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SOUTHEND-ON-SEA CITY COUNCIL

Meeting of Cabinet

Date: Thursday, 11th January, 2024
Place: Committee Room 1 - Civic Suite

Present: Councillor T Cox (Chair)
Councillors M Davidson (Vice-Chair), H Boyd, K Buck, J Courtenay,
D Jarvis, J Lamb, J Moyies and D Nelson

In Attendance: Councillors D Cowan, G Leroy and R Woodley
M Marks, J Chesterton, C Gamble, M Harvey, A Richards, C Shuter
and K Sawyer

Start/End Time: 6.30 - 7.50 pm

70 Apologies for Absence

Apologies for absence were received from Councillor D Garston.

71 Declarations of Interest

The following Declarations of Interest were made:

(a) Cllr Buck – Minute 12 (Toilet Cleaning and Light Maintenance) – Councillor appointed member to South Essex Homes Board.

72 Minutes of the Meeting held on Monday, 20 November 2023

Resolved:-

That the Minutes of the Meeting held on Monday, 20 November 2023, be confirmed as a correct record and signed.

73 Minutes of the special meeting held on Tuesday, 12 December 2023

Resolved:

That the minutes of the special meeting held on Tuesday, 12 December 2023 be confirmed and signed as a correct record.

74 Finance Performance Report 2023/24 - to end of November 2023 (Period 8)

The Cabinet considered a report of the Executive Director (Finance & Resources) summarising the latest forecast position to end of November 2023 of the financial year and highlighting the need to make some difficult budget choices both now and across the medium term.

Resolved:

1. That the local government sector's reaction to the Government's Provisional Financial Settlement (issued 18 December 2023), as set out in Appendix 1 to the submitted report, be noted.

In respect of the 2023/24 Revenue Budget Performance, as set out in appendix 2 to the report:

2. That the forecast outturn for 2023/24 for the General Fund and the Housing Revenue Account as at 30 November 2023, be noted.

3. That the plans and intentions to try to further reduce the forecast overspend of the Council's revenue budget for 2023/24, be noted and that the Chief Executive and Executive Director (Finance & Resources) continue to explore all opportunities within their delegated powers and authority to improve the financial position by the year-end.

4. That the potential requirement to use earmarked reserves to balance the 2023/24 budget, as set out in Appendix 2 to the report, be noted.

5. That the planned budget transfers (virements) of £658,000 from earmarked reserves, as set out in the report, be approved.

In respect of the 2023/24 Capital Budget Performance as set out in appendix 3 of the report:

6. That the expenditure to date and the forecast outturn as at 30 November 2023 and its financing, be noted.

7. That the requested changes to the capital investment programme for 2023/24 and future years, as set out in appendix 3 of the report, be approved.

Reasons for decision:

To provide detailed financial information on the financial performance of the Council. The report set out the key variances by budget holders and associated 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 current reporting schedule provides the appropriate balance to allow strategic oversight of the budget by Councillors and to also formally manage the Council's exposure to financial risk.

Note: This is an Executive Function.

Referred direct to Policy and Resources Scrutiny Committee.

Cabinet Member: Cllr Cox

Council Tax Base and National Non-Domestic Rates Base Setting 2024/25

The Cabinet considered a report of the Executive Director (Finance and Resources) concerning the calculation of the Council Tax Base for 2024/25.

Resolved:

