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SOUTHEND-ON-SEA CITY COUNCIL

Meeting of Cabinet

Date: Tuesday, 14th June, 2022
Place: Council Chamber - Civic Suite

Present: Councillor S George (Chair)
Councillors C Mulroney (Vice-Chair), P Collins, I Gilbert, K Mitchell,
M Terry and S Wakefield

In Attendance: Councillors M Berry, K Evans and R Woodley
T Forster, J Chesterton, C Gamble, G Gilbert, A Keating, L White and
J Gay

Start/End Time: 10.00 am - 10.50 am

44 Apologies for Absence

Apologies for absence were received from Councillor Burton.

45 Declarations of Interest

The following declarations of interest were made:

Councillor Mitchell – Agenda Item 6 (Adult Strategy Action Plans) and Agenda Item 7 (Annual Procurement Plan) – A close family member with learning disabilities is a resident in supported living; Chair of Hamlet Court Road Community Group and the Milton community builder supports this group; Agenda Item 9 (Debt Management Position as at 31st March 2022) – A family friend works in the finance department.

46 Minutes of the Meeting held on Tuesday, 22nd March 2022

Resolved:

That the Minutes of the Meeting held on Tuesday, 22 March 2022 be confirmed as a correct record and signed.

47 Delivery of Southend Outcomes & Priorities - Provisional Resources Outturn 2021/22 and Annual Report

The Cabinet considered a report of the Executive Director (Finance and Resources) presenting the Southend 2050 Outcomes and Priorities Annual Report for 2021/22 and the provisional resources outturn for 2021/22.

Resolved:

1. That the achievements, successes and challenges brought to life within the Annual Report 2021/22 (Section 4 and Appendix 1 to the submitted report), be noted.

Recommended:

2. That the provisional 2021/22 revenue outturn position for both the General Fund (Section 5) and Housing Revenue Account (HRA) (Section 6), be noted and that the agreement of any final adjustments and the transfer of the actual final General Fund outturn position to the Business Transformation Reserve (Section 5.4 of the report) following the completion and audit of the Statement of Accounts be delegated to the Deputy Chief Executive and Executive Director (Finance and Resources).
3. That the appropriation of revenue funds to and (from) earmarked reserves, as set out in Section 5.19 to 5.25 (General Fund) and Section 6.6 (HRA) of the report, be approved.
4. That the potential revenue impact of the 2021/22 outturn on the 2022/23 General Fund budget and Medium Term Financial Strategy (Section 5.26 – 5.39 of the report), be noted.
5. That it be noted that the expenditure on the capital investment programme for 2021/22 totalled £68.969M against a revised budget of £78.632M (Sections 7.4 and 7.7 of the report).
6. That the relevant budget carry forwards and accelerated delivery requests totalling a net £11.759M moving into 2022/23 and future years, as set out in Appendix 2 to the report, be approved.
7. That the virements, reprofiles, additions, deletions and new external funding for schemes, as detailed in Appendix 2 to the report, be approved and it be noted that this will result in an amended Capital Investment Programme deliverable by the Council of £145.906M for the period 2022/23 to 2026/27, as detailed in Appendix 3 to the report.
8. That it be noted that the requested changes as detailed in Appendix 2 to the report will result in an amended total Capital Investment Programme deliverable by South Essex Homes Limited, Porters Place Southend-on-Sea LLP and Kent County Council of £55.759M, as detailed in Appendix 3 to the report.
9. That a review take place and appropriate consideration be given to the affordability and prioritisation of the current approved Capital Investment Programme and the schemes currently listed as subject to viable business cases.
10. That the content of the Infrastructure Funding Statement 2021/22 (included in Appendix 4 to the report), be noted and that the Main Fund receipts from reported year 2021/22 and previous reported years be carried forward until the CIL Governance Framework and spending plans are reviewed for the reported year 2022/23.
11. That the five-year deadline for spending the CIL Ward Neighbourhood Allocations be approved and extended for another three years from date of receipt (with the intention that at the end of that period any remaining neighbourhood allocations will be transferred to the CIL Main Fund).

