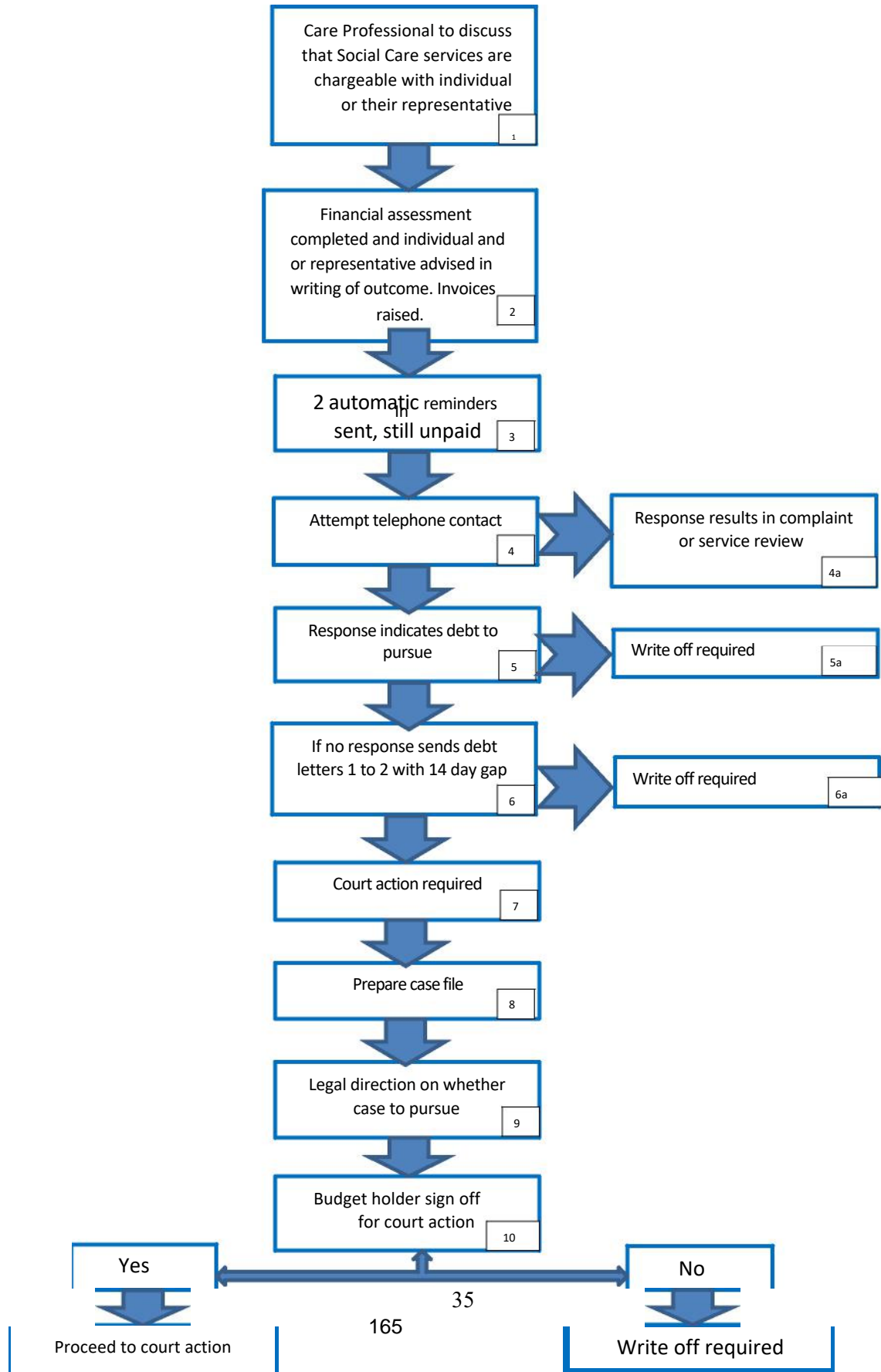
It is possible that the adult freely gave away monies and there is no fraud case to answer.

In some cases the adult may have given money away when they retained capacity to manage their own money , but now having lost capacity nothing can be proven.

Application may be made by family or Southend Council for court appointed deputy. Once access to money has been arranged , it will be looked at to ascertain how much money is available to pay outstanding invoices. At that point early invoices may need writing off if the financial abuse happened at that time.

Every safeguarding case will be looked at on an individual basis.

**Debt Process Flowchart**



This page is intentionally left blank

**Title:** Quarter Three Treasury Management Report - 2023/24

**Meeting:** Cabinet

**Date:** 4 March 2024

**Classification:** Part 1

**Policy Context:** All Corporate Priorities

**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 Quarter Three Treasury Management Report covers the treasury management activity and compliance with the treasury management strategy for both quarter three and the period from April to December 2023.

## 2. Recommendations

**That the following is approved:**

- 2.1. **The Quarter Three Treasury Management 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 December 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. **£4.811m of interest and income distributions for all investments were earned during this nine-month period at an average rate of 4.56%. This is 0.33% below the average SONIA rate (Sterling Overnight Index Average)**

and 0.39% below the average bank rate. Also, the value of the externally managed funds decreased by a net of £1.152m due to changes in the unit price, giving a combined overall return of 3.47%. (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 December 2023 at an average rate of 3.46%.**
- 2.6. **The level of financing for 'invest to save' capital schemes decreased from £8.22m to £8.13m during the period from April to December 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 third quarter report for the financial year 2023/24, covering both quarter three and the period from April to December 2023.
- 3.3. Appendix 1 shows the in-house investment position at the end of quarter three of 2023/24.
- 3.4. Appendix 2 shows the treasury management performance specifically for quarter three of 2023/24.

### **4. National Context**

- 4.1 Given the ongoing economic and fiscal challenges UK gross domestic product (GDP) is estimated to have decreased by 0.1% in the quarter from July to September 2023, downwardly revised from a first estimate of no growth. UK GDP is now estimated to have shown no growth in the quarter from April to June 2023, revised down from a previous estimated increase of 0.2%.
- 4.2 The unemployment rate for the quarter from September to November 2023 was 4.2%, no change on the previous quarter. In October to December 2023 the estimated number of vacancies in the UK fell by 49,000 on the quarter to 934,000. Vacancies fell on the quarter for the 18<sup>th</sup> consecutive period, the longest consecutive run of quarterly falls ever recorded but still above pre-coronavirus pandemic levels.
- 4.3 The Consumer Prices Index including owner occupiers' housing costs (CPIH) was at 4.7% in October, at 4.2% in November and 4.2% in December. (The

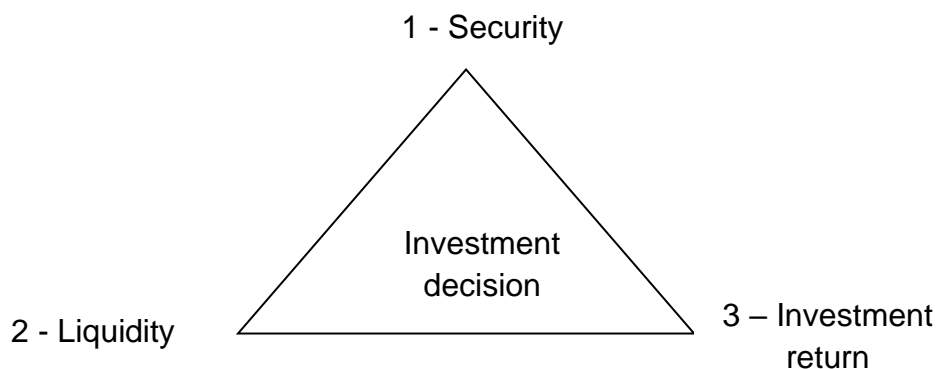


Consumer Prices Index excluding owner occupiers' housing costs (CPI) rose by 4.0% in the 12 months to December 2023.) The largest upward contributions to the annual CPIH inflation rate in December came from alcohol and tobacco while the largest downward contributions came from food and non-alcoholic beverages.

- 4.4 During the quarter, as a result of the decrease in the rate of inflation, the Bank of England maintained the bank base rate at 5.25%.
- 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 prevailing interest rates and as fixed term deposits matured, advantage could be taken of the increased rates when reinvesting those monies.
- 4.6 The continuation of the difficult economic conditions has had an impact on the monies invested by our Fund Managers for the property funds, with the unit price of those funds decreasing during the quarter. However, as noted throughout this report, 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. These investments are for the medium or long term and the markets are cyclical so the unit price can go up and down, but during the timescale over which they are invested they provide better returns than the in-house investments are able to.

## 5. Investments – quarter three (October to December)

- 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 and then other relevant information is considered. During the period from October to December 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 monies invested is minimised through the Annual Treasury Management Investment Strategy.
- 5.4. Pie chart 1 of Appendix 1 shows that at the end of quarter three; 29% of our in-house investments were placed with financial institutions with a long-term rating of AAA, 26% with a long-term rating of A+, 45% with a long-term rating of A.
- 5.5. As shown in pie chart 2 of Appendix 1, these monies were placed with various counterparties, 71% being placed directly with banks and 29% 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 three £39.6m of our in-house monies were available on an instant access basis, £22.5m were held in fixed term deposits and £10.0m were held in notice accounts. The table below shows the fixed term deposits during the period October to December 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)*	29/09/2023	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

<b>Quarter 3</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	4.976	
Increase in fund due to value of unit price	0.059	4.68
Value of fund at end of quarter	5.035	
Income distributions	0.051	4.03
Combined investment income (income distribution plus change in fund value due to unit price)	0.110	8.71

5.10. The Council had an average of £87.9m of investments managed in-house over the period from October to December, and these earned an average interest rate of 5.23%. Of the in-house managed funds:

- an average of £23.2m was held in the Council's main bank account earning an average of 4.73% over the quarter.
- an average of £34.6m was held in money market funds earning an average of 5.40% 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 £1.4m was held in notice accounts earning an average of 5.75% over the quarter.
- an average of £28.7m was held in fixed term deposits and earned an average return of 5.41% 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, average in-house investment performance was 0.04% higher than the average SONIA rate (Sterling Overnight Index Average).

5.12. The SONIA rate fluctuated between 5.186% and 5.189% during the quarter. The bank base remained throughout the quarter at 5.25%. Performance is shown in Graph 1 of Appendix 2.

5.13. 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 three (October to December)**

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 £7.4m 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 3</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	7.282	
Increase in fund due to value of unit price	0.243	13.11
Value of fund at end of quarter	7.525	
Income distributions*	0.070	3.79
Combined investment income (income distribution plus change in fund value due to unit price)	0.313	16.90

\* This income distribution is an estimate and will be confirmed and distributed in quarter 4.

- 6.5. An average of £7.0m 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 3</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	6.940	
Increase in fund due to value of unit price	0.259	14.60
Value of fund at end of quarter	7.199	
Income distributions	0.078	4.42
Combined investment income (income distribution plus change in fund value due to unit price)	0.337	19.02

## 7. Property Funds – quarter three (October to December)

- 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 £18.8m 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 3</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	18.944	
Decrease in fund due to value of unit price	(0.483)	(10.20)
Value of fund at end of quarter	18.461	
Income distributions*	0.201	4.24
Combined investment income (income distribution plus change in fund value due to unit price)	(0.282)	(5.96)

\* This income distribution is an estimate and will be confirmed and distributed in quarter 4.

- 7.5. An average of £10.7m 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 3</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of quarter	11.024	
Decrease in fund due to value of unit price	(0.668)	(24.80)
Value of fund at end of quarter	10.356	
Income distributions	0.086	3.20
Combined investment income (income distribution plus change in fund value due to unit price)	(0.582)	(21.60)

## 8. Investments – quarter three cumulative position

- 8.1. During the period from April to December 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 nine-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 December 2023:

Table 7: Investment position

	At 31 March 2023	At 31 December 2023	April to December 2023	
	Actual Balance (£000s)	Actual Balance (£000s)	Average Balance (£000s)	Average Rate (%)
Call accounts <sup>#</sup>	19,017	18,623	24,791	4.68
Money market funds	21,000	21,000	32,116	5.00
Notice Accounts	0	10,000	473	5.75
Fixed term deposits	27,500	22,500	33,300	5.09
<b>Total investments managed in-house</b>	<b>67,517</b>	<b>72,123</b>	<b>90,680</b>	<b>4.95</b>
Enhanced Cash Funds	4,962	5,035	4,980	5.79
Short Dated Bond Funds	14,262	14,724	14,196	8.23
Property Funds	30,504	28,817	30,053	(3.62)
<b>Total investments managed externally</b>	<b>49,728</b>	<b>48,576</b>	<b>49,229</b>	<b>0.75</b>
<b>Total investments</b>	<b>117,245</b>	<b>120,699</b>	<b>139,909</b>	<b>3.47</b>

<sup>#</sup> This includes the council’s main current account.

- 8.4. In summary the key factors to note are:

- An average of £90.7m of investments were managed in-house. These earned £3.380m of interest during this nine-month period at an average rate of 4.95%. This is 0.06% above the average SONIA rate and matched the average bank base rate at 4.95%.

- An average of £5.0m was managed by an enhanced cash fund manager. During this nine-month period this earned £0.144m from income distributions at an average rate of 3.85% and the value of the fund increased by £0.072m giving a combined overall return of 5.79%.
- An average of £14.2m was managed by two short-dated bond fund managers. During this nine-month period these earned £0.418m from income distributions at an average rate of 3.91% and the value of the funds increased by £0.463m giving a combined overall return of 8.23%.
- An average of £30.1m was managed by two property fund managers. During this nine-month period these earned £0.869m from income distributions at an average rate of 3.84% and the value of the funds decreased by £1.687m giving a combined overall return of -3.62%.

8.5. The total for interest and income distributions in paragraph 8.4 above is £4.811m. The total change in external fund values due to the unit price is a net decrease of £1.152m, 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	0.072
AXA Sterling Credit Short Duration Bond Fund	11	0.239
Royal London Investment Grade Short Dated Credit Fund	12	0.224
Patrizia Hanover Property Unit Trust	13	(0.650)
Lothbury Property Trust	14	(1.037)
<b>Total net decrease due to changes in unit price</b>		<b>(1.152)</b>

8.6. Some cash balances managed in-house are required to meet short term cash flow requirements and therefore throughout the nine-month period monies were placed 7 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)	4	44
Goldman Sachs	Money Market Fund (Various Counterparties)	1	5
Aberdeen Liquidity Fund	Money Market Fund (Various Counterparties)	2	20
<b>Total</b>		<b>7</b>	<b>69</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 cash flow movements to avoid having to pay higher rates to borrow from the market. During the period from April to December 2023 an average of £24.8m was held in such accounts.

8.8. For cash balances that are not needed to meet immediate or very short-term cash flow requirements, monies were invest in:

- a 35-day notice account with Santander UK plc.

8.9. 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 December 2023.

8.10. Table 10: Fixed Term Deposits

Counterparty	Date of Deposit	Return Date	Number of days	Interest rate (%)	Amount (£m)
National Bank of Kuwait (International) plc	17/05/2023	16/05/2024	365	5.27%	12.5
Santander UK plc	21/10/2022	23/10/2023	367	5.00%	5.0
Santander UK plc	14/11/2022	14/11/2023	365	4.95%	10.0
Lloyds Bank Corporate Markets (NRFB)*	29/09/2023	27/09/2024	364	5.78%	10.0
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%	10.0

\* NRFB – Non Ring-Fenced Bank



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

- 9.1. An average of £7.3m was managed by AXA Investment Managers UK Limited. The table below shows the movement in the fund value over the period from April to December, 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 December 2023</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of financial year	7.286	
Increase in fund due to value of unit price	0.239	4.38
Value of fund at end of quarter 3	7.525	
Income distributions*	0.200	3.67
Combined investment income (income distribution plus change in fund value due to unit price)	0.439	8.05

\* Q3 of this income distribution is an estimate and will be confirmed and distributed in quarter 4.

- 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 December, 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 December 2023</b>	<b>£m</b>	<b>Investment return (%)</b>
Value of fund at start of financial year	6.975	
Increase in fund due to value of unit price	0.224	4.27
Value of fund at end of quarter 3	7.199	
Income distributions	0.218	4.16
Combined investment income (income distribution plus change in fund value due to unit price)	0.442	8.43

## 10. Property Funds – quarter three cumulative position

- 10.1. An average of £19.0m was managed by Patrizia Property Investment Managers LLP. The table on the next page shows the movement in the fund value over the period from April to December, 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 December 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	(0.650)	(4.54)
Value of fund at end of quarter 3	18.461	
Income distributions*	0.590	4.12
Combined investment income (income distribution plus change in fund value due to unit price)	(0.060)	(0.42)

\* Income distribution for Q3 is an estimate and will be confirmed and distributed in Q4.

- 10.2. An average of £11.1m was managed by Lothbury Investment Management Limited. The table below shows the movement in the fund value over the period from April to December, the income distributions for that period, the returns both for each element and the combined return.

Table 14: Lothbury Property Trust

<b>April to December 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	(1.037)	(12.44)
Value of fund at end of quarter 3	10.356	
Income distributions	0.279	3.35
Combined investment income (income distribution plus change in fund value due to unit price)	(0.758)	(9.09)

- 10.3. As reported in the quarter two report, the Fund Managers had given notice to all unitholders that, in the event that no other option was identified for the continuation of the Fund by 31 December 2023, the Fund would terminate. If another option was identified and deemed to be viable prior to the termination date, then an EGM was to be held.
- 10.4. During quarter three, discussions continued in respect of a proposed merger with another property fund. An EGM was held on 14 December 2023 to consider and vote on the postponement of the Fund's termination date from 31 December 2023 to 31 March 2024, in order to conclude the discussions regarding the merger proposal. The resolution at the EGM was passed and the termination date for the Fund has been postponed until 31 March 2024. Depending on the progress of discussions in respect of the merger, a further EGM may be convened in the first quarter of 2024 which could also result in a further postponement of the termination date (subject to unitholder approval).
- 10.5. A further update will be provided as part of the outturn report to June Cabinet.

**11. Borrowing – quarter three**

- 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 three 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) interest rates and the future requirements of the capital programme, were taken into account when deciding the amount and timing of any 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 PWLB borrowing (excluding debt relating to services transferred from Essex County Council on 1<sup>st</sup> April 1998) remained the same at £347.3m during the quarter. The average rate of borrowing over all the PWLB loans at the end of the quarter was 3.46%. A profile of the PWLB loan 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 events: 10-year PWLB rates between 4.33% and 5.56%; 25-year PWLB rates between 4.81% and 5.96% and 50-year PWLB rates between 4.54% and 5.74%. These rates are after the PWLB ‘certainty rate’ discount of 0.20%.
- 11.7. During quarter three no short-term loans were taken out for cash flow purposes. This is shown in Table 4 of Appendix 2.

**12. Borrowing – quarter three 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

12.2. 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.

12.3. 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 Investment Programme. Periods where the actual position is either below or over the Boundary are acceptable subject to the Authorised Limit not being breached.

12.4. The Council’s outstanding borrowing as at 31<sup>st</sup> December 2023 was:

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

12.5. Repayments in the first 9 months of 2023/2024 were:

Southend-on-Sea City Council	£0.09m
PWLB: £0.0m	
Invest to save: £0.09m	
ECC transferred debt	£0.39m

12.6. 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 Borough Council reimburses the debt costs incurred by the County. The debt is recognised as a deferred liability on our balance sheet.

12.7. The interest payments for PWLB and excluding transferred debt, during the period from April to December 2023 were £8.1m which is the same as the original budget for the same period.

12.8. The table below summarises the PWLB borrowing activities over the period from April to December 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
October to December 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

12.9. All PWLB debt held is repayable on maturity.

### **13. Funding for Invest to Save Schemes (included in Section 12)**

- 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 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. £0.009m of these loans were repaid during the period from April to December 2023.
- 13.3. At the meeting of Cabinet on 23<sup>rd</sup> 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 three was £8.118m. A repayment of £0.085m was made during the period from April to December 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 three**

- 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. 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.

## **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**

CIPFA Code of Practice for Treasury Management in the Public Sector.

## **23. Appendices**

Appendix 1 – In-House Investment Position as at 31 December 2023

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

## **Report Authorisation**

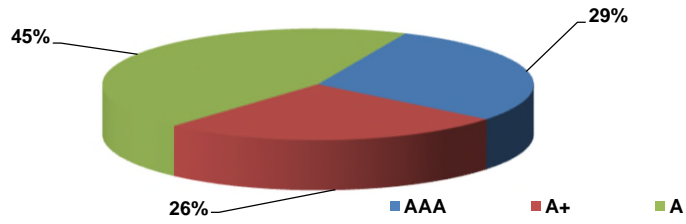
This report has been approved for publication by:

<b>This report has been approved for publication by:</b>		
	<b>Name:</b>	<b>Date:</b>
S151 Officer	Joe Chesterton	07/02/2024
Monitoring Officer	Kim Sawyer	07/02/2024
Executive Director(s)	Joe Chesterton	07/02/2024
Relevant Cabinet Member(s)	Councillor Cox	07/02/2024

## INVESTMENTS - SECURITY AND LIQUIDITY

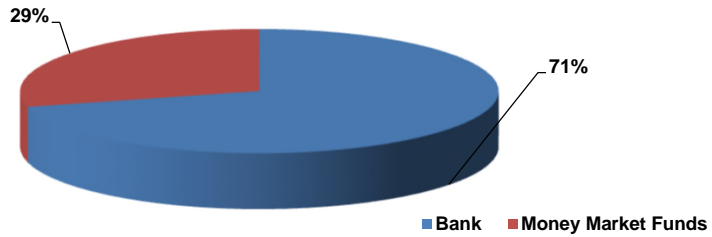
**Pie Chart 1**

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



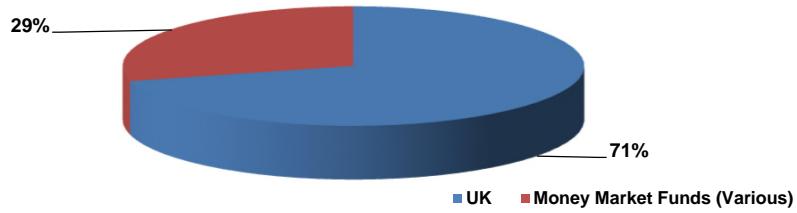
**Pie Chart 2**

**Financial Sector invested in**



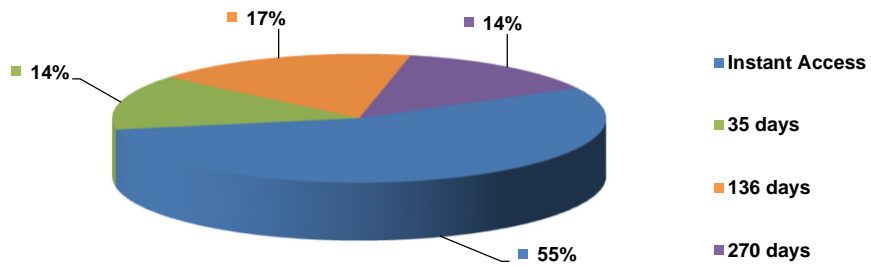
**Pie Chart 3**

**Countries where parent company is registered**



**Pie Chart 4**

**Maturity profile of investments**



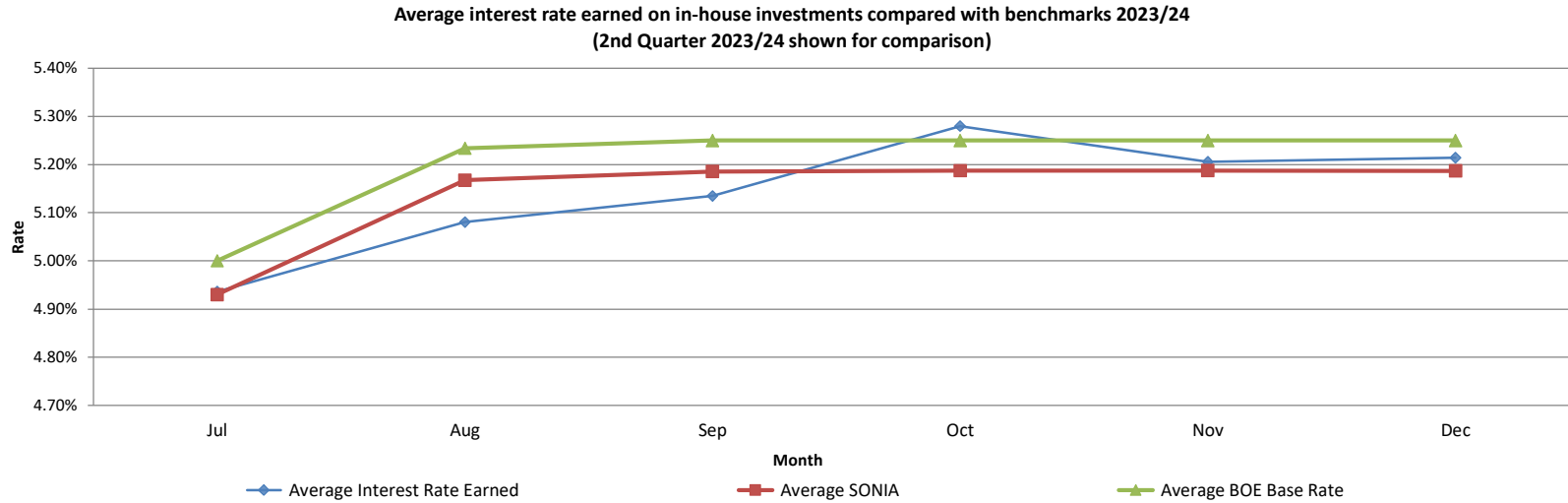
This page is intentionally left blank



TREASURY MANAGEMENT PERFORMANCE FOR QUARTER THREE - 2023/24

INVESTMENT

Graph 1 - Investment Return



185

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	3	18,944,484.26	1,327.00	(483,774.41)	18,460,709.85	201,155.71	(5.96)
Lothbury Investment Management - Property Fund	3	11,023,861.05	6,844.14	(667,996.65)	10,355,864.40	86,149.05	(21.60)

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	3	6,939,710.63	7,751,268.43	258,892.37	7,198,602.99	78,349.82	19.02
AXA	3	7,282,441.45	7,406,876.99	242,945.57	7,525,387.02	70,154.70	16.90

## TREASURY MANAGEMENT PERFORMANCE FOR QUARTER THREE - 2023/24

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	3	4,976,337.92	501,591.35	59,087.46	5,035,425.38	50,911.52	8.71

TREASURY MANAGEMENT PERFORMANCE FOR QUARTER THREE - 2023/24

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

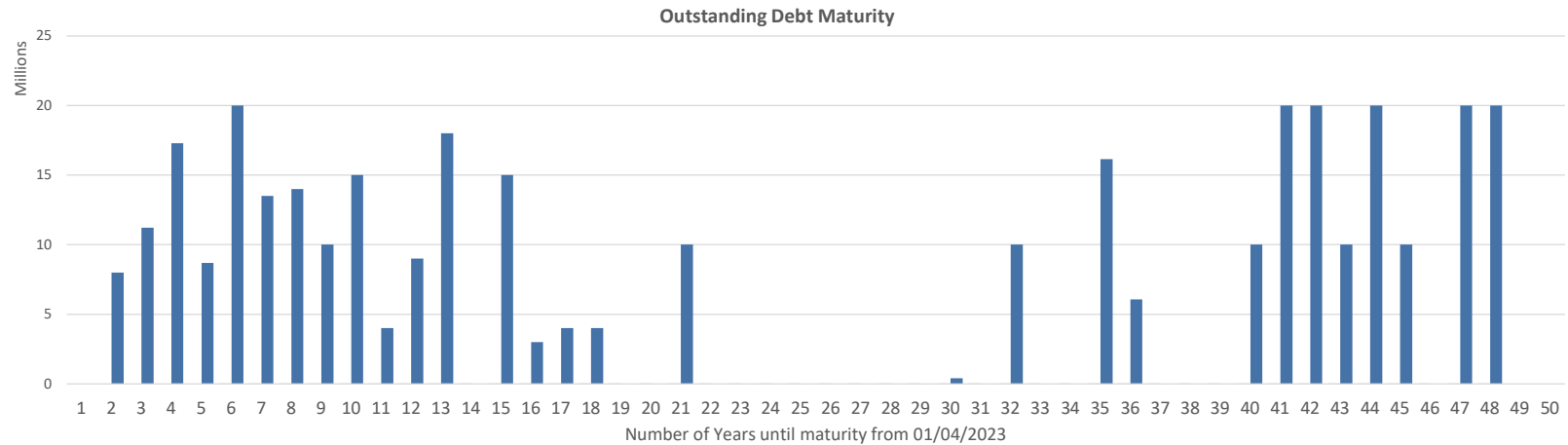
Financial Institution	Date	Period of loan	Final Repayment date	Amount borrowed £	Amount Repaid to Date £	Closing Balance Qtr 3 £	Rate of interest %
Salix Finance Ltd Energy Efficiency Programme	22/02/2019	5 Years	01/02/2024	64,148	(57,733.20)	6,414.80	0
	25/11/2019	5 Years	01/11/2024	8,200	(6,560.00)	1,640.00	0
	02/07/2020	5 Years	01/06/2025	6,171	(4,319.63)	1,851.27	0

L1 Renewables Finance Ltd

- 25 year reducing balance finance  
 - balance of £8.1m outstanding at the end of quarter 3  
 there was no repayment in quarter 3

Table 6 - PWLB Borrowing

GRAPH 2 - Long Term Borrowing - PWLB



PWLB - New this quarter

TREASURY MANAGEMENT PERFORMANCE FOR QUARTER THREE - 2023/24

None

**PWLB - Repaid this quarter**

None

<b>PWLB Rates</b>	<b>Lowest</b>	<b>Highest</b>
Range of 10 years PWLB new loan rates this quarter (inc certainty rate)	4.33	5.56
Range of 25 years PWLB new loan rates this quarter (inc certainty rate)	4.81	5.96
Range of 50 years PWLB new loan rates this quarter (inc certainty rate)	4.54	5.74

**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

**Meeting:** Policy and Resources Scrutiny Committee  
**Date:** 15<sup>th</sup> February 2024  
**Classification:** Part 1  
**Key Decision:** Yes  
**Title of Report:** Approval of the Annual Procurement Plan for 2024/25

**Executive Director:** Joe Chesterton (Executive Director for Finance and Resources)  
**Report Author:** Lee White, Head of Corporate Procurement  
**Executive Councillor:** Cllr John Lamb

## 1. Executive Summary

- 1.1. This report provides the Annual procurement plan for 2024/25 as well as draft tabs for the years 2025/26 and 2026/27. The attached procurement plan covers all procurements with a value of £250,000 or above as was requested by cabinet last year. It should be noted that there will be a number of other procurements that will be delivered within 2024/25 which will be of a value below £250,000. There will also be a need to add any capital funded procurements to the plan throughout the year.