1. That the amount calculated by Southend-on-Sea City Council as its Council Tax Base for the financial year 2024/35 shall be set at 60,409.19, as set out in Appendix A to the submitted report.
2. That the amount calculated by Southend-on-Sea City Council as the Council Tax Base in respect of Leigh-on-Sea Town Council for the financial year 2024/25 shall be set at 9,017.50, as set out in Appendix B to the submitted report.
3. That the continuation of the locally defined discounts for the 2024/25 financial year commencing 1 April 2024, as set in the report, be approved.
4. That, following the guidance issued by the secretary of state, the implementation of a 100% premium charge, payable from 1 April 2024 for properties that have been vacant (unoccupied and unfurnished) for a continuous period of one year, be approved.
5. That the implementation of a 0% discount for vacant dwellings (properties that are unoccupied and substantially unfurnished) for the billing year commencing 1 April 2024, be approved.
6. That, following the guidance issued by the secretary of state, the implementation of a 100% premium charge, payable from 1 April 2025 for properties that are classified as second homes (furnished but not the main residence of any individual), be approved.
7. That National Non-Domestic Rates Base for 2024/25 be submitted to the Department of Levelling Up, Housing and Communities (The NNDR1 form to be approved by the Executive Director (Finance and Resources), in consultation with the Leader of the Council, for submission to DLUHC in accordance with the Council delegations, to meet the statutory deadline of 31st January 2024).
8. That the updated Non-Domestic Rates Discretionary Rate Relief Policy, set out at Appendix D to the report, be approved.

Reason for decision:

The setting of the Council Tax Base and National Domestic Rating Base enables the calculation of the core funding derived through local taxation that is used to finance the Council's proposed budget for 2024/25.

Other Options:

None

Note: This is an Executive Function
Not eligible for call-in
Cabinet Member: Cllr Cox

76 **Draft Budget Proposals - 2024/25 to 2028/29**

The Cabinet considered a report of the Executive Director (Finance and Resources) presenting the draft General Fund Revenue Budget and capital investment priorities for 2024/25.

Resolved:

1. That it be noted that a detailed Medium Term Financial Strategy for 2024/25 – 2028/29 will be available for consideration in February 2024 and the draft Medium Term Financial Forecast and estimated Earmarked Reserves Balances up to 2028/29 (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 £7.161M (Appendix 3 to the report), be endorsed.
4. That the appropriation of the sums from earmarked reserves totalling £1.863M (Appendix 3 to the report), be endorsed.
5. That a General Fund Budget Requirement for 2024/25 of £150.074M and Council Tax Requirement of £103.495M (Appendix 4 to the report) and any required commencement of consultation, statutory or otherwise, be endorsed.
6. That it be noted that the 2024/25 revenue budget has been prepared based on using £1.000M from accumulated Collection Fund surpluses to support the core budget and to allow for a smoothing of the budget gap.
7. That a Council Tax increase of 4.99% for the Southend-on-Sea element of the Council Tax for 2024/25, being 2.99% for general use and 2.00% for Adult Social Care, 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 – no indication of Council Tax position
9. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2024/25, be endorsed.
10. That the proposed General Fund revenue budget growth due to unavoidable cost pressures of £19.035M (Appendix 5 to the report), be endorsed.

11. That the proposed General Fund revenue budget savings and income generation initiatives for 2024/25 of £14.315M (Appendix 6 to the report), be endorsed.

12. That the proposed General Fund revenue overspend reduction initiatives for 2024/25 of £2.795M (Appendix 7 to the report), be endorsed.

13. That the proposed General Fund revenue cost avoidance initiatives for 2024/25 of £1.990M (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 2024/25 to 2028/29 (Appendix 10 to the report) and the Capital Investment Policy (Annex 1 to Appendix 10), be endorsed.

16. That the following be endorsed:

(i) new schemes and additions to the Capital Investment Programme for the period 2024/25 to 2028/29 totalling £6.6M for the General Fund (Appendix 11 to the report).

(ii) schemes subject to viable business cases that have been identified as a priority, totalling £13.9M for the General Fund and £5.5M for the Housing Revenue Account (Appendix 11 to the report).

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

18. That the proposed Capital Investment Programme for 2024/25 to 2028/29 of £96.8M to be delivered by the Council and £20.1M to be delivered by Subsidiary Companies and Partners (Appendix 13 to the report) of which £45.3M is supported by external funding, be endorsed.

19. That the revised Minimum Revenue Provision (MRP) Policy for 2023/24 and Minimum Revenue Provision (MRP) Policy for 2024/25 (Appendices 14a and 14b 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 2024/25 which are set at £385M and £395M respectively (Appendix 15 to the report), be endorsed.