12. That authority be delegated to the Executive Director for Growth and Housing (in consultation with Ward Members and the Cabinet Member for Environment, Culture and Tourism) to agree how the CIL Ward Neighbourhood Allocations received up until 31 March 2022 (excluding allocation to Leigh Town Council) are to be spent.

Reasons for decision:

1. To provide Cabinet with the provisional revenue and capital outturn position for 2021/22. As part of the year end processes, Cabinet is required to approve any appropriations to or from earmarked reserves.
2. Cabinet is required to approve capital budget carry forwards, accelerated delivery requests and in year amendments to the current approved programme.

Other options:

None

Note: The decision in 1 above constitutes an Executive Function. The decisions in 2-12 above constitute a Council Function.

Called in to: All three Scrutiny Committees

Cabinet Member: Cllr Collins

48 Waste Procurement

The Cabinet considered a report of the Executive Director (Neighbourhoods and Environment) setting out the outcome of the early market engagement exercise in accordance with the Council decision of 24th March 2022 and highlighted the key points of feedback. The report also proposed the approach that should be set so that the formal procurement exercise can commence.

Resolved:

1. That the views of the market, be noted.
2. That the competitive dialogue process to be used for instructing bidders to submit two priced (outline) proposals at the end of Stage 1 of the process, be approved. One option being a mandated full weekly collection service and the second being an option proposed by the bidder that they might feel better achieves the Council's stated aims and objectives, specifically:
 - Recognise the declaration by the Council of a Climate Emergency in 2019 and the need to significantly reduce residual waste.
 - Comply with the Environment Act 2021 and its promulgated requirements for recycling (likely to be 65% by 2035) and other environmental matters and adaptability to further changes in legislation.
 - Satisfy the financial imperatives for the Council to ensure value for money principles are adhered to.
 - Follow the principles of the Waste Hierarchy.
 - Maximise the use of zero or low emission plant and fleet in the operation of the services.
 - Provide the best customer and digital experience for residents.
 - Consider the inclusion of a Commercial waste offering.

2. That a further report to the Cabinet comes forward at the appropriate time to select the service parameters (based on the results of the stage 1 submissions) for the second and final stage of the procurement process, resulting in each bidder being required to submit only one detailed, priced bid for final evaluation/award.

Reasons for decision:

As the market has stated it would be prepared to submit two priced outline proposals at the end of stage 1, this approach is proposed, rather than trying to agree the final model now without the associated costings.

Other options:

None.

Note: This is an Executive Function

Called-in to: Place Scrutiny Committee

Cabinet Member: Cllr Collins

49 Adult Strategy Action Plans

The Cabinet considered a report of the Executive Director (Adults and Communities) presenting the proposed action plans for year one (2022/23) for the three Adult Social Care Strategies – Aging Well, Living Well and Caring Well.

Resolved:

1. That the 2022/23 annual action plans for the three Adult Social Care strategies, be approved.

2. That Cabinet review progress against the three Adult Social Care action plans in December 2022. (The action plans will be published with any updates and amendments and would be used to prepare the baseline for subsequent yearly action plans).

Reasons for decision:

To approve the 2022/23 annual action plans for the three Adult Social Care Strategies – Aging Well, Living Well and Caring Well.

Other options:

None

Note: This is an Executive Function

Eligible for call-in to: People Scrutiny Committee

Cabinet Member: Cllr Burton

50 Annual Procurement Plan

The Cabinet considered a report of the Executive Director (Finance and Resources) presenting details of the £1m plus projects listed within the 2022/23 annual procurement plan as well as a full 5 Year Procurement Plan '2022-27'.

