

**Title:** Draft Budget Proposals – 2025/26 to 2029/30

**Meeting:** Cabinet

**Date:** 13 January 2025

**Classification:** Part 1

**Policy Context:** All Corporate Priorities

**Key Decision:** Yes

**Executive Director:** Joe Chesterton, Finance and Resources

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**Executive Councillors:** Councillor Cowan, Leader and Cabinet Member for Infrastructure and Corporate Strategy.  
Councillor Collins, Cabinet Member for Finance, Assets and Investments.

## **1. Executive Summary**

- 1.1. To illustrate over the medium term how the Council’s revenue and capital resources are prioritised to respond to increasing demand and unavoidable cost pressures for the delivery of key local statutory services, ensuring targeted support for the most in need, whilst striving to deliver better value for money outcomes for all residents aligned to our corporate plan priorities.
- 1.2. To highlight the Council’s approach and commitment to securing long term financial sustainability and more effective medium-term business and financial planning.
- 1.3. To propose a fully funded integrated set of revenue budget initiatives and capital investment priorities for consultation, agreement and then submission to Council for approval.

## 2. Recommendations

The proposed overall budget package contained in this integrated revenue and capital resources report was launched for consultation with all relevant stakeholders on 6 January 2025.

The following series of recommendations will ensure that a compliant, balanced, and sustainable budget is agreed that responds sensibly and pragmatically to the financial challenges that have been experienced locally and replicated right across the local government sector.

The proposed draft budget continues to invest in key priorities to deliver better targeted outcomes for residents of Southend-on-Sea but recognises that the Council must also find ways to redesign its service range and offer over the short to medium term. In line with the approach under consideration for most local authorities a comprehensive review of the scope, service level and delivery arrangements remain essential to reduce costs, improve efficiency, enhance productivity and deliver value for money. This will help to ensure that the Council can continue to be financially viable and sustainable for the future.

The proposed overall budget package is subject to confirmation of the Local Government financial settlement, a range of assumptions and any consultation and scrutiny responses received by Cabinet prior to its next meeting scheduled for 11 February 2025 when it will finalise its 2025/26 budget proposals for consideration by Council on 20 February 2025.

**That Cabinet recommend to Council that it:**

- 2.1. **Notes that a detailed Medium Term Financial Strategy for 2025/26 – 2029/30 will be available for consideration in February 2025 and approves the draft Medium Term Financial Forecast and estimated Earmarked Reserves Balances up to 2029/30 (Annexes 1 and 2 to Appendix 1).**
- 2.2. **Considers and acknowledges 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).**
- 2.3. **Approves the appropriation of the sums to Earmarked Reserves totalling £3.619M (Appendix 3).**
- 2.4. **Approves the appropriation of the sums from Earmarked Reserves totalling £1.695M (Appendix 3).**
- 2.5. **Approves a General Fund Budget Requirement for 2025/26 of £165.059M and Council Tax Requirement of £109.472M (Appendix 4) (Paragraph 12.10, Table 5) and any required commencement of consultation, statutory or otherwise.**
- 2.6. **Notes that the 2025/26 revenue budget has been prepared based on using £1.400M from accumulated Collection Fund surpluses to support the core budget and to allow for a smoothing of the budget gap (Paragraph 12.13).**

- 2.7. Approves a Council Tax increase of 4.99% for the Southend-on-Sea element of the Council Tax for 2025/26, being 2.99% for general use and 2.00% for Adult Social Care (Paragraph 12.14).
- 2.8. Notes 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 Band D precept increase of 2.90%.
- 2.9. Approves that no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2025/26.
- 2.10. Considers and approves the proposed General Fund revenue budget investment and unavoidable cost pressures of £25.050M (Paragraph 9.2, Table 3 and Appendix 5).
- 2.11. Considers and approves the proposed General Fund revenue budget savings and income generation initiatives for 2025/26 of £3.590M (Paragraph 9.3, Table 4 and Appendix 6).
- 2.12. Approves the Dedicated Schools Grant budget and its relevant distribution as recommended by the School Forum (Appendix 7).
- 2.13. Considers and approves the Capital Investment Strategy for 2025/26 to 2029/30 (Appendix 8) and the Capital Investment Policy (Annex 1 to Appendix 8).
- 2.14. Considers and approves the proposed:
- (i) new schemes and additions to the Capital Investment Programme for the period 2025/26 to 2029/30 totalling £28.3M for the General Fund and £11.9M for the Housing Revenue Account (Appendix 9).
  - (ii) schemes subject to viable business cases that have been identified as a priority, totalling £9.7M for the General Fund and £8.1M for the Housing Revenue Account (Appendix 9).
- 2.15. Notes the proposed changes to the current Capital Investment Programme that were considered for approval as part of the Financial Performance Report – Period 8 earlier on this agenda (Appendix 10).
- 2.16. Approves the proposed Capital Investment Programme for 2025/26 to 2029/30 of £158.0M (Appendix 11) of which £59.2M is supported by external funding.
- 2.17. Approves the revised Minimum Revenue Provision (MRP) Policy for 2024/25 and the Minimum Revenue Provision (MRP) Policy for 2025/26 (Paragraphs 17.12 to 17.15 and Appendices 12a and 12b) and the prudential indicators (Appendix 13).

- 2.18. **Approves the operational boundary and authorised limits for borrowing for 2025/26 which are set at £380M and £390M respectively (Appendix 13).**

### **3. A Sector Under Continued Pressure**

- 3.1. The current national operating environment, particularly for upper tier local authorities continues to be financially challenging with numerous Councils having announced or given warnings of financial distress over the last 2 years. Regular updates have been provided to Cabinet in each of Southend-on-Sea's financial performance reports for the periods to the end of July 2024 and September 2024. The latest position as at November 2024, is represented elsewhere on this Cabinet meeting's agenda.
- 3.2. The unprecedented levels of additional demand and huge increases in costs of maintaining statutory service provision over the last few years, particularly for support and intervention for vulnerable children and adults has been at such a pace that discretionary universal services have been continually squeezed and, in some areas, have been forced to be significantly reduced to ensure these local authorities remain financially viable. The operating environment, unavoidable cost pressures and complexity of local service demand for local government all remain particularly challenging.
- 3.3. Within this context, local authorities continue to be faced with some very tough choices and have needed to embrace and implement significant further changes to their local service offer including digitalisation and automation to capitalise on the efficiencies and savings that can be generated. There remains huge pressure on local authorities to try to continue to meet the essential needs of local residents whilst balancing major affordability and future sustainability concerns. Most local authorities are having to think seriously about a comprehensive programme of change to get to a financially sustainable operating cost base whilst at the same time managing increasing and ever-changing complexity of local demand for Council services.

### **4. Local Government Provisional Finance Settlement 2025/26**

- 4.1. The Government's Finance Policy Statement was published on 28 November 2024 by the Minister of State for Local Government and English Devolution. The national headlines and summary of the 'statement of intentions' from the Government was considered by Cabinet on 19 December 2024. The Provisional Local Government Finance Settlement itself was **published on 18 December 2024**, and it confirmed that the settlement would be for one year only (2025/26). The detail contained within the provisional settlement is generally confirmation of previously announced national totals but with provisional individual local authority level allocations now provided for most services.