Reasons for Recommendations:

To comply with statutory requirements and relevant Local Authority codes of practice and to ensure the draft budget proposals align to and enable the delivery of the Councils ambition, corporate priorities 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 11 March immediately prior to the start of the financial year on 1 April.

Note: This is an Executive Function save that approval of the final budget following Cabinet on 13th February 2024 is a Council Function
Referred direct to Policy and Resources Scrutiny Committee
Cabinet Member: Cllr Cox

77 Draft Housing Revenue Account (HRA) Budget and Rent Setting Report 2024/25

The Cabinet considered a joint report of the Executive Director (Finance and Resources) and Executive Director (Environment and Place) setting out the Housing Revenue (HRA) budget and rent setting for 2024/25.

Resolved:

1. That an average rent increase of 7.7% on all tenancies, be endorsed.
2. That an average rent increase of 7.7% on shared ownership properties, be endorsed.
3. That an increase of 10% for garage rents to £15.38 per week for tenants and £18.46 for non-tenants (being £15.38 plus VAT), a rise consistent with the standard approach taken across the range of City Council's fees and charges for 2024/25, be endorsed. All variants on a standard garage will receive a proportionate increase.
4. That South Essex Homes core management fee be endorsed at £7,678,000 for 2024/25.
5. That the South Essex Homes proposals for average decreases of 3.1% in service charges to reflect the estimated costs incurred be endorsed for 2024/25.
6. That the South Essex Homes proposals for an average 7.4% decrease in heating charges for sheltered housing tenants and for hostel tenants to reflect the estimated costs incurred be endorsed for 2024/25.
7. The following appropriations be endorsed:
 - £60,000 to the Repairs Contract Pensions Reserve.
 - £4,761,000 to the Capital Investment Reserve.
 - £8,015,000 from the Capital Investment Reserve.
8. That, subject to the approval of resolutions 1 through to 7 above, the HRA budget for 2024/25 as set out in Appendix 1 to the submitted report, be endorsed.

9. That the value of the Council's capital allowance from 2024/25 be declared as £57,098,000 as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.

10. That the developing draft 30-year Housing Revenue Account Business Plan (structure and text only), as set out in Appendix 4 to the report, be noted and any minor amendments be completed by the Executive Director (Environment and Place), in consultation with the Cabinet Member for Housing and Planning. The final version of the Business Plan will be submitted to Cabinet for approval in February 2024.

Reasons for decision:

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 an Executive Function save that approval of the final budget following Cabinet on 13th February 2024 is a Council Function.

Referred direct to Policy and Resources Scrutiny Committee

Cabinet Member: Cllr Garston

78 Corporate Performance Report - November 2023 (period 8)

The Cabinet considered a report of the Executive Director (Strategy and Change) summarising the corporate performance to the end of November 2023.

Resolved:

That the Corporate Performance Report as at 30 November 2023, as set out in Appendix 1 to the submitted report, be noted.

Reasons for decision:

1. The Corporate Performance Report informs decision making to ensure that the Council's priorities are on track to be achieved and aligns with the Financial Performance Report to ensure that they are delivered within the approved budget provision.

2. Improving efficiency and productivity is essential but the scale of the unprecedented financial pressures will inevitably lead to a reduction in the range, quality, cost and responsiveness of other discretionary Council services, as well as challenging our approach to statutory services.

Other options:

to monitor corporate performance against an alternative timeframe, but it is considered that the current reporting schedule provides the appropriate balance to allow strategic oversight of the budget by Councillors and to also formally manage the Council's exposure to financial risk.

Note: This is an Executive Function
Not eligible for call-in.
Cabinet Member: Cllr Cox

79 Microsoft Enterprise Agreement

The Cabinet considered a report of the Executive Director (Strategy and Change) concerning the renewal of the Microsoft Enterprise Agreement (EA).

Resolved:

That the award of a Microsoft Enterprise Agreement (EA) for 3 years, be approved. This will be aligned with the new Government DTA (Digital Transformation Agreement), to ensure uninterrupted access to critical software solutions whilst optimising costs and technology capabilities.