## 2. Recommendations

### It is recommended that scrutiny:

- 2.1.1 Approve the annual procurement plan for 2024/25 (Appendix 1) which contains those procurements with a value of £250,000 or above.
- 2.1.2 Agrees that any capital projects/procurements will be added as required, having being approved as part of the capital programme (both SCC and South Essex Homes).

## 3. Background

- 3.1.1 Each year cabinet review and approve the Council's annual procurement plan in line with the current constitution (4g Contracts Procedure Rules). The attached procurement plan covers all procurements of £250,000 or above. By completing this at the start of the financial year this supports effective governance and streamlines the approvals process. Appendix one also provides tabs for 2025/26 and 2026/27- these will continue to be reviewed against the corporate contract

register (<https://www.southend.gov.uk/downloads/file/7561/corporate-contract-register>).

During 2023/24 there has been continued work undertaken by Corporate Procurement along with contract managers and Executive Director Leadership Teams (EDLTs) to review the Council's expenditure with suppliers and review our corporate contracts register. The reasons for continuing this extensive work are:

- To provide a comprehensive register of the Council's key contracts (covers c£135m annual revenue expenditure)- the register includes contracts held by South Essex Homes, Southend Adult Community College, Trading Companies owned by the Council and also education funded contracts (LA maintained schools) which we support in terms of procurement activity.
- Highlight opportunities to jointly commission services across the Council and also with other public sector partners.
- To provide a comprehensive register of the Council's contract managers and those responsible for implementing the Council's commissioning framework (we then provide training to these officers)
- Assist in the development of the future procurement pipeline plans- this is to support service areas in their commissioning plans as well as suppliers and local businesses in their business planning.
- The publication of future pipeline plans will also be a mandatory requirement under the new Procurement Act (from October 2024)
- Assist the Governance Boards in their future planning, strategic reviews of expenditure, contracts and commissioning. This should support the Council in the delivery of efficiencies against contractual spend and help meet its financial targets.

#### **4. Reasons for Decisions**

4.1.1 Approval of the Council's annual procurement plan is required under Part 4g of the Council's constitution.

4.1.2 Members are aware of the development of the comprehensive contracts register and pipeline procurement plan, and the benefits this will provide in terms of the Council's commissioning plans, financial planning as well as future planning for suppliers and local businesses.

4.1.3 The pipeline plan will also align with the anticipated requirements once the UK Procurement Act comes into effect (expected in October 2024).

#### **5. Other Options**

5.1.1 Annual approval of the Council's procurement plan is required under the constitution. We could decide to just publish an annual plan, but it is felt that the development of a pipeline plan will assist the Council and businesses in their resource and future planning. The move to a 3-year plan (2024-27) also

aligns with the requirements once the UK Procurement Act commences in October 2024.

## **6. Financial Implications**

6.1.1 Delivery of the annual procurement plan will contribute towards the Council's financial targets. As in previous years, delivery of the plan has supported reductions in revenue expenditure as well as cost avoidance through ensuring best value is achieved against capital projects. During 2023/24 (to date) delivery of the procurement plan has led to £421k efficiencies against revenue funded contracts and £1.177M in cost avoidance.

6.1.2 Timely approval of the procurement plan also ensures that procurements associated with the expenditure of grants can be delivered on time.

6.1.3 Approval of the plan means that those corporate contracts which are due to expire in 2024/25 can be re-tendered in time and without the need to extend existing contracts- notably suppliers would look to increase prices during these extensions and so again it supports the Council's financial stability.

## **7. Legal Implications**

7.1.1 The development of a corporate contracts register, which is publicly available, supports the requirement for transparency in terms of expenditure in the public sector. Where the Council has contracts which are due to complete their contract term it's a legal requirement that these contracts are once again market tested (unless the decision is to de-commission). As the Procurement Act comes into being in 2024, the publication of a future pipeline plan will be one of the requirements of local government.

7.1.2 This report, if approved, allows us to commence these procurements as listed. It must be noted that each award will need to then be signed off separately via the Key Decision process.

## **8. Policy Context**

8.1 Approval of the Council's annual procurement plan is required under Part 4g of the Council's constitution.

## **9. Carbon Impact**

9.1.1 Within the annual procurement plan there will be a number of contracts that support outcomes in terms of improving the city's environment. Social Value is also tested through a number of procurements which can deliver added value in terms of our local environment. The Corporate Procurement Team have been involved in the review of the new Social Value policy and the development of a Southend Themes and Outcomes Measures (STOMS) framework. This framework includes a number of offers which contractors can commit to in terms of Carbon Reduction. One example of success is the re-

tendering of our Waste Disposal contract during 2023 which led to a carbon impact reduction of 90%.

9.1.2 We are currently working with the Climate Change team to look at a clear process which will identify which procurements will include a quality measure around Carbon Reduction Plans and their implementation. We have already built this into our new draft Procurement Strategy and is an area of focus now in terms of Effective Contract Management.

## 10. Equalities

10.1.1 This report is to seek approval of the annual procurement plan but within each project on the plan there will be consideration of equalities (namely the completion of Equality Assessments by commissioners). The development of the corporate contracts register will support transparency and assist suppliers and local businesses in their future planning and equality of access to contract opportunities- this was welcomed at the local business workshops and associated events during 2023/24.

## 11. Consultation

11.1.1 This report is to approve the annual procurement plan. For each individual procurement there will be consideration of what consultation and engagement will be required. In terms of the annual procurement plan itself, we have consulted on the content via the Teams Contract Register Channel (c150 members), the Council Extended Corporate Leadership Team (ECLT), Executive Director Leadership Teams (EDLTs) and within the Procurement Team itself. This consultation commenced in December 2023. This consultation is continuing and any further amendments to Appendix 1 will be complete by the end of January 2024.

## 12. Appendices

12.1. **Appendix 1:**  
Annual Procurement Plan 2024-25

## 13. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
S151 Officer	Joe Chesterton	22/01/2024
Monitoring Officer	Kim Sawyer	22/01/2024
Executive Director(s)	Joe Chesterton	22/01/2024
Relevant Cabinet Member(s)	Cllr John Lamb	23/01/2024



Contract Title	Supplier/s	CLT Area (or S.E.H): F&R, S&C, C&PH, A&C, E&P	Service Area Contract Manager/s	Procurement Lead	Contract Value (Lifetime Inc. extensions)	Current Annual Value/Budget	Revenue, Capital, Grant or Income	Start Date	End Date	Option to extend till?	Comments
Highways Improvements: 5 Lots covering- Lot 1 (Ad hoc highways maintenance, Ad hoc coastal defence maintenance, Lot 2 (Highway improvements- Inc. safety), Lot 3 (Urban Traffic control services Inc. bus priority system), Lot 4 (Intelligent Transport systems- Spend) Lot 5 (Machine re-surfacing) - also covers guardrails, electrical works, new bridges and resurfacing, signage, road marking, illuminated furniture.	Lot 4- DYNNIQ UK LTD Lot 2- Eurovia Lot 3- Siemens (not top 80%) Lots 1 & 5- Marlborough	Environment & Place	Richard Backhouse (Lots 1 to 5), Joanne Matthews (Lot 2)	Anton Bull	to be re-procured	£7,000,000.00	Revenue and Capital	01/04/2015	31/03/2022	31/07/2025	Market engagement completed Nov/Dec 2023. Now starting work on preparing the Options Appraisal and will then follow on to prepare tender documents. Aim to advertise the tender May 2025.
Leisure Management Contract	Fusion Lifestyle	Adults & Communities	Sharon Wheeler	Darryl Mitchell	to be re-procured	N/A	Revenue, Capital and possible income	to be re-procured	to be re-procured	to be re-procured	
Southend PASS and off-street parking	SAGOSS LIMITED	Environment & Place	Lorraine Delahunty, Neil Hunwicks	Aleksandra Haker (Ola)	to be procured	£85,000.00	tbc	tbc	tbc	tbc	
Provision of RingGo Cashless Services	RingGo Limited	Environment & Place	Lorraine Delahunty, Neil Hunwicks	Aleksandra Haker (Ola)	to be procured	£76,000.00	Pass through cost	01/04/2023	31/03/2025		
Parking CCTV Enforcement	to be procured	Environment & Place	Lorraine Delahunty, Neil Hunwicks	Aleksandra Haker (Ola)	to be procured	tbc	revenue	to be procured	to be procured	to be procured	Under review
Commercial Waste - Public Buildings & Schools	Biffa	Finance & Resources	to be confirmed	Anton Bull	to be procured	£120,000.00	Revenue	Rolling at present	to be procured	to be procured	To be market tested after the waste procurement
DN491051 Provision of CCTV Services (Including Upgrade) (extension and procure new)	Eurovia Infrastructure Ltd (incumbent)	Environment & Place	Barry Davis	Gillian Shine	to be procured	£113,000.00	Capital	01/04/2024	to be procured	to be procured	Service area to confirm the new allocated budget- may be further funding required for upgrades and City Fibre costs. Existing contract is likely to require a short extension to facilitate the procurement
TTROs and other coastal/shoreline service provision	Peoplescout Ltd	Environment & Place	Julie Nash, Neil Hunwicks, Katie Pearson	Michelle McMenemy	to be procured	£150,000.00	tbc	to be confirmed	to be confirmed	to be confirmed	
Dark Fibre Provision - Broadband (City Fibre)- maintenance and penetration	City Fibre	Strategy & Change	Aaron Townsend	Lee White	to be confirmed	to be confirmed	to be confirmed	to be confirmed	to be confirmed	to be confirmed	Current build contract is complete and negotiating the maintenance contract as well as penetration and income generation
Duct Use Agreement	City Fibre	Strategy & Change	Aaron Townsend	Lee White	to be confirmed	to be confirmed	to be confirmed	to be confirmed	to be confirmed	to be confirmed	Current build contract is complete and negotiating the maintenance contract as well as penetration and income generation
API to Conduent (Back office and connector/Equipment)	Flowbird Smart City UK Limited	Environment & Place	to be confirmed	Michelle McMenemy	to be confirmed	£91,000.00	Revenue	to be confirmed	to be confirmed	to be confirmed	
AQ Services	To be procured	Environment & Place	Elizabeth Georgeou	To be assigned	to be confirmed	to be confirmed	Revenue / Grant	to be procured	to be procured	to be procured	We need the ability to award AQ specialist services to assist in the application for grants from DEFRA, our own AQ modelling both revenue. Also to deliver any DEFRA grant funding on a consultancy basis funded by DEFRA. Framework required to run the procurement.
The Charity Shop Gift Card	to be procured	Growth and Housing	Olivia Wesburg	Sharon Cohen	to be confirmed	to be confirmed	Grant Funding and Revenue	to be procured	to be procured	to be procured	Currently on hold.
Virtual PrePaid Cards	to be procured	Children's & Public Health	Charlotte McCulloch	Sharon Cohen	to be confirmed	to be confirmed	Revenue	to be procured	to be procured	to be procured	Waiting for pricing from Charlotte McCulloch for potential Post Office Scheme by procedural exception if very low value.
Data Strategy Partner	to be procured	Strategy & Change and Governance	Simon Johnson	Sharon Cohen	to be confirmed	to be confirmed	Revenue	to be procured	to be procured	to be procured	Awaiting outcome of pilot project to see if this will need any further spend or a procurement.
Employee Benefits (DN455946) <i>This includes general staff benefits and the Tusker (vehicle hire contract)</i>	SME HCI Ltd (trading as Vivup)	Strategy & Change	Meryl Harry	Sharon Cohen	See comments section for value	To be reviewed (depends on usage)	Revenue	06/09/2019	31/08/2021	31/08/2024	Currently working with HR to determine requirement of new contract. Contract value in real terms is nil due to reclaim via salary sacrifice scheme. The spend on benefits reclaimed for 2022/23 was £82,807.00 which could

Physical and Sensory Impairment Supported Living	Individual placements	Adults & Communities	Tracey Schneider	Michelle McMenemy	N/A	£148,773.00	Revenue	Individual placements	N/A	N/A		
Children's outings and respite care	Eco Wings	Children's & Public Health	Allette Pryce	Suzie Clark	to be procured	£90,000.00	Revenue	Spot placements	to be procured	N/A	This is due to move across to Commissioning service during 2024/25.	
Learning Difficulties Residential	Various suppliers	Adults & Communities	Contracts Manager - Anne Igoe, Strategic Lead - Tracey Schneider	Michelle McMenemy	Individual placements (N/A)	£4,170,570.00	Revenue	Individual placements	N/A	N/A		
Learning Difficulties Supported Living	VARIOUS SUPPLIERS	Adults & Communities	Tracey Schneider	Michelle McMenemy	Individual placements (N/A)	£3,424,525.00	Revenue	Individual placements	N/A	N/A		
Learning Disabilities Adult Placements	Various individuals	Adults & Communities	Tracey Schneider	Michelle McMenemy	Individual placements (N/A)	£674,500.00	Revenue	Individual placements	N/A	N/A		
Learning Disabilities Day Care	HARWOOD HOUSE DAY CENTRE RE HOUSE LIMITED NCS T/A WESTBURY DAY CARE	Adults & Communities	Tracey Schneider	Michelle McMenemy	Individual placements (N/A)	£227,400.00	Revenue	Individual placements	N/A	N/A		
Mental Health Residential	CROWSTONE HOME CUMBERLAND LODGE MRS V L RATTAN T/AS BALI HAI CARE HOME	Adults & Communities	Tracey Schneider	Michelle McMenemy	Individual placements (N/A)	£1,849,108.00	Revenue	Individual placements	N/A	N/A		
Mental Health Supported Living	Various suppliers	Adults & Communities	Tinopiwa Manyika	Michelle McMenemy	Individual placements (N/A)	£920,274.00	Revenue	Individual placements	N/A	N/A		
Supported Living (Adults)- Framework	ARAN HOMES LTD FORGET ME NOT CARING LTD J M CAREHOMES J M CAREHOMES LIMITED MCH SOCIETY	Adults & Communities	Tracey Schneider	Michelle McMenemy	Individual placements (N/A)	to be confirmed	Revenue	to be confirmed	to be confirmed	to be confirmed		
Leigh Port Works	To be procured	Environment & Place	Joanne Matthews, Neil Hoskins, Mark Howard	Liz Green, Gillian Shine	£6-7,000,000	to be procured	Capital-grant via LUF	to be procured	to be procured	to be procured		
Leigh Port Dredging	To be procured	Environment & Place	Joanne Matthews, Neil Hoskins, Mark Howard	Liz Green, Gillian Shine	£6-7,000,000	to be procured	Capital-grant via LUF	to be procured	to be procured	to be procured		
Care and Support at Home (Lot 1)	Ashley Community Care Services Ltd De Vere Care Seven Day Care (UK) Limited Southend Care Ltd	Adults & Communities	Contracts Manager - Vicky Sayer, Strategy Lead - Nicola Mickleburgh	Kasey Marsh, Suzie Clark	£87,500,000.00	£8,750,000.00	Revenue	01/05/2017	30/04/2022	30/04/2027	Looking to start consultations and first draft specifications in early 2024. Looking to only extend till March 2025 and re-tender during 2024/25. Anticipated spend in 2024/25 is £10.952M.	
Accommodation-based support at West Street (Learning Disability Service)	Southend Care Ltd	Adults & Communities	Contracts Manager - Gary Turner Strategy Lead - Tracey Schneider	Michelle McMenemy	£11,300,000.00	£1,130,000.00	Revenue	01/06/2019	30/03/2024	30/05/2029		
Parking Enforcement, Car Park Management and Associated Services	APCOA Parking (UK) Ltd	Environment & Place	Lorraine Delahunty, Neil Hunwicks	Michelle McMenemy	£10,260,000.00	£1,140,000.00	Revenue	01/03/2016	31/07/2024	31/01/2025	Splitting into Lots options are being considered.	
Southend Sexual Health Service	Brook Young People	Adults & Communities	Contracts Manager - Magdalena Wach-Sova, Strategic Lead - Sharna Allen (cover via Jess Siggins)	Kasey Marsh	£8,279,746.00	£1,363,291.00	Revenue	01/04/2021	31/03/2025	31/03/2027		
Framework Agreement with Attrition for Adaptations Works for Southend on Sea City Residents (and Other Contracting Authorities in Essex) 2018	Advanced Building & Maintenance Services Ltd; Accessible Solutions Ltd; Graeulands CMS Ltd; and Trinity Construction Services Ltd	Adults & Communities		Carol Smith	Lee White	£5,200,000.00	£1,300,000.00	Revenue	01/09/2018	31/08/2022	29/02/2024	Contract will be extended to facilitate a return to the market- "New" Framework Contract
Southend Pier - Prince George Extension (Phase Two)	To be procured	Finance & Resources	Mark Murphy, Keith Walker	Liz Green	£4,900,000.00	to be procured	Capital	01/04/2024	to be procured	to be procured	It has been agreed the budget will be increased from £1.9m to £4.9m to enable all of the works to be tendered. OTT likely to be beginning Feb 2024	

Provision of Water, Sewage Waste and Trade Effluent services (across all Council sites)	Various (current is via Wave, Anglia, Essex & Suffolk)	Environment & Place	Property Services	To be assigned	£4,340,000.00	£868,000.00	Revenue	01/04/2024	31/03/2027	31/03/2029	Will be returning to the market to put in place a single supplier and billing arrangement. Expected saving of circa 5% is feasible and can be procured via CCS. Costs listed are for SCC sites- expenditure with SEH sites is much greater and nearer to £3m per annum.
Supported housing for adults with a learning disability	Metropolitan Housing Trust	Adults & Communities	Tracey Schneider	Michelle McMenemy	£4,075,216.00	£612,005.00	Revenue	01/10/2013	31/03/2022	30/09/2024	
Frameworks for variety of Building works up to the value of £75k inc glazing, decorating and call off Consultancy Services (Structural Engineers, Surveying) up to the value of £10k	To be procured	Finance & Resources	Neil Pointer	Liz Green	£3,857,560.00	to be procured	Revenue and Capital	to be procured	to be procured	to be procured	6 Lots - Contract Value is estimated across a 4 year period
EV Charging Points/Infrastructure	To be procured	Environment & Place	Gemma Webb	Kasey Marsh	£3,660,000.00	£65k Capacity Fund 23/24 £148k Capacity Fund 24/25	Grant	to be procured	to be procured	to be procured	Capacity funding in place and indicative spend across the life of the contract which is yet to be determined. Contract is expected to be for a 15 year term.
Individual Supported Living Provision for Adults with a Learning Disability	Advance Housing & Support	Adults & Communities	Tracey Schneider	Michelle McMenemy	£3,240,000.00	£540,000.00	Revenue	05/10/2019	04/10/2022	04/10/2025	
Southeast Inclusion Review - review of SEND across all Southeast schools and settings, Alternative Provision and Council Affordable Housing Development (Phase4) - St Laurence	To be procured	Children's & Public Health	Sarah Greaves	Kasey Marsh	£3,000,000.00	£1,000,000.00	Revenue	01/07/2022	31/03/2025		
General Repair & Maintenance (reactive) and Pier Decking	Millane	Finance & Resources	Neil Pointer	Liz Green	£2,827,965.00	to be procured	Revenue and Capital	25/07/2024	to be procured	to be procured	2 Lots; Millane contract ends 24/7/2024.; A short extension to the contract will be required. Contract value is estimated across a 6 year period (3 + 1 + 1 + 1)
Provision of personal, practical, social and emotional support in Extra Care service.	Care UK Mears Care	Adults & Communities	Contracts Manager - Anne Igoe, Strategic Lead - Tracey Schneider	Michelle McMenemy	£2,800,000.00	£400,000.00	Revenue	to be confirmed	to be confirmed	to be confirmed	
Housing Construction Scheme - Phase 4 (Lundy Close)	To be procured	Environment & Place	David Moon	Liz Green, Gillian Shine	£2,400,000.00		Capital	to be confirmed	to be confirmed	to be confirmed	Awaiting outcome of a legal issue with Land Access.
Provision of Autumn Cottage	Outlook Care	Adults & Communities	Tracey Schneider	Michelle McMenemy	£2,331,000.00	£333,000.00	Revenue	01/10/2014	30/09/2019	30/09/2021	Current contracts require extending
Domestic Abuse Services	Safe Steps	Adults & Communities	Tracy Harris	Aleksandra Haker (Ola)	£1,678,817.21	£289,762.00	Revenue	01/02/2017	31/01/2023	31/03/2025	Procuring an Essex wide contract in 2024/25
Direct Payments Advice, Support & Payroll service	Vibrance (RCHL)	Adults & Communities	to be confirmed	To be assigned	£1,444,000.00	£180,500.00	Revenue	01/04/2019	31/03/2024	31/03/2027	
Provision of Laptops and Accessories (DN489940)	Proband Ltd	Strategy & Change	Aaron Townsend	Sharon Cohen	£1,279,000.00	N/A	Capital	12/11/2020	11/11/2023	11/11/2024	Extension until 11/11/24 applied. Possible aggregation via CCS.
Adult Advocacy Provision	SEAS	Adults & Communities	Jess Siggins	Kasey Marsh, Suzie Clark	£1,168,224.00	£194,704.00	Revenue	01/04/2019	31/03/2024	31/03/2025	Contract value increased slightly to include Health Complaint. Contract value changed in Nov 2021. £222,948 contract value now. Holding off making decision on this contract at the moment as the Government backed out on giving firm date on changes/decision. The decision is with heads of service on whether to extend. Dates of contract are correct.
Multi Modal Model	Mott MacDonald Ltd	Environment & Place	Davinia Farthing	Michelle McMenemy	£1,135,000.00	£283,750.00	Capital	06/04/2020	05/04/2022	05/04/2024	Would like to extend to 05/04/2024
Southeast Pier Head Development Timber (Phase one)	To be procured	Finance & Resources	Mark Murphy, Keith Walker	Liz Green	£1,130,000.00	to be procured	Capital	to be procured	to be procured	to be procured	