- 4.2. Following a detailed analysis of the content contained within the provisional settlement it has provided some additional support for upper tier authorities for the most critical challenges of increasing demand and costs relating to Social Care. Social Care grant has increased and the introduction of a new Children's Social Care Prevention Grant in 2025/26 is welcomed. Less encouraging is the distribution methodology used for the new national recovery fund and the current lack of transparency and confirmation of the levels of support local authorities will receive for the increases in Employer's National Insurance contributions from 1 April 2025. The actual level of support for increases in National Insurance contributions will not be confirmed until the final Local Government finance settlement is released in February 2025.

**The main national headlines can be summarised as follows:**

**Council Tax** – As previously announced, the council tax referendum limit will be 2.99% for local authorities, with social care authorities allowed an additional 2% social care precept. The provisional settlement confirmed that districts will be allowed to apply the higher of the referendum limit or £5.

**Settlement Funding Assessment** – The September CPI figure of 1.7% has been applied to increase the local government funding amount within the business rates retention scheme and Revenue Support Grant.

**Local Government Funding Reform** – The Government published the consultation paper – Local Authority Funding Reform: Objective and Principles. There are no numbers in the consultation paper with the aim being to establish consensus around the approach to the review.

**National Insurance** – The government will provide £515M to English councils to help to support the increase to employer National Insurance Contributions. A methodology note has been published, but individual authority allocations will not be published until the final local government finance settlement is issued. The calculated 'share' of this national pot to individual local authorities will be based on the Revenue Outturn (RO) data for 2023/24 but this has not yet been finalised and submitted by all local authorities across the country.

**Specific National Grant Level Allocations include:**

- **Increased Funding: Social Care Grant** – The grant has increased by **£880M to £5,924M**. This increase is **£200M** more than previously announced in the Policy Statement.
- **Increased Funding: Domestic Abuse Safe Accommodation Grant** – The grant has increase by **£30M to £160M**.
- **New: Recovery Fund** – This new grant of **£600M** was announced as part of the Policy Statement.
- **New: Children's Social Care Prevention Grant** – This new grant of **£250M** was announced as part of the Policy Statement.

- **No Change: Local Better Care Fund/ Discharge Fund** – The total funding for these two grants remains at **£2,640M**, but they are now being shown under a single line.
- **No Change: ASC Market Sustainability and Improvement Fund** – The grant has remained at **£1,050M**.
- **No change: New Homes Bonus** - The 2025/26 allocations have been announced at **£290M** (£291M in 2024/25).
- **Reduced: Funding Guarantee** – This is now being shown as “Funding Floor” and (with a less generous protection) the resources required have **reduced from £269M in 2024/25 to £121M for 2025/26**.
- **Discontinued: Services Grant** – This grant has been discontinued (**£87M in 2024/25**).
- **Discontinued: Rural Services Delivery Grant** – This grant has been discontinued (**£110M in 2024/25**).

**Other grants announced since the provisional settlement was published:**

- **Homelessness Prevention Grant** – the grant has increased by **£193M to £633M**.
- **Rough Sleeping and Targeted Single Homelessness Grants** – an allocation of **£283M** has been announced, with a change to how the funding is awarded, moving away from bidding processes to a direct award approach. These include:
  - **Rough Sleeping Prevention and Recovery Grant** – an allocation of **£185M** which replaces the Rough Sleeping Initiative and the Accommodation for Ex Offenders grants with a single grant.
  - **Rough Sleeping Accommodation Programme** – an allocation of **£39M** to provide ongoing support costs to keep delivered capital units viable and available for rough sleepers in 2025/26.
  - **Rough Sleeping Drug and Alcohol Treatment Grant** – an allocation of **£59M** to continue to fund specialist drug and alcohol treatment and support services.
- **Extended Producer Responsibility for Packaging** - from 2025, some organisations **and** businesses will have to pay a fee for the packaging they supply to or import into the UK market. An allocation of at least **£1,100M** will go to Local Authorities as waste disposal, waste collection or unitary authorities and has been established to cover the net local costs of collecting, managing, recycling and disposing of household packaging waste.

- **Domestic Abuse – Support within Safe Accommodation** – an allocation of **£160M** in 2025/26 to enable Local Authorities to invest in essential support in frontline safe accommodation services.

At the time of writing this report, we are still awaiting confirmation from individual Government Departments on some remaining grant allocation levels including Public Health Grant and the pooled Better Care Fund for 2025/26. Some other smaller value grants may also be announced in due course.

- 4.3. The '**Core Spending Power**' of a local authority is a phrase that is now often used by Central Government. It is a measure that brings together the totality of **ALL** revenue funding and resources available to deliver local authority services. This includes all grants, share of business rates and council tax generated at a local level. The headlines announced within the provisional finance settlement indicated that the average national increase in '**Core Spending Power**' would be **6.0%** for local government **BUT** this assumed that **ALL** local authorities would increase their council tax levels by the maximum amount allowed without the need for a local referendum. For upper tier authorities like Southend-on-Sea this equates to an increase in council tax of **4.99%**.
- 4.4. The Ministry of Housing, Communities and Local Government (MHCLG) have calculated **Southend-on-Sea City Council's Core Spending Power for 2025/26 to be £199.1m**, an increase of **5.9%** compared to 2024/25, which is slightly below the headline national average increase that has been published.
- 4.5. The Government's announcement of the national levels of 'resource increase' contained within the local government provisional financial settlement is broadly in-line with what was expected for 2025/26 based on the earlier release of the finance policy statement. Additional funding support is welcomed for social care but the combined impact of the increased levels of demand and inflation experienced over the last couple of years still means that the sector faces some challenging choices to maintain reasonable levels of local service provision.
- 4.6. Regular financial performance reports have been presented to Cabinet throughout the year, illustrating the scale of the challenge and summarising what actions the Council have had to take to try and mitigate the threat to the Council's future financial sustainability. An updated report, containing the latest position as at 30 November 2024 (Period 8) is considered elsewhere on this Cabinet meeting's agenda.
- 4.7. Within this context it remains vital to reassess, understand and take responsibility for our financial future. We must remain proactive in the delivery of our agreed corporate plan priorities, evaluate the local economic situation, and strive to provide the best possible value for money services to our local residents, businesses and visitors. Our financial sustainability can only be enhanced by embracing the City's economic potential, growing our local tax bases and by increasing our income generating and commercial capabilities.

- 4.8. Given the unprecedented circumstances experienced over the last three years and the late release of the provisional finance settlement, our Medium Term Financial Strategy 2025/26 – 2029/30 is still under review and will be presented to Cabinet and Council in February 2025. This strategy will provide an integrated view of the whole of the Council's finances and priority investment plans over the medium term. This report outlines how revenue and capital resources are prioritised and deployed to respond to increasing demand for key local services and to deliver better value for money outcomes for local residents aligned to our range of corporate plan priorities and commitments.
- 4.9. The Council's '**Getting to Know Your Business**' programme helped to establish a baseline for all services in terms of their costs, income generation potential, value for money and performance. This data highlighted key lines of enquiry where benchmarking suggested that either our costs or income levels are above or below average. Our approach in 2025/26 will be enhanced further by a programme of '**Zero Based Service Budget Reviews**' and corporate service design commitments. These arrangements, together with a comprehensive 'strategic-fit' review against our new corporate plan, joint administration priorities and delivering better outcomes and value for money for our local residents has influenced the development of the investments, savings and income generation proposals contained within this draft budget report.
- 4.10. It really has been an unprecedented period in recent history which continues to require some tough national and local choices. Difficult decisions on priorities, particularly around non-statutory service levels over the medium-term will have to be made. The combination of economic and fiscal considerations will directly impact all public services, local businesses, and residents, putting more pressure on local authority budgets and household incomes.