Reasons for decision:

By leveraging volume licensing, consolidating software purchases under a single agreement, and aligning to the DTA collective buying power agreement, the Council can achieve significant cost avoidance.

Other options:

None.

Note: This is an Executive Function
Eligible for call-in to Policy and Resources Scrutiny Committee
Cabinet Member: Cllr Moyies

80 School Admission Arrangements

The Cabinet considered a report of the Executive Director (Children and Public Health) concerning the school admission arrangements for community schools in the City.

Resolved:

1. That the Admissions Arrangements for Community Schools for the academic year 2025/26, as set out in Appendix 1 to the submitted report, be approved.
2. That the Coordinated Admissions Scheme for 2025/26, as set out in Appendix 2 to the report, be approved.

Reasons for decision:

The determination of admission arrangements for community schools and the provision of a coordinated scheme is a statutory requirement.

Other options:

None.

Note: this is an Executive Function
Eligible for call-in to: People Scrutiny Committee
Cabinet Member: Cllr Boyd

81 Toilet Cleaning and Light Maintenance

The Cabinet considered a report of the Executive Director (Environment and Place) on the award of a contract for Toilet Cleaning and Light Maintenance Services.

During consideration of the matter, the Cabinet resolved to exclude the press and public from the meeting (confidential session) to enable questions and comments to be made on the commercial aspects of the matter.

Resolved:

That the award of the contract to South Essex Property Services Limited for the provision of the 'Toilet Cleaning and Light Maintenance Services' for public toilets and portaloos and toilets within Parks and some other named locations in Southend-on-Sea City from April 2025 to April 2030, with an option to extend the contract for up to a further 5 years, be approved.

Reasons for decision:

To make a direct award to South Essex Property Services Limited using Regulation 12 of the Public Contracts Regulations 2015 for the provision of Toilet Cleaning and Light Maintenance Services, providing best value for money.

Other options:

To continue to provide the provision of Toilet Cleaning and Light Maintenance Services under the Waste Collection and Street Cleansing Services. However, better value for money can be obtained by awarding the contract for toilet services to South Essex Property Services Limited and removing the services from the Waste Collection and Street Cleansing Contract tender process.

Note: This is an Executive Function
Eligible for call-in to: Place Scrutiny Committee
Cabinet Member: Cllr Davidson

82 Corporate Debt Management - Position to 30 November 2023

The Cabinet considered a report of the Executive Director (Finance and Resources) on the position as at 30 November 2023 of outstanding debt to the Council.

Resolved:

1. That the outstanding debt position and the position of debts written off under delegation to 30 November 2023, as set out in Appendices A and B of the submitted report, be noted.
2. That the two write-offs exceeding £25,000, as set out in Appendix B to the report, be approved.
3. That the updated Debt Collection and Recovery Policy, set out at Appendix C to the report, be approved.

Reasons for decision:

Each write-off is considered on an individual basis to assess the viability of collection and via the Council's Corporate Debt Management Policy to ensure a standard consistent approach.

Other Options:

None

Note: This is an Executive Function
Referred direct to Policy and Resources Scrutiny Committee
Cabinet Member: Cllr Cox

83 School Term and Holiday Dates

The Cabinet considered a report of the Executive Director (Children and Public Health) presenting the School term and holiday dates for Community and Maintained Schools for the academic year 2025/26.

Resolved:

That the school term and holiday dates for 2025/26, as set out in Appendix 1 to the submitted report, for LA maintained community schools and as a guide to all schools in the city, be approved.

Reasons for decision:

To approve the school term and holiday dates for Community and Maintained schools and provide consistency with neighbouring authorities, whilst remaining compliant with legislation.

Other Options:

None.

Note: This is an Executive Function
Not eligible for call-in
Cabinet Member: Cllr Boyd

84 Exclusion of the Public

Resolved:

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the items of business set out below, on the grounds that they 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.

85 Confidential Appendix - Toilet Cleaning and Light Maintenance

This matter was considered in conjunction with Agenda Item 12 above.

Chair: _____

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