

SOUTHEND-ON-SEA CITY COUNCIL

Meeting of Cabinet

Date: Tuesday, 14th February, 2023
Place: Committee Room 1 - Civic Suite

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

In Attendance: R Polkinghorne, J Chesterton, G Gilbert, J Burr, A Richards, S Meah-Sims and R Harris.

Start/End Time: 6.30 pm - 6.55 pm

682 Apologies for Absence

There were no apologies for absence at this meeting.

Chair's Introduction

Prior to consideration of the matters set out on the agenda, the Chair outlined his expectations of the standard of conduct and behaviour to be shown at the meeting.

683 Declarations of Interest

The following declarations of interest were made:

(a) Councillor K Mitchell – Minute 685 (Prioritising Resources to Deliver Better Outcomes 2023/24 – 2027/28) – Member of staff at NetPark is known to her;

(b) Councillor C Mulroney – Minute 685 (Prioritising Resources to Deliver Better Outcomes 2023/24 – 2027/28) – Member of Leigh Town Council and a fellow Leigh Town Councillor is involved with NetPark.

684 Minutes of the Meeting held on Thursday, 12 January 2023

Resolved:

That the Minutes of the Meeting held on Thursday, 12 January 2023, be confirmed as a correct record.

685 Prioritising Resources to Deliver Better Outcomes - 2023/24 to 2027/28

The Cabinet considered a report of the Executive Director (Finance and Resources) presenting the draft General Fund Revenue Budget and capital investment priorities for 2023/24. This item was considered by the Policy and Resources Scrutiny Committee.

On consideration of the report the Cabinet noted that the figure set out at paragraph 22.6 was circa £300,000.

Recommended:

1. That the Medium-Term Financial Strategy for 2023/24 – 2027/28 (Appendix 1 to the submitted report) and the resulting Medium Term Financial Forecast and estimated Earmarked Reserves Balances up to 2027/28 (Annexes 1 and 2 to Appendix 1), and any final minor changes/updates of this strategy as required be delegated to the Executive Director (Finance & Resources), be approved.
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 £0.706M (Appendix 3 to the report), be approved.
4. That the appropriation of the sums from earmarked reserves totalling £2.468M (Appendix 3 to the report), be approved.
5. That the use of £1M from the General Fund balances to support the core 2023/24 revenue budget which will be replenished over the life of the Medium-Term Financial Plan (Annex 1 to Appendix 1 to the report), be approved.
6. That a General Fund Budget Requirement for 2023/24 of £143.875M and Council Tax Requirement of £97.499M (Appendix 4 to the report), be approved.
7. That it be noted that the 2023/24 revenue budget has been prepared based on using £2M from accumulated Collection Fund surpluses to support the core budget and to allow for a smoothing of the budget gap.
8. That a Council Tax increase of 4.99% for the Southend-on-Sea element of the Council Tax for 2023/24, being 2.99% for general use and 2.00% for Adult Social Care, be approved.
9. That the position of the Council's preceptors, be noted:
 - Essex Police – proposed Council Tax position increase of 6.84%
 - Essex Fire & Rescue Services – proposed Council Tax increase of 6.57%
 - Leigh-on-Sea Town Council – confirmed Band D precept decrease of 0.71%
10. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2023/24.
11. That the proposed General Fund revenue budget investment of £23.473M (Appendix 5 to the report), be approved.
12. That the proposed General Fund revenue budget savings and income generation initiatives for 2023/24 of £9.215M (Appendix 6a to the report), be approved.