## **5. Southend-on-Sea City Council's Corporate Plan 2024 to 2028**

- 5.1. The council's Corporate Plan 2024 to 2028 provides a high-level, strategic view of the council's priorities and articulates what it wants to achieve for the city and the council from 2024 to 2028. Strong strategic direction allows us to align financial and service planning effectively. The priorities identified in the corporate plan set the context for the allocation of resources within the council's annual budget process and development of its medium-term financial strategy.

The four-year plan has been shaped by:

- the administration's priorities
- our statutory responsibilities
- responses to inspections and audits
- national policy changes



- 5.2. Our corporate plan has helped with the prioritisation of the organisation's activities and has been used to shape the development of the budget. It covers the full range of the council's responsibilities and priorities and is an important tool to help focus our effort and resources on the right areas. This is even more important in the context of ever-increasing financial pressures and service demand in a challenging operating environment.
- 5.3. The corporate plan has three overarching city-focused priorities, with a fourth priority focused on our organisation. Our four corporate priorities are as follows:
- **Proud and prosperous**
  - **Safe, clean and green**
  - **Caring with a good quality of life for all**
  - **Led by a transformative, responsive council.**
- 5.4. Under each priority the challenges are set out, together with our response to them and the related outcomes we want to achieve. These are outlined within the corporate plan, together with how the plan will be delivered. Progress against our corporate plan is evaluated regularly and will continue to be reported to Cabinet throughout 2025/26.
- 5.5. To reflect these aspirations and to support delivery of the early phases of the activities to achieve better outcomes for Southend's residents, the Council for 2025/26 is continuing to try and develop a longer-term view of the use of its resources and financial planning arrangements.
- 5.6. Our approach enhances the profiling of investment and supports effective prioritisation of activities. It will also enable improved consideration of major regeneration plans that span more than one financial year from both a revenue and capital perspective. These new set of arrangements were introduced in 2020/21 and became the key driver behind integrating both revenue and capital investment plans into a single report with greater emphasis on the medium term.
- 5.7. Local Government still faces huge challenges in terms of uncertainty over future funding levels and continuing increases in demand and local expectations – Southend-on-Sea is no exception, but the Council is determined to do everything it can to plan effectively for the future and invest in priorities that make a real positive difference to Southend's residents, businesses, and visitors.
- 5.8. The overall proposed budget package contained in this report has been developed in what has been incredibly challenging times for the Local Government Sector and indeed the UK generally. The intention has been to target available resources to the agreed priorities within the Council's new corporate plan, provide support for our residents who are most in need, manage the ongoing impact of inflation as carefully as possible whilst coping with high levels of local demand pressures across social care. It is a difficult combination of challenges to navigate and respond to, whilst also ensuring that the Council lives within its means and remains a financially sustainable organisation.

## 6. Local funding impact

6.1. The key headline national announcements set out in paragraph 4.2 indicate the following provisional allocations for Southend-on-Sea City Council:

- Compensation for under-indexing the business rates multiplier will be £8.036M for 2025/26, an **increase of £0.401M** on 2024/25.
- Social Care Grant will be **£20.439M** for 2025/26, an **increase of £3.106M** on 2024/25.
- Children's Social Care Prevention Grant **is new** for 2025/26 and will be **£1.017M**.
- Recovery Grant **is new** for 2025/26 and will be **£0.240M**.
- Local Authority Better Care Grant (formerly known as iBCF and including the former Discharge Fund) **remains unchanged** from 2024/25 at **£9.619M** for 2025/26.
- The Revenue Support Grant has increased to **£7.799M** for 2025/26 (an **increase of £0.209M** on the £7.590M received in 2024/25).
- Adult Social Care Market Sustainability and Improvement Fund **remains unchanged** from 2024/25 at **£3.605M** for 2025/26.
- The Services Grant has now been removed and several other smaller specific grants have now been rolled together, the net impact of these changes **decreases this element of our funding by £0.334M** in 2025/26.
- New Homes Bonus to be £0.004M in 2025/26, a **decrease of £0.022M** from 2024/25.
- Domestic Abuse Safe Accommodation Grant to be **£0.483M** in 2025/26, an **increase of £0.095M**.
- Based on the methodology note that has been published, it is currently estimated that the Council could receive approximately only **£0.650M** to support the increase in employer National Insurance Contributions. The estimated increased costs to the Council for each year from 1 April 2025 is circa **£1.2M**. **A potential shortfall of £0.550M**. The actual level of financial support will be confirmed when the final local government finance settlement is published in February 2025.
- Homelessness Prevention Grant to be **£1.742M** in 2025/26, an **increase of £0.756M** from 2024/25.
- Rough Sleeping Prevention and Recovery Grant to be **£0.897M** in 2025/26.
- Rough Sleeping Accommodation Programme to be **£0.160M** in 2025/26.

- Rough Sleeping Drug and Alcohol Treatment Grant to be **£0.427M** in 2025/26.
- Extended Producer Responsibility for Packaging – the estimated payment for 2025/26 has been notified as **£3.507M**. The amount is an estimate and is subject to change but to provide certainty the Government is guaranteeing the Council will receive at least this amount.

### **Dedicated School Grant Budget and Schools Revenue funding**

- 6.2. The Dedicated School Grant (DSG) budget consists of delegated funding to schools, early years providers and providers for pupils with special educational needs and alternative provision. It is the main source of revenue funding for these settings. There is also an element of this funding that is used to support the Council's educational related services.
- 6.3. The current total DSG for 2025/26 is **£229.097M** (latest allocation for 2024/25 is £206.849M). In practice, although the School Forum and Council remain responsible for allocating the entirety of DSG the final actual DSG awarded to the Council will exclude funding for Academies, High Needs place funding for further education providers and free schools, and national non-domestic rates for all mainstream schools, known as recoupment adjustments. These recoupment adjustments are paid directly to those applicable settings from the Department for Education (DfE). Therefore, the final estimated allocation expected to be awarded to the Council for 2025/26 is **£75.635M** after considering all recoupment deductions of **£153.462M**.

- 6.4. The Department for Education announced on the 18 December 2024 the opening funding details for 2025/26 which are summarised as below (**Table 1**). Note there are 4 blocks of funding allocations within the DSG.

**Table 1 Dedicated Schools Grant**

**Funding Allocations**

Block	Amount £M's	Detail
Schools Block	167.717	Mainstream School allocations allowing for 14,756 primary and 12,432 secondary pupils plus growth and premises factors.
Early Years Block	23.129	Funding to provide childcare for eligible working parents of children from 9 months up to school age, 3 & 4 year old universal entitlement offer, eligible disadvantaged 2 year olds and early years pupil premium (EYPP) and disability access fund (DAF). And new from 1 Sept 25, the childcare offer expands to 30 hours per week (over 38 weeks per annum) for eligible working parents of 9 month+ children up to school age.
High Needs Block	36.854	Includes funding for special schools, Education and Health Care Plan (EHCP) top up funding up to the age of 25. EHCP Independent provider funding, alternative provision funding, hospital education funding, and support for wider SEND services.
Central Schools Services Block	1.397	Council education related support functions.
<b>Total DSG 2025/26</b>	<b>229.097</b>	

**Key 2025/26 Dedicated Schools Grant DfE Headline Announcements**

- 6.5. The DfE announced in November 2024 the following key headlines in relation to DSG Individual School Funding for 2025/26 (schools block). The minimum per pupil levels have been set at **£4,955 per pupil for primary schools** and **£6,465 per pupil for secondary schools** both an uplift of circa 0.5% per pupil from 2024/25, after consideration of previous school grants now rolled into the DSG funding formula. After further consideration of these previous school grants now rolled into the DSG funding formula, the minimum funding floor uplift per pupil is set at 0.0% from a school's 2024/25 baseline, and all schools attracting their core National Funding Formula (NFF) allocations will receive an increase of circa 0.5% per pupil from their 2024/25 basic entitlement factor and whereby additional need funding factors are uplifted between ranges of 0.5% and 1.0% per eligible pupil.