Resolved:

1. That the procurements with a contract value in excess of £1m, as set out in Appendix 1 to the submitted report, be approved.
2. That the full 5 year procurement plan for 2022-27 (contracts with a value of £25k inclusive of VAT and above which will required procurement support/advice) and that this will be subject to change and annual reviews, be noted.
3. That it be noted that the capital projects (2022-27) approved by Cabinet as part of the capital programme, and with a value of over £25k, have also formed part of the final procurement plan for 2022/23 and the full 5 Year Procurement Plan 2022-27. These will also be subject to change as the capital programme is reviewed.
4. That it be noted that once the Government have concluded the Public Procurement Reform (expected in 2023/24) it is expected that it will be a mandatory requirement for the public sector to publish their future procurement plan (pipeline plans) and so the 5 year plan will provide that mechanism to publicly report.
5. That it be noted that the Council's contracts, values and suppliers are already publicly available through the Council's spend transparency reports (£500 plus) and also the UK Contracts Finder website where Council's are required to publish any contracts awarded that have a value above £25k.

Reasons for decision:

1. Approval of the Council's annual procurement plan is a requirement under Part 4g of the Council's Constitution.
2. The development of comprehensive contracts register and 5 year procurement plan provide benefits in terms of the Council's commissioning plans, financial planning as well as future planning for suppliers and local businesses.
3. The 5 year plan will also align with the anticipated requirements once the UK Public Procurement Reform is approved by Government.

Other options:

Annual approval of the Council's procurement plan is required under the Council's Constitution. The Cabinet could decide to just publish an annual plan but the development of a full 5 year procurement plan will assist the Council and businesses in their resource and future planning. The move to a 5 year plan will also align with the anticipated requirements once the UK Public Procurement Reform is finalised by Government.

Note: This is an Executive Function.

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

Cabinet Member: Cllr Collins

51 Treasury Management Report 2021/22

The Cabinet considered a report of the Executive Director (Finance and Resources) covering the treasury activity for the period April 2021 to March 2022 and reviewed performance against the Prudential Indicators for 2021/22.

Resolved:

1. That the Treasury Management Report for 2021/22 and the outturn Prudential Indicators for 2021/22, be approved.

2. That it be noted that the financing of 2021/22 capital expenditure of £68.969m has been funded in accordance with the schedule set out in Table 2 of Section 4 of the submitted report.

3. That it be noted that the Capital Financing and Treasury Management were carried out in accordance with statutory requirements, good practice and in compliance with the CIPFA (The Chartered Institute of Public Finance and Accountancy) Prudential Code during 2021/22.

4. That, in respect of the return on investment and borrowing, the following matters be noted:

- The loan and investment portfolios were actively managed to minimise cost and maximise interest earned, whilst maintaining a low level of risk.
- £1.593m of interest and income were earned during 2021/22 at an average rate of 0.97%. This is 0.83% over the SONIA rate (Sterling Overnight Index Average) and 0.78% over the average bank base rate. Also, the value of the externally managed funds increased by a net of £4.801m due to the changes in the unit price, giving a combined return of 3.89%.
- The level of borrowing from the Public Works Loan Board (PWLB) (excluding debt relating to services transferred from Essex County Council on 1st April 1998) started the year at £310.3m and increased to £347.3m (Housing Revenue Account (HRA): 74.2m, General Fund (GF): £273.1m) by the end of 2021/22.
- The level of financing for 'invest to save' schemes decreased from £8.53m to 8.39m by the end of 2021/22.

5. That the limit on deposits with any one Property Fund be increased from £25m to £30m.

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 2021/22 set 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 and Resources Scrutiny Committee

Cabinet Member: Cllr Collins

52 Debt Management Position to 31st March 2022

The Cabinet considered a report of the Executive Director (Finance and Resources) concerning the position of outstanding debt to the Council as at 31st March 2022 and debts that have been written off, or recommended for write off, in the current financial year as at 31st March 2022.

Resolved:

1. That the current outstanding debt position as at 31st March 2022 and the position of debts written off to 31st March 2022 as set out in Appendices A & B to the submitted report, be noted.
2. That it be noted that no write offs greater than £25,000 need Cabinet approval on this occasion.

Reason for Decision:

All reasonable steps to recover the debt have been taken, and therefore where write off is recommended it is the only course of action that is left available.

Other Options:

None.

Note: This is an Executive Function

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

Cabinet Member: Cllr Collins

Chair: _____

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