13. That the proposed General Fund revenue cost avoidance and overspend reduction initiatives for 2023/24 of £1.603M (Appendix 6b to the report), be approved.
14. That the approach proposed for the development and implementation of a new transformation blueprint for the Council and to confirm the use of £1.5m from existing earmarked reserves over the next three years to support this programme of activity, be approved.
15. That the implementation of the new Adult Social Care Charging Policy from 1 April 2023 (Appendix 7 to the report), be approved.
16. That the the proposed range of fees and charges for 2023/24 (Appendix 8 to the report), be approved.
17. That the Dedicated Schools Grant budget and its relevant distribution, as recommended by the Education Board (Appendix 9 to the report), be approved.
18. That the Capital Investment Strategy for 2023/24 to 2027/28 (Appendix 10 to the report) and the Capital Investment Policy (Annex 1 to Appendix 10 to the report), be approved.
19. That the following be approved:
 - (i) new schemes and additions to the Capital Investment Programme for the period 2023/24 to 2027/28 totalling £16.1M (£3.6M for the General Fund and £12.5M for the Housing Revenue Account) (Appendix 11 to the report).
 - (ii) new schemes subject to viable business cases totalling £5.6M for the General Fund (Appendix 11 to the report).
20. That the proposed changes to the current Capital Investment Programme (Appendix 12 to the report), be approved.
21. That the proposed Capital Investment Programme for 2023/24 to 2027/28 of £116.0M to be delivered by the Council and £53.1M to be delivered by Subsidiary Companies, Partners and Joint Ventures (Appendix 13 to the report) of which £57.8M is supported by external funding, be approved.
22. That the Minimum Revenue Provision (MRP) Policy for 2023/24 (Appendix 14 to the report) and the prudential indicators (Appendix 15 to the report), be approved.
23. That the operational boundary and authorised limits for borrowing for 2023/24 which are set at £390M and £400M respectively (Appendix 15 to the report), be approved.
24. That the summary of changes included in this proposed Final Budget Package in response to the feedback that has been received since the draft budget was launched on 5 January 2023, be noted.
25. That the summary status of Equality Analysis supporting the budget proposals for 2023/24 to 2025/26 (Appendix 16a to the report) and the new items proposed in response to the feedback that has been received since the draft budget was launched on 5 January 2023 (Appendix 16b to the report), be noted.

Reason for recommendations:

The recommendations in this report are to comply with statutory requirements and relevant Local Authority codes of practice and to ensure the budgets align to and enable the delivery of the Councils ambition and desired outcomes or to enhance the Councils 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.

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 George

686 Housing Revenue Account (HRA) Budget and Rent Setting Report 2023/24

The Cabinet considered a report of the Executive Director (Finance and Resources) and Executive Director (Growth and Housing) setting out the Housing Revenue Account (HRA) budget and Rent Setting for 2023/24, 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 7% on all tenancies, be approved.
2. That an average rent increase of 7% on shared ownership properties, be approved.
3. That an increase of 10.1% for garage rents to £13.98 per week for tenants and £16.77 for non-tenants (being £13.98 plus VAT), a rise consistent with the standard approach taken across the council's fees and charges, be approved. All variants on a standard garage will receive a proportionate increase.
4. That South Essex Homes core management fee be agreed at £7,192,000 for 2023/24.
5. That South Essex Homes proposals for average increases of 44.29% in service charges to reflect the estimated costs incurred for 2023/24, be approved.
6. That South Essex Homes proposals for an average 104% increase in heating charges for sheltered housing tenants and for hostel tenants to reflect the estimated costs incurred for 2023/24, be approved.
7. That the following appropriations be approved:
 - £60,000 to the Repairs Contract Pensions Reserve.
 - £4,047,000 to the Capital Investment Reserve.
 - £7,384,000 from the Capital Investment Reserve.
8. That, subject to the approval of resolutions 1 to 7 above, the HRA budget for 2023/24, as set out in Appendix 1 to the submitted report, be approved.

9. That the value of the Council's capital allowance from 2023/24 be declared as £49,297,000 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

687 Treasury Management Policy 2023/24

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 2023/24 (Appendix 1 to the submitted report), be approved.
2. That the Treasury Management Strategy 2023/24 (Appendix 2 to the report), be approved.
3. That the Annual Treasury Management Investment Strategy 2023/24 (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

Chair: _____