- 6.6. In relation to Early Years funding announced by the DfE on the 10 December 2024, all entitlement hourly rates have been uplifted by ranges of 5.0% to 5.2% to support funding for childcare places. Early Years Pupil Premium rates have also been uplifted by 47% from 2024/25 (to now £1.00 per hour per eligible child) and Disability Access Fund rates are uplifted by 3.0% from 2024/25. The full details of the DSG Early Years 2025/26 funding rates will be presented at the 21 January 2025 School Forum.
- 6.7. In relation to high needs block funding allocations for 2025/26 the DfE announced in November 2024 that the funding floor (within the NFF) is set at a 7.0% uplift per head of child population with a maximum gains cap of 10%. For Southend, this has meant an additional uplift of 8.4% from 2024/25 and an additional allocation of **£2.649M**.
- 6.8. In relation to central block funding included within the November 2024 announcements, the DfE stated in 2025/26 that there will be a further 20% reduction to the element of funding that some authorities receive for historic commitments. This is in line with the previous DfE intentions as part of the NFF to unwind this funding element. The implication for Southend's allocation is a further **annual loss of circa £59,000** from 2024/25.
- 6.9. The DfE have confirmed that further information about the distribution of additional funding to compensate for the planned increases in the April 2025 Employers National Insurance contributions for Schools will be published as soon as possible in early 2025.

### **DSG School Forum Decisions**

- 6.10. Although the total quantum of DSG is calculated by a national formula that indicates the amount of funding that will be received, it remains a local decision as to how each block of funding is allocated within the conditions of the grant. The School Forum met on the 9 December 2024 to determine and agree the principal decisions for the allocation of the 2025/26 individual school block allocations, de-delegated services and central block services and this paper is shown in **Appendix 7**. Although within Mainstream Schools the minimum amounts per pupil are now a mandatory requirement, the forum confirmed its approval for the remaining mainstream school allocations to continue with the implementation of the national funding formula locally.
- 6.11. Final and actual Individual School block funding allocations for 2025/26 will be presented for noting based on the principal decisions made by the School Forum at its meeting on the 9 December 2024 at the 21 January 2025 School Forum.

## Pupil Premium

- 6.12. In addition to funding from the DSG, schools will continue to receive a 2025/26 Pupil Premium grant which provided amounts of £1,480 / £1,050 of funding per annum per eligible primary / secondary pupil in 2024/25. Councils will also continue to receive the looked after child pupil premium grant which was paid at £2,570 per annum per eligible child in 2024/25. The DfE have commented on the 18 December 2024 that they will announce pupil premium rates for 2025/26 in the new year.

## 7. Financial Sustainability Strategy

- 7.1. This was first introduced and approved by Council in February 2020 to frame the financial future and intentions for Southend-on-Sea. It helped to set the context for the Medium Term Financial Strategy at that time, guide our approach to maximising resources, prioritising investment and the effective targeting of resources to deliver the outcomes contained within the Corporate Plan.
- 7.2. Its primary purpose remains to outline our approach, desire, and commitment to achieving financial sustainability by embracing the area's economic potential, growing our local tax base and increase sustainable income capabilities. The updated Financial Sustainability Strategy for 2022-2032 was published in 2022.
- 7.3. The Council will **not** be reviewing this strategy as part of the budget process for 2025/26 due to the following factors:
- the exceptionally challenging operating environment caused by the significant service cost and demand pressures over the last couple of years, including the significant increase in the costs of children's residential care placements.
  - that some of these issues will continue into 2025/26.
  - the current funding settlement is for one year only and a commitment from Government has been given for a multi-year settlement from 2026/27.
  - the financial implications arising from the Government's drive for Devolution and Local Government Reform where Southend is seeking to be part of the Government's devolution priority programme.
  - The potential impact on Southend-on-Sea City Council of the planned Comprehensive Spending Review from 2026/27 to 2028/29.

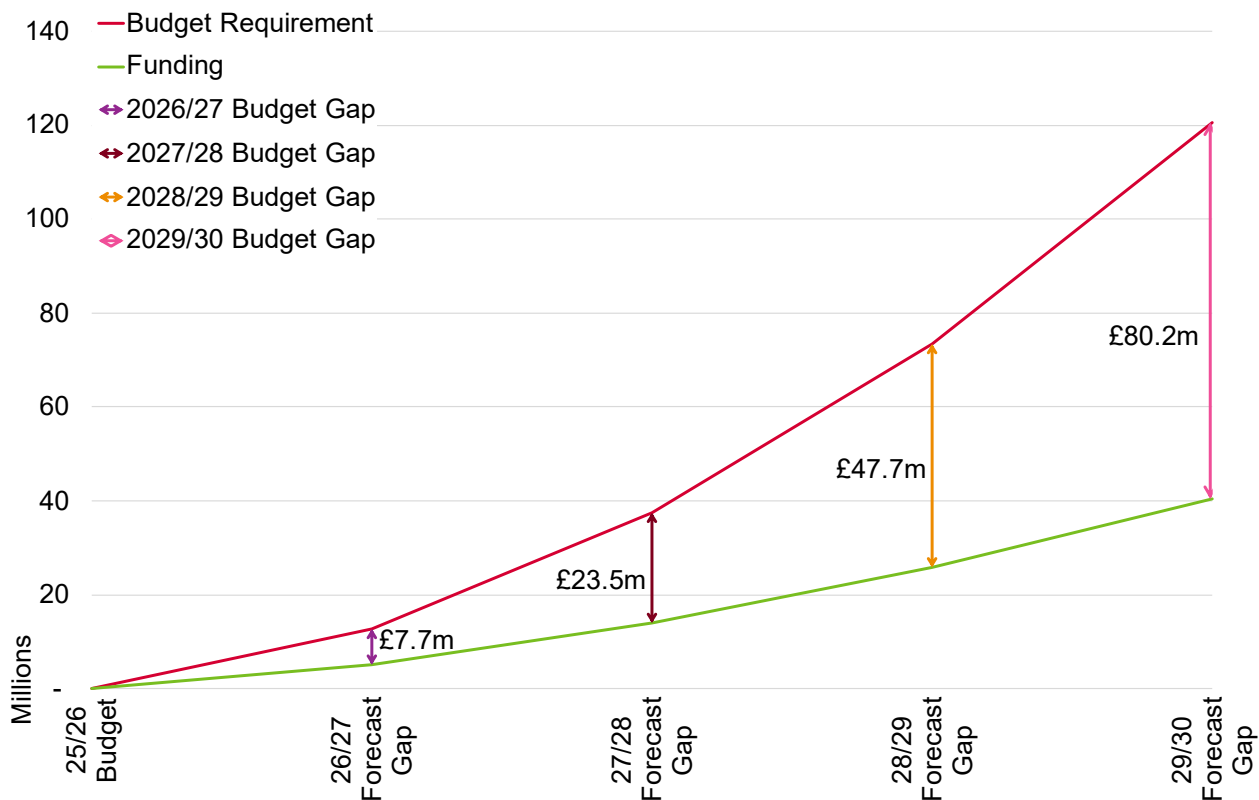
## 8. Medium Term Financial Strategy (MTFS) 2025/26 – 2029/30

