

SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Cabinet

Date: Tuesday, 12th March, 2019

Place: Committee Room 1 - Civic Suite

Present: Councillor J Lamb (Chair)
Councillors J Courtenay (Vice-Chair), H Boyd, T Cox, M Flewitt,
A Moring and L Salter

In Attendance: J K Williams, S Leftley, A Lewis, J Chesterton, J Ruffle, P Geraghty, B
Martin, S Baker, G Halksworth, I Ambrose, L Bowen, N Laver, P Grout,
G Shine and C Gamble.

Start/End Time: 2.00 - 4.00 pm

766 Apologies for Absence

There were no apologies for absence at this meeting.

767 Declarations of Interest

The following Councillor declared an interest as indicated:

Councillor Flewitt – Agenda Item 7 (South Essex Homes Housing Management Partnership Agreement) – Non-pecuniary interest – friends and family are tenants of South Essex Homes.

768 Minutes of the Meeting held on 17th January 2019

Resolved:-

That the Minutes of the Meeting held on 17th January 2019, be confirmed as a correct record and signed.

769 Minutes of the Meeting held on 12th February 2019

Resolved:

That the minutes of the meeting held on 12th February 2019 be confirmed and signed as a correct record.

770 Transport Procurement

The Cabinet considered a report of the Deputy Chief Executive (People) providing an update on the procurement for the preferred bidder to create a Joint Venture Partnership (JV) to deliver the Council's Passenger Transport Service.

Resolved:

1. That the selection of the preferred bidder as detailed in the Part 2 report be confirmed and that a Joint Venture Partnership (JV) be established with the preferred bidder for a period of 10 years with an option to extend for a further 5 years.
2. That the Council's annual contribution to the JV of £1.8M, be approved.
3. That the proposed additional community benefits as detailed within the Part 2 report, be approved.
4. That the additional financial arrangements as set out in the Part 2 report, be approved.
5. That the Strategic Director (Transformation), in consultation with the Deputy Chief Executive (People) and the Strategic Director (Finance and Resources) be authorised to:
 - a) Negotiate and settle the final details of the contractual obligations and responsibilities of each party which will be formalised and documented within a Partnership Agreement and further legal documents that are ancillary to this;
 - b) Take decisions associated with the creation of the JV (including organisational structure, Council representation and the appointment of directors) to ensure agile and timely decision making keeping the implementation of the JV to timetable and protecting the Council's position;
 - c) Finalise and complete any ancillary agreements or documents necessary to give effect to the constitution, implementation and functioning of the JV company in accordance with the submitted report and its appendices.

Recommended:

6. That the terms of reference of the Council's Shareholder Board be amended to include this JV. ||

Reasons for decision:

The Council has a statutory duty to provide the passenger transport service. The JV approach is the best delivery model to achieve sustainable transport provision for the Council and offers transparency of costs, visibility of profits and the ability for the Council to have joint control in the delivery of the service.

Other options:

Do nothing – This option has been rejected because there is an ongoing, statutory need for this service. To allow existing arrangements to continue without an agreed contract established would place the Council in a non-compliant position, and the continuation of an 'in-house' service would require significant capital investment in the Council's fleet.

Note: This is an Executive Function save that Recommendation in 6 above is a Council Function.

Called-in to: People Scrutiny Committee and Policy and Resources Scrutiny Committee

Cabinet Members: Cllrs Boyd, Cox and Moring

771 Southend-on-Sea Commissioning Framework

The Cabinet considered a report of the Strategic Director (Transformation) which sought approval to devise and implement a commissioning framework that supports the Council's ability to become an Outcome Based Commissioning Organisation.

