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SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Policy and Resources Scrutiny Committee

Date: Thursday, 4th February, 2021

Place: Virtual Meeting via Microsoft Teams

Present: Councillor D Garston (Chair)
Councillors D Nelson (Vice-Chair), B Ayling, D Burzotta, D Cowan, T Cox, P Collins, M Davidson, M Dent, S George, S Habermel, H McDonald, D McGlone, I Shead, M Stafford, S Wakefield and P Wexham

In Attendance: Councillors I Gilbert, C Mulroney, M Terry and R Woodley (Cabinet Members), Councillor K Evans, P Bates, E Cook, J Chesterton, G Halksworth, A Lewis, J Ruffle, A Smyth, S Tautz and J Williams

Start/End Time: 6.30 pm - 7.35 pm

774 Apologies for Absence

There were no apologies for absence from the meeting.

775 Declarations of Interest

The following councillors declared interests as indicated:

- (a) Councillors I Gilbert, C Mulroney, M Terry and R Woodley (Cabinet Members) - Interest in the referred items; attended pursuant to the dispensation agreed at Council on 19 July 2012, under S.33 of the Localism Act 2011.
- (b) Councillor M Davidson - Minute 778 (Draft Housing Revenue Account Budget and Rent Setting 2021/22) - Non-Executive Director of South Essex Homes - Non-pecuniary interest.
- (c) Councillor S Wakefield - Minute 778 (Draft Housing Revenue Account Budget and Rent Setting 2021/22) - Sub-Contractor for South Essex Homes - Non-pecuniary interest.
- (d) Councillor P Wexham - Minute 778 (Draft Housing Revenue Account Budget and Rent Setting 2021/22) - Member of the Board of Directors of South Essex Homes - Non-pecuniary interest.
- (e) Councillor I Gilbert - Minute 779 (Draft Prioritising Resources to Deliver Better Outcomes - 2021/22 to 2025/26) - Council representative on the Board of Southend Association of Voluntary Services; Member of the GMB union - Non-pecuniary interests.
- (f) Councillor C Mulroney - Minute 779 (Draft Prioritising Resources to Deliver Better Outcomes - 2021/22 to 2025/26) - Member of Leigh Town Council - Non-pecuniary interest.

776 Questions from Members of the Public

The Leader of the Council (Cabinet Member for Housing and Communities) and the Chair of the Committee (on behalf of the Cabinet Member for Transport, Capital and Inward Investment) responded to questions presented by Mr D Webb.

777 Minutes of the Meeting held on 26 November 2020

Resolved:

That the minutes of the meeting of the Committee held on 26 November 2020 be confirmed as a correct record and signed.

778 Draft Housing Revenue Account (HRA) Budget and Rent Setting Report 2021/22

The Committee considered Minute 729 of the meeting of the Cabinet held on 14 January 2021, which had been referred directly to the Policy and Resources Scrutiny Committee, together with a joint report of the Executive Director (Finance and Resources) and the Deputy Chief Executive and Executive Director (Housing and Growth) presenting the draft Housing Revenue Account budget for 2021/22, together with the information necessary to set a balanced budget as required by legislation.

Resolved:

That the following decisions of the Cabinet be noted:

- “1. That an average rent increase of 1.50% on all tenancies, be endorsed.
2. An average rent increase of 1.50% on shared ownership properties, be endorsed.
3. That an increase of 1.50% for garage rents to £12.20 per week for tenants and £14.64 for non-tenants (being £12.20 plus VAT), a rise consistent with the proposal for the main rent increase (all variants on a standard garage will receive a proportionate increase), be endorsed.
4. That the proposed rent charges in 1-3 above be effective from 5th April 2021.
5. That the South Essex Homes core management fee at £6,336,000 for 2021/22, be endorsed.
6. That South Essex Homes proposals for average increases of 2.52% in service charges and 10.39% in heating charges to reflect the actual costs incurred be endorsed.
7. That the following appropriations be endorsed:
 - £60,000 to the Repairs Contract Pensions Reserve;
 - £5,073,000 to the Capital Investment Reserve; and
 - £7,644,000 from the Capital Investment Reserve
8. That, subject to resolutions 1 to 7 above, the HRA budget for 2021/22, as set out in Appendix 1 to the submitted report, be approved.
9. That the value of the Council's capital allowance for 2021/22 be declared as £68,672,000, as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.”