- 8.1. Given the ongoing challenging environment throughout 2024/25, together with the late publication by the Government of the provisional finance settlement on 19 December 2024, this revised MTFS is still under review and will be presented to Cabinet and Council in February 2025. The updated strategy will build on what was approved in February 2024 and will look to provide an integrated view of the whole of the Council's finances and outlook over the medium term, i.e., over the next five years. It will continue to show how the Council intends to align its limited financial resources to deliver the priorities contained in the new corporate plan but also recognising the need to redesign and change the Council's service delivery arrangements to ensure viability and future sustainability.
- 8.2. This strategy is the Council's key financial planning document which informs business and resource planning and shows how spending needs to be balanced with the amount of available funding. It will identify budget gaps in the medium term to enable the Council sufficient time to address them in a considered, measured, and planned way. Clearly this assessment will be based on a comprehensive range of assumptions and professional judgements – including estimates for inflation and interest rates based on the latest information from the Office for Budget Responsibility and the Bank of England.
- 8.3. The outlook and any useful early assumptions from 2026/27 are difficult to determine and predict in terms of robust financial planning given the potential impact of the Government's national funding and policy reform plans, together with their commitment to conducting a Comprehensive Spending Review (2026/27 – 2028/29).
- 8.4. Although the full MTFS is still being updated, an initial high-level assessment has been undertaken to establish a Medium Term Financial Forecast for the years 2025/26 to 2029/30 and this is shown in **Annex 1 to Appendix 1. Table 2** is a summary (for illustrative purposes only) showing the estimated forecast budget gap for the next five years and **Figure 1** provides an indication of the potential cumulative impact over the next five years if the current range of assumptions materialise and no further action is taken. Clearly this illustration has had to consider the significant risk of trying to predict the future containing a wide ranging, uncertain and volatile set of factors.
- 8.5. The operating and national policy environment for local government will become clearer through 2025 and all our local MTFS assumptions will be reviewed. Whatever happens to the range of factors outside of the Council's control, it is essential that our planned service redesign programme and commitment to improving efficiency, productivity and value for money continues. These developments will help to mitigate the impact and reduce the budget gap forecast in each individual year. Successful implementation will have a major positive financial benefit in reducing the overall cumulative forecast gap illustrated in **Figure 1**.

**Table 2 Forecast Budget Gap 2025/26 to 2029/30**

Year	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Budget gap	£0M	£7.7M	£8.1M	£8.4M	£8.3M	<b>£32.5M</b>

**Figure 1 Forecast Cumulative Budget Gap 2025/26 to 2029/30**

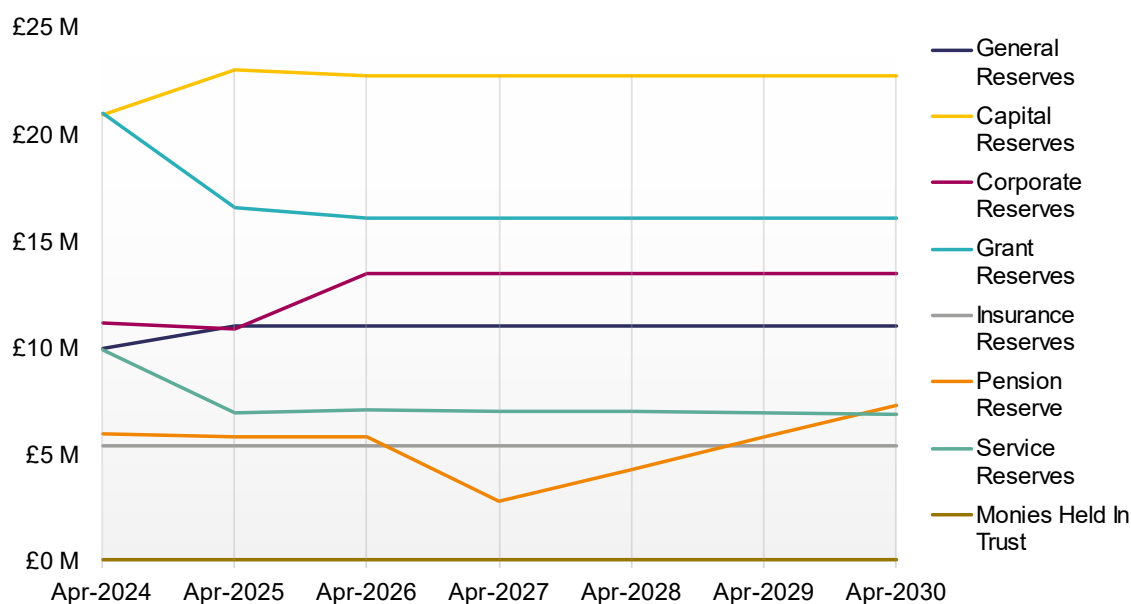


- 8.6. The Section 151 Officer’s Statement on the Adequacy of Balances and the Robustness of the Budget is attached as **Appendix 2**. This includes the recommended Reserves Strategy based on an approach to evidence and justify the requisite level of reserves by a professional internal financial risk assessment.
- 8.7. The proposed Earmarked Reserves balances (2024/25 – 2029/30) are shown in **Annex 2 to Appendix 1** and it illustrates not only the appropriations to and from Earmarked Reserves but also the transfers between them. The main reduction in earmarked reserves is a combination of **(£3.9M)** which reflects the planned use of Dedicated Schools Grant reserves and Services reserves **(£3M)** in 2024/25. The increase in Capital reserves **(£2.1M)** as at 1 April 2025 reflects the accelerated replenishment of these reserves. A further requirement of up to **£4.683M** may be needed to finance the current forecasted level of revenue overspend for 2024/25. Action is and will continually be taken to further mitigate and reduce this potential overspend throughout the rest of this financial year.



A summary of the forecast reserve balances from 2024/25 to 2029/30 is illustrated in the following graph (**Figure 2**).

**Figure 2 Forecast Reserve Levels 2024/25 to 2029/30**



- 8.8. The level of resources available for revenue and capital investment considerations were subject to extensive challenge and prioritisation to ensure that any investment proposed is designed to have a positive impact and is aligned to deliver the priorities within our new corporate plan. Balancing the demands and desire for increased investment and funding unavoidable cost pressures with the scale of financial challenges and inflationary impact experienced over the last few years has been incredibly challenging.
- 8.9. For revenue prioritisation of proposed investment, careful assessment was given to increasing service demands and unavoidable cost pressures associated with delivering existing statutory requirements. Reviewing potential future demands to continue to respond positively to the needs of our most in need residents whilst ensuring that the Council remains financially sustainable in the most challenging of operating environments has been of paramount importance. Analysis of the feedback from the range of consultation and engagement exercises undertaken throughout 2024/25 has also directly influenced the overall proposed budget package (see **section 24**).
- 8.10. For capital, prioritisation of proposed investment is achieved through application of the Capital Investment Strategy, which represents the conclusion of a rigorous challenge to priorities and requirements. This is a key document which forms part of the authority’s integrated revenue, capital, and balance sheet planning. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of the Council’s priorities. It includes an overview of the governance processes for consideration, prioritisation, and approval of capital investment. The Capital Investment Strategy for 2025/26 to 2029/30 is attached as **Appendix 8**.

