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SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Cabinet

Date: Tuesday, 15th February, 2022
Place: Council Chamber - Civic Suite

Present: Councillor I Gilbert (Chair)
Councillors R Woodley (Vice-Chair), L Burton, P Collins, A Jones,
C Mulrone, C Nevin and M Terry

In Attendance: Councillor K Evans
A Eastgate, T Forster, M Marks, J Williams, A Lewis, J Chesterton,
C Gamble, J Burr and A Richards

Start/End Time: 2.00 pm - 2.35 pm

701 Apologies for Absence

There were no apologies for absence at this meeting.

702 Declarations of Interest

The following declarations of interest were made:

(a) Cllr Gilbert – Minute 704 (HRA and Rent Setting) and Minute 705 (Prioritising Resources 2022/23 to 2026/27) – non-pecuniary interest: GMB union member.

(b) Cllr Mulrone – Minute 705 (Prioritising Resources 2022/23 to 2026/27) – Non-pecuniary interest: Member of Leigh Town Council.

703 Treasury Management Policy 2022/23

The Cabinet considered a report of the Executive Director (Finance and Resources) presenting the Treasury Management documents. This item was considered by the Audit Committee.

Recommended:

1. That the Treasury Management Policy Statement 2022/23, set out at Appendix 1 to the submitted report, be approved.
2. That the Treasury Management Strategy 2022/23, set out at Appendix 2 to the report, be approved.
3. That the Annual Treasury Management Investment Strategy 2022/23, set out at Appendix 3 to the report, be approved.

Reasons for recommendations:

To comply with CIPFA Treasury Management Code of Practice.

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 set out in the report aims to effectively control risk to within a prudent level, whilst providing optimum performance consistent with that level of risk.

Note: This is a Council Budget Function, not eligible for call in by virtue of Budget and Policy Framework Procedure Rule 1.1(b).

Cabinet Member: Cllr Collins

704 Housing Revenue Account (HRA) Budget and Rent Setting Report 2022/23

The Cabinet considered a report of the Executive Director (Finance and Resources) and Executive Director (Housing & Growth) setting out the Housing Revenue Account (HRA) budget and Rent Setting for 2022/23, together with the information necessary to set a balanced budget as required by legislation. This item was considered by the Policy and Resources Scrutiny Committee.

Recommended:

1. That an average rent increase of 4.10% on all tenancies, be approved.
2. That an average rent increase of 4.10% on shared ownership properties, be approved.
3. That an increase of 4.10% for garage rents to £12.70 per week for tenants and £15.24 for non-tenants (being £12.70 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 approved.
4. That the South Essex Homes core management fee at £6,648,000 for 2022/23, be approved.
5. That the South Essex Homes proposals for average increases of 10.88% in service charges, be approved.
6. That the South Essex Homes proposals for an average 16.95% reduction in heating charges for sheltered housing tenants and an average 4.42% increase in heating charges for hostel tenants to reflect the actual costs incurred, be approved.
7. That the following appropriations, be approved:
 - £60,000 to the Repairs Contract Pensions Reserve.
 - £2,978,000 to the Capital Investment Reserve.
 - £8,309,000 from the Capital Investment Reserve.
8. That, subject to resolutions 1 through to 7 above, the HRA budget for 2022/23, as set out in Appendix 1 to the submitted report, be approved.

9. That the value of the Council's capital allowance for 2022/23 be declared as £76,915,000 as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.

Reasons for Recommendations

Part of the process of maintaining a balanced budget for the HRA is to undertake an annual rent review and assessment of other service and facilities charges. Full Council will need to approve the HRA budget and any changes to rent and other services prior to the start of the financial year.

Other Options

There are other options available to Councillors in relation to the proposed rent and other services and facilities increases.

Note: This is a Council Budget Function, not eligible for call-in by virtue of Budget and Policy Framework Procedure Rule 1.1(b)
Cabinet Member: Cllr Gilbert and Cllr Jones

705 Prioritising Resources to Deliver Better Outcomes - 2022/23 to 2026/27

The Cabinet considered a report of the Executive Director (Finance and Resources) presenting the General Fund Revenue Budget for 2022/23. This item was considered by all three Scrutiny Committees.