Resolved:

1. That the definition of commissioning for Southend-on-Sea Borough Council be as follows:

*“the process by which we understand the collective approach needed in order to deliver the Southend 2050 outcomes; and what we need to do with others to make them happen. In practice, this is not in-sourcing or out-sourcing but clearly **‘right-sourcing’**.”*

2. That the overarching principles of the Southend-on-Sea Commissioning Framework, be approved.

3. That, as part of a transitional period to an outcome based investment model, the Thematic Annual Procurement Plan 2019/20, be approved.

4. That the Market Position Statement for publication as set out in paragraph 5.7 and Appendix 4 to the report, be approved.

Recommended:

5. That the Constitution be amended as set out in paragraph 5.6 and Appendix 3 of the submitted report. ||

Reasons for decision:

As set out in the submitted report.

Other options:

The alternative option is to carry on deploying a range of approaches for the commissioning, procurement and contracting activity. This would not best support the delivery of the Southend 2050 ambition and outcomes.

Note: This is an Executive Function save that recommendation in 5 above is a Council Function.

Called-in to: Policy and Resources Scrutiny Committee

Cabinet Member: Cllr Lamb

772 South Essex Homes Housing Management Partnership Agreement

The Cabinet considered a report of the Deputy Chief Executive (People) proposing the extension of the existing Partnership Agreement between Southend Council and South Essex Homes and the continued development of the successor Agreement, together with timescales for this work.

Resolved:

1. That the extension to the current Partnership Agreement between Southend-on-Sea Borough Council and South Essex Homes, and the concurrent development of a new agreement, be approved.

2. That a new Housing Management Partnership Agreement for approval be submitted to Cabinet in September 2019.

Reasons for decision:

South Essex Homes provide vital services on behalf of the Council and its tenants and as such it is of importance that the agreements in place between the organisations are progressive, robust and in line with the ambitions set by the Council on behalf of local people through Southend 2050.

In order that the new Housing Management Partnership Agreement effectively translates the actions and ambitions into a useful contract that supports both organisations' roles further time is required to incorporate recent and emerging developments. To allow for this, use of the available extension to the existing agreement is required.

Other options:

To reach agreement between the Council and South Essex Homes over the current draft of the new agreement. However, this would not fully assimilate the requirements imparted through any Better Queensway partnership developments nor fully align with the Southend 2050 Outcome Delivery Plans as both areas of work remain in development.

Note: This is an Executive Function.

Eligible for call-in to: Policy and Resources Scrutiny Committee

Cabinet Member: Cllr Cox

773 Update of Policies relating to Highways Inspections of the Civil Enforcement Policy

The Cabinet considered a report of the Deputy Chief Executive (Place) requesting consideration of the updated Highways and Parking Policies for approval.

Resolved:

1. That the Highway Policy Note No.2 (1999) (Appendix A to the submitted report) be replaced with the updated Highway Safety Inspection Policy and Guidance (Appendix B to the report).

2. That the Parking Policy (2015) (Appendix C to the report) be replaced with the updated Civil Enforcement of Parking Policy and Protocol (Appendix D to the report).

3. That the Director of Planning and Transport, in consultation with the Cabinet Member for Infrastructure, be authorised to replace contravention codes and descriptions when such codes and descriptions are updated by Government or a responsible Government Department.

Reasons for decision:

To update the Highways and Parking Policies in line with best practice, current legislation and statutory requirements thereby ensuring the Council is fully compliant with its statutory duties.

Other options:

None.

Note: This is an Executive Function

Eligible for call-in to: Place Scrutiny Committee

Cabinet Member: Cllr Moring

774 Southend Energy Partnership, Transfer to New Supplier

The Cabinet considered a report of the Deputy Chief Executive (Place) which sought approval to transfer the contract for the operation of Southend Energy from OVO Energy Ltd to Robin Hood Energy.

Resolved:

That the transfer of the contract to operate Southend Energy from OVO Energy Ltd to a new 5 year contract with Robin Hood Energy, subject to agreeing suitable commercial terms, be approved.