## 9. Draft Proposals to Deliver a Balanced Budget for 2025/26

- 9.1. Successful and timely implementation of the proposed revenue budget package and capital investment programme are essential requirements in ensuring the future financial sustainability of the Council and to respond positively and pragmatically to achieving the priorities set within the new corporate plan, whilst also working towards a balanced budget for the financial year.
- 9.2. A summary of the revenue investment and unavoidable cost pressure proposals totalling **£25.050m** that form part of this overall budget package is shown in **Table 3**. The detail of each proposal for 2025/26 is shown at **Appendix 5**. All proposals are planned to be a permanent increase in the revenue base budget of the Council. Of the £25.050m, £8.850m relates specifically towards correcting the structural budget deficit.

**Table 3 Revenue Investment and Unavoidable Cost Pressure Proposals**

Ref	Description	2025/26 £000s
01-COP	Staffing Establishment Costs 2025/26	3,875
02-COP	Income Budget Rightsizing	1,000
03-COP	Vacancy Factor	815
04-COP	Energy Inflation Costs 2025/26	600
05-COP	Investment, income & financing alignment	460
06-COP	Contractual Inflation (Not Energy Related)	400
07-COP	Civic Pride	185
08-COP	Levies	25
<b>Cross-Organisational Total</b>		<b>7,360</b>
01-L	Parking Enforcement Contract	800
02-L	Highways Maintenance	250
01-DL	Temporary Accommodation	250
01-CEW	Waste Contract	4,400
01-COSAFE	Public Toilets	400
02-COSAFE	Interpretation and Translation	35
01-CTB	Events	100
02-CTB	Pier Nighttime Security	85
01-CYPS	Children's Social Care: Placements Pressure	3,250
02-CYPS	Children's Transport	800
03-CYPS	Children's Social Care: Residential	450
04-CYPS	Children's External Care Placements	225
01-FAI	Concessionary Fares	550
02-FAI	Financial Services	90
03-FAI	Counter Fraud	55

Ref	Description	2025/26 £000s
04-FAI	Energy Team	50
01-RMP	Legal Services	150
01-SCHC	ASC Provider Inflationary Uplift: National Living Wage and National Insurance Contributions	3,500
02-SCHC	ASC Demographic Demand: Transitions, Older People and Working Age Adults	1,450
03-SCHC	Adults Structural Deficit Considerations	800
<b>Specific to Portfolio Services Total</b>		<b>17,690</b>
<b>Total investment and unavoidable cost pressures</b>		<b>25,050</b>

- 9.3. A summary of the proposed savings and income generation proposals for 2025/26 that form part of this overall budget package is shown in **Table 4**. The detail of each proposal for 2025/26 – 2027/28 is shown at **Appendix 6**.

**Table 4 Savings and Income Generation Proposals**

Ref	Description	2025/26 £000s
COI-01	Transformation Programme	(500)
<b>Corporate Initiatives Total</b>		<b>(500)</b>
EAP-01	Estate Efficiencies	(100)
<b>Efficiency and Productivity Total</b>		<b>(100)</b>
ORE-01	Voluntary Redundancy	(485)
ORE-02	Strategy and Change Management Structure	(355)
ORE-03	Property and Asset Management Staffing Restructure	(100)
<b>Organisation Redesign Total</b>		<b>(940)</b>
SOC-01	Connected Southend Transformation: Prevention and Independence	(250)
SOC-02	Connected Southend Transformation: Focused care package review	(350)
SOC-03	Southend Care Limited Transformation	(150)
<b>Service Offer Changes Total</b>		<b>(750)</b>
TPP-01	Community Sector Discretionary Grants	(100)
TPP-02	Market Contract and Inflation Negotiation	(100)
TPP-03	Essex County Council (ECC) Transferred Debt	(50)
<b>Third Party Payments / Contractual Arrangements Total</b>		<b>(250)</b>
IGC-01	Increased Fees and Charges Yield	(500)
IGC-02	Investment Income	(250)
IGC-03	Rental and Lease Income	(100)
IGC-04	Court of Protection	(100)
IGC-05	Community Safety	(50)
IGC-06	Pier Admission Charging	(30)

Ref	Description	2025/26 £000s
IGC-07	Passenger Transport Office and Fleet	(20)
<b>Income Generation Capability Total</b>		<b>(1,050)</b>
<b>2025/26 Budget Saving / Income Generation Total<sup>#</sup></b>		<b>(3,590)</b>

<sup>#</sup> This total is for the new proposals put forward as part of the 2025/26 budget round. There are also £1.683M of agreed savings from prior years giving a total of £5.273M (**Appendix 6**).

- 9.4. As has been shown in the various budget monitoring reports to Cabinet throughout 2024/25 and indeed previous years, a significant cost to the Council's budget is Children's Social Care. For 2024/25 the forecast is that Children's Social Care will overspend by some £6M. This upward trend has existed for some time despite significant additional resources consistently being applied to this budget area for several years. Going forwards it is essential for the Council's future financial sustainability that this area of concern in the Council budget is managed effectively over the medium term.
- 9.5. Specific action that has been undertaken this year includes.
- A series of in-depth Children's Services reviews led by the Chief Executive to understand the metrics and reasons for the continual overspending position have been undertaken.
  - The Chief Executive and Executive Director of Finance & Resources will oversee all the proposed new residential placements including their cost and outcomes.
  - Work is in progress to procure a new partner for a local Caulfield Road home development and to form an assessment/evaluation of extending this initiative wider.
  - Within the Council's Transformation programme one of the workstreams focuses specifically on Commissioning and Contract Management, which will explore how we are currently commissioning Children's Social Care requirements and evaluate our current contract management arrangements.
  - Independent external advisors have been appointed to provide an assessment of our current arrangements within Children's Social Care, including benchmarking and best practice comparators.
  - The Leader supported by the Cabinet Members for Children's and Finance, Assets & Investments will lead a focus group on Children's residential placements. This will also be supported by the Chief Executive, the Executive Director of Finance & Resources and senior officers from both the Children's Service and finance team. The purpose of this focus group will be to drill down into all our current residential placements and ensure that appropriate challenge is given whilst also recognising our role as a corporate parent to provide the best outcomes for our looked after children and delivering value for money for the local taxpayer.

## 10. Ongoing Commitment to those residents most in need of support

- 10.1. The Council has a vital role to play in ensuring residents most in need are provided with the appropriate support and advice. The following areas are just some of the ways the Council is targeting essential assistance to residents and businesses.
- 10.2. The Council has commenced a fundamental review of the Council's operational estate and front-line service arrangements to deliver a more effective localities based service offer. This is an integral component of the Council's Transformation Programme and Members will be updated of progress throughout 2025. As part of this assessment, front-line services provided by Libraries and Family centres will be reviewed to ensure that their future operation and service delivery arrangements are fit for purpose and appropriate for our residents.
- 10.3. The opening of the new Launchpad and further development of the Airport Business Park will continue to support new and micro businesses and is also a major development to help the local economy and encourage entrepreneurial activity. This has been complemented by the opening of 7 new units on the bridge of the Victoria Centre were opened in November 2024 to support start-up businesses. External funding for this investment was secured from the Government's new Growth Fund. This will provide not only start-up business opportunities which are much needed but will also enhance the capital value of the Victoria Centre as it continues to grow.
- 10.4. As highlighted in **Table 3** significant additional investment is proposed for a range of critical social care services in 2024/25. Southend-on-Sea City Council will also continue to support families and people most in need from our local Essential Living Fund and with effective targeting of any other associated Government funding that is released.
- 10.5. The amount of information on available support is sometimes overwhelming and to make life easier for residents and to help accessing trusted and safe information, the council have collated key information and guidance at [www.southend.gov.uk/costofliving](http://www.southend.gov.uk/costofliving) and [onesouthend.com/cost-of-living/](http://onesouthend.com/cost-of-living/).
- 10.6. These websites include videos, articles, links to local and national schemes to help people deal with rising costs, an interactive map displaying locations where residents can find support with food, clothes, toiletries, health items, and spaces where they can retreat to or work from to keep warm.
- 10.7. For anyone who cannot get online, the council has also produced a hard copy booklet – around 8,000 printed so far in 2024/25. Copies are available from the Civic Centre and public libraries, various charities and stakeholders. In addition to these advisory resources, the council has also been taking advantage of the various government funding and grant schemes available over 2024/25 to ensure as many eligible Southend residents as possible received essential support.