Spot Provider Framework for Care and Support at Home (Lot 4)	Affinity Trust Allied Health-Services Limited Ashley Community Care Services Ltd Concept Care Solutions De Vere Care Diamond Resourcing Plc via Better Healthcare Services ENS Recruitment and Training Services PULSE Healthcare Limited Respect Care Ltd Seven Day Care (UK) Limited SPDNS Nurse Care CIC Voyage	Adults & Communities	Contracts Manager - Vicki Sayer, Strategy Lead - Nicola Mickleburgh	Kasey Marsh, Suzie Clark	£17,500,000.00	£2,190,000.00	Revenue	to be re-procured	to be re-procured	to be re-procured	Looking to start consultations and first draft specifications in early 2024. Looking to only extend till March 2025 and re-tender during 2024/25. Anticipated spend in 2024/25 is now £2.19M.
Passive House Pilot - Main Contractor	TBC	Adults & Communities	Martin Berry	Liz Green, Gillian Shine	£950,000.00	tbc	Capital	to be procured	to be procured	to be procured	OTT in April 2024
Older People's Interim	TBC	Adults & Communities	Nicola Mickleburgh	Kasey Marsh, Suzie Clark	£897,681.00	Revenue	Individual placements	to be procured	to be procured	to be procured	Residential interim. Spot provision at the moment and will be rolled up into respite and nursing procurement in 2024
Transitional Supported Housing: Mental Health	Richmond Fellowship	Adults & Communities	Contracts Manager - Magdalena Wach-Sowa, Strategic Lead - Tracey Schneider	Kasey Marsh	£857,790.00	£285,930.00	Revenue	01/07/2022	30/06/2024	30/06/2025	The future of this contract is under discussion
Stair Lifts Repair maintenance and installation	Framework (Supplier list) Caretech UK Ltd; Mobility Solutions (South) Ltd; Prism UK Medical Limited; and Stannah Lift Services Limited	Adults & Communities	Carol Smith	Lee White	£840,000.00	£210,000.00	Revenue	01/07/2019	30/06/2023	24/04/2024	will be extended to facilitate a re-tender in 2024/25
Coastal Defence Support	Mott MacDonald Ltd	Environment & Place	Joanne Matthews	Aleksandra Haker (Ola)	£770,000.00	£110,000.00	Revenue	01/08/2013	31/07/2018	31/03/2024	May be extended and then become part of the Highway procurement
Transactional Mail and Hybrid Mail	Ricoh	Finance & Resources	Tracey Nicola, Lorraine Goldsmith	Sharon Cohen	£727,402.00	£161,645.00	Revenue	13/09/2021	12/09/2024	12/09/2026	Current contract to be extended on the KCS framework contract for a further 24 months.
Provision of Insurance Services in respect of Leasehold Properties and Equity Share / Mortgaged Properties (excluding the provision of insurance broking services) Project information	Aspen Insurance	Finance & Resources	Kathy Slowther	Aleksandra Haker (Ola)	£697,000.00	£139,400.00	Revenue	31/03/2023	31/03/2025		Annual review underway and extension to be utilised. Costs are recharged to S.E.H tenants.
Intensive Housing Support Service (Variation to Severe & Multiple Disadvantage Service) May need to be reprocured. NSAP Funded Support	Peabody South East	Adults & Communities	Jess Siggins	Kasey Marsh, Suzie Clark	£654,000.00	£218,000.00	Revenue	01/06/2021	31/03/2024		This is being discussed internally as we don't have the funding available. We have found a potential funding source, but we need finances approval to extend, alongside a key decision paper.
Water Maintenance, Sampling and Testing	H2O Nationwide Ltd	Finance & Resources	Stewart Horne	Liz Green	£600,000.00	£120,000.00	Revenue	01/04/2020	31/03/2022	31/03/2025	
Healthwatch Southend	to be confirmed	Adults & Communities	to be confirmed	To be assigned	£595,475.50	£119,095.10	to be confirmed	01/04/2022	31/03/2025	31/03/2027	
DN551888 Provision of Cloud-based Unit 4 Enterprise Resource Planning solution via G-Cloud 12 Cloud Software (Second Extension) (SaaS)	Unit4 Business Software Ltd	Strategy & Change	Katherine Heyworth	Gillian Shine	£571,322.30	£186,295-£201,650	Revenue	01/10/2021	30/09/2023	30/09/2025	First extension signed. Contract extended to 30/09/24
Provision of Mobile Phones (DN593972)	Vodafone Limited	Strategy & Change	Aaron Townsend	Sharon Cohen	£568,008.00	£189,336.00	Revenue	01/05/2022	30/04/2025	No	
DN522756 Vehicle Maintenance, MOTs, Servicing and Repair & Recovery Services (first extension)	Castle Point Motors	Environment & Place	Gemma Loizou	Gillian Shine	£520,000.00	£104,000.00	Revenue	01/08/2021	31/07/2024	31/07/2026	
Transitional Supported Housing: Young People's Homelessness Support	Sanctuary Supported Living (Registered as Sanctuary housing Association)	Adults & Communities	Contracts Manager - Magdalena Wach-Sowa, Strategic Lead - Nadine Raenke	Kasey Marsh	£486,954.00	£162,318.00	Revenue	01/07/2022	30/06/2024	30/06/2025	The future of this contract is under discussion
Office based Printer Fleet and Print Room management (corporate services)	Ricoh	Finance & Resources	Dave Webb	Sharon Cohen	£450,000.00	£90,000.00	Revenue	13/09/2021	12/09/2024	Yes (but may not be taken up see comments)	The printer and copier fleet are end of life at conclusion of this contract. Options for replacement and procurement routes are being considered and process will begin when specification agreed (updated Nov 23)
Transitional Supported Housing for young people	Southend YMCA	Adults & Communities	Contracts Manager - Magdalena Wach-Sowa, Strategic Lead - Nadine Raenke	Kasey Marsh	£416,559.00	£138,853.00	Revenue	01/07/2022	30/06/2024	30/06/2025	The future of this contract is under discussion

De-icing salt (6mm Rock salt)	Compass Minerals via YPO framework	Environment & Place	Paul Terry	Kasey Marsh	£400,000.00	£100,000.00	Revenue	29/09/2020	30/09/2023	30/09/2024	
Complex Needs Framework (Lot 5)	Various suppliers	Adults & Communities	Contracts Manager - Vicky Sayer, Strategy Lead - Nicola Mickleburgh	Kasey Marsh, Suzie Clark	£400,000.00	£100,000.00	Revenue	to be re-procured	to be re-procured		Looking to start consultations and first draft specifications in early 2024
Occupational Therapy and Independent Mobility Assessment Service	To be Procured	Adults & Communities	Carol Smith, Laura Booth	Lee White	£400,000.00	£100,000.00	Revenue and Capital	to be procured	to be procured	to be procured	OA finalised and ready to sign once market engagement conducted.
DN588433 Home Care Monitoring System - Call Confirm Live ESPO 394_19 (SaaS)	Access UK Limited	Adults & Communities	Tinopiwa Manyika	Niki Mistry, Gillian Shine	£390,200.00	£134,840 (Year 1) £127,680 (Year 2)	Revenue	01/01/2022	31/12/2024	No	Contract does indeed expire end Dec 2024. Contract has no extensions. Service Area is working with ICT with a view to transferring to Controcc or other system.
DN661580 Provision of Support Services for Unit4 ERP via CCS G-Cloud 13 - Lot 3 Cloud Support framework	Embridge Consulting	Strategy & Change	Claire Foster	Gillian Shine	£382,625.00	N/A	Capital	28/06/2023	27/06/2025	27/06/2026	
TC04- Servicing, maintenance and response to faults for Fire Alarm equipment, Emergency Lighting, nurse call and disabled toilet alarms	Fisk	Finance & Resources	Jo Bell	Liz Green	£377,250.00	£75,450.00	Revenue	01/06/2019	31/05/2022	31/05/2025	will be extending until 31/05/2025. Will go out Dec 2024.
Attendance logging, Personal Education Plans (PEPs) and Data dashboard for those Leaving Care and in education	Welfare Call Limited	Children's & Public Health	Mollie Doughy	Niki Mistry	£322,000.00	£46,000.00	Virtual Schools grant (DFE)	01/09/2023	31/08/2024	No	Contract been running for 7 years. Only 2 providers used in the market.
Employee Absence Management Services	Goodshape UK Limited	Strategy & Change	Craig Jones, Jenny Wheels	Aleksandra Haker (Ola)	£315,532.00	£78,883.00	Revenue	19/10/2017	31/10/2020	31/12/2024	Exception applied for for 1 further year to allow this service to be brought in house and savings put back into SBC. Part of the BW investment project. Extension will be needed to at least till December. Look to decommission contract once project complete. Savings already identified for 2023/2024
Sexual Health Promotions & HIV Prevention	Brook Young People	Adults & Communities	Contracts Manager - Magdalena Wach-Sowa, Strategic Lead - Sharna Allen (cover via Jess Siggins)	Kasey Marsh	£308,577.11	£51,982.00	Revenue	01/04/2021	31/03/2025	31/03/2027	
Golf Starters	The School of Golf	Environment & Place	Ian Brown	Darryl Mitchell	£300,000.00	£60,000.00	Revenue	22/01/2015	21/01/2020	21/01/2025	Further extension in place to allow for the market to be tested and decision on future direction.
Transitional Supported Housing: Ex offenders	Home Group Ltd	Adults & Communities	Contracts Manager - Magdalena Wach-Sowa, Strategic Lead - Tracey Schneider	Kasey Marsh	£287,433.00	£95,811.00	Revenue	01/07/2022	30/06/2024	30/06/2025	The future of this contract is under discussion
Transitional Supported housing: for teenage parents and pregnant teens	Sanctuary Supported Living	Adults & Communities	Contract Manager- Magdalena Wach-Sowa, Strategic Lead - Nadine Raenke	Kasey Marsh	£278,388.00	£92,796.00	Revenue	01/07/2022	30/06/2024	30/06/2025	The future of this contract is under discussion
Ground Maintenance Equipment Hire	To be Procured	Finance & Resources	Kevin Watkins	Liz Green	£240,000.00	£60,000.00	Revenue	to be confirmed	to be confirmed	to be confirmed	4 year Framework- Kevin Watkins to confirm budget/expenditure
Geotechnical Contract	Campbell Reith	Environment & Place	Neil Hoskins	Michelle McMenemy	£234,938.00	£78,312.00	Revenue	01/07/2019	30/06/2022	30/06/2023	will go into a single procurement with coastal and flood
SAVS Community Builders	Southeast Association of Voluntary Services (SAVS)	Adults & Communities	Kamil Pachalko, Lucie Babington	Kasey Marsh	£230,000.00	£100,000.00		01/08/2021	30/06/2024	30/06/2024	The future of this contract is under discussion
Older People's Nursing Care	Various suppliers	Adults & Communities	Nicola Mickleburgh	Kasey Marsh, Suzie Clark	£228,103.00	Revenue	Individual placements	to be procured	to be procured	to be procured	Residential interim. Spot provision at the moment and will be rolled up into respite and nursing procurement in 2024
Supported Housing: Homeless and Generic	Homeless Action Resource Project (HARP)	Adults & Communities	Contracts Manager - Strategic Lead - Sharna Allen	Lee White	£228,000.00	£76,000.00	Revenue	to be confirmed	to be confirmed	to be confirmed	
Property Management Contract in relation to the Victoria Centre	Savills	Finance & Resources	Jonathan Mather	Ola Haker	£200,000.00	£100,000.00	Revenue	16/12/2022	16/12/2023	30/04/2024	Due to re-tender shortly
Asset Management Contract in relation to the Victoria Centre	Rivington Hark	Finance & Resources	Jonathan Mather	To be assigned	£100,000.00		Revenue	16/12/2022	16/12/2024		
Older People's Respite	Individual placements	Adults & Communities	Nicola Mickleburgh	Kasey Marsh, Suzie Clark	£64,177.00	Revenue	Individual placements	to be procured	to be procured	to be procured	Residential interim. Spot provision at the moment and will be rolled up into respite and nursing procurement in 2024

Multiple Parks and Play Refurbishments	To be procured	Environment & Place	Ian Brown	Liz Green		£900,000.00	CIL Funding	to be confirmed	to be confirmed	to be confirmed	
Gas provision across all Council assets/sites	CCS (Total Gas and Power for billing)	Environment & Place	Property Services	To be assigned		£3,000,000.00	Revenue	01/04/2023	31/03/2024		CCS framework yearly prices fixed
Electric provision across all Council assets/sites	CCS (EDF for the billing)	Environment & Place	Property Services	To be assigned		£5,000,000.00	Revenue	01/04/2023	31/03/2024		CCS framework yearly prices fixed
Bus Shelter Provision, Installation and Maintenance	New Requirement	Environment & Place	Davinia Farthing	Darryl Mitchell	500,000	50,000	Revenue	01/10/2024	31/9/2029	TBC	
Vehicle Removal and Car Pound Services	to be procured	Environment & Place	Lorraine Delahunty, Neil Hunwicks	Michelle McMenemy	to be procured	tbc	Revenue	tbc	tbc	tbc	
NPED - Cleansing of Parking Data Record	National Persistent Evader Database	Environment & Place	Lorraine Delahunty, Neil Hunwicks	To be assigned	to be procured		Revenue	tbc	tbc	tbc	
Cashless Parking Services 3	PaybyPhone Ltd	Environment & Place	Lorraine Delahunty, Neil Hunwicks	To be assigned	to be procured		Pastthrough cost	tbc	tbc	tbc	
DfT - National Parking Platform (NPP)	National Parking Platform	Environment & Place	Lorraine Delahunty, Neil Hunwicks	To be assigned	to be procured		Revenue	tbc	tbc	tbc	
Parking signs required for enforcement	Kaspa Sign Products Ltd	Environment & Place	Lorraine Delahunty, Neil Hunwicks	To be assigned	to be procured		Revenue	tbc	tbc	tbc	
Ad-hoc Parking Installation & Maintenance Services	TBC	Environment & Place	Lorraine Delahunty, Neil Hunwicks	To be assigned	to be procured		Revenue	tbc	tbc	tbc	
Specialist Parking Debt Collectors	Multivendor	Environment & Place	Lorraine Delahunty, Neil Hunwicks	To be assigned	to be procured		Revenue	tbc	tbc	tbc	
CBC - Book Supply Contract	Holts / Askews	Adults & Communities	Anne Bonham / Sharon Wheeler	Darryl Mitchell	£500,000.00	£125,000.00	Revenue	01/04/2024	31/03/2028		SCC is part of the CBC (Central Book Buying Consortium) - West Sussex Council are the procurement lead for the consortium and has undertaken the procurement activity on behalf of all partners.
Southend Parks Tennis Courts Operation & Delivery	TBC - NEW	Adults & Communities	Kevin Read / Sharon Wheeler	Darryl Mitchell	£270,000.00	£27,000.00	Income	01/05/2024	30/04/2029	30/04/1934	New concession contract - operator to pay SCC a contract fee of approx £27k p.a.
CBC - Book Supply Contract	Holts / Askews	Adults & Communities	Anne Bonham / Sharon Wheeler	Darryl Mitchell	£500,000.00	£125,000.00	Revenue	01/04/2024	31/03/2028		SCC is part of the CBC (Central Book Buying Consortium) - West Sussex Council are the procurement lead for the consortium and has undertaken the procurement activity on behalf of all partners.
Southend Parks Tennis Courts Operation & Delivery	TBC - NEW	Adults & Communities	Kevin Read / Sharon Wheeler	Darryl Mitchell	£270,000.00	£27,000.00	Income	01/05/2024	30/04/2029	30/04/1934	New concession contract - operator to pay SCC a contract fee of approx £27k p.a.
BSIP+ New Bus Routes	To be procured	Environment & Place	John Austin, Karen Gearing	Lee White	£300,000		Grant	01/06/2024	31/03/2026	TBC.	Depending on DfT agreement- full budget of £400,000 available but some will be direct awards for existing routes
Belton Hills - Geotechnical	New Requirement	Environment & Place	Jo Matthews	To Be Assigned	£1,500,000	NA	Grant	Apr-24	2025	NA	Geotechnical solutions to Belton Way East.
Cliff Parade - Geotechnical	New Requirement	Environment & Place	Jo Matthews	To Be Assigned	£500,000 + (to be confirmed)	NA	Capital	Sep-24	2025	NA	Geotechnical solutions for Cliff Parade area
Marine Parade	New Requirement	Environment & Place	Jo Matthews	To Be Assigned	£1,900,000 approx	NA	Grant	April/May 2024	2025	NA	Sustainable Water Management Scheme. Going Design and Build in the Eastern Highways Alliance (EHA) contract so April/May is the target still
A13 Safer Roads	New Requirement	Environment & Place	Jo Matthews	To Be Assigned	£3,000,000 approx	NA	Grant	Oct-24	2027	NA	Road safety works along the A13. May utilise the Marlborough and Eurovia Highways contracts depending on the scheme values otherwise the EHA will be utilised.
Catchment to Coast	New Requirement	Environment & Place	Jo Matthews	To Be Assigned	£3,500,000 approx	NA	Grant	Apr-24	2027	NA	16 NBS projects across Southend and Thurrock- likely to be utilising the partners within the Memorandum of Understanding or our Highways contract.

Contract Title	Supplier/s	CLT Area (or S.E.H): F&R, S&C, C&PH, A&C, E&P	Service Area Contract Manager/s	Procurement Lead	Contract Value (Lifetime Inc. extensions)	Current Annual Value/Budget	Revenue, Capital or Income	Start Date	End Date	Option to extend till?
DN569666 - Southend Pier - Condition Works Engineers	UK Industrial Services Ltd	Finance and Resources	Mark Murphy, Keith Walker	Liz Green	£2,800,000-£4,000,000	£1,250,000	Capital	01/02/2022	31/03/2025	31/03/2026
Cleaning contract and security Contract Boroughwide	South Essex Property Services	Finance & Resources	Mark Murphy / David Webb	Darryl Mitchell	£4,109,990.76	£1,369,996.92	Revenue	16/06/2023	15/06/2026	15/06/2028
Dark Fibre Circuits provision and Associated Services	CityFibre Ltd.	Strategy & Change	Aaron Townsend	Lee White	£3,240,000.00	£324,000.00	Revenue	16/03/2016	15/03/2026	No
Enforcement Agent and Debt Recovery services Contract	Marston Holdings Newlyn plc	Finance & Resources	Richard Campbell	Sam Riddoch	£2,800,000.00	£700,000.00	Revenue	01/12/2023	30/11/2025	30/11/2026
Provision of Insurance Services (excluding the provision of insurance broking services) Lot 1 Combined Liability	Risk Management Partners	Finance & Resources	Kathy Slowther	Aleksandra Haker (Ola)	£2,275,000.00	£325,000.00	Revenue	01/04/2019	31/03/2024	31/03/2026
Provision of Banking Services and Credit Card Facilities	Barclays	Finance & Resources	Andrew Walker	Aleksandra Haker (Ola)	£910,000.00	£130,000.00	Revenue	01/04/2019	30/03/2024	30/03/2026
EDRMS (now Workflow 360)	Civica UK Ltd	Strategy & Change	James Gilroy	Sharon Cohen	£891,168.00	£113,024.00	Revenue	20/10/2021	19/10/2026	19/10/2028
Contract for the Provision of Internal Audit and Anti-Fraud Services	LB of Barnet - PwC Contract	Finance & Resources	Andrew Barnes	Darryl Mitchell	£780,000.00	£130,000.00	Revenue	01/04/2020	31/03/2024	31/03/2026
Transactional Mail and Hybrid Mail	Ricoh	Finance & Resources	Tracey Nicola & Lorraine Goldsmith	Sharon Cohen	£727,402.00	£161,645.00	Revenue	01/04/2021	12/09/2024	12/09/2026
DN515468 - TC14-Inspection, Testing and Remedial works for Electrical Installations - 3 Lots	Lot 1 - Quantec; Lot 2 - DSA Electrical; Lot 3 Framework 5 Contractors	Finance & Resources	Jo Bell	Liz Green	£700,000	£140,000.00	Revenue	01/09/2021	31/08/2025	31/08/2026
DN642996 Provision of a Content and Case Management System for My Southend (myaccount), Website & Livewell via CCS G- Cloud 13 Framework	Jadu Creative Ltd	Strategy & Change	Rosie Suchley	Gillian Shine	£673,300.00	£92,000.00	Revenue	06/04/2023	05/04/2026	05/03/2027
Contract for the Provision of Internal Audit and Anti-Fraud Services	The Mayor and Burgesses of the London Borough of Croydon - Mazars contract	Finance & Resources	Andrew Barnes	Aleksandra Haker (Ola)	£672,000.00	£84,000.00	Revenue	01/04/2018	30/03/2024	30/03/2026
Provision of Insurance Services (excluding the provision of insurance broking services) Lot 2 Motor	Zurich Municipal	Finance & Resources	Kathy Slowther	Aleksandra Haker (Ola)	£672,000.00	£96,000.00	Revenue	01/04/2019	31/03/2024	31/03/2026
Syrian Refugees	Peabody Trust	Adults & Communities, Environment and Place	Olivia Westberg/ Jess Siggins	Kasey Marsh	£613,700.00	£122,740.00	Home Office Grant	01/02/2020	02/09/2026	
Home Again Service	Ashley Care Service	Adults & Communities	Gemma Knight	to be confirmed	£600,000.00	£60,000.00	Revenue	01/05/2017	30/04/2022	30/04/2027
Provision of a Design and Print Services (DN629865)	Formara Ltd	Strategy & Change	Adam Keating	Sharon Cohen	£536,457.50	£107,291.50	Revenue	01/06/2023	31/05/2026	31/05/2028
DN522756 Vehicle Maintenance, MOTs, Servicing and Repair & Recovery Services (second extension and procure new)	Castle Point Motors	Environment & Place	Gemma Loizou	Gillian Shine	£520,000.00	£104,000.00	Revenue	01/08/2021	31/07/2024	31/07/2026
Provision of Capita One system (support and maintenance) DN601720	Capita PLC	Children's & Public Health	Kirstinne Woledge	Sharon Cohen	£499,911.20	£95,880.00	Revenue	01/04/2023	31/03/2026	31/03/2028
DN547696 – Provision to Supply Spare Parts and a Maintenance and Repair Service for Grounds Maintenance Machinery - 5 Lots	ERNEST DOE POWER LTD, Plantexpand Ltd, Redstone Tyres, SPALDINGS LTD, Tuckwells	Environment & Place	Kevin Watkins	Liz Green	£480,000.00	£120,000.00	Revenue	19/09/2021	18/09/2024	18/09/2026
Carers Support Service: Lot 1 (Carers Support Services)	Carers First	Adults & Communities	Contracts Manager - Magdalena Wach-Sowa Strategy Lead - Tasnima Quddus/Tracey Schneider	Michelle McMenemy	£450,000.00	£100,000.00	Revenue	01/10/2021	31/03/2023	31/03/2026
TC06- Lot 2- Servicing, Maintenance and response to faults for plumbing including public toilets	R&A Mechanical Services Ltd	Finance & Resources	Jo Bell	Liz Green	£450,000.00	£90,000.00	Revenue	01/08/2023	31/07/2026	31/07/2028

TC06- Lot 1- Servicing, Maintenance and response to faults for gas heating plant and gas kitchen equipment	R&A Mechanical Services Ltd	Finance & Resources	Jo Bell	Liz Green	£350,000.00	£70,000.00	Revenue	01/08/2023	31/07/2026	31/07/2028
DN315909 TC01- Servicing, maintenance and response to faults for AC, and Ventilation plant and equipment (exc Uni Square CP ventilation)	R&A Mechanical Services Ltd	Finance & Resources	Jo Bell	Liz Green	£250,000.00	£50,000.00	Revenue	01/06/2021	31/05/2024	31/05/2026





This page is intentionally left blank

**Meeting:** Cabinet  
**Date:** 4 March 2024  
**Classification:** Part 1  
**Key Decision:** No  
**Title of Report:** **Corporate Risk Register January 2024**

**Executive Director:** Joe Chesterton (Finance & Resources)  
**Report Author:** Andrew Barnes (Head of Internal Audit)  
**Executive Councillor:** Cllr John Lamb (Cabinet Member for Regulatory Services)

## 1. Executive Summary

- 1.1. Risk is defined as uncertainty, whether positive or negative, that will affect the outcome of an activity or intervention. The term 'management of risk' incorporates the activities required to identify and control the exposure to risk that may have an impact on the achievement of the Council's priorities.
- 1.2. The Council's Corporate Risk Register sets out the key risks to the successful delivery of the Council's priorities and objectives and outlines the key management arrangements in place to mitigate and reduce the likelihood of the risks crystallising or maximise the likelihood of the opportunities being achieved.

## 2. Recommendations

**It is recommended that Cabinet notes the revised Corporate Risk Register and the position in January 2024 outlined in Appendix 1 and supports the actions being taken to manage the risks.**

## 3. Background

- 3.1. The purpose of the Council's Corporate Risk Register (CRR) is to set out the key risks to the successful delivery of the Council's priorities and objectives and outlines the key management arrangements in place to mitigate and reduce risks or maximise opportunities.
- 3.2. The Council's strategic approach to risk management is led by CLT, with responsibility assigned through all levels of the Council's structure to ensure risk management is integrated into strategic planning and prioritisation to assist in the achievement of outcomes and successfully dealing with

challenges. Risk management is an essential and integral part of meeting objectives, improving service delivery and achieving value for money.

- 3.3. Corporate Leadership Team has reviewed and updated the format of the CRR to ensure that the information provided will support informed decision making, which is vital to delivering successful services and transformational change. The changes made and the rationale are as follows:
- Risks have been incorporated into a single table to facilitate analysis
  - Analysis of each risk has been expanded to include the potential consequences of the risk materialising
  - The inclusion of a target risk analysis and score, provides an indication of the gap between the current level of risk and the risk appetite
  - The 'Direction of Travel' has been included to illustrate the progress made in mitigating the risk since the last review (this will be populated in the next review once there is a comparison to be made).
- 3.4. A strategic risk identification workshop, was attended by CLT. A total of 11 risks were identified and assessed. Appendix 1 reports the key strategic risks to the achievement of the Council's priorities, the 'current score' position as assessed by management, and the management actions being taken to mitigate the risks. It includes the lead officers for each risk.
- 3.5. The risk register heat map on page 5 of appendix 1 plots the current risk score for each risk using the Council's scale, as shown on page 6 of appendix 1. This shows that the risks that have been escalated to the Corporate Risk Register are those with the potential to be the most detrimental to achieving the Council's priorities and objectives, which is why the risk scores are all relatively high and consequently the risks appear on the Corporate Risk Register.
- 3.6. The risks are effectively the worst-case scenario of what could happen if the Council is not appropriately managing the risk that it is facing. This does not mean that it will happen, as the purpose of the arrangements being put in place to manage the risk, or deliver the opportunity, is to ensure that the situation works out in the way that the Council wants it to.
- 3.7. Updates to the CRR will be carried out bimonthly and discussed with Executive Directors, Directors, Heads of Service and Managers, and reported to the CLT. The summary position will continue to be reported to Cabinet twice a year in September and March.
- 3.8. Directorate Risk Registers (DRR) are being developed. The DRR will include risks in respect of services, programmes or projects and holding companies that are within the remit of the directorate. Directorate level risks will be identified, assessed, monitored and reviewed by the Directorate Leadership Team on a bimonthly basis.

- 3.9. Directorate level risks should be escalated to the CRR if:
- The risk cannot be controlled / managed at its current level
  - The risk remains extremely high even after mitigations are implemented
  - The risk will impact on more than one service or project if it materialises
  - The action required to control the risk is outside the delegated authority of the risk owner.
- 3.10. Risks recorded on the CRR can be considered for de-escalation and recorded and managed on the relevant DRR where:
- The risk can be controlled at the service, programme or company level
  - The risk has been successfully managed down to its target level score
  - The risk will only affect one service area or team and the impact will be limited.
- 3.11. The appetite for risk varies according to the activity being undertaken and the ability to exercise control. Risk appetite provides a framework for informed decision making and the setting of a risk appetite relevant to the type of activity helps to prevent the under or over control of risks. CLT are in the process of developing and defining risk appetites for different elements of the Council's operations, which will be used for the CRR and DRRs.
- 3.12. Effective risk management is a key element of the governance framework and will therefore provide a key element of the updated governance framework. Work is being undertaken on updating the risk management policy statement and strategy as part of the review of governance arrangements, with the aim of ensuring that risk awareness and horizon scanning is business as usual for all teams.
- 3.13. In the period since the last report to Cabinet there have been further changes to the context that the Council is operating within that continues to increase the pressure on the local government sector. This includes the ongoing significant impact of inflation and cost of living pressures, with the impact on both costs of and demand for services. These issues continue to have the potential to cause far reaching consequences and impacts across the whole of the Council's activities, the ways that services and officers are required to operate, and the support that needs to be provided to the City.
- 3.14. A growing catalogue of recent incidents have occurred at other Councils where examples of the risks that we are facing and working to manage have crystallised, resulting in significant detrimental effects on the operations and provision of services at those Councils. These incidents demonstrate the importance of the effectiveness of management arrangements in respect of, and the governance arrangements overseeing that management of, the risks that are being faced by the Council, and the need to remain vigilant to the potential for things to go wrong.

#### **4. Reasons for Decisions**

- 4.1. The Accounts and Audit Regulations 2015 require that a relevant authority must ensure it has a sound system of internal control which facilitates the effective exercise of its function and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk.
- 4.2. Cabinet noting the summary Corporate Risk Register contributes to the assurance that this requirement is being met.

#### **5. Other Options**

- 5.1. None.

#### **6. Financial Implications**

- 6.1. Any financial implications arising from identifying and managing risk will be considered through the normal financial management processes. Proactively managing risk can result in reduced costs to the Council by reducing exposure to potential loss.

#### **7. Legal Implications**

- 7.1. The Accounts and Audit Regulations 2015 require that:
- 7.2. *'A relevant authority must ensure it has a sound system of internal control which facilitates the effective exercise of its function and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk.'*
- 7.3. Cabinet reviewing and endorsing this report contributes to the delivery of effective arrangements for the management of risk.

#### **8. Policy Context**

- 8.1. The Council has a Risk Management Policy Statement and Strategy that provides the framework for the Council's approach to risk management.