Reasons for decision:

A new contract with Robin Hood Energy for Southend Energy will revitalise the scheme and will support its provision for a further 5 years. Continuing Southend Energy provides a focus for encouraging households to switch to achieve the best energy contracts for them. The new contract with Robin Hood Energy does not have the same geographical constraints as the previous contract with OVO providing a wider market and for Southend Energy to take on customers from outside the Borough that respond to marketing within the area.

Other options:

To close Southend Energy. The ongoing impact of the additional switching and the opportunity to further encourage switching would be lost.

To renew or extend the contract with OVO. This was impossible to negotiate due to the changed circumstances and strategy at OVO.

To tender for a new supplier. There are no known alternative suppliers able or willing to take on a new contract for Southend Energy as the scheme is generally too small for the very large energy suppliers.

To convert Southend Energy into a full Energy Company with its own supply licence. This approach is not financially viable at the present time.

Note: This is an Executive Function

Called-in to: Place Scrutiny Committee

Cabinet Member: Cllr Flewitt

775 Annual Report on Safeguarding Children and Adults - September 2017 to March 2019

The Cabinet considered a report of the Deputy Chief Executive (People) presenting the annual assurance assessment for the Chief Executive and Councillors in respect of their responsibilities for safeguarding children and adults in Southend.

Resolved:

That the submitted report be noted and the actions detailed in Section 6 of the report, be approved.

Reasons for decision:

To keep the Council informed of the position in respect of safeguarding children and adults in Southend.

Other options:

None.

Note: This is an Executive Function

Called-in to: People Scrutiny Committee

Cabinet Members: Cllrs Cox and Boyd

776 Annual Education Report

The Cabinet considered a report of the Deputy Chief Executive (People) setting out the format and context of the Annual Education Report 2018.

Resolved:

That the Annual Education Report, be approved.

Reasons for decision:

The Annual Education Report provides a concise, relevant and accurate summary of the performance of the Council and is an opportunity for Councillors to recognise and celebrate the very strong performance of schools in the borough at all key stages relative to the national benchmarks, and a point to formally congratulate pupils, staff and schools for such strong achievement.

Other options:

None.

Note: This is an Executive Function

Called-in to: People Scrutiny Committee

Cabinet Member: Cllr Boyd

777 Mid-Year Statement of Purpose for Fostering and Adoption

The Cabinet considered a report of the Deputy Chief Executive (People) presenting for review the updated Statements of Purpose for Adoption and Fostering in line with Standard 18.3 of the Adoption National Minimum Standards and Standard 16 of the Fostering National Minimum Standards.

Resolved:

That the updated Statements of Purpose, as set out in Appendix 1 to the submitted report, be approved.

Reasons for decision:

To approve the updated Adoption and Fostering Statements of Purpose.

Other options:

None.

Note: This is an Executive Function

Eligible for call-in to: People Scrutiny Committee

Cabinet Member: Cllr Boyd

778 Quarter Three Treasury Management Report - 2018/19

The Cabinet considered a report of the Strategic Director (Finance and Resources) setting out the treasury management activity and compliance with the treasury management strategy for both quarter three and the period from April to December 2018.

Resolved:

1. That the Quarter Three Treasury Management Report for 2018/19, be approved.

2. That it be noted that the 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 2018.

3. That it be noted that the loan and investment portfolios were actively managed to minimise cost and maximise interest earned, whilst maintaining a low level of risk.

4. That it be noted that £0.628m of interest was received during the nine month period. The total investment income earned including this interest during this nine month period was £1.843m, at an average rate of 3.54%. This is 3.06% over the average 7 day LIBID (London Interbank Bid Rate) and 2.90% over the average bank rate.

5. That it be noted that the level of borrowing from the Public Works Loan Board (PWLB) (excluding debt relating to services transferred from Essex County Council on 1st April 1999) remained at the same level of £227.8m (Housing Revenue Account (HRA): £77.0m, GF: £150.8m) during the period from April to December 2018.