Recommended:

1. That the Financial Sustainability Strategy 2022 – 2032, set out at Appendix 1 to the submitted report, be approved.
2. That the the Medium Term Financial Strategy for 2022/23 – 2026/27, set out at Appendix 2 to the report, and the resulting Medium Term Financial Forecast and estimated Earmarked Reserves Balances up to 2026/27 (Annexes 1 and 2 to Appendix 2 to the report), be approved and that any final minor changes/updates of this Strategy as required, be delegated to the Executive Director (Finance & Resources).
3. That the 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 3 to the report), be noted.
- 4.. That the appropriation of the sums to earmarked reserves totalling £2.675M (Appendix 4 to the report), be approved.
5. That the appropriation of the sums from earmarked reserves totalling £4.988M, which includes £2.500M that was previously approved to support the budget in 2021/22 and is now requested to be used to support the estimated budget gap for 2022/23 instead (Appendix 4 to the report), be approved.
6. That a General Fund Budget Requirement for 2022/23 of £140.288M

and Council Tax Requirement of £91.844M (Appendix 5 to the report), be approved.

7. That it be noted that the 2022/23 revenue budget has been prepared based on using £1.500 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.

8. That a Council Tax increase of 3.99% for the Southend-on-Sea element of the Council Tax for 2022/23, being 1.99% for general use and 2.00% for Adult Social Care, be approved.

9. That it be noted that the position of the Council's preceptors has been determined as follows:

- Essex Police – proposed Council Tax increase of 4.79%
- Essex Fire & Rescue Services – proposed Council Tax increase of 1.95%
- Leigh-on-Sea Town Council – proposed Council Tax increase of 0.71%

10. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2022/23.

11. That the proposed General Fund revenue budget investment of £13.422M (Appendix 6 to the report), be approved.

12. That the proposed General Fund revenue budget savings and income generation initiatives for 2022/23 of £4.837M (Appendix 7 to the report), be approved.

13. That the proposed future outline Budget Transformation Programme 2023/24 – 2026/27 (Appendix 8 to the report), be approved.

14. That the proposed range of fees and charges for 2022/23 (Appendix 9 to the report), be approved.

15. That the Dedicated Schools Grant budget and its relevant distribution as recommended by the Education Board (Appendix 10 to the report), be approved.

16. That the Capital Investment Strategy for 2022/23 to 2026/27 (Appendix 11 to the report) and the Capital Investment Policy (Annex 1 to Appendix 11), be approved.

17. That the proposed new schemes and additions to the Capital Investment Programme for the period 2022/23 to 2026/27 totalling £12.6M for the General Fund (Appendix 12 to the report), be approved.

18. That the new schemes subject to viable business cases totalling £33.9M (£15.5M for the General Fund and £18.4M for the Housing Revenue Account) (Appendix 12 to the report), be approved.

19. That the proposed changes to the current Capital Investment Programme (Appendix 13 to the report), be approved.

20. That the proposed Capital Investment Programme for 2022/23 to 2026/27 of £124.4M to be delivered by the Council and £52.4M to be delivered by Subsidiary Companies, Partners and Joint Ventures (Appendix 14 to the report) of which £55.2M is supported by external funding, be approved.

21. That the Minimum Revenue Provision (MRP) Policy for 2022/23 (Appendix 15 to the report) and the prudential indicators (Appendix 16 to the report), be approved.

22. That the operational boundary and authorised limits for borrowing for 2022/23 which are set at £385M and £395M respectively (Appendix 16 to the report), be approved.

Reasons for Recommendations:

To comply with statutory requirements and relevant Local Authority codes of practice. Also, to ensure the budgets align to and enable the delivery of the Council's ambition and desired outcomes or to enhance the Council's infrastructure.

Other Options

The Local Government Act requires billing authorities to complete and approve their budgets and set a Council tax before 11th March immediately prior to the start of the financial year on 1st April.

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Cabinet Member: Cllr Gilbert

Chair: _____

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