#### **9. Carbon Impact**

- 9.1. The commitment to net zero carbon is reflected as a risk included in the Summary Corporate Risk Register at Appendix 1.

## 10. Equalities

- 10.1. Corporate equalities considerations have been considered in the drafting of the register and any specific equality related risks have been identified for the Council.

## 11. Consultation

- 11.1. Consultation has taken place with key stakeholders of the corporate risk register.

## 12. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
S151 Officer	Joe Chesterton	29/1/2024
Monitoring Officer	Kim Sawyer	29/1/2024
Executive Director	Joe Chesterton	29/1/2024
Relevant Cabinet Member	Cllr John Lamb – Regulatory Services	

## 13. Appendices

- 13.1. **Appendix 1: Summary Corporate Risk Register as at January 2024**

This page is intentionally left blank



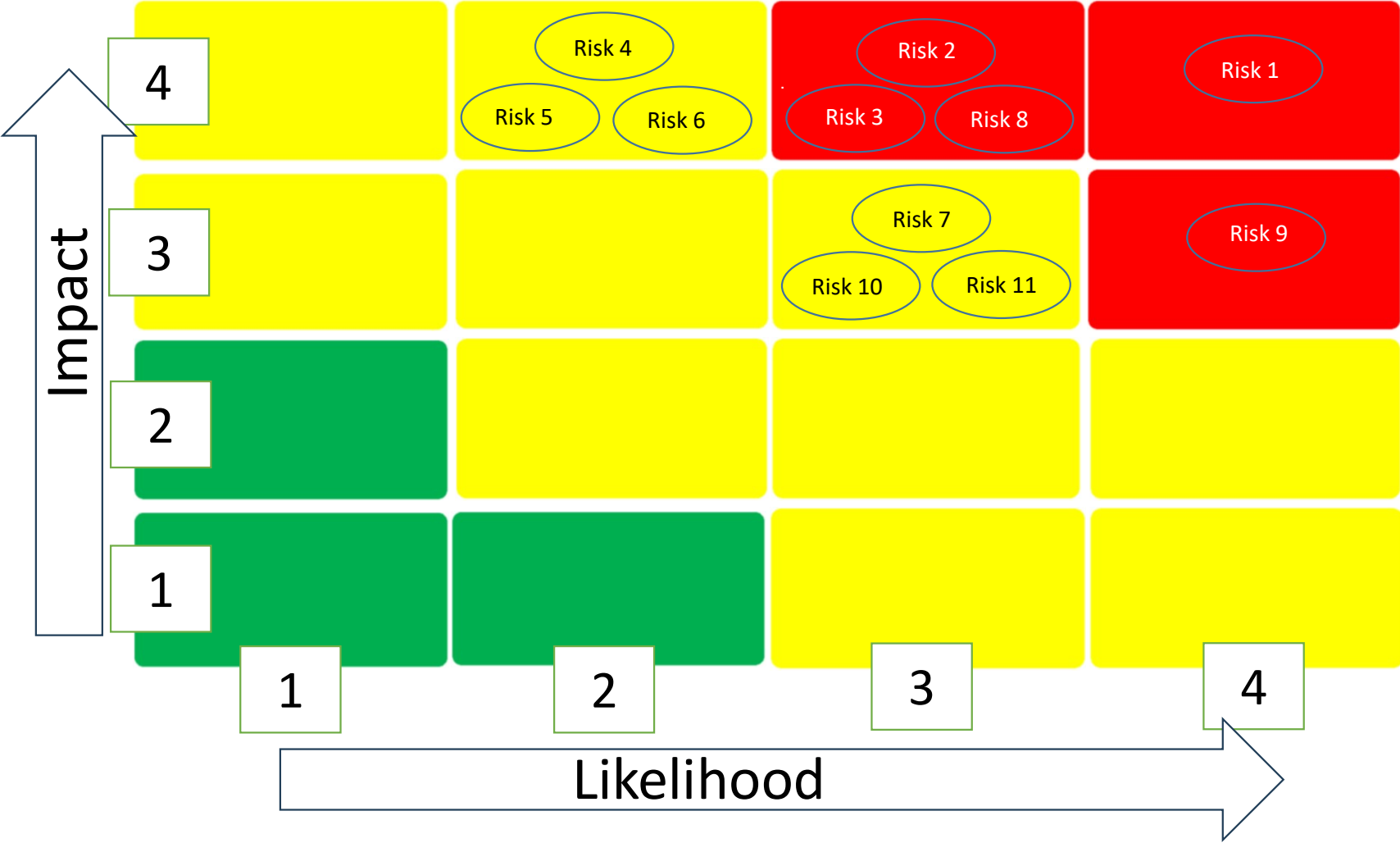
	Risk Description	Potential Causes	Potential Consequences	Key Controls	Current Risk Impact	Current Risk Likelihood	Current Risk Score	Key Actions	Target Risk Impact	Target Risk Likelihood	Target Risk Score	Target Date	Direction of Travel	Review Date	Risk Manager	Risk Owner
1	Financial sustainability- The Council's expenditure continues to exceed the available resources	<ul style="list-style-type: none"> <li>Unable to gain approval for or deliver potential cost saving / income generation initiatives</li> <li>Income from fees and charges, grants, Council Tax and Business Rates is not sufficient to cover expenditure</li> <li>Central Government funding is less than anticipated</li> <li>National / global recession</li> <li>Growing demand for services</li> <li>Budget setting fails to identify sufficient savings and efficiencies, to meet investment requirements</li> <li>A lack of availability of, or failure to apply for, external funding or grants</li> </ul>	<ul style="list-style-type: none"> <li>Use of the Council's reserves is not sustainable to bridge income/expenditure funding gaps in the medium term</li> <li>Need to reduce expenditure impacts on delivery of services</li> <li>The S151 Officer has to issue a S114 report to Full Council</li> <li>External auditor issues a qualified report</li> <li>Government may step in to administer Council functions</li> </ul>	<ul style="list-style-type: none"> <li>Finance &amp; Corporate Performance Report - scrutinises Council financial performance</li> <li>Medium term financial strategy (MTFS)</li> <li>Budget Monitoring</li> <li>Setting a balanced budget</li> <li>Prudent use of reserves</li> <li>Service transformation programme</li> <li>Budget challenge sessions</li> <li>Deletion of some vacant posts</li> <li>Introduction of vacancy factor</li> <li>Review and reprioritisation of capital investment programme</li> </ul>	4	4	16	<ol style="list-style-type: none"> <li>Approval of a balanced budget for 2024/25</li> <li>Approval of a medium term financial strategy clearly setting out the ongoing financial position</li> <li>Working with services to deliver their agreed savings and budgets through 2024/25</li> <li>Transformation Board focus on tracking of delivery of actions to achieve savings.</li> <li>Contribute to lobbying for financial support for the sector.</li> </ol>	4	3	12	31/03/2025			Pete Bates (Director of Financial Services)	Joe Chesterton (ED F&R)
2	Loss of information assets and / or loss of data systems.	<ul style="list-style-type: none"> <li>Cyber attack / inadequate cyber security</li> <li>Staff</li> <li>Hacking</li> <li>System failures</li> <li>Failure to ensure the Council has a coherent and comprehensive approach to cyber security and data protection</li> <li>A data breach</li> <li>Use of personal devices</li> <li>Ransomware attack</li> </ul>	<ul style="list-style-type: none"> <li>Operational disruption / failure to deliver critical services for a prolonged period</li> <li>Impact on residents</li> <li>Permanent loss of data</li> <li>Payment of ransom to regain control of systems</li> <li>Loss of income</li> <li>Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Information &amp; Management Strategy</li> <li>Compliance with the Data Security &amp; Protection Toolkits</li> <li>Cyber Security Audits</li> <li>Monitoring and alerting</li> <li>Mobile management tool</li> <li>Security solutions</li> <li>Governance Board providing oversight of the information framework</li> <li>Training &amp; awareness tools made available to officers and members</li> <li>Shared migration project moving information to a more secure environment</li> <li>Smart Digital Strategy</li> <li>Data Strategy</li> </ul>	4	3	12	The ongoing development of Information security measures is essential. Actions planned for this year include: <ol style="list-style-type: none"> <li>Review of Information Security Strategy.</li> <li>Information Risk Policy.</li> <li>Business case for external support on a calloff basis.</li> <li>Regular testing of our phishing awareness and understanding.</li> <li>Testing of our ability to react to an incident or event.</li> </ol>	3	2	6	31/03/2025			Carol Thomas (Director of ICT)	Claire Shuter (ED Strategy & Change)
3	Collapse of the adult social care market	<ul style="list-style-type: none"> <li>Providers unable to recruit sufficient, suitably qualified staff</li> <li>Contract payments insufficient due to inflation</li> <li>Contractor staff leave due to cost of living crisis and price increases make it uneconomical for staff to remain</li> </ul>	<ul style="list-style-type: none"> <li>Cannot fulfil statutory responsibilities</li> <li>Operational disruption</li> <li>Increased costs</li> <li>Negative impact on vulnerable residents</li> </ul>	<ul style="list-style-type: none"> <li>Social Care Workforce Strategy for External Care and Support Providers of Southend 2023-27</li> <li>Provider Failure Policy</li> <li>Market Position Statement</li> <li>Commissioning Statement</li> <li>Caring Well Strategy 2022-27</li> <li>Aging Well Strategy 2022-27</li> <li>Living Well Strategy 2022-27</li> </ul>	4	3		1. Connected Southend Model delivery	4	2	8	31/03/2025			Emma Richardson (Director of Commissioning)	Mark Harvey (ED Adults & Communities)

	Risk Description	Potential Causes	Potential Consequences	Key Controls	Current Risk Impact	Current Risk Likelihood	Current Risk Score	Key Actions	Target Risk Impact	Target Risk Likelihood	Target Risk Score	Target Date	Direction of Travel	Review Date	Risk Manager	Risk Owner
4	Lack of suitable placements for children in care	<ul style="list-style-type: none"> <li>Increasing numbers of children in care</li> <li>Unable to recruit sufficient foster carers</li> <li>Foster carers leave the Council to join fostering agencies due to better pay and support</li> <li>Lack of residential places</li> </ul>	<ul style="list-style-type: none"> <li>Cannot fulfil statutory responsibilities</li> <li>Operational disruption</li> <li>Increased costs</li> <li>Negative impact on vulnerable children</li> </ul>		4	2	8	<ol style="list-style-type: none"> <li>Sufficiency Strategy is in place and is being monitored at Corporate Parenting Board</li> <li>Reunification tracker is in place and will support a reduction in children in care</li> <li>Permanence summit chaired by Director will lead to a reduction in children in care</li> </ol>	4	1	4	31/03/2026			Lissa-Marie Minnis (Director of Children's, Social Work, Early Help and Youth Support)	Michael Marks (ED Children & Public Health)
5	Failure of statutory safeguarding duty - adults	<ul style="list-style-type: none"> <li>Failure to safeguard adults in the Council's care</li> <li>Harm or even death of a vulnerable adult</li> <li>Failure to anticipate serious risk of harm</li> <li>Inadequate financial resources</li> <li>Lack of suitable placements for vulnerable adults</li> </ul>	<ul style="list-style-type: none"> <li>Harm or even death of an adult</li> </ul>	<ul style="list-style-type: none"> <li>Safeguarding casework</li> <li>Line management oversight of cases</li> <li>Intelligence provided by Partners</li> <li>Quality assurance framework</li> <li>Ofsted inspections and resulting changes in practice to resolve identified weaknesses</li> <li>Tackling Poverty Strategy &amp; Action Plan</li> <li>Domestic Abuse Strategy</li> <li>Aging Well Strategy 2022-2027</li> <li>Caring Well Strategy 2022-2027</li> </ul>	4	2	8	<ol style="list-style-type: none"> <li>Introducing Connected Southend by 31 March 2024</li> <li>New structure to support new delivery model</li> <li>Introducing Practice Governance and Information Service</li> <li>Preparations for CQC inspection</li> </ol>	4	1	4	31/12/2024			Stephan Liebrecht (Director of Adult Social Care)	Mark Harvey (ED Adults & Communities)
6	Failure of statutory safeguarding duty - children	<ul style="list-style-type: none"> <li>Failure to safeguard children in the Council's care</li> <li>Harm or even death of a child</li> <li>Failure to anticipate serious child risk</li> <li>Inadequate financial resources</li> <li>Lack of suitable placements for children at risk of harm</li> </ul>	<ul style="list-style-type: none"> <li>Harm or even death of a child</li> </ul>	<ul style="list-style-type: none"> <li>Children Services' Improvement Board</li> <li>Quality assurance framework</li> <li>On going publicity to increase the number of In-house foster carers</li> <li>Children's single point of contact reduces number of child protection plans</li> <li>Ofsted inspections and resulting changes in practice to resolve identified weaknesses</li> <li>Tackling Poverty Strategy &amp; Action Plan</li> </ul>	4	2	8	<p>Children's Services have comprehensive processes to ensure all statutory duties are met including:</p> <ol style="list-style-type: none"> <li>Quality Assurance</li> <li>Data intelligence</li> <li>Our improvement plan.</li> </ol> <p>The work is overseen by the Safeguarding Partnership, Corporate Parenting Board, Improvement Board and Practice and Outcomes Board, who will ensure that processes are effective.</p>	4	1	4	01/04/2025		3 monthly	Lissa-Marie Minnis (Director of Children's, Social Work, Early Help and Youth Support)	Michael Marks (ED Children & Public Health)

	Risk Description	Potential Causes	Potential Consequences	Key Controls	Current Risk Impact	Current Risk Likelihood	Current Risk Score	Key Actions	Target Risk Impact	Target Risk Likelihood	Target Risk Score	Target Date	Direction of Travel	Review Date	Risk Manager	Risk Owner
7	Increasing levels of homelessness	<ul style="list-style-type: none"> <li>Loss of temporary accommodation</li> <li>Lack of social housing</li> <li>Cost of living crisis resulting in increasing numbers of families with rent arrears and facing eviction</li> <li>Other Councils placing households in Southend</li> <li>Asylum and refugee housing needs</li> </ul>	<ul style="list-style-type: none"> <li>Cannot fulfil statutory responsibilities</li> <li>Operational disruption</li> <li>Increased costs and impact on other services</li> <li>Negative impact on vulnerable residents</li> <li>Increased pressure on health and third sector partners</li> </ul>	<ul style="list-style-type: none"> <li>Housing, Homelessness and Rough Sleeping Strategy 2018-2028</li> <li>Hostel improvement project to optimise use and improve standards</li> <li>Hostel new build development opportunities</li> <li>Local Authority housing fund acquisition programme will build 13 properties</li> <li>35 emergency rough sleeper bed spaces secured</li> <li>Empty homes programme to bring homes back into use</li> <li>Hostel Improvement Plan task &amp; finish group</li> <li>Bid for funding from the Housing Infrastructure Fund and the 'No Use Empty' Scheme.</li> </ul>	3	3	9	<ol style="list-style-type: none"> <li>Close partnership working (HARP, Citizens Advice, other LAs)</li> <li>Increasing availability of housing stock to enable move-on from TA</li> <li>Increasing overall housing delivery</li> <li>Working with private landlords to increase availability</li> </ol>	3	2	6	31/3/2025			Glyn Halksworth (Director of Regeneration, Housing & Regulatory Services)	Alan Richards (ED Environment & Place)
8	Lack of preparedness for an emergency event  211	<ul style="list-style-type: none"> <li>Failure of a major contractor</li> <li>Pandemic</li> <li>Internal or external event that has a significant impact on the ability of the Council to deliver services</li> </ul>	<ul style="list-style-type: none"> <li>Inability to deliver necessary services</li> <li>Loss of staff due to sickness / death</li> <li>Loss of facilities due to fire / flood / terrorist attack</li> <li>Significant increase in demand for services</li> <li>Impact of fuel shortage on delivery of services</li> </ul>	<ul style="list-style-type: none"> <li>Emergency Plans</li> <li>Business Continuity arrangements</li> <li>Provision of Civil Protection information</li> <li>Member of Essex Resilience Forum</li> <li>Emergency response 24/7 on call function</li> <li>Use of the Clearview system</li> <li>Promotion of Community Resilience</li> </ul>	4	3	12	<ol style="list-style-type: none"> <li>Review of and update to Business Continuity Plans for services on Clearview system</li> </ol>	4	2	8	31/03/2025			Gary Cullen (Resilience Manager)	Joe Chesterton (ED F&R)
9	Fail to achieve the commitment to net zero by 2030	<ul style="list-style-type: none"> <li>Lack of staffing capacity</li> <li>Lack of Government funding</li> <li>Inability to commit resources required to facilitate change</li> <li>Lack of corporate focus</li> </ul>	<ul style="list-style-type: none"> <li>Damage to reputation</li> <li>Financial impact and missed funding opportunities</li> <li>Lack of capacity to undertake the work necessary to deliver the objective</li> </ul>	<ul style="list-style-type: none"> <li>Green City Action Plan</li> <li>£1.15M secured from the Social Housing Decarbonisation Fund for the retrofit of 110 Council homes</li> </ul>	3	4	12	<ol style="list-style-type: none"> <li>Recruitment of member of staff to Climate Change team</li> <li>Net Zero Carbon Energy strategy being developed</li> </ol>	3	3	9	31/03/2025			Jo Gay (Head of Environment)	Alan Richards (ED Environment & Place)
10	Transformation programme fails to deliver required outcomes	<ul style="list-style-type: none"> <li>Organisational culture and capability of staff prevents delivery at pace</li> <li>Organisational structure results in not having the right people in the right place</li> <li>Unable to recruit / retain staff</li> <li>Lack of employee engagement</li> <li>Impact of changing national priorities / legislation / devolution</li> </ul>	<ul style="list-style-type: none"> <li>Transformation programme does not result in the required savings</li> <li>Fail to modernise and improve service delivery</li> <li>Opportunities either do not materialise or take longer than anticipated</li> </ul>	<ul style="list-style-type: none"> <li>ICT update programme</li> <li>Work of transformation partner</li> <li>Agreement of transformation streams</li> <li>Transformation Board led by CLT</li> <li>Appointment of Transformation Director</li> <li>Strategy &amp; Change tasked with on-going management</li> </ul>	3	3	9	<ol style="list-style-type: none"> <li>Transformation Board has been established and is growing in maturity.</li> <li>Dir of Transformation is recruiting and working with ECLT to bring together project management resources at the centre, to establish a functioning Transformation Capability.</li> <li>Tools and Process have been made ready to deploy across the organisation that will significantly help delivery and tracking.</li> </ol>	2	2	4	31/12/2024		4/30/2024	Tony Wisken (Director of Transformation)	Claire Shuter (ED Strategy & Change)

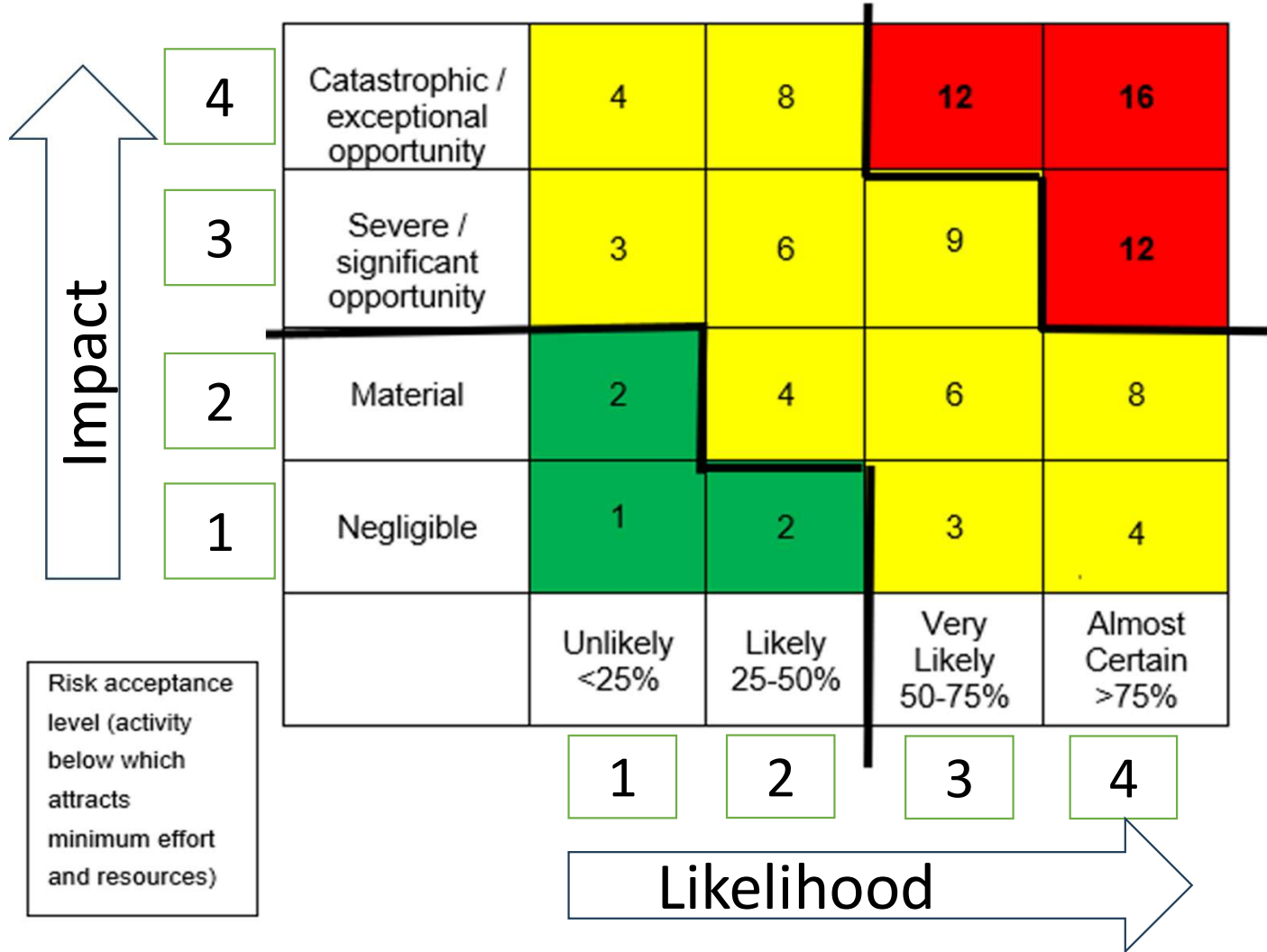
	Risk Description	Potential Causes	Potential Consequences	Key Controls	Current Risk Impact	Current Risk Likelihood	Current Risk Score	Key Actions	Target Risk Impact	Target Risk Likelihood	Target Risk Score	Target Date	Direction of Travel	Review Date	Risk Manager	Risk Owner
11	Governance failures	<ul style="list-style-type: none"> <li>• Failure to recruit to statutory roles</li> <li>• Instability in senior leadership during new CEO transition</li> <li>• Council acts unlawfully or outside established procedures</li> <li>• Lack of Member / officer training</li> <li>• Ignorance of, or non compliance with, agreed governance protocols</li> <li>• Trading activities have insufficient governance controls</li> </ul>	<ul style="list-style-type: none"> <li>• Litigation</li> <li>• Regulatory intervention</li> <li>• Poor decision making</li> <li>• Fraud and corruption</li> <li>• Insufficient internal controls</li> </ul>	<ul style="list-style-type: none"> <li>• Policies and procedures to ensure SCC operates in accordance with the law and proper standards</li> <li>• Governance Framework to ensure SCC is meeting the seven principles of good governance</li> <li>• Constitution</li> <li>• LGA Corporate Peer Challenge - Action plan</li> <li>• Leadership / Member Development Programme</li> <li>• Commercial partnership arrangements e.g. housing, health, well being</li> <li>• Joint Ventures, owned companies, wholly owned subsidiaries and other joint ventures report to the</li> </ul>	3	3	9	<ul style="list-style-type: none"> <li>1) Review of and update to internal governance arrangements</li> <li>2) Annual Governance Statement to be prepared and approved</li> <li>3) Member and Leadership development programme in progress for 2024/25. Councillor induction design underway.</li> <li>4) Review of Trading Companies identified actions to improve governance arrangements which will go to Cabinet in March.</li> </ul>	3	2	6	31/12/2024			Kim Sawyer (Director of Legal Services)	Claire Shuter (ED Strategy & Change)

# Risk Register Heat Map: Current risk score



# Southend CC Risk Matrix

Risk tolerance level – Risks above this level will need particular resources and focus



**Meeting:** EB  
**Date:** 30/01/2024  
**Classification:** Part 1  
**Key Decision:** Yes  
**Title of Report:** Southend on Sea City Council Tenancy Strategy 2024

**Executive Director:** Alan Richards  
**Report Author:** Faye Creasey, Housing Project and Policy Support Officer  
**Executive Councillor:** Cllr David Garston, Portfolio Holder for Housing & Planning

## 1. Executive Summary

- 1.1. The Localism Act of 2011<sup>1</sup> introduced a requirement for local housing authorities (LAs) in England to prepare and publish a Tenancy Strategy. The purpose of a tenancy strategy is to give Registered Providers of Social Housing (RPs) operating in Southend-on-Sea an **indication of the approach the Council would like them to take** when preparing their Tenancy Management Policies. Under the Localism Act 2011, RPs must in turn have regard to the council's Tenancy Strategy when exercising its housing management functions. As a RP itself, a tenancy strategy also impacts upon the types of tenancy the Council will offer to prospective tenants of the Council's housing stock.
- 1.2. Southend's Strategy was out of date. Therefore, this report provides an updated strategy that sets out the Council's position for 2024/25 onwards.

## 2. Recommendations

- 2.1. It is recommended that Cabinet approve the updated Tenancy Strategy for 2024-2029 (Appendix 1), in particular:
- 2.1.1. The council's stance/ask of RPs with regards to the use of flexible/fixed term tenancies (see paragraph 3.1).**
- 2.1.2. The council's position on how fixed term/flexible tenancies interplay with domestic abuse (see paragraph 3.2).**
- 2.1.3. The council's proposal on affordable rent (see paragraph 3.3).**

---

<sup>1</sup> [Localism Act 2011 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

### 3. Background and key strategy positions

#### 3.1. The council's stance/ask of RPs with regards to the use of fixed term/flexible tenancies:

RPs must have regard to the Council's Tenancy Strategy in exercising their housing management functions and policies. The revised Regulatory Framework for Social Housing requires RPs to publish clear and accessible tenancy policies that outline their approach to tenancy management, RPs must also highlight how they intend to make use of legislation contained within the Localism Act 2011 relating to flexible/fixed term tenancies.

Flexible tenancies<sup>2</sup> were intended to give LAs and RPs greater freedom to manage their housing stock and ensure that social housing is allocated to those who need it most. Thus, tenancy strategies enable local authorities to provide a strategic lead on the use of the new social tenure.

The development of this strategy has considered the changing national attitude to flexible fixed-term tenancies. Although intended to support social housing landlords to make better use of their stock, flexible tenancies have not been widely adopted, and in 2021/22 flexible tenancies made up **just 3% of new LA lets**<sup>3</sup>. From 1st October 2022, Estuary Housing Association (the 2<sup>nd</sup> largest RP in Southend, after the council/SEH) no longer issues Fixed Term Tenancies. This decision followed consultation with tenants that had a fixed term tenancy and 90% agreed that Estuary should stop issuing fixed term tenancies.