- 10.8. The **Essential Living Fund** will continue to support residents in need in 2025/26 by helping people live as independent a life as possible in the community on a case-by-case basis.
- 10.9. The **Discretionary Housing Payment (DHP)** scheme is available for people who are unable to cover the top up in their rent after applying for Housing Benefit or Universal Credit Housing Costs. The fund total for 2024/25 is **£409,532 a year**. The Government have recently confirmed the amount for 2025/26 will be set at the same level £409,534. As a limited and discretionary scheme consideration will be given to the applicant's circumstances in making an award, and they will be on a short-term basis. Other than assistance with rent top up, a DHP can also be claimed for a rent deposit if they can demonstrate that a property that is being considered to move in to will be financially cheaper for them.
- 10.10. The council established and remained committed to providing continued financial support to the Community Investment Fund, hosted by Southend Association of Voluntary Services (SAVS), to support the board's key themes which include reducing poverty and boosting the voluntary sector.
- 10.11. The **Household Support Fund** has been used to support eligible residents throughout 2024/25 with Government funding provided for the whole year of **£2,826,157.66**. Guidance on how this has been allocated can be found here [Household support fund – Southend-on-Sea City Council](#). This includes distribution through Citizens Advice who identify people in need accessing their services that would fit the remit of the scheme. Targeted distribution also continues to be undertaken through our local **Southend Emergency Fund** which gives grants to organisations working with pensioners, people with disabilities and caring responsibilities, support with food and fuel costs through our local welfare provision, the Essential Living Fund. Included within the 2024/25 Household Support Fund and in response to the Government's announcement of the removal of the Winter Fuel Payments for most pensioners, **£250,000** was ringfenced specifically for local pensioners who were determined as most in need and exposed to rising costs for food and fuel.
- 10.12. The Department for Works and Pensions require quarterly management information reports to be submitted to them. As at the end of September 2024, the Southend Emergency Fund had provided grants to local charities and support groups of **£100,000** in total helping **3,665** residents. Citizens Advice provided food and fuel vouchers to around **500** residents and the Essential Living Fund has provided food and fuel support to over **5,000** local households. In the Autumn Statement the Government confirmed that the Household Support Fund will continue for the 2025/26 year. Whilst guidance on how it will be distributed is yet to be issued, Southend-on-Sea City Council will continue to use whatever level of funding is provided by the Government to support local households most in need throughout 2025/26.

- 10.13. The Council also effectively deployed a **Low Income Family Tracker (LIFT)** tool. The tracker brings together data from multiple sources to build a picture of households in need and their potential entitlements. The tracker has been used to identify residents in Southend-on-Sea who may be entitled to Pension Credit and have not claimed it. This would not only boost their personal income but would also give them entitlement to Winter Fuel Payments. As at the end of November 2024 over **900 local pensioners** had been contacted to raise awareness with them of their potential eligibility for additional income and support. The council will continue to review and support all eligible pensioners who can potentially claim this additional benefit.
- 10.14. In very extreme cases the Council also has a limited **Exceptional Hardship Fund**. A payment made via this route is allocated direct to the Council Tax account and provides residents additional financial help if they have a shortfall between the amount of Local Council Tax Support paid and the amount of Council Tax they are liable to pay. To qualify for this support residents would need to demonstrate that their financial circumstances are exceptional and would suffer severe financial hardship if the extra support were not received.
- 10.15. Local Council **Taxpayers** can also apply for the Local Council Tax Support Scheme to reduce their Council Tax bill **if** they meet the set 'low income' criteria of the approved scheme.

## **11. Medium Term Financial Sustainability Challenge**

### **Building a City Council Fit for the Future**

- 11.1. The overall level of net cost reduction required by Southend-on-Sea Council to bridge a medium to long term deficit by 2029/30 requires a programme of work that not only supports the development of net cost reduction and transformation opportunities at a service level, but that also considers how these opportunities can be integrated into a renewed, sustainable, operating model.
- 11.2. The Council now operates a Transformation Programme to improve service efficiency, productivity and value for money, whilst also supporting the delivery of financial sustainability over the medium to long term. The current programme is driven by the following guiding principles:
- **Resident Centric:** We will be resident centric, putting residents at the heart of everything we do and focusing on the experience of residents across all services. This is to ensure the best possible services for Southend-on-Sea residents, making sure their needs are met.
  - **Efficient & Effective:** Working in ways that are streamlined, preventative, optimise resources, and prioritise the right things at the right times, providing the right results. This is to ensure staff are enabled to work in a proactive and productive manner, and that residents receive smooth and streamlined services.
  - **Inclusive:** Promoting a positive culture within the Council and outside of it, accommodating the needs of all and creating a sense of true



acceptance. This is to ensure there are no unspoken boundaries, and that everyone has equal opportunity and sense of belonging, regardless of who they are.

- **Evidence-Based Decisions:** We will make decisions based on reliable data and evidence to ensure the best possible outcome for residents and the Council. This is to ensure residents receive the best services, and staff are empowered by decisions backed by good and reliable evidence.
- **Digitally Enabled:** Digital by default, we will reduce our manual tasks and processes to optimise how we work and deliver services. This is to enable each service to use resources optimally and effectively to meet residents and staff needs.
- **Commercially Viable:** We will ensure that the Council is financially viable and sustainable for the future, taking a commercial approach and running as efficiently as possible to drive value for money whilst maintaining future viability.

11.3. Whilst the immediate focus of transformation is to assess value for money of services and balance the near term budget challenge, a far more extensive and challenging approach, based on experience in other local authorities, is required to ensure a financially sustainable organisation in the longer term. This approach will need to question current ways of working which are embedded within the Council's prevailing culture, exploring different ways to achieve the same goals while forming clear 'As-Is' and 'To-Be' views and outlining efficiency and effectiveness to be gained. Service re-design is a necessity to support this process. To complement the Council's transformation programme a targeted series of zero based budget reviews will also be developed, to take a fresh look at understanding the resource requirements and performance of individual services.

11.4. The current transformation programme is overseen by the Corporate Leadership Team (CLT) Transformation Board and the current workstreams are as follows.