6. That it be noted that the level of financing for 'invest to save' capital schemes decreased from £8.74m to £8.68m during the period from April to December 2018.

7. That the commercial property investment decision set out in Section 14 of the submitted report, made under delegated authority by the Strategic Director (Finance and Resources), be noted.

Reasons for decision:

The CIPFA Code of Practice on Treasury Management recommends that Local Authorities should submit reports regularly. The Treasury Management Policy Statement for 2018/19 sets out that reports would be submitted to Cabinet quarterly on the activities of the treasury management operation.

Other options:

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

Note: This is an Executive Function

Eligible for call-in to: Policy & Resources Scrutiny Committee

Cabinet Member: Cllr Lamb

779 Monthly Performance Report

Resolved:

That the submitted report be noted.

Note: This is an Executive Function

Called-in to: All three Scrutiny Committees

Cabinet Member: as appropriate to the item

780 Revenue and Capital Monitoring - 31 January 2019

The Cabinet considered a report of the Strategic Director (Finance and Resources) presenting the Revenue and Capital Budget Monitoring report for the period ending 31st January 2019.

Resolved:

That, in respect of the 2018/19 Revenue Budget Monitoring as set out in Appendix 1 to the submitted report:

1. That the forecast £1,631,000 net surplus for the General Fund and the forecast £119,000 net surplus for the Housing Revenue Account, as at January 2019, be noted.
2. That the planned management actions of £721,000 to achieve that forecast outturn, be noted.
3. That the planned budget transfers (virements) of £377,000, be approved.
4. That the transfer of £300,000 to the Public Health Reserve as a result of unspent ring fenced grant, be approved.
5. That the transfer of £200,000 from the Interest Equalisation Reserve to mitigate against the impact of a change in Government regulations, be approved.
6. That the transfer of £65,000 from the Supporting People Reserve to mitigate the temporary non-delivery of a budget saving, be approved.
7. That the transfer of £790,000 from the Grants Reserve to release surplus funds within the Reserve, be approved.
8. That, as a result of the forecast net surplus, the following one-off investments totalling £480,000 be approved:
 - £100,000 to support secondary schools;
 - £130,000 additional support for children and vulnerable adults subject to gang exploitation;
 - £100,000 for a deep clean of the High Street;
 - £100,000 for Place branding, marketing and signage costs;
 - £50,000 for additional parking enforcement provision.
9. That the potential transfer of £1,151,000 to the Business Transformation Reserve in respect of the residual forecast General Fund net surplus, be noted.
10. That the potential transfer of £119,000 to the HRA Capital Investment Reserve in respect of the forecast HRA net surplus, be noted.

In respect of the 2018/19 Capital Budget Monitoring as set out in Appendix 2 to the report:

11. That the expenditure to date and the forecast outturn as at January 2019 and its financing, be noted.
12. That the requested changes to the 2018/19 capital investment programme as set out in Section 2 of Appendix 2 of the report, be approved.

Reasons for decision:

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 management action being implemented to address the identified issues.

Other options:

The Council could choose to monitor its budgetary performance against an alternative timeframe but it is considered that the reporting schedule provides the appropriate balance to allow strategic oversight of the budget by Councillors and to 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 Management Team (CMT) including approval of management action.

Note: This is an Executive Function

Called-in to: People Scrutiny Committee

Cabinet Member: Cllr Lamb

781 Council Procedure Rule 46

Resolved:

That the submitted report be noted.

Note: This is an Executive Function

Eligible for call-in to: Policy and Resources Scrutiny Committee

Cabinet Member: Cllrs Lamb and Flewitt

782 Exclusion of the Public

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

783 Transport Procurement - Confidential Appendix

Resolved:

That the confidential report, be noted.

Note: This is an Executive Function

Called-in to: People Scrutiny Committee and Policy & Resources Scrutiny Committee

Cabinet Members: Cllrs Boyd, Cox and Moring

Chairman: _____