Below are some of the key issues/concerns around fixed term tenancies:

- **Resource intensive to administer** - there is a significant amount of administration, staffing resource and costs involved in conducting tenancy reviews. For example, Dover District Council found that their IT system (Northgate, the same system used by South Essex Homes) does not have the capacity to help monitor the need for a FT review. As a result, a further administrative burden and cost is placed upon the team, reducing the amount of time that housing staff must focus on tenancy management, tenancy enforcement and tenancy sustainability tasks.
- **Not providing the expected flexibility of use of stock** - fixed term tenancies do not address the underlying structural problem of the shortage of housing options offered at a price that households can afford. For example, Dartford reviewed their use of flexible tenancies in 2021 and noted that when looking at the first group of tenants who were issued with a flexible tenancy, their income circumstances did not

---

<sup>2</sup> A flexible tenancy is a form of secure tenancy that is granted for a fixed term of a minimum two years (most cases it should be granted for a minimum term of five years). A review must then take place after certain period of time which will seek to establish whether the household circumstances have changed, a council can then decide to not renew the tenancy.

<sup>3</sup> [Social housing lettings in England, tenancies: April 2021 to March 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/social-housing-lettings-in-england-tenancies-april-2021-to-march-2022)



generally change over the fixed term. Thus, it is unlikely that tenant's income levels will change significantly enough to end their tenancies to free up housing stock, including those that are working.

- **Risk of legal challenge** - a rigorous tenancy review process is required that is robust in the face of legal challenge, as there are specific legal complications surrounding flexible tenancies. Recent case law confirms that to have a successful outcome the tenancy agreement must contain a forfeiture clause and this process must be used rather than straightforward possession action.
- **Tenant concerns over security and sense of belonging** - tenants feeling concerned and anxious about their futures based on their tenure type.
- **The sustainability of the community** - lack of investment by families in their home and community because they feel they will be moved on.

Therefore, the proposed strategy states that *SCC do not plan to adopt flexible tenancies. We would encourage RP partners to consider if the administrative costs to operate flexible tenancies would hinder the resources available to prevent homelessness, keep the property in a good state of repair and/or ensure they can conform to the requirements of the Social Housing (Regulation) Act 2023 and new Consumer Standards.*

### 3.2. **The council's position on how fixed term/flexible tenancies interplay with domestic abuse:**

- In line with the Domestic Abuse Act 2021, LAs and RPs must ensure that survivors of Domestic Abuse ("DA") who have/have had a lifetime tenancy and have fled the social home to escape DA, retain their lifetime security of tenure if the landlord grants them a new tenancy for reasons connected with the abuse.
- The proposed strategy states that *SCC wish for ourselves and our partners to go further: If a survivor of domestic abuse has had to flee a lifetime tenancy to TA/refuge, and is subsequently offered another social housing tenancy, they should still be able to retain their security of tenure in the new permanent home.*

### 3.3. **The council's proposal on affordable rent:**

- A key reform of the Localism Act 2011 enabled local authorities to charge affordable rents of up to 80% of market rent for new housing developments and in some cases existing housing stock can be converted when vacant from social rent to affordable rent levels.
- The proposed strategy states that *in the interests of avoiding rent arrears, homelessness and/or financial hardship, it is the Council's position that affordable rent (including service charges) in Southend-on-Sea should not exceed Local Housing Allowance (LHA) rates. However, where a RP provides affordable homes in excess of the units required by the Section 106 agreement, the Council will be open to discussion with regards to the rent on the additional units.*

- The LHA 'rate' is the maximum amount of housing benefit<sup>4</sup> that a private renter can claim to help pay their rent, although those subject to the benefit cap will receive less.

#### **4. Reasons for Decisions**

- 4.1. Approval of the Council's Tenancy Strategy is required as our current strategy has expired and we are legally required to have one in place, in order to set clear expectations for RPs operating in the city (including the council). Furthermore, introducing a new Tenancy Strategy is an outstanding commitment made under our Housing, Homelessness and Rough Sleeping Strategy 2018 - 2028.
- 4.2. Our approach acknowledges that, in light of the Social Housing Regulation Act 2023 (and the circumstances that led to its necessity) all RPs of social housing, including Southend-on-Sea City Council, must change how tenants are supported to remain safe and well in their homes. It also acknowledges the financial and legal resource associated with introducing and reviewing fixed term tenancies, noting others who have introduced them have since reverted back having not realised perceived benefits.
- 4.3. The strategy will be one of the key tools to supporting delivery of the council's and city's priorities especially in terms of:
  - Our corporate priority of 'a safe city with a good quality of life for all'.
  - Our Housing, Homelessness and Rough Sleeping Strategy aim of encouraging good quality housing design, management and maintenance.

#### **5. Other Options**

- 5.1. The only other options are:
  - Continue with our current strategy, but this is now out of date and is no longer fit for purpose given the changing priorities and national context we are now operating in, with new regulatory reforms.
  - Decide to not have a Tenancy Strategy, but this would mean that the council is not fulfilling its legal requirements.
  - Delay implementation and find/fund officer resource to undertake further revisions and subsequent consultation/engagement. However, it should be noted that this piece of work was scheduled to conclude year end and an extension would influence officer capacity for other workstreams, whilst also meaning the council will remain without a Tenancy Strategy for longer, despite its legal obligations to have one in place.

---

<sup>4</sup> <https://www.gov.uk/guidance/local-housing-allowance>

## **6. Financial Implications**

- 6.1. No financial implications to add to this report. The Tenancy Strategy as set out has no financial impact for the council.

## **7. Legal Implications**

- 7.1. Section 150 of the Localism Act 2011 requires a local housing authority prepare and publish a tenancy strategy. Subsection (5) sets out that this tenancy strategy must be kept under review. The recommendations of this report comply with these statutory requirements.

## **8. Policy Context**

- 8.1. A new Tenancy Strategy is a commitment made in the council's Housing, Homelessness and Rough Sleeping Strategy 2018-2028.
- 8.2. The strategy is shaped by a number of influences which include: our Housing, Homelessness and Rough Sleeping Strategy, our Allocations Scheme, the legislative and regulatory framework, and emerging best practice and guidance concerning social tenancy reform. An 8-week consultation was also held, and the feedback received was used to amend the draft strategy.

## **9. Carbon Impact**

- 9.1. None perceived.

## **10. Equalities**

- 10.1. A full equality analysis (appendix 2) was carried out and signed on 15/01/2024. The outcome of the full equality analysis was "*no change – the assessment is that the policy/practice/service is/will be robust*".

## **11. Consultation**

- 11.1. Engagement with South Essex Homes (SEH) and Estuary (2 largest social landlords in Southend), our Domestic Abuse Housing Alliance (DAHA) regional lead, as well as internal teams to help develop draft positions and Strategy.
- 11.2. In accordance with S.151(1) of the Localism Act 2011, all registered providers operating in Southend have been provided with a copy of the draft tenancy strategy and given reasonable opportunity (8 weeks) to respond. An 8-week external consultation was conducted on Your Say Southend from October to December 2023, to ensure that wider RPs and current/future tenants, and the general public could have their say on the draft strategy.
- 11.3. As at March 2023<sup>5</sup>, there were 10,253 units of social housing in Southend-on-Sea, of which 6,028 (58.8%) are owned by the council (managed by SEH) and

---

<sup>5</sup> [Registered provider social housing stock and rents in England 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/registered-provider-social-housing-stock-and-rents-in-england-2022-to-2023)

4,225 (41.2%%) are managed by 36 other Registered Providers. In addition to SEH, we received consultation responses from 10 RPs, representing 79% of non-council stock in the city.

11.4. In summary:

- **89%** agreed with the tenancy strategy document overall, and a further **5%** were neutral.
- **83%** of respondents agreed that social tenants should be offered the most secure form of tenancy wherever possible, and a further **17%** were neutral - none disagreed.
- **Half** of the RPs that provided a response stated that they used to offer FTTs but **no longer do**
- **78%** agreed with our proposals around how tenancies interplay with domestic abuse (see point 3.2), a further **22%** were neutral – none disagreed.
- **67%** of respondents agreed with our proposal on affordable rent (see point 3.3), and a further **16%** were neutral.

## 12. Appendices

12.1. **Appendix 1**: Draft Tenancy Strategy

12.2. **Appendix 2**: Equality Analysis

## 13. Report Authorisation

<b>This report has been approved for publication by:</b>		
	<b>Name:</b>	<b>Date:</b>
S151 Officer	Joe Chesterton	22/01/2024
Monitoring Officer	Kim Sawyer	24/01/2024
Executive Director(s)	Alan Richards	22/01/2024
Relevant Cabinet Member(s)	Cllr Tony Cox	24/01/2024

# **Southend-on-Sea City Council**

## **Draft Tenancy Strategy**

2024-2029

## Contents

1.	Introduction .....	3
2.	Our Position .....	3
3.	National Context .....	4
4.	Local Context .....	5
	4.1 Stock/allocations overview .....	6
5.	Tenancy Types .....	6
6.	Guidance for RPSH – Lifetime Tenancies .....	8
7.	Guidance for RPSH – Flexible Tenancies .....	9
	7.1 Exceptional circumstances for tenancies of under 5 years .....	10
8.	Flexible Tenancy Review and Renewal .....	10
9.	Rights of Secure Tenants .....	11
	9.1 Succession .....	11
	9.2 Right to assign .....	12
10.	Domestic Abuse .....	12
11.	Downsizing .....	12
12.	Supported Housing .....	13
13.	Regeneration .....	13
14.	Tenancy Sustainment .....	13
	14.1 Affordable Rent .....	13
	14.2 Additional Tenancy Sustainment and Prevention Measures .....	14
	14.3 Referrals to SCC’s Housing Solutions Team .....	14
15.	Damp, mould, and condensation .....	15
16.	Anti-Social behaviour .....	16
17.	Complaints .....	16
18.	Communication Plan .....	17
19.	Equality and Diversity .....	17
20.	Evaluation and Review .....	17
21.	Glossary of Terms .....	17
22.	Appendix 1: list of PRPs operating in Southend-on-Sea .....	19

# 1. Introduction

Under Section 150 of the Localism Act 2011, the Council is required to prepare and publish a Tenancy Strategy. This document updates the Tenancy Strategy that the Council published in 2013 and sets out the Council's position for 2024 - 2029.

Registered providers (RPs) of social housing in Southend-on-Sea **must have regard to this strategy when formulating their policies** in relation to:

- The types of tenancies they will grant
- The circumstances under which different types of tenancies will be granted
- Where they elect to grant fixed-term tenancies, the length of the fixed term
- The circumstances in which they will grant a further tenancy when the fixed term expires

Under S150(2) of the Localism Act<sup>1</sup>, 'the Tenancy Strategy must summarise those policies or explain where they can be found' – tenancy policies will either be published on RP websites or available on request (RP contact details in Appendix 1).

In accordance with S150(3) of the Localism Act 2011, Southend-on-Sea City Council will have regard to this strategy when exercising its own housing management functions. The Council must keep its tenancy strategy under review in the light of changing legislation and other factors and may amend it when necessary, but when doing so is required to consult with the RPs operating in the city. This strategy will be reviewed in 5 years' time, or earlier if legislative or business needs require.

Our Strategic approach has been developed in partnership with the council's Arms-Length Management Organisation, South Essex Homes (SEH), and in communication with RPs who own and manage properties in Southend-on-Sea. Alongside consideration of the legislative and regulatory framework, and the emerging best practice and guidance concerning social tenancy reform. The formal consultation with RPs and tenants/potential future tenants ran from October 2023 to December 2023. The feedback we received was used to amend the draft Strategy.

## 2. Our Position

The purpose of a tenancy strategy is to give RPs of Social Housing operating in Southend-on-Sea an indication of the approach the Council expect them to take when preparing their Tenancy Management Policies. As required under S.151 (3) of the Localism Act 2011, our strategic approach has been developed with regard to the council's current Social Housing [Allocations Policy](#) and [Housing, Homelessness and Rough Sleeping Strategy \(2018-2028\)](#). The measures used in this tenancy strategy are also intended to help realise the vision as set out in our [Corporate Plan for 2023 to 2027](#), in particular our priority of 'A safe city with a good quality of life for all'.

---

<sup>1</sup> [Localism Act 2011 \(legislation.gov.uk\)](https://legislation.gov.uk)

Our approach also acknowledges that, in light of the Social Housing (Regulation Act) 2023 (and the circumstances that led to its necessity) all RPs of social housing, including Southend-on-Sea City Council, must change how tenants are supported to remain safe and well in their homes.

Therefore, the key aims of this Tenancy Strategy are:

- a) To help fulfil the council's legal requirements.
- b) To set clear expectations for RPs operating in the city (including the council).
- c) To ensure that Southend-on-Sea City Council's own properties are managed and maintained in a way that meets legislation and regulation.
- d) To support people to live independently in their own homes and avoid homelessness.
- e) To encourage good quality housing management and maintenance and help embed social housing reforms.
- f) To complement our Corporate Plan 2023-2027.

### **3. National Context**

In addition to the requirement that local authorities produce a tenancy strategy, a raft of fundamental reforms of social housing tenure were included in the Localism Act 2011. The most significant of these were:

- Local Authorities and RPs being able to offer tenancies for fixed terms with a minimum of 5 years, or in exceptional circumstances 2 years instead of the traditionally longer 'lifetime' secure tenancies.
- Local Authorities given more flexibility to set their own allocations policies to meet local needs and circumstances.
- Local Authorities being able place homeless households in suitable private rented sector housing.
- Affordable rents of up to 80% of market rent can be applied to new housing developments and in some cases existing housing stock can be converted when vacant from social rent to affordable rent levels.

In 2016, the Housing and Planning Act set out legislation to end the granting of secure tenancies to all, but a few 'nationally' agreed exceptions. However, in the Social Housing Green Paper 2018 the Government stated it would not implement compulsory fixed-term tenancies – there have been no suggestions since this time that the government has any plans to end the use of lifetime tenancies.

The Homelessness Reduction Act 2017 created a greater focus on homeless prevention for all households, including those not in 'priority need'.

The tragedy at Grenfell Tower in June 2017 raised critical questions for everyone involved in social housing, including residents, landlords, developers, and local and national government. In light of this, the Social Housing White Paper was published in 2020, and set out a Charter for Social Housing Residents, and affirms the Government's continued



commitment to give social housing tenants a greater voice, the right to safe and secure accommodation and of the importance of good quality homes and neighbourhoods to live in.

The Social Housing Regulation Act 2023 introduces measures to give tenants greater powers, improve access to redress and strengthen the Regulator of Social Housing's powers. RPs operating in Southend are expected to conform to the Act.

Nationally these changes have been the catalyst for some large RPSH and Councils to evaluate the benefits of fixed term tenancies and the potential they have to undermine their work to create sustainable communities. As a result, many have expressed their intention to stop offering this type of tenancy. Fixed term lettings made up just 3% of new LA lets in 2021/22, and 14% for Private Registered Providers (PRPs).

It is the opinion of housing and homelessness charities that local authorities should continue to grant and support 'lifetime' tenancies in most circumstances.<sup>2</sup>

## 4. Local Context

Southend on Sea is located on the north side of the Thames Estuary approximately 40 miles east of London. In addition to being a residential and business hub in its own right, Southend is an integral economic component of the Thames Gateway regeneration area, and has strong economic links with London, which is within easy commuting distance.

According to the 2021 Census<sup>3</sup>, Southend has a population of 180,700, this is an increase of 4.1% from around 173,700 in 2011. As of 2021, Southend-on-Sea is the third most densely populated of the East of England's 45 local authority areas. The population of Southend-on-Sea is also ageing, with 19.1% of people aged 65 and over, up from 17.8% a decade earlier. The population of younger age groups in Southend-on-Sea is also growing. Those aged under 15 grew 4.2 per cent in the ten years between 2011 to 2021. Over a third of households (33%) are single person against 29% in the East of England.

Housing data for Southend-on-Sea revealed that the majority of houses are owned outright (31.6%), with a further 30.4% owned with a mortgage, loan, or shared ownership. 11.5% are socially rented and 26.4% are privately rented, the private rented sector in Southend has grown since 2011 from 22%. Southend also has a higher proportion in the private rented sector than both England and the East of England. Meanwhile, local LHA rates do not cover the cost of the lowest 30<sup>th</sup> percentile of properties in our city.

The latest South Essex Housing Needs Assessment<sup>4</sup> suggests that a net need for 507 affordable homes in Southend could arise every year, when considering annual gross need over the next 19 years as well as the estimated supply of affordable housing per annum.

---

<sup>2</sup> Shelter - [Local decisions on tenure reform full.pdf \(ctfassets.net\)](#)

<sup>3</sup> Census, 2021

<sup>4</sup> [South-Essex-Housing-Needs-Assessment-June-2022-2.pdf \(housingsex.org\)](#)

Directly linked to the lack of affordable housing, homelessness is a key issue in our city; with 624 households owed a homeless Prevention, Relief or Main duty as at September 2023 and 269 households in emergency/temporary accommodation. Levels of homelessness are therefore a direct consideration in the council's approach towards tenancies.

## 4.1 Stock/allocations overview

The tenancy strategy is produced by Southend-on-Sea City Council in its capacity of Strategic Housing Authority, but the Council is also a stock owning authority and as at 31 March 2023 owned 6,028 units of accommodation<sup>5</sup>. In addition to the Council's own stock there are 36 private PRPs operating in Southend-on-Sea with 4,225 units of stock (homes).

Those deemed by the council to be in greatest need of these properties/tenancies qualify for inclusion on our Home-seekers' Register and are prioritised in accordance with our [Allocations Policy](#). The Council aims to ensure that those who qualify for entry onto the Home-seekers' Register can exercise choice in deciding where they wish to live and in the type of property they would prefer. The Council therefore operates a Choice Based Lettings (CBL) scheme whereby vacant social housing is advertised, and those who qualify are given the opportunity to 'bid' for (express an interest in) the properties they would like to be considered for. Following this process, nominations of those in greatest need of rehousing are then made to the Registered Provider.

In accordance with the Regulator for Social Housing's Tenancy Standard, Registered Providers are expected to support the council to meet identified local housing needs, including assistance with the council's homeless duties and through meeting obligations in nominations agreements. Southend-on-Sea City council will be reviewing nominations agreements with local RPs following the development of this strategy.

Most allocations of social housing fall within Part 6 of the 1996 Housing Act and should therefore be dealt with in accordance with the council's allocations scheme, but there are exceptions as detailed in S7.13 of our Allocations Policy. These exceptions include mutual exchanges, temporary decants, transfers from introductory to secure tenancies in the same property, successions and assignments to the same property and where specific court orders are made. Such allocations will be managed by the applicable registered provider, as detailed in their tenancy management policies. SCC arrangements for managing its own social housing stock is through its ALMO South Essex Homes.

## 5. Tenancy Types

It is essential that when granting tenancies, all tenants are informed of the type of tenancy they are being offered at the point of sign up. This should also be clearly presented in the tenancy agreement along with any rights specific to the type of tenancy.

---

<sup>5</sup> [Registered provider social housing stock and rents in England 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/registered-provider-social-housing-stock-and-rents-in-england-2022-to-2023)

There are a range of tenancy types available providing varying degrees of security for tenants whilst ensuring effective use of the social housing stock to meet local housing need.

**The main forms of tenancy agreements offered by Local Authority Registered Providers are:**

- a) **Introductory Tenancies:** offered to most new tenants; after twelve months tenants either become Secure or Flexible (fixed term) tenants (unless eviction action is being undertaken or the introductory tenancy has been extended by a up to a further six months). These are and will continue to be used by Southend Council.
- b) **Secure Lifetime Tenancies:** these agreements allow a tenant to live in a home for the rest of their life, providing they do not break the tenancy conditions. Such tenants have a number of Rights, such as the Right to Buy. These tenancies are and will continue to be used by Southend Council.
- c) **Secure Flexible (Fixed-Term) Tenancies:** introduced by the Localism Act 2011 for a fixed period, usually for at least five years, but for a statutory minimum of two years. At the end of the initial term the council must, in accordance with procedures set out in legislation, review the tenant's circumstances, and decide whether to offer another tenancy. As a secure tenant, a household with a flexible tenancy has a number of rights, such as the Right to Buy and can only have their tenancy ended in specific circumstances. These are not currently used by Southend council and for the reasons set out in this document it is not proposed that we adopt these.
- d) **Non-secure tenancies:** granted as part of any function under Part 7 of the Housing Act 1996 e.g., under prevention or relief, discharge of interim duty etc.

**Private Registered Providers offer a wider range of tenancy and occupancy agreements, the main ones are:**

- g) **Starter Tenancies:** Similar to introductory tenancies, these may be offered to new tenants, after twelve months tenants either become Assured or Fixed Term tenants (unless eviction action is being undertaken or the starter tenancy has been extended by up to a further six months).
- h) **Assured Periodic Tenancies:** allow a tenant to live in the home for the rest of their life, providing they do not break the conditions of the tenancy.
- i) **Fixed-Term Assured shorthold Tenancies:** The equivalent of a council's secure flexible tenancy, these are for a fixed period, usually for at least five years, but for a minimum of two years.

**Other types of tenancies:**

- j) **License agreements:** a licence agreement is a legal contract which is used for temporary and certain types of specialist and/or supported accommodation or shared housing, where there is no exclusive possession to any part of the dwelling. It is a permission to occupy the property. Licences can be ended at short notice and do not offer the same protections as other types of tenancies as they are not intended for permanent homes. Southend Council support the use of licence agreements in aiding the delivery of the council's homelessness duties and need to

provide emergency/temporary/interim accommodation, though we recognise that more settled forms of tenure are the goal for those who find themselves experiencing homelessness.

- k) **Demoted tenancies:** if a tenant has been involved in antisocial behaviour and they are a secure tenant, RPs can demote the tenancy for 12 months. This is achieved by obtaining a court order. A demoted tenancy reduces a tenant's rights and facilitates the eviction process if required. At the end of the 12-month period, if the tenant has complied with the court order their tenancy will automatically revert back to a secure or fixed term tenancy
- l) **Assured shorthold tenancies:** an assured shorthold tenancy (AST) usually lasts for 6-12 months and is the most common type of tenancy in the PRS for tenancies started on or after 15 January 1989. Local authorities cannot use ASTs directly. However, in limited cases, ASTs may be utilised by the council's ALMO South Essex Homes under a lease agreement. Where a property is not able to be used as a secure tenancy, the property can be brought back into short to medium term use under an AST agreement.
- m) **Family Intervention Tenancies (FITs):** these can be offered by local authorities and registered social landlords in circumstances of antisocial behaviour. FITs can only be used for the purpose of providing behaviour support services that have been outlined in a written behaviour support agreement. FITs do not provide any rights to succession nor offer tenants any long-term security. They can be terminated by the landlord following the correct procedure. Where a social landlord wishes to use FIT we would expect the details of this to be set out in their tenancy management policies.

## 6. Guidance for RPSH – Lifetime Tenancies

**Southend-on-Sea City Council will not adopt flexible tenancies and supports the use of introductory/starter tenancies followed by lifetime tenancies.**

In order to promote best use of housing stock, meet the needs of vulnerable people, ensure social mobility, and meet legal obligations, where fixed term/flexible tenancies are used by an R.P, Southend-on-Sea City Council consider that it is sensible to automatically award secure lifetime/periodic assured tenancies in the following circumstances:

- a) Where a household is transferring from an existing RP assured or Local Authority secure tenancy which was granted prior to 1<sup>st</sup> April 2012 - this includes mutual exchanges, transfers, or moves as a result of major works or regeneration.
- b) Where a secure/assured tenant had been moved into alternative accommodation during any redevelopment or other work i.e., they are being required to move, not seeking to do so.
- c) Where a secure/assured tenant or member of the person's household is or has been the victim of domestic abuse carried out by another person and the registered provider of social housing grants a new tenancy for reasons connected with that abuse.

- d) Where the tenant is someone over the prevailing state retirement age or where the tenant is residing in older persons accommodation, such as sheltered or “extra care” housing.
- e) There may also be other groups of people including those with enduring or lifetime health conditions who should be considered for lifetime tenancies.

Lifetime tenancies are the **preferred tenancy type for most tenants** and for delivering successful, sustainable communities.

## 7. Guidance for RPSH – Flexible Tenancies

The development of this strategy has considered the changing national attitude to flexible fixed term tenancies, as well as the experiences and views of RPs and tenants in Southend.

Although intended to support social housing landlords to make better use of their stock, flexible tenancies have not been widely adopted, and in 2021/22 flexible tenancies made up just 3% of new LA lets<sup>6</sup>. Many large RP’s and Councils have evaluated the benefits of fixed term tenancies and as a result, have expressed their intention to stop offering this type of tenancy due to the following issues/concerns:

- They are resource intensive to administer
- The risk of legal challenge to decisions to end a flexible/fixed term tenancy
- Not providing the expected flexibility of use of stock
- Tenant concerns over security and sense of belonging
- The sustainability of the community

Research shows that introducing fixed term tenancies can have high administrative costs, whilst also not providing the expected flexibility of use of stock. In addition, the growing financial pressures facing social housing tenants, including the cost-of-living crisis, has increased demand for tenancy sustainment and associated resourcing needs from social landlords. Meanwhile, social housing reform is requiring social landlords to do more to ensure that their tenants live safe and well in their homes.

**Therefore, in considering whether to use/continue to use fixed term/flexible tenancies, we would encourage RP partners to consider if the administrative costs to operate them would hinder the resources available to prevent homelessness, keep the property in a good state of repair and/or ensure they can conform to the requirements of the Social Housing (Regulation) Act 2023 and new Consumer Standards.** Given levels of homelessness in our city, and emerging lessons that have led to social housing reform, we expect tenancy sustainment and tenant wellbeing to be a key priority for local social landlords.

---

<sup>6</sup> [Social housing lettings in England, tenancies: April 2021 to March 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/social-housing-lettings-in-england-tenancies-april-2021-to-march-2022)

If flexible/fixed term tenancies are utilised, the Council would want the following actions taken and factors considered:

- Registered Providers should conform to the requirements set out in the latest Regulatory Standards (specifically Tenancy Standard) when developing their Tenancy Policies and approach to Fixed term tenancies.
- Registered Providers should consider the purpose of the accommodation, the needs of individual households, the sustainability of the community, and the efficient use of housing stock when developing the terms of any fixed term tenancies.
- Flexible tenancies should not be used for domestic abuse survivors who have a lifetime tenancy/have had a lifetime tenancy and have fled the social home to escape domestic abuse – they should retain their lifetime security of tenure.
- Generally Flexible tenancies should begin with a 1 year introductory tenancy.
- If the tenant keeps to the terms of the tenancy, including rent payments and is still entitled to the tenancy at the end of the year then a new tenancy will be issued. This will usually be a fixed term tenancy unless the tenant is eligible for a lifetime tenancy.
- Although tenancies shorter than 5 years would generally not be considered appropriate it is considered that 2–5 year tenancies could be granted in exceptional circumstances (see section 8).
- All reasonable steps should be taken to prevent homelessness and where appropriate those at risk of homelessness within the next 56 days should be referred to the Council's Housing Solutions Team.

Landlords who issue fixed term tenancies must have a policy supported by an Equality Analysis, stating clearly under what circumstances they will be granted.

## **7.1 Exceptional circumstances for tenancies of under 5 years**

If utilising flexible tenancies, tenancy policies should cover any exceptional circumstances in which RPs will grant fixed term tenancies for a term of less than five years in general needs housing, following any probationary period.

## **8. Flexible Tenancy Review and Renewal**

If fixed term tenancies are utilised, when carrying out tenancy reviews, RPs should proceed on the basis of a presumption that a new fixed-term tenancy for a term at least equivalent to the current or previous fixed term should be granted to the tenant.

RPs should review tenancies 6-9 months before the end of the term of tenancy. RPs should seek to renew the tenancy unless there are specific grounds not to do so, these grounds must be clearly set out and published in a RP's policies and must include details of how to appeal against decisions.

The tenancy review shall assess the extent to which a household's circumstances have changed, whether the current property remains suitable and if it makes best use of local

housing stock. Where a fixed term tenancy is not renewed the RP must ensure that appropriate housing advice is provided at least 6 months before the end of the fixed term tenancy.