Note: This is an Executive Function, save that approval of the final budget following Cabinet on 16 February 2021 is a Council Function
Cabinet Member: Councillor I Gilbert

779 Draft Prioritising Resources to Deliver Better Outcomes – 2021/22 to 2025/26

The Committee considered Minute 730 of the meeting of the Cabinet held on 14 January 2021, which had been referred directly to the Policy and Resources Scrutiny Committee, together with a report of the Executive Director (Finance and Resources) presenting the draft General Fund Revenue and Capital Budget for 2021/22 to 2025/26.

Resolved:

That the following decisions of the Cabinet be noted:

“1. That it be noted that a Medium-Term Financial Strategy for 2021/22 – 2025/26 will be available for consideration in February 2021 and the draft Medium Term Financial Forecast and estimated Earmarked Reserves Balances up to 2025/26 (Annexes 1 and 2 to Appendix 1 to the submitted report), be endorsed.

2. That the draft Section 151 Officer’s statement on the robustness of the proposed budget, the adequacy of the Council’s reserves and the Council’s Reserves Strategy (Appendix 2 to the report), be noted.

3. That the appropriation of the sums to earmarked reserves totalling £3.625M (Appendix 3 to the report), be endorsed.

4. That the appropriation of the sums from earmarked reserves totalling £6.218M, which includes £2.500M to cover the remaining estimated budget gap for 2021/22. (Appendix 3 to the report), be endorsed.

5. That a General Fund Budget Requirement for 2021/22 of £133.423M and Council Tax Requirement of £87.712M (Appendix 4a) and any required commencement of consultation, statutory or otherwise, be endorsed.

6. That it be noted that the 2021/22 revenue budget has been prepared on the basis of using £1.5 million from accumulated Collection Fund surpluses for the core budget to allow for a smoothing of the budget gap across the next four financial years.

7. That a Council Tax increase of 3.99% for the Southend-on-Sea element of the Council Tax for 2021/22, being 1.99% for general use and 2.0% for Adult Social Care (Paragraph 10.16), be endorsed.

8. That it be noted that the position of the Council’s preceptors is to be determined:

- Essex Police – no indication of Council Tax position
- Essex Fire & Rescue Services – no indication of Council Tax position
- Leigh-on-Sea Town Council – proposed precept increase of 3.02%;

9. That no Special Expenses be charged other than the Leigh-on-Sea Town Council precept for 2021/22, be endorsed.

10. That the proposed General Fund revenue budget investment of £8.122M (Appendix 5 to the report), be endorsed.

11. That the proposed General Fund revenue budget savings and income generation initiatives for 2021/22 of £4.155M (Appendix 6 to the report), be endorsed.

12. That the proposed future outline Budget Transformation Programme 2022/23 – 2025/26 (Appendix 7 to the report), be endorsed.

13. That the proposed range of fees and charges for 2021/22 (Appendix 8 to the report), be endorsed.

14. That the Dedicated Schools Grant budget and its relevant distribution as recommended by the Education Board (Appendix 9 to the report), be endorsed.

15. That the Capital Investment Strategy for 2021/22 to 2025/26 (Appendix 10 to the report) and the Capital Investment Policy (Annex 1 to Appendix 10 to the report), be endorsed.

16. That the new schemes and additions to the Capital Investment Programme for the period 2021/22 to 2025/26 totalling £21M for the General Fund and new schemes subject to viable business cases (Appendix 11 to the report), be endorsed.

17. That the proposed changes to the current Capital Investment Programme that were considered for approval as part of the Resourcing Better Outcomes – Financial Performance Report – Period 8 (Appendix 12 to the report), be noted.

18. That the proposed Capital Investment Programme for 2021/22 to 2025/26 of £168.6M for 2021/22 to 2025/26 (Appendix 13 to the report) of which £25.6M is supported by external funding, be endorsed.

19. That the Minimum Revenue Provision (MRP) Policy for 2021/22 (Appendix 14 to the report) and the prudential indicators (Appendix 15 to the report), be endorsed.

20. That the operational boundary and authorised limits for borrowing for 2021/22 are set at £375M and £385M respectively (Appendix 15 to the report), be endorsed”.

Note: This is an Executive Function, save that approval of the final budget following Cabinet on 16 February 2021 is a Council function.

Cabinet Member: Councillor I Gilbert

780 In-Depth Scrutiny Project 2019/20-2020/21

The Committee was informed of progress on the current in-depth scrutiny project and advised that a further meeting of the Project Team was to be held on 23 February 2021, to give initial consideration to the recommendations arising from the project.

Resolved:

That the report be noted.

Note: This is a Scrutiny Function

Chair: _____