## 9. Rights of Secure Tenants

The statutory rights of secure tenants apply equally to tenants with flexible tenancies. Tenants with flexible tenancies have the same protection from eviction as tenants with a secure or assured tenancy. Landlords are still required to rely on one of the grounds for possession and also prove they acted reasonably when deciding to seek possession and therefore flexible tenancies are not an appropriate tool for dealing with, for example, anti-social behaviour or rent arrears.

The Localism Act 2011 states that tenants with flexible tenancies have the following rights:

- Right to exchange with limited exceptions (if a lifetime tenant mutually exchanges with a flexible tenant, they may not be given another lifetime tenancy)
- Right to buy / acquire
- Right to take in lodgers and to sub-let part of the property (with landlord's permission).
- Right to have repairs carried out – although a flexible tenant does not have any right to carry out improvements or to receive compensation for improvements made.
- Right to consultation and information.
- Right to one succession to spouse or partner of the deceased tenant. However, RPs can choose to grant additional (discretionary) succession rights to additional groups in tenancy agreements.

### 9.1 Succession

Succession rights are set out in the Housing Act 1985, Housing Act 1988, and Localism Act 2011, according to the type of tenancy and start date for that tenancy:

- Tenancy began before 1 April 2012** - the deceased tenant's spouse or civil partner can succeed if they were occupying the property as their only or principal home. A cohabitee or a member of the family (parents, grandparents, children (including adopted), grandchildren, brothers and sisters, uncles and aunts, nieces and nephews, step and half relations) can succeed if they:
  - Were occupying the property as their only or principal home
  - Had been residing with the tenant for at least 12 months prior to the death of the tenant
- Tenancy began on or after 1 April 2012** - only the deceased tenant's spouse, civil partner or cohabitee is entitled to succeed. Other family members cannot succeed unless there is a term in the tenancy agreement that expressly allows for this to happen.

If RPs operating in Southend-on-Sea choose to grant additional (discretionary) succession rights, we expect RPs to clearly state their position on granting them within their Tenancy Policies.

## 9.2 Right to assign

Assignment is the transfer of an interest in a property (for example, a tenancy) to another person. The general rule is that secure tenancies cannot be assigned except in three situations:

- assignment by way of exchange
- assignment following court orders in some relationship breakdown cases
- assignment to a member of the tenant's family who would be a successor

Assigning the tenancy counts as a 'succession' and only one succession is allowed unless specified in the tenancy agreement.

## 10. Domestic Abuse

As mentioned in section 3, the Domestic Abuse Act 2021<sup>7</sup> requires local authorities and private registered providers of social housing to ensure that survivors of domestic abuse who have a lifetime tenancy, or who have had a lifetime tenancy and have fled the social home to escape domestic abuse, retain their lifetime security of tenure if the landlord grants them a new tenancy for reasons connected with the abuse. This is the case even if the RP normally operates a flexible tenancy policy.

Domestic abuse survivors in these circumstances do not have to be offered an introductory tenancy first. This is in line with the exceptions laid out in the Housing Act 1996 which states that a local authority or housing action trust must apply their introductory tenancy scheme to all new tenancies of its stock unless the tenant was a secure/assured tenant of a private registered provider of social housing immediately before..

Southend council wish for ourselves and our partners to go further; if a survivor of domestic abuse has had to flee to temporary accommodation or a refuge, and is subsequently offered another social housing tenancy, they should still be able to retain their security of tenure in the new permanent home and not be expected to take a fixed term/flexible tenancy even if this is the normal tenancy type used by the RP.

## 11. Downsizing

The Tenancy Standard states that "RPs must develop and deliver services to address under-occupation and overcrowding in their homes". The Council needs accommodation of all sizes, but family sized accommodation in particular, and expects all RPs in Southend support tenants who wish to move to a smaller property. Financial incentives are offered to council tenants seeking to downsize.

---

<sup>7</sup> [Domestic Abuse Act 2021 \(legislation.gov.uk\)](https://legislation.gov.uk)



In addition, the Council operates an incentive scheme where under occupying social tenants who wish to downsize and have applied to the council's Housing Register will be given band A priority for social housing, and priority for New build properties. Where social landlords operating in Southend agree to re-let the freed up family- size home through CBL, this incentive will apply to their Southend tenants too.

## 12. Supported Housing

As part of the new Supported Housing (Regulatory Oversight) Act 2023<sup>8</sup>, the council will be undertaking a review of supported exempt accommodation in the area and will then publish a separate supported housing strategy.

## 13. Regeneration

Where Southend-on-Sea City Council undertake regeneration, we will work with partners to ensure tenants retain, as far as is possible within tenancy law, equivalent tenancy rights.

In situations where RPs enter into regeneration schemes, we likewise would also expect RPs to ensure that existing tenants are not given lesser tenancy rights.

## 14. Tenancy Sustainment

The revised/emerging Tenancy Standard requires that “Registered Providers must provide services that support tenants to maintain their tenancy or licence” and “provide those required to move with timely advice and assistance about housing options before the tenancy or licence ends” and the council fully supports this requirement.

### 14.1 Affordable Rent

RPs set rents in accordance with the national Regulatory Framework for Social Housing as per the National Rent Standard Formula<sup>9</sup>, which gives registered providers some discretion over the rents that can be set. The Localism Act 2011 enabled local authorities to charge affordable rents of up to 80% of market rent for new housing developments (in some cases existing housing stock can be converted from social rent).

In setting rent levels, a crucial balance must be struck between ensuring that housing let by RPs is affordable to those in housing need, namely those on low incomes and/or in receipt of benefits, maximising income to enable the development of new affordable housing and ensuring good quality management and maintenance of existing stock.

In the interests of avoiding rent arrears, homelessness and/or financial hardship, it is the Council's position that **affordable rent (including service charges) in Southend-on-Sea should not exceed LHA rates**. However, where a RP provides affordable homes in excess

---

<sup>8</sup> [Supported Housing \(Regulatory Oversight\) Act 2023 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2023/12/section/1)

<sup>9</sup> [2020 Rent Standard \(from April 2020\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/rent-standard-2020)

of the units required by the Section 106 agreement, the Council will be open to discussion with regards to the rent on the additional units.

The LHA 'rate' is the maximum amount of housing benefit that a private renter can claim to help pay their rent. In the 2023 Autumn Statement, the Chancellor agreed to restore LHA to the 30th percentile of local rents in April 2024. This will be the first increase to the LHA in four years, however thousands more households will run up against the benefit cap, which will not be updated next year.

## **14.2 Additional Tenancy Sustainment and Prevention Measures**

The Council is committed to helping tenants sustain their tenancies and consider eviction as a last resort. We expect all social landlords operating in Southend to:

- support tenants to maintain their tenancy and prevent unnecessary evictions. Particularly those who may be vulnerable due to domestic abuse, age, care experience, mental/physical health, learning disability or other protected characteristic and showing difficulty maintaining their tenancy and;
- explore homeless prevention initiatives, liaising with the council's Housing Solutions team and other local services, to ensure that clients do not become homeless.

Southend-on-Sea City Council's ALMO, South Essex Homes (SEH) have a number of Support Services Officers who provide assistance and advice to residents to help them remain safely in their homes. This can be through money and benefits advice, accessing grants to assist with cost of living, digital inclusion programmes, signposting to other statutory and voluntary services.

Careline and Sheltered Services assist residents to remain in their homes where possible and appropriate for that individual tenant. SEH also work in partnership with organisations from the charity sector e.g., Achieve. Thrive. Flourish (ATF) to provide wider opportunities for improving residents' skills and training, volunteering, and employment opportunities to improve economic situation for families in poverty or 'just about managing'.

The aim, whether delivered by the council or one of its RP partners, is to provide the right aid at the right time, and at times this may be bespoke to a household.

## **14.3 Referrals to SCC's Housing Solutions Team**

Should a tenancy ultimately fail, even with the provision of sustainment, then early referral to the Council for housing options advice is essential. RPs do not have a statutory 'Duty to Refer'. However, in the interests of homelessness prevention, SCC ask all RPs operating in Southend to alert our Housing Solutions Team of any tenants who are at risk of homelessness within the next 56 days via the 'Alert' tool available at:

<https://live.housingjigsaw.co.uk/alert/duty-to-refer>

If possible, fully complete the referral. As a minimum, we'll need contact details of the household being referred along with their signed consent and the reason for the referral. Please note:

1. You must have consent from the client to make a referral.
2. You must allow the client to identify the council they would like the notification to be sent to
3. You must have consent from the client that their contact details can be shared

## 15. Damp, mould, and condensation

Awaab's law is an amendment to the Social Housing (Regulation) Act and will require landlords to fix reported health hazards within specified timeframes. The move comes in the wake of the tragic death of two-year-old Awaab Ishak, caused by unaddressed damp and mould in his home. All social landlords operating in Southend must ensure their tenant's homes are safe to live in, and this includes:

- a) Effective communication, identification and referral processes for damp and mould
- b) responding promptly to reports of damp and mould
- c) Seeking to swiftly diagnose and address the root cause of the issue
- d) Acknowledging that all tenants should be able to carry out everyday activities such as bathing, cooking, and washing their clothes without stigma or blame.

**Best practice example:** The Housing Ombudsman requires that damp and mould should not be primarily/initially treated as a lifestyle issue and has begun to highlight cases of good practice as part of a bid to drive a positive complaints learning culture.

Aspire Housing were highlighted for their good practice with regards to a damp and mould case. The Ombudsman reported that Aspire Housing, took a "methodical approach", by first arranging for a surveyor to inspect the home and windows, and subsequently carrying out relevant repairs highlighted that by inspection report. Aspire then did a mould wash and ended the process by advising how the resident could reduce levels of condensation. "This shows how landlords can fulfil repairs obligations and offer advice to residents respectfully without blame," the ombudsman concluded.

Southend-on-Sea city council are reviewing our own approach to damp, mould and condensation and developing a strategy, which will be published on our website. In addition, our ALMO, South Essex Homes, have created a new Damp, Mould, and Condensation Policy, which is compliant with the new legislative and regulatory requirements.

We expect all RPs operating in the city to also be reviewing and ensuring that their practices are compliant with legislative and regulatory requirements, including the emerging new Consumer Standards that the Regulator for Social Housing is currently consulting on, in particular the proposed new 'Safety and Quality' standard.

New damp and mould guidance<sup>10</sup> was also published in September 2023, produced jointly by the Office for Health Improvement and Disparities, the Department for Levelling Up, Housing and Communities (DLUHC) and the UK Health Security Agency. SCC ask

---

<sup>10</sup> [Understanding and addressing the health risks of damp and mould in the home - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/understanding-and-addressing-the-health-risks-of-damp-and-mould-in-the-home)

Registered Providers to refer to this guidance, or any replacements, in the development of their approach to damp, mould and condensation.

## 16. Anti-Social behaviour

We expect all RPs operating in Southend to be committed to preventing and tackling anti-social behaviour in its housing neighbourhoods and recognise the detrimental impact such behaviour can have on the community. If not properly addressed, anti-social behaviour can significantly impact on the quality of life for those affected.

Prevention is an important element of tackling anti-social behaviour in neighbourhoods. On behalf of the council, [South Essex Homes](#) officers will exercise their judgment in order to establish an appropriate response to the report of anti-social behaviour including what has happened, the harm caused or risk of harm, the frequency of incidents, the evidence available and any known vulnerabilities of the people involved. We will work closely with our internal and external partners to prevent anti-social behaviour from occurring. Our range of partnership based preventative work is aimed at reducing anti-social behaviour and its impact for residents, South Essex Homes and partner agencies.

Furthermore, Southend Community Safety Partnership (CSP) is a multi-agency strategic board, bringing together organisations and groups that share responsibility of tackling crime and disorder, anti-social behaviour plus drug and alcohol related offending. Southend CSP works together to ensure that the services they provide, and commission respond to the aim of 'Making Southend Safer'.

The Community Operational Group (COG) was created by the CSP to support a partnership platform, to promote shared learning and problem solve anti-social behaviour issues across the City. **Social housing providers are encouraged to have representation at this group and/or make referrals to the group by contacting [southendCSU@southend.gov.uk](mailto:southendCSU@southend.gov.uk)**. You can also stay up to date with the latest community safety news by signing up to the CSP newsletter by going to [southendcsp.org.uk](http://southendcsp.org.uk).

Both landlord and tenant have obligations. Where appropriate, the use of relevant legal interventions including, but not restricted to, the Mandatory Ground for Possession, (which means the Court is asked to give possession of the tenants' home back to the Council) and Without Notice Injunctions will be considered.

## 17. Complaints

As set out in the introduction to this strategy, it is a regulatory requirement that registered providers of social housing must publish clear and accessible tenancy policies. Policies must set out the way in which a tenant or prospective tenant may appeal against or complain about:

- a) the type of tenancy offered;
- b) the length of tenancy offered; or
- c) a decision not to offer another tenancy at the end of an existing tenancy of any type.

A major focus of the reforms to social housing regulation has been on improving the quality of the landlord tenant relationship. The revised/emerging Transparency, Influence and Accountability Standard will support this shift in culture and will require landlords to be open with tenants and treat them with fairness and respect so that tenants can access services, raise complaints when necessary, influence decision making and hold their landlord to account. Registered providers must:

- a) Ensure their approach to handling complaints is simple and accessible.
- b) Publicise their complaints process and what tenants can do if they are dissatisfied with the outcome of a complaint or how a complaint was handled.
- c) Provide tenants with information about the type of complaints received and how they have learnt from complaints to continuously improve services.

## 18. Communication Plan

This tenancy strategy will be published as content on the council website and will also be shared with other RPs with housing in the city. RPs operating in Southend, tenants, and potential future tenants (Home-seekers' Register Applicants) were also consulted with during the development of this strategy.

We ask that all RP Tenancy Management Policies are published on the applicable provider's websites.

## 19. Equality and Diversity

This strategy supports the Council's commitment to championing equality and ensuring procedures are in place, so all residents are treated fairly and without unlawful discrimination in line with the Equality Act 2010.

An Equality Analysis has been conducted to help ensure the council's strategy does not have unintended consequences/disproportionately negative impacts for those with protected characteristics or care experience.

## 20. Evaluation and Review

This strategy will be reviewed in 5 years' time, or earlier if there is a legal or business need to do so.

## 21. Glossary of Terms

**Affordable housing:** Includes social rented housing, affordable rented housing, and low-cost home ownership such as shared ownership.

**Affordable Rent:** Rents offered by RPs of social housing at up to 80% of the rent that would be charged if the property were let in the open market.

**Fixed Term Tenancy:** A flexible tenancy with a fixed start and finish date, usually for 5 years. At the end of the fixed term the tenancy may end or it may be renewed, depending on the criteria for renewal specified in the RP's Tenancy Policy.

**Homes England:** The national housing and regeneration agency for England, responsible for allocating funding for new affordable housing.

**Homelessness duty:** A local authority owes the "main homelessness duty" when the authority is satisfied that a homeless household is eligible for assistance, unintentionally homeless and falls within a specified priority need group. Where this duty is owed, the authority must ensure that suitable accommodation is available to the household.

**Local Housing Allowance:** The current published maximum level of housing benefit payable for particular types of property, based on bedroom size and location.

**Management move:** Where a tenant, who does not fall within a statutory reasonable preference group is offered a transfer by their landlord for housing management purposes, for example temporary decants to allow repairs to be carried out.

**Market rent:** The rental income level that a property would most probably command on the open market if rented privately.

**Registered Providers of Social Housing (RPs):** Registered providers include local authority landlords and private registered providers (such as not-for-profit housing associations and for-profit organisations).

**Regulator of Social Housing:** The central Regulator for all Social Housing Providers, including Housing Associations and Local Authorities.

**Social rent:** Rent levels for Social Housing for which guideline target rents are determined through a National Rent Regime aimed at helping ensure that all Social Rent levels are brought into line and are comparable. Social Rents are usually significantly lower than market rent levels.

**Supported accommodation:** provides residents with care, supervision or support. It is usually managed by a local authority, housing association, charity, or voluntary organisation. It also includes refuges and local authority hostels. Some supported accommodation is known as 'exempt' because it is exempt from the usual caps on housing benefit levels, meaning residents can receive a higher amount of housing benefit than usual.

**Tenancy policy:** An RP's policy that defines how the provider will make decisions about the types of tenancy they will provide to tenants.

## 22. Appendix 1: list of PRPs operating in Southend-on-Sea

Registered Providers of Social Housing with stock in Southend on Sea	Contact details
Anchor Hanover Group	0800 731 2020
CWL Housing	01702510523
CHP Limited	<a href="mailto:enquiries@chp.org.uk">enquiries@chp.org.uk</a>
Chrysalis Supported Association Limited	<a href="mailto:info@chrysalishousing.co.uk">info@chrysalishousing.co.uk</a>
Empower Housing Association Limited	<a href="mailto:admin@empowerhousing.org.uk">admin@empowerhousing.org.uk</a>
Encircle Housing	<a href="mailto:contactus@encircleha.co.uk">contactus@encircleha.co.uk</a>
Estuary Housing Association Limited	<a href="mailto:info@estuary.co.uk">info@estuary.co.uk</a>
Golden Lane Housing Limited	<a href="mailto:enquiries@glh.org.uk">enquiries@glh.org.uk</a>
Habinteg Housing Association Limited	<a href="mailto:direct@habinteg.org.uk">direct@habinteg.org.uk</a>
Hastoe Housing Association Limited	0300 123 2250
Heylo Housing Registered Provider Limited	<a href="mailto:Portfolio@heylohousing.com">Portfolio@heylohousing.com</a>
Home Group Limited	<a href="mailto:Contactus@homegroup.org.uk">Contactus@homegroup.org.uk</a>
Homeless Action Resource Project	<a href="https://www.harpsouthend.org.uk/message-central-office">https://www.harpsouthend.org.uk/message-central-office</a>
Inclusion Housing Community Interest Company	<a href="mailto:hello@inclusionhousing.org.uk">hello@inclusionhousing.org.uk</a>
Legal & General Affordable Homes Limited	<a href="mailto:cala.group@cala.co.uk">cala.group@cala.co.uk</a>
Local Space	<a href="mailto:info@localspace.co.uk">info@localspace.co.uk</a>
Metropolitan Housing Trust Limited	<a href="mailto:CorporateAffairs@mtvh.co.uk">CorporateAffairs@mtvh.co.uk</a>
Moat Homes Limited	<a href="mailto:customer@moat.co.uk">customer@moat.co.uk</a>
Notting Hill Genesis	<a href="mailto:policy@nhg.org.uk">policy@nhg.org.uk</a> & <a href="mailto:info@nhg.org.uk">info@nhg.org.uk</a>
Orbit Group Limited	<a href="https://www.orbitcustomerhub.org.uk/contact-us/email/">https://www.orbitcustomerhub.org.uk/contact-us/email/</a>
Peabody Trust	0300 1233456
Places for People Homes Limited	<a href="mailto:CSC.General@placesforpeople.co.uk">CSC.General@placesforpeople.co.uk</a>
Sage Housing Limited	020 8168 0500
Salvation Army Housing Association	<a href="mailto:info@saha.org.uk">info@saha.org.uk</a>
Sanctuary Housing Association	<a href="mailto:contactus@sanctuary.co.uk">contactus@sanctuary.co.uk</a>
Shepherds Bush Housing Association Limited	<a href="mailto:communications.team@sbhg.co.uk">communications.team@sbhg.co.uk</a>
Southend-on-Sea Young Men's Christian Association	<a href="mailto:info@southendymca.org.uk">info@southendymca.org.uk</a>
Southern Housing	<a href="mailto:comms@southernhousing.org.uk">comms@southernhousing.org.uk</a> & <a href="mailto:service.centre@southernhousing.org.uk">service.centre@southernhousing.org.uk</a>
The Abbeyfield Southend Society Limited	<a href="mailto:mail@abbeyfieldsouthend.co.uk">mail@abbeyfieldsouthend.co.uk</a>
The Field Lane Foundation	<a href="mailto:info@fieldlane.org.uk">info@fieldlane.org.uk</a>
The Guinness Partnership Limited	0303 123 1890
The Richmond Fellowship	<a href="mailto:southendsupportedhousingservices@richmondfellowship.org.uk">southendsupportedhousingservices@richmondfellowship.org.uk</a>
The Riverside Group Limited	<a href="mailto:info@riverside.org.uk">info@riverside.org.uk</a>

This page is intentionally left blank



## Equality Analysis

To be completed following the initial screening sheet

Carrying out an Equality Analysis (EA) involves assessing the likely (or actual) effects of change on people in respect of protected or additional equality characteristics (full list below). This includes looking for opportunities to promote equality, diversity and inclusion that may have previously been missed or could be better, as well as identifying negative or adverse impacts that can be removed or mitigated where possible.

EAs should be carried out prior to implementing a policy, with a view to identifying its potential impact on equality.

This template aims to guide you through the following 4 stages of your Equality Analysis:

1. **Evidence** - Identification of who is affected by your proposal, demonstrated through data.
2. **Analysis** – Understanding the impact of your work on groups of people with protected characteristics.
3. **Action** – The steps to be taken to promote equality and/or mitigate any negative impact(s)
4. **Outcome** – What difference has your EA made? If the proposal cannot be changed to adequately mitigate negative impact, what justification, if any exists, to support the proposal.

Please complete the sections and boxes in blue. Add more rows or columns if required.

## Equality Analysis Summary

<b>Name of proposal, policy, service function, or restructure requiring an Equality Analysis</b>	Drafting a new Tenancy Strategy for Southend-on-Sea (2024-2029)
<b>Department</b>	Regeneration & Housing
<b>Service Area</b>	Housing Policy and Operations
<b>Date Equality Analysis Begun:</b>	July 2023
<b>At what stage of the proposal is this Equality Analysis being conducted?</b>	Planning Phase <input checked="" type="checkbox"/> Midway Point <input type="checkbox"/> Reflective Analysis <input type="checkbox"/>

### Names and roles of staff carrying out this Equality Analysis:

EAs are most effective when they take a wide range of views into consideration. You may wish to discuss your EA with your wider team and/or members of the [staff forums](#)

<b>Name</b>	<b>Role</b>	<b>Service Area</b>
Faye Creasey	Housing Project and Policy Support Officer	Housing Policy and Operations
Nicola O'Keeffe	Senior Housing Project and Policy Officer	Housing Policy and Operations

# 1. Evidence

## 1.1 Sources of information

It is important that you demonstrate, with evidence (data), that you are aware of the people impacted by your proposal. Please list the sources of information, including data and results from consultation exercises, that will inform this Equality Analysis.

Useful data sources include:

- Internal Staff Forums
- [The Southend Equality Analysis Dashboard](#)
- [SmartSouthend](#)
- [Index of Multiple Deprivation](#) – expected to be updated sometime next year
- [Nomis – Labour Market Profile](#)
- [ONS](#)
- [Public Health Fingertips](#)
- [Poppi - Projecting Older People Population Information System \(poppi.org.uk\)](#)
- [Pansi - Projecting Adult Needs and Service Information System \(pansi.org.uk\)](#)
- [Gov.uk \(general advice and good practice\)](#)
- [Residents' Perception Survey - 2021](#)
- [Internal Staff Forums](#)

Please note that the [Policy Team](#), [Operational Performance and Intelligence](#), and the [Insights Team](#) can direct you to more specific or tailored data sources if needed.

If you are conducting a staffing restructure, you must include an anonymised equalities profile of the affected staff. HR can provide this data to help assess potential equality-related issues. After the restructure is complete, conduct another equalities profile for comparison. The Equality Analysis may need updating based on the restructure's outcomes.

Table 1

Source of information	Reason for using (e.g., likely impact on a particular group).
Tenant profile (by protected characteristics) as of August 2023	
Allocations to both council and housing association properties in the last 12 months (1 <sup>st</sup> August 2022 – 31 <sup>st</sup> July 2023)	
2021 Census data	
Southend-on-Sea Domestic Abuse Act Needs Assessment 2021	

Please Note: Reports, data, and accompanying evidence can be added as appendices.

## 1.2 Gaps in information or data

Are there any information gaps and data?

Yes

No

Maybe

Do the gaps relate to any protected characteristics?

Yes

No

Maybe

Describe any gap(s) and the impact this has on your ability to complete the EA. (Please also indicate in your action plan, section 5, whether you have identified ways to fill these gaps.)

## 2. Analysis: How people with protected characteristics will be impacted by your proposal

### 2.1 Impact assessment

Use the table below to record the expected impact of your proposal on each of the characteristics. To help you understand more about the disadvantaged experienced by the different protected groups, this [checklist](#) provides a source of prompts to consider.

Table 2

	Impact - Please tick				
	Yes			Not Impacted	Impact Unclear
	Positive	Negative	Neutral		
Age (including looked after children)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage and civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Socio-economic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Armed Forces Service Personnel & Veterans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Care Experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## 2.2 Results of your analysis

Public bodies should take a proportionate approach when complying with the Equality Duty. In practice, this means giving greater consideration where a proposal has the potential to have a substantial effect on discrimination or equality of opportunity, and less consideration where the potential effect on equality is slight.

Where relevant, please now describe how the protected group(s) could be impacted and the degree of impact. Completing this table demonstrates that you are aware of the impact of your proposal.

Table 3

	Potential Impact
Age	<p><b>Flexible tenancies</b></p> <p>Data on current (as at August 2023) SCC tenants shows that 34% of main tenants are aged 65 and over, and a further 21% are aged 55-64. The revised tenancy strategy should have a positive impact on this cohort, as it states that the council considers it sensible to automatically award secure lifetime/periodic assured tenancies where the tenant is someone over the prevailing state retirement age or where the tenant is residing in older persons accommodation, such as sheltered or “extra care” housing.</p> <p>Older people are more likely to under-occupy their social home. As of March 2023<sup>1</sup>, 144 tenants in Southend were affected by the bedroom tax, and 31% (45) were aged 60+. This data does not include those of state pension age as they are excluded from the bedroom tax, so the true figure of under occupation is likely to be higher. Therefore, the fact that the council have not and will not adopt flexible tenancies and will encourage RPs to focus resources on tenancy sustainment rather than issuing FTTs is a <b>positive</b> decision for this cohort. As in the long run, they would be disproportionately affected by flexible tenancies due to being more likely to under occupy their home. The Council also already operates a scheme where under occupying tenants who apply, are placed in Band A of the Housing Register, and can receive a financial incentive if they successfully bid for a smaller property thereby freeing up larger homes for those in need.</p> <p>Research has shown that people with dementia who receive care in their own home have better cognitive function and mental health outcomes than those who live in nursing homes or other institutional settings. Therefore, continuing to automatically award secure lifetime tenancies to tenants over the prevailing state retirement age is a positive decision.</p> <p><b>Damp, Mould, and Condensation</b></p> <p>Certain groups of people, such as the elderly or people with pre-existing illness, are at a greater risk of ill health associated with cold or damp homes. The new strategy states that the council is reviewing its own approach to damp, mould, and condensation, and developing a strategy. The council also expects all RPs operating in the city to be reviewing and</p>

<sup>1</sup> Data from SCC Benefits team

	<p>ensuring that their practices are compliant with legislative and regulatory requirements.</p> <p><b>Domestic Abuse</b></p> <p>According to national data, older victims are less likely to attempt to separate from their abuser – only 27% in the over 60s, compared to 68% in under 60s<sup>2</sup>. The tenancy strategy states that, in line with the DA Act 2021, survivors of DA that approach/are transferred to Southend, who have a lifetime tenancy/have had a lifetime tenancy and have fled the social home to escape DA, retain their lifetime security of tenure. They will not have to be given an introductory tenancy first – in line with exceptions laid out in the Housing Act 1996. It has also been agreed that if a DA survivor goes into refuge on an interim basis to flee and returns to social housing – they will still be issued a tenancy with no less security of tenure. All of which should help to remove any barriers/disincentives for older victims who have lifetime tenancies to leave an abusive situation.</p>
Disability	<p>There would likely be no impact on this protected group since the proposed changes, in most instances, are positive changes for existing and new tenants.</p> <p><b>Flexible tenancies</b></p> <p>Of those who were allocated either a council or housing association property in the last 12 months (1st August 2022–31st July 2023), 15% were allocated an accessible/adaptable property. If a tenant no longer requires their adaptations, the tenancy can be ended anyway under existing tenancy terms (and they are given top priority to move) - so fixed term tenancies, if implemented, would not have the resultant impact of increasing adapted stock for those with disabilities.</p>
Gender reassignment	<p>There would likely be no impact on this protected group since the proposed changes, in most instances, are positive changes for existing and new tenants.</p>
Marriage and civil partnership	<p>There would likely be no impact on this protected group since the proposed changes, in most instances, are positive changes for existing and new tenants.</p>
Pregnancy and maternity	<p><b>Domestic Abuse</b></p> <p>Domestic abuse often begins or escalates during pregnancy - 1 in 3 pregnant women experience DA<sup>3</sup>. Therefore, the changes we have made with regards to domestic abuse should have a positive impact on this cohort and should help to remove any barriers/disincentives for pregnant women/mothers that are victims and have lifetime tenancies to leave an abusive situation.</p>
Race	<p>According to the 2021 Census<sup>4</sup>, 87.5% of people in Southend-on-Sea identified their ethnic group within the "White" category. This largely correlates to the data we hold on current (as at August 2023) SCC tenants,</p>

<sup>2</sup> [Safe Later Lives - Older people and domestic abuse.pdf \(safelives.org.uk\)](#)

<sup>3</sup> [Domestic Abuse Statistics UK • NCDV](#)

<sup>4</sup> [How life has changed in Southend-on-Sea: Census 2021 \(ons.gov.uk\)](#)

	<p>as approximately 85.6% of main tenants identified their ethnic group within the white category. 2.8% of current SCC tenants identified their ethnic group as either Black Caribbean, African or any other Black/African/Caribbean background – this is reflective of the 2021 census data as 2.9% of people in Southend identified their ethnic group within the Black, Black British, Black Welsh, Caribbean or African category.</p> <p><b>Damp, Mould, and Condensation</b> According to national research conducted in 2020<sup>5</sup>, mixed White and Black Caribbean (13%), Bangladeshi (10%), Black African (9%) and Pakistani (8%) households were more likely to have damp problems than White British households (3%). The new tenancy strategy states that the council is reviewing its own approach to damp, mould, and condensation, and will be developing a strategy, an equality analysis will be conducted as part of this. The council also expects all RPs operating in the city to be reviewing and ensuring that their practices are compliant with legislative and regulatory requirements.</p>
Religion or belief	<p>There would likely be no impact on this protected group since the proposed changes, in most instances, are positive changes for existing and new tenants.</p>
Sex	<p>Of those who were allocated either a council or housing association property in the last 12 months (1<sup>st</sup> August 2022–31<sup>st</sup> July 2023), 59% of main applicants were female.</p> <p><b>Flexible tenancies</b> According to the 2021 Census, 12.1% of households in Southend are lone-parent households. Nationally, 84% of lone-parent families are headed by a lone mother<sup>6</sup>. Therefore, the fact that the council have not and will not adopt flexible tenancies and will encourage RPs to focus resources on tenancy sustainment rather than issuing FTTs is a <b>positive</b> decision for this cohort. As ultimately, women would arguably be more vulnerable to their flexible tenancy not being renewed once children leave home, due to under occupation.</p> <p><b>Domestic Abuse</b> According to data provided by the Essex Police in 2020/21, 73% of domestic abuse victims were female<sup>7</sup>. In 2020/21, Southend moved up from 3rd place to 2nd place on the list of highest DA incidents in Essex (per 1000 of population). The tenancy strategy states that, in line with the DA Act 2021, survivors of DA that approach/are transferred to Southend, who have a lifetime tenancy/have had a lifetime tenancy and have fled the social home to escape DA, retain their lifetime security of tenure. They will not have to be given an introductory tenancy first – in line with exceptions laid out in the Housing Act 1996. The council is also proposing that if a DA survivor goes into a refuge on an interim basis to flee – and return to social housing, they would still be issued a tenancy with no less security of tenure if they go into social housing. All of which should help to remove any barriers/disincentives for victims who have lifetime tenancies to leave an abusive situation.</p>

<sup>5</sup> [Housing with damp problems - GOV.UK Ethnicity facts and figures \(ethnicity-facts-figures.service.gov.uk\)](https://www.ethnicity-facts-figures.service.gov.uk/housing-with-damp-problems)

<sup>6</sup> [Families and households in the UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/families-and-households-in-the-uk)

<sup>7</sup> [PowerPoint Presentation Template \(southend.gov.uk\)](https://www.southend.gov.uk/powerpoint-presentation-template)



Sexual orientation	<p>Of those who were allocated either a council or housing association property in the last 12 months (1st August 2022–31st July 2023), 87% were heterosexual.</p> <p>There would likely be no negative impact on this protected group since the proposed changes, in most instances, are positive changes for existing and new tenants.</p>
Carers	<p>There would likely be no negative impact on this protected group since the proposed changes, in most instances, are positive changes for existing and new tenants.</p>
Socio-economic	<p>According to the 2021 Census, 9,019 (11.5%) residents are living in the social rented sector in Southend<sup>8</sup>. 39% of Southend-on-Sea’s residents live in areas considered to be in the most deprived 30% in the country. There are 9 neighbourhoods (out of 107) in Southend-on-Sea falling into the 10% most deprived in the country<sup>9</sup>.</p> <p><b>Affordable rents</b></p> <p>The new strategy states that in the interests of avoiding rent arrears, homelessness and/or financial hardship, it is the Council’s position that affordable rents in Southend-on-Sea should not exceed LHA rates. The LHA ‘rate’ is the maximum amount of housing benefit that a private renter can claim to help pay their rent and are supposed to be able to access the cheapest third (30<sup>th</sup> percentile) of the private rental market. These proposals should have a positive impact on low income households. The only exception to allowing affordable rents to exceed LHA rates will be where a provider is delivering affordable housing units in excess of S.106 developer requirements – where affordable accommodation is delivered in excess of our requirements, the council will be open to negotiation here.</p> <p><b>Damp, mould, and condensation</b></p> <p>With growing pressure on household finances because of increasing energy costs and wider concerns about the cost of living, there are concerns households are choosing between “heating or eating” over the winter months. If unable to adequately heat your home, low income households are more at risk of damp, mould, and condensation. The new tenancy strategy and its proposals around damp, mould and condensation should have a positive impact on this cohort. As we commit to reviewing our own approach expect all RPs operating in the city to be reviewing and ensuring that their practices are compliant with legislative and regulatory requirements.</p>
Armed Forces Service Personnel & Veterans	<p>There would likely be no impact on this protected group since the proposed changes, in most instances, are positive changes for existing and new tenants.</p>

<sup>8</sup> [Latest Southend-on-Sea census data published – Southend-on-Sea City Council](#)

<sup>9</sup> [Southend 2050 – Annual Report 2021/22 – Southend-on-Sea City Council](#)

Care Experienced	<p>There would likely be no impact on this protected group since the proposed changes, in most instances, are positive changes for existing and new tenants.</p> <p>The fact that the council have not and will not adopt flexible tenancies and will encourage RPs to focus resources on tenancy sustainment rather than issuing FTTs is ultimately a <b>positive</b> decision for this cohort. Lifetime tenancies encourage stability, as secure, safe and stable accommodation is an essential building block for success and achievement in education, training and employment, and has a direct impact on emotional health and wellbeing.</p>
------------------	--

### 3. Action: Can we mitigate negative impact?

#### 3.1 Steps taken to mitigate any impact(s)

As a local authority, we are required by the [Equality Act 2010](#) to comply with the [Public Sector Equality Duty](#). We need to ensure that all our strategies, policies, services and functions, both current and proposed, give proper consideration and due regard to the needs of diverse groups in order to:

- eliminate discrimination
- advance equality of opportunity and access; and
- foster good relations between different groups in the community

Please describe the actions you will take following your assessment, including your assessment of the degree of impact (proportionality consideration), to mitigate any adverse impact, advance equality, and/or to foster good relations, including the timescale for each action and who will be responsible for the action:

Table 4

<b>Planned action and the outcome it will achieve</b>	<b>Owner</b>	<b>When</b>	<b>How will this be monitored (e.g., via team/service plans)</b>

### 4. Outcome: What difference has your Equality Analysis made?

What is the outcome of your Equality Analysis? Has your proposal taken into consideration steps to mitigate any negative impact? If it hasn't, and your proposal will continue to go ahead, you will need to outline a justification.

## 4.1 Outcome

Please choose the most relevant option:

- No change – the assessment is that the policy/practice/service is/will be robust.
- Adjust the policy/ practice proposal – this involves taking steps to remove any barriers, to better advance equality and/or to foster good relations.
- Continue the policy/ practice proposal despite the potential for adverse impact, and which can be mitigated/or justified
- Stop the policy/ practice proposal as adverse effects cannot be mitigated or justified.

## 4.2 Justification

If an EA identifies potential adverse impacts or missed opportunities to promote equality, provide a clear and evidence-based justification for proceeding with the proposed action.


A justification could include:

- **Legitimate Aim:** It serves a justifiable purpose, such as public health and safety, resource fairness, social cohesion, or contributes to a legal obligation.
- **Proportionality:** Demonstrate that the policy or action is a proportionate means of achieving the identified aims.
- **Mitigation Efforts:** Emphasise the Council's efforts to mitigate adverse impacts identified in the EA. This could involve implementing measures, providing alternatives, or offering support services.
- **Ongoing Monitoring:** Highlight any continuous monitoring of the proposal's impact to assess its effectiveness and identify any unintended consequences or adverse impacts. This ongoing assessment will guide future adjustments or interventions.

It is vital to demonstrate that all alternatives have been explored before deciding that the negative impact is justified, and that this is documented below.



Your Head of Service or Director is required to sign-off your analysis and outcome

Signed (lead officer):  Faye Creasey (Housing Project and Policy Support Officer)

Signed (Executive/Director/Head of Service): Olivia Westberg (Head of Housing Policy and Operations)

Once signed, please send a copy of the completed EA to Angela Dress [Angeladress@southend.gov.uk](mailto:Angeladress@southend.gov.uk).

All Equality Analyses are recorded on Pentana and reported to CMT and DMT's on a quarterly basis.

This page is intentionally left blank

<b>Meeting:</b>	Place Scrutiny Committee People Scrutiny Committee Policy & Resources Scrutiny Committee
<b>Date:</b>	12 February 2024 14 February 2024 15 February 2024
<b>Classification:</b>	Part 1
<b>Key Decision:</b>	No
<b>Title of Report:</b>	<b>Outside Bodies Task and Finish Group – Final Report and Recommendations</b>
<b>Executive Director:</b>	Claire Shuter, Executive Director of Strategy and Change
<b>Report Author:</b>	Stephanie Cox, Principal Democratic Services Officer
<b>Executive Councillor:</b>	Councillor James Moyies, Cabinet Member for Public Health, Adult Social Care & Constitutional Affairs

## 1. Executive Summary

To present the final report and recommendations of the Outside Bodies Task and Finish Group.

## 2. Recommendations

**That the report and recommendations arising from the Outside Bodies Task and Finish Group, as detailed in Section 6 of the attached report, be agreed.**

## 3. Background

3.1 The Scrutiny Chairs Forum met on 27 June 2023. The Membership of this forum is constituted from the Chairs and Vice-Chairs of each of the Council's three scrutiny committees.

3.2 At this meeting the membership and representation on Outside Bodies was identified as a potential topic for review, subject to agreement by Scrutiny Committees. The Place, People and Policy and Resources Scrutiny Committees agreed to establish the Outside Bodies Task and Finish Group at the meetings held in July 2023.

## 4. Reasons for Decisions

4.1 The Task and Finish Group reviewed all outside bodies to which Members were appointed to in the 2023/24 municipal year and looked at improving the method for reporting back on Outside Bodies to ensure they are adding value to Southend-on-Sea City Council.

4.2 Specifically the review and recommendations, had the following aims:-

- To identify which appointments continue to be beneficial.
- To identify which appointments may no longer be required, for example if the Outside Body is now defunct and no longer functioning.
- To identify any Outside Bodies which may need a different number of representatives.
- To identify any new bodies which may benefit from Member representation.
- To improve contact and relationships with Outside Bodies and strengthen internal processes, for example how Outside Bodies will be notified when new appointments are made.
- To deepen understanding of the work of each Outside Body and the capacity in which they would like Members appointed, for example a decision-making capacity (member of management committee, board of directors, committee of trustees) or in an 'observer' capacity undertaking a monitoring role.
- To investigate ways by which all appointed Members can provide regular feedback to the Council on the work of their Outside Bodies.

4.3 All 58 Outside Bodies that the Council currently appoints to were surveyed. Following the results of the review it is proposed that:

- 21 Outside Bodies to cease appointments to from 2024/25.
- 47 Outside Bodies proposed to appoint to from the municipal year 2024/25.

4.4 There were a number of recommendations arising from the review which are set out in section 6 of the final report (attached at appendix 1). These have been agreed by the Task and Finish Group Members.

4.5 The Committee is recommended to endorse the recommendations from the Outside Bodies Task and Finish Group, for agreement by Council.

4.6 The report and recommendations arising from the completion of the In-Depth Scrutiny Project will be presented to the Committee by Councillor C Mulroney, as Chair of the Outside Bodies Task and Finish Group.

## **5. Other Options**

Not applicable

## **6. Financial Implications**

As described in the report of the Outside Bodies Task and Finish Group (section 4.1).



## 7. Legal Implications

Statutory Powers – Local Government Act 1972.

## 8. Policy Context

8.1 It is important that Council is represented on Outside Bodies which may have a direct or indirect influence on Council decision making.

## 9. Carbon Impact

It is important to ensure that the most effective use of member time and reduce the need to travel and ensure the capabilities of Outside Bodies to minimise these in both their interests and the environment.

## 10. Equalities

It is important that when representing the Council members have the right expertise and knowledge for the particular role.

## 11. Consultation

All 58 Outside Bodies that the Council current appoints to were surveyed, using a combination of letters, emails and telephone calls. A good level of response was received, however there were some organisations for which little or no information could be obtained.

All Elected Members were consulted during this process, alongside the Corporate Management Team.

## 12. Appendices

**Appendix 1:** Final report of the Outside Bodies Task and Finish Group – Outside Bodies Review 2023

## 13. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
S151 Officer	Joe Chesterton	01/02/24
Monitoring Officer	Kim Sawyer	31/01/24
Executive Director(s)	Claire Shuter	30/01/24
Relevant Cabinet Member(s)	Councillor J Moyies	29/01/24

This page is intentionally left blank

# Outside Bodies' Review 2023

To review all Outside Bodies on which members sit and to look at improving the method for reporting back to Council.

Author: Stephanie Cox, Principal Democratic Services Officer (Statutory Scrutiny Officer)

Version: 1

Date: December 2023

# Table of Contents

Chair’s Foreword ..... 3

Introduction ..... 4

Scope ..... 4-6

Findings ..... 6-9

Other issues..... 10-11

Conclusion ..... 11

Recommendations ..... 12-13

## Chair's Foreword

If, like me, you have in the past been appointed to an Outside Body but have had very little interaction with them, despite approaches, or felt ill prepared for the role, I hope this review will assist in future to ensure we get the best results for the Council and the Outside Body from the appointments we make.

It is important that the Council is not isolated from all the various groups and organisations that make up the life of, not just the City, but the region and indeed the country, where we can play a part.

At the forefront of our minds when working with these organisations should be the enhancement of our knowledge, input and interaction in order to provide benefit to our residents, businesses and visitors. Unless we are observers, we should play as active a part as possible, within the bounds of our Council remit, and make sure that our fellow councillors are kept informed and notified, particularly if something affects their ward.

The regime which is contained in this document and its attachments will go a long way to assist in improving our systems and knowledge and the discipline of being responsive at all times to bodies of which we form part.

This has been a mammoth task and I would like to thank Stephanie Cox for the time and effort she has put in in contacting and chasing people for information, consulting other councils and putting together a package for us to consider. It was no mean feat.

I hope once the final decision is taken the Council can move forward in these partnerships with the right people in place using their knowledge and expertise and furthering the cause of working with others for the benefit of all.



**Councillor Carole Mulroney**  
**Chair of Outside Bodies' Task and Finish Group**

## 1. Introduction

The Outside Bodies' Task and Finish Review was suggested as a potential topic by the Scrutiny Chairs Forum. The membership of this forum is constituted from the Chairs and Vice-Chairs of each of the Council's three scrutiny committees.

It had been recognised by Councillors that, when appointed to some Outside Bodies at Appointments Council, they did not receive any meeting invitations or contact from the Outside Body. There were also no formal reporting mechanisms in place for Councillors sitting on these bodies to report back to other Councillors.

This highlighted the need to conduct a review of current processes, procedures and representation, to improve our communication and engagement with the Outside Bodies and strengthen our partnership working going forward.

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

Outside Body representation serves many purposes, including the following:

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

In July 2023 each of the Council's three Scrutiny Committees agreed the cross-cutting Outside Bodies' Task and Finish Group to be established, in accordance with proportionality allocations.

## 2. Scope

### Purpose of the Review

To review all Outside Bodies on which Councillors sit and to look at improving the method for reporting back to Council.

### Aims

- To identify which appointments continue to be beneficial.
- To identify which appointments may no longer be required, for example if the Outside Body is now defunct and no longer functioning.
- To identify any Outside Bodies which may need a different number of representatives.
- To identify any new bodies which may benefit from Councillor representation.

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

## Methodology

Group Leaders were asked to submit their nominations to the Task and Finish Group, in accordance with proportionality allocations. The Leader of the Council confirmed that the Conservative Group would offer two of their allocated seats to non-aligned Councillors to ensure representation across the Council. As a result, the Members of this Task and Finish Group were:

**Councillor C Mulrone (Chair)**

**Councillor S Aylen**

**Councillor M Borton**

**Councillor T Cowdrey**

**Councillor A Jones**

**Councillor D Richardson**

**Councillor M Terry**

The Task and Finish Group met on two occasions; to agree a way forward and the surveys to be sent to Councillors and Outside Bodies, to look at what other comparable Council's did and to discuss the final recommendations.

The Group agreed the following approach:

### Desktop Research:

To look at other Councils and how they dealt with Outside Bodies and their reporting mechanisms.

### Survey to Outside Bodies:

A questionnaire was agreed by the Group with the aims of:

- updating contact details held on file;
- confirming whether the Outside Body was still in existence;
- confirming the capacity of the role required (trustee, director, committee member and voting status); and
- confirming the time commitment required of the Councillor and meeting patterns (to ensure that appropriate appointments are made in future).

### Survey to Councillors:

A survey was agreed and circulated to all Councillors to seek their views on the Outside Bodies they were representing (or had previously represented).

A Councillor 'drop-in' session was also held by Stephanie Cox (Principal Democratic Services Officer). Councillors were encouraged to contact Democratic Services by whichever method was easiest, whether through phone, email or in person.

### Director Information Gathering:

The Council's Corporate Management Team (CLT) was contacted to help identify whether the current list of Outside Bodies was up-to-date, and importantly, to highlight whether there were any new organisations of which Councillors should have oversight.

During the review process Councillors had highlighted that whilst it was likely some organisations were now defunct, there were also likely to be other organisations that Councillors should be appointed to in order for the Council to have effective oversight.

## 3. Findings

### 3.1 Desktop Research

From the evidence they have received as part of this review, Councillors have noted that the issue of appointments to Outside Bodies is something that many authorities have reviewed over recent years.

Information, reviews and reports were obtained from Coventry City, Cumbria County, Dorset, Eden District, Essex County, East Cambridgeshire District, East Staffordshire Borough, South Hams District and Stroud District Councils.

All of these authorities had undertaken similar reviews and adopted comparable approaches and this information helped to gain an overview of the national picture regarding engagement with, and attendance at, Outside Bodies.

This work highlighted that Southend-on-Sea was not alone in some of the challenges faced by making appointments to Outside Bodies and monitoring the impact of this work.

Councillors felt that there was a need to report back on a regular basis, to enable the Council as a whole to be aware of any important issues discussed and to have transparency over what Elected Members were doing. Reporting forms had been produced by other local authorities and a similar form has been produced for Southend-on-Sea City Council, please see **Appendix 3**.

### 3.2 Responses from Outside Bodies

All 58 Outside Bodies that the Council currently appoints to were surveyed, using a combination of letters, emails and telephone calls.

A good level of response was received, however there were some organisations for which little or no information could be obtained. In these circumstances the nominated Councillors for both the 2022-23 and 2023-2024 years were contacted to ask if they could provide any feedback or knowledge, and then a judgement taken based on what was found.

The survey results were collated and a Red, Amber, Green status applied with those highlighted as:

- Red: being non-operational and appointment no longer required.
- Amber: unsure whether the appointment should continue based on response received or in some cases no responses or feedback could be obtained.



- Green: those organisations that were active, received funding from the Council or positive feedback received from the Outside Body and/or Councillors.

The Task and Finish Group reviewed this feedback in conjunction with the contributions from Councillors and compiled a list of those which the Council should continue to appoint going forward, please see **Appendix 2**.

A list of those which it was felt the Council should not continue to appoint to is set out in **Appendix 1**, along with an explanation as to why.

### 3.3 Feedback from Councillors

The Group consulted with each representative on an Outside Body (both current and historic) by asking them to complete a questionnaire. The evidence received was used to determine if appointments should continue to be made, only appointing representatives to those Bodies where it adds real value to the Council, Body or Community to do so.

Through this process a number of questions have been raised as to the reason for the City Council engagement with some of the Bodies concerned and the value that both the Body and the Council gains from representation.

It was apparent from responses that a significant number of Outside Bodies had not met, some for considerable time (over 2+ years). Further communication with Outside Bodies was undertaken to try to identify if this was a result of communication breakdown (Councillors not being invited to meetings or the Outside Body not aware of changes to appointments) or whether this was because such organisations were now non-operational.

It was regularly reported by Councillors that no contact had been made from a representative from the Outside Body they were appointed to, and in some cases the Councillor themselves had been contacted by a third-party organisation asking for information on a body – as a result of seeing the Councillor's name listed on the Southend City Council website.

It was also evident that there was also a mixed approach when appointments had been made. Some Councillors had been proactive and contacted the Outside Bodies that they had been appointed to introduce themselves (and received no response), whilst other organisations had contacted the Councillors direct to ask for information and in some cases had not received the information that they required.

The review highlighted that in some instances, following appointments at Council, particular organisations needed additional forms to be completed to satisfy the Outside Body's own governance processes (in accordance with their Terms of Reference) and Councillor photographs for their websites supplied.

As a result, the Task and Finish Group concluded that the appointments process needed to be standardised and managed by Democratic Services. A process was agreed at **Appendix 4** which would ensure effective communication going forward.

A common theme from responses was that Councillors felt that appointments to Outside Bodies should be made based on the best 'fit' for the role, with Councillors' interests, skills, experience and knowledge taken into consideration when making appointments.

A summary of anonymised Councillor comments is set out below:

- Lack of clarity regarding the objectives of some of the Outside Bodies.
- Concern that there were “meetings for meetings sake” a lot of the time.
- Disappointment that there was no formal feedback or reporting process from Councillors, so the Council was unaware of any good work that may have been undertaken or issues that affected certain wards.
- That there currently was not a way of monitoring Councillor attendance (or lack thereof) on Outside Bodies.
- That appointments to Outside Bodies should largely come from ‘opposition’ or ‘back-bench’ Councillors, given that Cabinet Members already have significant commitments in their Executive functions, responsibilities and mandatory appointments to a variety of Outside Bodies.
- Whether gender balance could be considered on some panels, (such as school appeals) so that they were not male dominated. It was recognised that the school appeal panel was not an outside body, but the comments received were noted.

In addition, there were specific comments raised in relation to the following:

- **London Southend Airport Consultative Committee**  
Some Members felt that representatives appointed to this Outside Body should be from wards primarily affected by the airport (e.g. Ward Councillors whose residents were living under the flight path). It was also felt that this Committee had too many members with Leigh Town Council representatives and Rochford Board of Trade, but not Southend Chamber of Commerce. However, it should be noted that the number of committee members – and where and how these are appointed – are outside of the scope of this review and are for determination by the Consultative Committee.
- **Southend Boys and Southend Girls Choir Trust**  
The Trust was removed from the Outside Bodies list in May 2023. The trust no longer receives funding from the Council; however, it has advised that it would like to have a Councillor representative and it was agreed by the Task and Finish Group to add this back to the list.

During the review, some Councillors suggested other organisations that the Council could look to appoint to in future. It was agreed that these organisations should be added to the appointments list. These are set out in **Table 1**.

**Table 1**

Organisation	Purpose
Southend SEND Independent Forum	Commissioned group, independent of the Council, made up of volunteers, who are responsible for representing the voice of parents and carers of children with SEND. Quarterly meeting with portfolio holder and shadow portfolio holder has been suggested.
SEND Strategic Partnership Board	To consider whether an Elected Member should be appointed to this Board to

	ensure a line of communication to members as Corporate Parents.
Southchurch Hall Inspirational Parkers (S.H.I.P)	During the review this organisation contacted the Council to ask if they could have a Councillor representative to act as a 'Heritage Councillor' to oversee both the protection and raise awareness of heritage in the City.

### 3.4 Director Information Gathering

Following consultation with CLT, the following was identified:

- Opportunity South Essex and SELEP end on 31 March 2024 and should be deleted.
- PSP Southend LLP – no Councillors appointed, and the partnership is being dissolved - to delete.
- Southend Business and Community Charter – Charter Committee – Executive Director and appointed Councillor are not aware of any such organisation - delete.
- Essex Leaders and Chief Executives (ELCE) which is attended, as you would expect, by the Leader and CEx (or their subs). This is a slightly different name to that on the appointments list and should be amended.
- Transport East – attended by Portfolio Holder for Highways, Transport and Parking and Director of Infrastructure and Environment.
- Southend Local Bus Forum – Attended by Portfolio Holder for Highways, Transport and Parking and the main opposition group shadow councillor.
- Southend Strategic Business Partnership (Essex Chambers of Commerce) – Attended by Leader and Portfolio Holder for Economic Growth and Investment (not as formal board members)
- Local Government Association General Assembly appointments to continue in the same way, however it is proposed the LGA sub-groups, panels, special interest groups or commissions be removed from the main list and determined by the Leader/Cabinet under Cabinet appointments (currently they are Cabinet Member appointments).
- Key Cities Board – Executive Director in consultation with the Leader has agreed to withdraw from this organisation.
- British Destinations – recommended to withdraw.
- North Sea Commission – involvement to cease from 2024/25.
- Southend CITY Business Improvement District (BID) and Southend Tourism Partnership are critical to growth strategy and appointments should continue to be made.
- LGA sub-groups, special interest groups or commissions (under the LGA umbrella) – it is recommended that these should be nominated to by the Leader, as all are Cabinet Member positions. Local Government General Assembly appointments to continue in normal way, as applies to whole Council.
- Southend Boys and Southend Girls Choir Trust – it was felt that the Mayor should act as the Council representative.

## 4. Other issues

### 4.1 Cost implications

Given the Council's challenging financial situation, Councillors were also keen to ensure that any work with Outside Bodies was cost effective and delivering any cost savings where possible. In relation to this Councillors queried:

- whether the Council was incurring any costs in relation to travel or hotel expenses;
- The need to review any membership or subscription fees as a potential to deliver savings, although this is not the focus of the review; and
- where organisations were receiving grant funding from the Council, that Members were being appointed to these outside bodies and regularly attending meetings.

The Task and Finish Group is keen to highlight that although the focus of the review has not been the financial implications of engagement with Outside Bodies, this has been considered as part of this work.

There has been no evidence from Councillors, Directors or Outside Bodies themselves that any considerable travel expenses have been incurred from any appointments made. Councillors have reported that if there have been any travel expenses these have been nominal (such as parking charges), and no claims have been made to the local authority for hotel rooms or significant travel fares. The majority of Outside Bodies are local and based in the City, with some in the wider Essex locality. There are some regional bodies that may meet in London once a year, and others which meet quarterly, however with increasing hybrid ways of working more of these organisations appear to be meeting virtually.

The Kent and Essex Inshore Fisheries and Conservation Authority was identified as one organisation that may incur travel or hotel fees; however, no claims have been submitted to the Council and it is our understanding that any cost(s) have been reimbursed by the Outside Body directly.

During the review process a Councillor expressed concern that Councillors may be being paid additional monies to represent Outside Bodies, and as a result these appointments were more lucrative. No evidence of Councillors being paid additional sums to sit on any of the Outside Bodies listed has been found.

As part of the work undertaken, the Group looked at whether the authority was paying any subscription or membership fees to Outside Bodies – and whether the Councillors appointed to these found the work beneficial. This was one area that could potentially deliver cost savings.

### 4.2 Reporting Mechanisms

Feedback from Councillors highlights there is a need to put in place reporting mechanisms to allow feedback to the whole Council. This process needs to be simple and effective so as not to create a disproportionate amount of work for those Councillors attending Outside Body meetings.

The roles undertaken by Councillors across outside bodies vary and maybe relevant to the whole Council Membership, fellow Ward Members or Members in a more place-based setting.

Members are asked to consider the most appropriate way to feedback relevant information to other Councillors on the work being undertaken by the outside body they sit on. This may differ depending on whether the outside body is specific to a particular ward/local area, has a wider place-based remit such as Citywide or Essex County/Regional wide.

Some suggested ways to feedback are set out below:

- Email updates – representatives should forward Democratic Services any email updates from the outside body, for forwarding to all Councillors on a monthly update (or quarterly as appropriate).
- Through Councillor’s own informal networks.
- Member briefings where a wider dissemination of information and knowledge is desirable.
- An ‘Annual Feedback’ form. Councillors are required to submit an ‘end-of-year’ report.

Councillors appointed as a representative to an outside body would be expected in future to feedback using a combination of these methods, with a minimum expectation of completing and ‘Annual Feedback’ form at the end of each municipal year. This would also assist with keeping the appointment list up-to-date as part of an annual ‘light-touch’ review.

### **4.3 Change of representation**

As part of the review, it was evident that there needed to be an agreed process to manage any change of representation.

Any Outside Body is free to request an alternate Council representative on the understanding the replacement will be chosen by the Council, not by the Outside Body. Repeated non-attendance at meetings without good reasons offers valid grounds for an Outside Body to request an alternate Council representative.

An Outside Body is also free to inform the Council at any time that Council representation is no longer required (if its Constitution allows it to do so). Requests must be made in writing to Democratic Services.

If a Councillor wishes to stand down from their role, they should first inform Democratic Services who will then contact the Outside Body and make other necessary arrangements.

## **5. Conclusion**

By undertaking this review, the Task and Finish Group have gained a much broader understanding of the levels of commitment required and produced a refreshed and more accurate central database of outside bodies.

Although it is suggested that it may be appropriate to reduce the levels of Council engagement with Outside Bodies, continuing to appoint representatives where it adds

real value to do so, the Task and Finish Group is aware that in their own private capacity many Members decide to take part in or sit on a range of Bodies for personal interest or as part of their ward work.

In these circumstances, the Group is keen that this local work and interest continues but wishes to highlight that Councillors need to ensure that they are clear in advising these Bodies when they are not serving on them as a representative of the City Council and its views.

The Group also wishes to take this opportunity to highlight the value that is gained from partnership working, and the need to develop and foster strong relationships both on an individual and at an organisational level, as many of the Council's priorities cannot be delivered alone, rather they are as a result of close working between a number of organisations.

The following recommendations have been developed as a result of the Task and Finish Group's review.

## **6. Recommendations**

**The Outside Bodies Task and Finish Group recommend:**

- 1. That with effect from the commencement of the municipal year 2024/25, Southend City Council no longer appoint representatives to the outside bodies tabled in Appendix 1.**
- 2. That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council appoint representatives to the Outside Bodies tabled in Appendix 2.**
- 3. That the number of Outside Bodies to which the Council currently appoints Councillor representatives is regularly reviewed using an appropriate set of criteria for establishing whether Councillor representation is appropriate. An annual 'light-touch' review should be undertaken each year by Democratic Services and Executive Directors, with a more detailed review to be undertaken in consultation with Councillors every 4 years (or as appropriate). The criteria to which appointments should be made to an Outside Body are where:**
  - a) The authority has a statutory duty to be involved.**
  - b) It is essential to the work of the Council and delivery of its service area.**
  - c) Cabinet Members / Councillors are required to attend because of their specific role in the Council.**
  - d) The Outside Body / City Council would derive a significant benefit from the engagement of a Councillor.**
- 4. That consideration be given to appointing Councillors according to their knowledge and expertise of a subject.**
- 5. That all Councillors who are appointed to Outside Bodies will be expected to provide a monthly update (if appropriate) and an annual report to feedback any key points from their attendance on the Outside Bodies (reporting**

template attached at Appendix 3).

6. That Democratic Services support Councillors appointed to Outside Bodies by Council or Cabinet, in accordance with the process set out at Appendix 4.
7. As part of the induction process Councillors are supported in developing an understanding of their role and responsibilities regarding participation on Outside Bodies and provided with appropriate guidance. Role Profile attached at Appendix 5.
8. That an Outside Body is free to request an alternate Council representative on the understanding that the replacement will be chosen by Council, not the outside body (for example, repeated non-attendance at meetings without good reasons offers valid grounds for an Outside Body to request an alternate Council representative).
9. An Outside Body is free to inform the Council at any time that Council representation is no longer required (if its Constitution allows it to do so).
10. That for ease of reference, Cabinet Member only appointments be separated (if possible) from the main Outside Bodies appointee list but circulated for information only.
11. That nominations to Local Government Association sub-groups, special interest groups or commissions be determined by the Leader of the Council (as Cabinet Member appointments).
12. That officer only memberships should be removed from the Outside Bodies appointment list, as this is dealt with under a separate process.

This page is intentionally left blank



**Appendix 1: Appointments to cease.**

**That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council no longer appoint representatives to the outside bodies tabled.**

No.	Title	Group	Number of appointments	Notes
1	<b>1312 (Southend-on-Sea) Squadron Air Training Corps: Civilian Welfare Committee</b>	Other Body	1 x Councillor	No response from organisation and no Councillor attendance for 2+ years. Proposed to withdraw.
2	<b>Active Southend</b>	Other Body	4 x Councillors, 1 x Officer	No meetings take place. Proposed to withdraw.
3	<b>British Destinations</b>	National body operates in the manner of a trade association	1x Councillor, 1 x Substitute	Following consultation with Executive Directors, propose withdrawal.
4	<b>Disabled Information Advice Line Southend</b>	Other Body	1 x Councillor	Dial Southend – ceased operation in March 2018. To delete.
5	<b>Essex &amp; Southend Member Joint Project Board (Waste)</b>	Wider Essex Body	3 x Councillors	Task Group recommend deletion as it is understood to be an inactive subgroup of Essex Waste Partnership.
6	<b>Essex Outward Bound Association</b>	Other Body	1 x Councillor	Defunct organisation, to delete.
7	<b>Essex Waste Partnership - Inter Authority Member Working Group</b>	Wider Essex Body	1 x Councillor, 1 x Substitute	Task Group recommend deletion as it is understood to be an inactive subgroup of Essex Waste Partnership.
8	<b>Key Cities</b>	Other Regional Body	1 x Councillor, 1 x Substitute	Executive Director has advised that Southend will be withdrawing, to remove from the list.
9	<b>Leigh Port Partnership</b>	Other Body	1 x Councillor	This is not a Board membership position. No meetings involving the last 2 appointed Councillors have taken place. Proposed for

**Appendix 1: Appointments to cease.**

**That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council no longer appoint representatives to the outside bodies tabled.**

				withdrawal and suggested that organisation to invite Councillors as and when appropriate.
11	<b>National Association of Councillors</b>	Other Regional Body		Proposed to withdraw.
12	<b>North Sea Commission</b>			Proposed to withdraw for new municipal year.
13	<b>Opportunity South Essex</b>	SELEP Body	1x Councillor, 1 x Substitute, 1 x Officer	This organisation will come to an end on 31 March 2024 so will not need re-electing.
14	<b>PSP Southend LLP</b>	Joint Venture	3 x Councillors	This partnership is being dissolved and so should be deleted.
15	<b>SOS Domestic Abuse Project</b>	Other Body	2 x Councillors	Organisation ceased trading in 2019. To delete.
16	<b>South East Local Enterprise Partnership (SELEP)</b>	SELEP Body	1x Councillor, 1 x Substitute, 1 x Officer, 1 x Officer Substitute	This organisation will come to an end on 31 March 2024 so will not need re-electing.
17	<b>South Essex Relate Executive Committee</b>	Other Body	1 x Councillor	No evidence this has been meeting – understood to be defunct and proposed to delete.
18	<b>Southend Business and Community Charter - Charter Committee</b>	Other Body	1 x Councillor	Executive Director and Cabinet Member advised that this is not in existence.
19	<b>Southend-on-Sea Access Group</b>	Other Body	2 x Councillors	Defunct. Relates to a policy which has been superseded. To delete.

**Appendix 1: Appointments to cease.**

**That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council no longer appoint representatives to the outside bodies tabled.**

20	<b>Southend-on-Sea Compact Action Group</b>	Other Body	5 x Councillors	Defunct. Relates to a policy which has been superseded. To delete.
21	<b>Thames Gateway South Essex Transport Board</b>	Thames Gateway	1 x Councillor, 1 x Substitute	No longer in operation. To delete.

This page is intentionally left blank

**Appendix 2: Outside Bodies to appoint.**

**That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council appoint representatives to the Outside Bodies tabled.**

No.	Title	Group	Number of appointments	Notes
1	<b>A Better Start Southend Partnership Board</b>	Partner Organisation	1 x Councillor, 4 x Officers	Active and Cabinet Member confirmed that they have been attending meetings.
2	<b>Age Concern</b>	Other Body	1 x Councillor	Active and response received.
3	<b>Anglian Eastern Regional Flood Coastal Committee</b>	Other Regional Body	1 x Councillor	Active, Cabinet Member appointment.
4	<b>Chair of Audit Committees Forum - Eastern Region</b>	Regional Body	1 x Councillor	Active and meets regularly.
5	<b>Citizens Advice</b>	Other Body	1 x Councillor	Councillor feedback received. Active and meets regularly.
6	<b>East of England LGA Local Government Employers Panel</b>	LGA Body	2 x Councillors	This is one of the various sub-groups of LGA (all of which are Cabinet Member appointments).  For ease of reference, it is proposed that all LGA subgroups (Cabinet Member only appointments) are for determination by the Leader.
7	<b>East of England Local Government Association</b>	LGA Body	1x Councillor, 1 x Substitute	As above, for determination by the Leader
8	<b>East of England Strategic Authority Leaders Group</b>	East of England Body	1x Councillor, 1 x Substitute, 1 x Officer	As above, for determination by the Leader.
9	<b>Essex Waste Partnership Board</b>	Wider Essex Body	1 x Councillor	Active and response received. Usually meets 2/3 times per year.

**Appendix 2: Outside Bodies to appoint.**

That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council appoint representatives to the Outside Bodies tabled.

10	<b>Essex Chief Executive Leaders' Group – rename to Essex Leaders and Chief Executives (ELCE)</b>	Wider Essex Body	1x Councillor, 1 x Substitute, 1 x Officer	Advised that this body has different name to that listed.
11	<b>Essex Heritage Trust</b>	Other Body	1 x Councillor	Response received, active. Annual meeting held once a year. Trustees meet 3 times a year.
12	<b>Essex Partnership University NHS Foundation Trust (EPUT)</b>	NHS Body	1 x Councillor	Held by Cabinet Member. 4 x Council of Governors Meetings, 1 x AMM meeting per year + any other activities.
13	<b>Essex Pension Fund Strategy Board</b>	Wider Essex Body	1 x Councillor	Feedback received – active.
14	<b>Essex Police, Fire and Crime Panel</b>	Wider Essex Body	1 x Councillor	5-6 formal panel meetings per year. Held in person at County Hall, Chelmsford. Prior to each panel meet is a pre-meeting held on MS Teams. There are two sub-committees which some Panel Members are appointed to and a number of working groups, workshops and an induction session.
15	<b>Homeless Action Resource Project (HARP)</b>	Other body	1 x Councillor	To continue.
16	<b>Jazz Centre UK</b>	Other Body	1 x Councillor	Active.
17	<b>Kent &amp; Essex Inshore Fisheries and Conservation Authority</b>	Other Regional Body	1 x Councillor	4 meetings per year, normally 4 hours each. Meetings are in the day time - January, May, September and November.  SCC member currently holds the position of Chair.
18	<b>Local Government Association Coastal Issues Interest Group</b>  <i>Rename to:</i>	LGA body	1 x Councillor, 1 x Officer	Amend title to LGA Coast Special Interest Group. This is one of the various sub-groups of LGA (all of which are currently held by Cabinet Members).

**Appendix 2: Outside Bodies to appoint.**

**That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council appoint representatives to the Outside Bodies tabled.**

	<b><i>LGA Coast Special Interest Group (SIG)</i></b>			For ease of reference, it is proposed that all LGA subgroups (Cabinet Member only appointments) are for determination by the Leader.
19	<b>Local Government Association General Assembly</b>	LGA Body	4 x Councillors	The Leader of the Council must be one of the appointed Members.
20	<b>Local Government Association Urban Commission</b>	LGA Body	1 x Councillor, 1 x Officer	For ease of reference, it is proposed that all LGA subgroups (Cabinet Member only appointments) are for determination by the Leader.
21	<b>London Southend Airport Consultative Committee</b>	Partner Organisation	4 x Councillors, 2 x Officers	Meets each quarter. 4 meetings per year, 2 hours per meeting held between 2pm-4pm.  Meeting dates and reports available on the website.  Cllr has provided feedback and that the meetings are beneficial.
22	<b>Mid and South Essex Integrated Care Partnership</b>			Cabinet Member is currently the Vice-Chair.
23	<b>PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee</b>	Other Body	1 x Councillor	Statutory body. Requires appointment.
24	<b>Safe Steps</b>	SCC Commissioned Provider	1 x Councillor	Active, response received.

**Appendix 2: Outside Bodies to appoint.**

**That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council appoint representatives to the Outside Bodies tabled.**

25	<b>South Essex Advocacy Services (SEAS)</b>	Other Body	1 x Councillor	Active and response received. Updated contact details.
26	<b>South Essex Alliance of Landlords and Residents (SEAL)</b>	Other Body	1 x Councillor	Active and Councillor response received.
27	<b>South Essex Councils</b>	Regional body	1 x Councillor, 1 x Substitute	Active and meets regularly. Meeting minutes are regularly received by Policy & Resources Scrutiny Committee. Leader appointment.
28	<b>South Essex Homes Board</b>	Trading Company	3 x Councillors	To remain.
29	<b>Southend Association of Voluntary Services</b>	Other Body	1 x Councillor	To remain.
30	<b>Southend Boys and Southend Girls Choir Trust</b>	Other Body	1 x Councillor	This was removed from the Outside Bodies list at Appointments Council in May 2023. The Choirs' Trust have expressed that they would like to have a representative.
31	<b>Southend Business Improvement District Committee Southend</b>  <i>Rename: CITY Business Improvement District</i>	Partner Organisation	1 x Councillor	Active. Part of Growth Strategy.
32	<b>Southend Business Partnership Executive Committee</b>	Other Body	1 x Councillor	Active.
33	<b>Southend Community Safety Partnership Board</b>	Other Body	1 x Councillor	Meets quarterly.



**Appendix 2: Outside Bodies to appoint.**

**That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council appoint representatives to the Outside Bodies tabled.**

34	<b>Southend Education Board</b>	Partner Organisation	1 x Councillor	Active, Cabinet Member appointment.
35	<b>Southend-on-Sea Forum Management Ltd</b>	Joint Venture	2 x Councillors	Active.
36	<b>Southend Pier Museum Trust</b>	Other Body	1 x Councillor	Active and response received.
37	<b>Southend SEND Independent Forum (SSIF)</b>			<p>Cllr Cowdrey has identified this as a potential organisation to appoint to.</p> <p>This is a commissioned group, independent of the council, made up of volunteers, who are responsible for representing the voice of parents and career of children with SEND. They would like to hold termly meetings with the portfolio holder and shadow portfolio holder to enable a two-way information sharing platform.</p>
38	<b>Southend Strategic Business Partnership (Essex Chambers of Commerce)</b>			Attended by Leader and Portfolio Holder for Economic Growth and Investment (not as formal board members)
39	<b>Southend Strategic Safeguarding Board - Adults</b>	Other Body	1 x Councillor	Active. Cabinet Member appointment.
40	<b>Southend Strategic Safeguarding Board - Children</b>	Other Body	1 x Councillor	Active
41	<b>Southend Tourism Partnership</b>	Other Body	1 x Councillor	Active. Details on website. Part of Growth Strategy.
42	<b>Southend University Hospital NHS Foundation Trust</b>	NHS Body	1 x Councillor	Active, meets approx. 7 times per year. Dates and minutes available on website. Cabinet Member appointment.

**Appendix 2: Outside Bodies to appoint.**

**That with effect from the commencement of the municipal year 2024/25, Southend-on-Sea City Council appoint representatives to the Outside Bodies tabled.**

43	<b>Southend SEND Strategic Partnership Board</b>	Partner Organisation	1 x Officer	Officer only membership. Remove from the appointment list, separate process.
44	<b>Southchurch Hall Inspirational Parkers (S.H.I.P)</b>			Purpose: As friends of SCC Parks we maintain and keep clean Southchurch Hall Gardens. We also keep safe and make the green historical grounds safe and inviting. We raise awareness of its historical value working alongside Essex Police we protect and raise awareness of heritage crime.
45	<b>Southend Local Bus Forum</b>			Attended by Portfolio Holder for Highways, Transport and Parking and the main opposition group Shadow Councillor.
46	<b>Southend Local Bus Board</b>			Portfolio Holder and Shadow Portfolio Holder sitting on the Board.
47	<b>Transport East</b>		2 x Councillor	Attended by Leader and Portfolio Holder for Economic Growth and Investment (not as formal board members)

# Members on Outside Bodies

## Annual Feedback Form 2023/24

---

**Name of Councillor(s):**

**Name of Outside Body:**

**Number of meetings attended in 2023/24 and venue:**

Please state the total number of meetings you were invited, and how many of these you attended.

**Reporting activities undertaken in this municipal year, including type and where feedback given. Please include relevant documents if appropriate (e.g. reports and hyperlinks).**

**Were there any key risks to mitigate or actions needed by the Council in relation to this Outside Body during 2023/24**

Please explain how this was reported and any action taken.

**Do you have any comments or issues from the outside body representation to be carried forward into the next municipal year?**

**Were any expenses claimed:**

This page is intentionally left blank

## **Appointment to Outside Body Information Sheet**

### **What Happens Next**

On appointment to an outside body, the Democratic Services team will contact that outside body to update them of your appointment and pass on your contact details

Stephanie Cox, (Principal Democratic Services Officer) will provide assistance if further forms need to be supplied to the outside body for their own governance purposes, or if photographs are required for their own website.

### **Training and Support**

There are a range of roles undertaken by Councillors across outside bodies. If having spoken to a representative from the outside body you are appointed to, and you feel you would like further details, support, guidance or training, please do not hesitate to contact Democratic Services who will look at what provision can be put in place to support you in this role.

### **Feeding Back**

The roles undertaken by Councillors across outside bodies vary and may be relevant to whole Council Membership, fellow Ward Members or Members in a more place-based setting.

Members are asked to consider the most appropriate way to feedback relevant information to other Councillors on the work being undertaken by the outside body they sit on.

Some suggested ways to feedback are set out below:

- Email updates – representatives should forward Democratic Services any email updates from the outside body, for forwarding to all Councillors on a monthly or quarterly update, as appropriate.
- Through Councillors own informal networks
- Member briefings where a wider dissemination of information and knowledge is desirable.
- An 'Annual Feedback' form. Representatives are required to submit an 'end-of-year' report.

Councillors appointed as a representative to an outside body would be expected in future to feedback using a combination of these methods, with a minimum expectation of completing an 'Annual Feedback' form at the end of each municipal year. This would also assist with keeping the appointment list up-to-date as part of an annual 'light-touch' review.

This page is intentionally left blank

**Role Profile – Member Representatives on Outside Bodies**

A Member representative on an Outside Body is expected to:

1. make themselves aware of what the Outside Body expects from them. In so doing, a representative may seek information from the Outside Body in relation to its Constitution, Terms of Reference, accounts etc;
2. operate within the rules and/or Constitution of the Outside Body (NB Representatives will not disclose any information that is confidential to the Outside Body);
3. attend meetings of the Outside Body to which appointed;
4. report on the activities of the Outside Body; the impact of those activities on Southend-on-Sea City and Council Service Delivery in order to keep the Council informed (NB. the production of such reports will also allow the Council to evaluate the value and benefit of its continued membership);
5. take an active and informed role in the affairs of the Outside Body;
6. make independent personal judgements in line with their Duty of Care to the Outside Body. In so doing, to ensure that they are not representing the views and political position of their own political party;
7. make decisions that are in the best interests of the Outside Body. However, representatives should always ensure that their fellow Directors / Trustees are aware of the fact that they are Councillors;
8. inform local Ward Members when matters specifically relating to their local Ward(s) are to be discussed at a future Outside Body meeting; and
9. ensure that allocated Council funding (if any) is being used wisely and properly.

This page is intentionally left blank



## Cover Note

Date: 31 January 2024

Report Author: Nicola Spencer, Policy Advisor

Committee for submission: Policy & Resources Scrutiny Committee, 15 February 2024

### 1. Summary

- 1.1. The Policy & Resources Scrutiny Committee has received the draft minutes of the meeting of the Joint Committee of South Essex Councils (SEC) held on 6th December 2023.
- 1.2. This cover note seeks to highlight any implications, benefits or considerations for the city of Southend and Southend-on-Sea City Council (the council), and its interests arising from the 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 meetings of the SEC Joint Committee and highlight the benefits for Southend.

### 3. Implications for Southend

#### Policy and strategy

- 3.1. The outline Specification of Requirements for commissioning expert support to develop and implement a South Essex Economic Growth Action Plan was approved. This means there is now an opportunity for the council to significantly influence the approach to boosting economic productivity in south Essex over the next 15 years, setting outcomes for place and people and shaping SEC's project portfolio and delivery plan for 2025-27, and the design and implementation of a new South Essex Economic Development / Growth Team.

#### Finance and resourcing

- 3.2. In September 2023 the Joint Committee approved expenditure up to £100,000 to commission support to design a South Essex Economic Growth Action Plan. At the December 2023 meeting, it was confirmed that during December 2023 the Specification of Requirements would be refined and put out to tender; and in February 2024, SEC officers would commence selection of the supplier that will undertake the work.
- 3.3. As a pre-cursor to developing a South Essex Economic Growth Action Plan and creating a consolidated South Essex Economic Development / Growth Team, SEC members were invited to explore ways in which south Essex councils can pool economic development resources and work together.

This is a clear opportunity for the council to influence the design of shared economic development services in south Essex and play a key role in identifying opportunities for service improvements, financial savings, and systemic solutions for south Essex-wide challenges and aspirations.

- 3.4. It is now proposed that each SEC member assigns a lead person to co-work on exploring shared services opportunities. To this end, a report on potential shared services will be tabled at SEC's February 2024 meeting.
- 3.5. The current SEC 2023/24 budget forecast is a surplus of £279,000, which will bring the reserve balance to £311,000 at year end.

#### **Communications and Engagement**

- 3.6. The final version of a new SEC partnership narrative was approved, to be followed by a communications strategy (a first draft of which will be tabled at SEC's February 2024 meeting). The [minutes](#) from the December joint committee meeting contain the approved narrative text.
- 3.7. The previously agreed proposal to decommission SEC's existing five workstreams and consolidate them into a singular programme for growth will be a key part of determining SEC's communication objectives and therefore provide a foundation for a communication strategy.

#### **4. Other**

The next meeting of the SEC Joint Committee will take place on Thursday 22 February 2024, 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 31/01/2024**

# Public Document Pack



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

**Date: Wednesday, 6th December, 2023**

**Place: Brentwood Council Chamber, Brentwood Council, Ingrave Road, Brentwood, CM15 8AY**

**Present:** Councillor A Jefferies (Chair – Thurrock BC)  
Councillor A Baggott (Vice-Chair – Basildon BC)  
Councillor B Aspinall – Brentwood BC  
\*Councillor T Ball – Essex CC  
Councillor D Blackwell – Castle Point BC  
Councillors

\*Substitute in accordance with Council Procedure Rule 31.

**In Attendance:** L Aelberry, R. Gilbert, E Helm, A Hutchings, S Logan, J Stephenson, K Thomas, T Walker, K Waters and S Cox

**Start/End Time:** 10.00 am - 10.33 am

### **16 Apologies for Absence**

Apologies for absence were received from Councillor K Bentley (substitute: Councillor T Ball), Councillor T Cox, Councillor J Lamb, Councillor J Mason, Councillor J Newport and Councillor L McKinlay.

Apologies were also received from G Jones and D Smith.

### **17 Declarations of Interest**

No declarations of interest were made at the meeting.

### **18 Minutes of the meeting held on 28th September 2023**

That the minutes of the meeting of the Committee held on Thursday 28<sup>th</sup> September 2023 be confirmed as a correct record.

### **19 South Essex Councils: The Next Chapter Specification and Next Steps**

The Joint Committee considered a report which provided an update on the proposals for the 'next chapter work' and the the draft Specification of Requirements for commissioning expert support to build and implement a mid-term (2025+) South Essex Economic Growth Action Plan.

Resolved:

1. That the outline Specification of Requirements for commissioning expert support to develop and implement the South Essex Economic Growth Action Plan, be approved.
2. That the Vice-Chair of South Essex Councils (SEC) be involved in the consultancy commissioning and selection process.

## **20 South Essex Councils: Partnership Narrative**

The Joint Committee considered a report which set out the communications narrative for the partnership.

Resolved:

1. That the final version of the narrative for use by the partnership, following amends made to the draft after the informal JC meeting, be approved.
2. That it be noted the plan to develop a 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 in February.

## **21 Shared Services Verbal Update**

The Joint Committee received an update on shared services and agreed for a report to be referred back in the New Year for consideration and further discussion.

Officers and Leaders were requested to identify which services could potentially be shared or coproduced going forward, ahead of the next meeting scheduled for January 2024, and that previous workshop responses should feed into this.

Resolved:

1. That a report on shared services be referred to the Joint Committee in the New Year.

## **22 Finance Update Report**

The Joint Committee considered a report summarising the 2023/24 forecast financial position for the various programmes within SEC.

The Chair requested an update on the various projects at the next meeting.

Resolved:

That the report be noted.