#### **Foundation Projects**

- MySouthend Replacement
- Business World
- Our Future Estate (incl. Locality Hubs)
- Workforce Modernisation
- Data Transformation

#### **Service Transformation Projects**

- Front Door
- Children's Social Care Demand Management
- Commissioning / Contract Management
- One Council



- 11.5. In addition to the CLT Transformation Board a new Members Resources Sub-Group has been established, which will provide regular oversight of the work of the CLT Transformation Board. It will also be used as a cross-party panel to actively challenge our approach, assess progress, comment on delivery performance, generate new ideas and to undertake an in-depth analysis around key risk areas of the budget and suggest mitigation options.
- 11.6. The financial position for the Council, in line with most of the local government sector, has been challenging over several years now and particularly over the last couple of financial years. This pressure remains and without proactive action it will continue to build for the future. As part of the proposed 2025/26 budget package around one third of the total value of new investments and support for unavoidable cost pressures **£8.850M** (of the total **£25.050M**) are directly linked to addressing the previously reported structural budget deficit of the Council. This significant investment will deliver a permanent increase into the revenue base of specific targeted service budgets and demonstrates our commitment to eliminate the local structural budget deficit challenge.
- 11.7. For each budget setting cycle a balanced budget is approved, based upon all the known factors at the time of setting that year's budget. Estimates are exactly that and officers use all known information available during the preparation of the budget considering levels available resources, assessment of service costs, inflation, income generation potential, demand management, correction of 'in year' overspend positions where possible, new government requirements etc. The approach to the Council's budget development is in line with best practice and CIPFA's Financial Management Code. This is outlined within the Council's S151 officers S25 statement attached at **Appendix 2**.
- 11.8. The final budget report for the forthcoming financial year is proposed to Cabinet each February so realistically is based upon all known information up to January. The first public budget monitoring report for the new financial year is for the position as at the 31 July of that year and then reported to Cabinet in September.
- 11.9. Therefore, a period of some six months will have elapsed between the preparation of the budget and the first public reporting of performance against that new approved budget. Several local factors may have changed in that period e.g. significant increases in demand and complexity for Adult and Children's social care that were not anticipated when setting the budget but also external factors such as the significant increase in inflation experienced in 2022/23 which continued into 2023/24 and to lesser extent into 2024/25.

11.10. Every attempt is made to produce a balanced and robust budget which by its very nature is developed containing a huge range of assumptions, professional judgements and resource constraints for local and external factors and risks. The volatility of the economy, national policy changes and demanding local operating environment will always require continuing review and assessment as more up to date information becomes available during the financial year. The Council has effective financial management and reporting arrangements in place and the financial position for 2025/26 will be regularly monitored with any variances from the approved budget highlighted and appropriate mitigation action (as necessary) proposed throughout the financial year.

## **12. General Fund Revenue Budgets 2025/26 – 2029/30**

### **Forecast revenue outturn 2024/25**

- 12.1. Members have been supplied with regular financial performance information throughout the year including appropriate updates to the 2024/25 original budget. The latest forecast outturn and supporting narrative for 2024/25 is summarised in the Finance Performance Report 2024/25 - to end of November 2024 (Period 8), elsewhere on this Cabinet agenda. Most of the financial pressures that the Council has continued to experience have been down to external factors where the Council has had no direct influence or control and they have continued at great pace, since the Council's 2024/25 budget was approved in February 2024.
- 12.2. In headline terms the Council's Corporate Budgets and Service Portfolios are currently forecasting a net overspend by the year-end of **£4.683M** for 2024/25, this is an improvement of **£0.962M** on the position reported at September 2024 (period 6) (£5.645M).
- 12.3. A range of mitigation plans remain in place to try and improve the overall financial position further by the end of the financial year. The situation will continue to be closely monitored but may require the escalation of corporate control measures on ensuring service areas keep within their budget limits. Given the overall financial situation and current forecast outturn position for 2024/25, the Council will have no choice but to use its earmarked reserves, which have been prudently developed over previous years, to cover any overspend that remains at the end of this financial year, as also set out at paragraph 8.7. The actual year-end final position for 2024/25 will be considered as part of the outturn report, which will be presented to Cabinet in June 2025.

### **Fees and Charges Proposals**

- 12.4. Cabinet at its meeting on 18 September 2018 approved the introduction of a fees and charges policy to cover all fees and charges reviews except car parking charges. This approved policy enabled Officers to set fees and charges annually where the expected overall income yield for a service or category is in line with the budget parameters as set out within the Medium Term Financial Strategy. Anything that is proposed outside of these budget parameters would require approval by Cabinet.

- 12.5. All Local Authorities are responsible for setting and collecting an extensive detailed range of fees and charges across many service areas. For reference the current 2024/25 schedule can be found on the Council's website<sup>1</sup>.
- 12.6. At a Special Cabinet meeting held on 19 December 2024 it was confirmed that in general terms the income yield at an overall service level will increase by 2.75% for 2025/26, individual fees and charges within a service may vary accordingly to achieve this objective. Where appropriate, reasonable and sensible to do so, some charges will be rounded to the nearest 10p, 50p, £1, £5 etc. These arrangements will be implemented under officer delegations with effect from 1st April 2025.
- 12.7. The headline proposed exceptions to this intention were approved in principle, together with a commitment to provide a comprehensive schedule detailing all fees and charges proposed for 2025/26 as part of the final budget report to Cabinet on 11 February 2025.
- 12.8. In summary the schedule within that report set out the fees and charges for services that fall within one of the following categories:
- Proposed yield increase by a percentage higher than 2.75%,
  - Proposed to stay at the same level as 2024/25,
  - Proposed to decrease the charge for 2025/26.
- 12.9. At the Special Cabinet meeting held on 19 December the proposed parking fees and charges from 1 April 2005 were also approved, together with agreement that the relevant officers could progress and implement the required Traffic Regulation Orders.

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<sup>1</sup> <https://www.southend.gov.uk/downloads/download/380/council-fees-and-charges>

## Overall General Fund Budget

- 12.10. The overall proposed balanced General Fund Revenue Budget package for 2025/26 is summarised in the following table (**Table 5**).

**Table 5 Summary of General Fund Revenue Budget**

	<b>Revised Budget 2024/25 £M</b>	<b>Proposed Budget 2025/26 £M</b>
<b>Net Base Budget</b>	153.470	150.162
Proposed Budget Changes (net)	5.470	14.897
<b>Revenue Budget</b>	<b>158.940</b>	<b>165.059</b>
<i>Less Available Funding</i>		
Revenue Support Grant	(7.590)	(7.799)
Business Rates Income	(46.855)	(46.388)
Collection Fund Surplus	(1.000)	(1.400)
<b>To be funded from General Council Tax and ASC Precept</b>	<b>103.495</b>	<b>109.472</b>
General Council Tax	88.506	92.286
ASC Precept Income	14.989	17.186
<b>Remaining Budget Gap</b>	<b>0</b>	<b>0</b>
Use of General Reserves	0	0
<b>Use of Reserves to Balance Budget</b>	<b>0</b>	<b>0</b>
<b>Balanced Budget</b>	<b>0</b>	<b>0</b>

The figures in the above table exclude the Leigh-on-Sea Town Council Precept.

## Council Tax 2025/26 and estimated collection fund balance 2024/25

- 12.11. The Council must formally determine the Council Tax Base (the number of Band D equivalent properties) for 2025/26 and any estimated Collection Fund balance at the end of 2024/25. The Council Tax base for 2025/26 is as reported in a separate report on this agenda for approval by Cabinet as delegated by Council at **60,860.63** (equivalent Band D properties) including Leigh-on-Sea Town Council.
- 12.12. The tax base for Leigh-on-Sea Town Council has been calculated for 2025/26 as **9,104.04** Band D equivalents.

12.13. The estimated balance on the Collection Fund in respect of Council Tax as at the end of 2024/25 will be formally reported to Cabinet in February 2025. It is currently assumed that **£1.4M** of the projected accumulated historical surplus will be used to support the budget for 2025/26.

### Council Tax

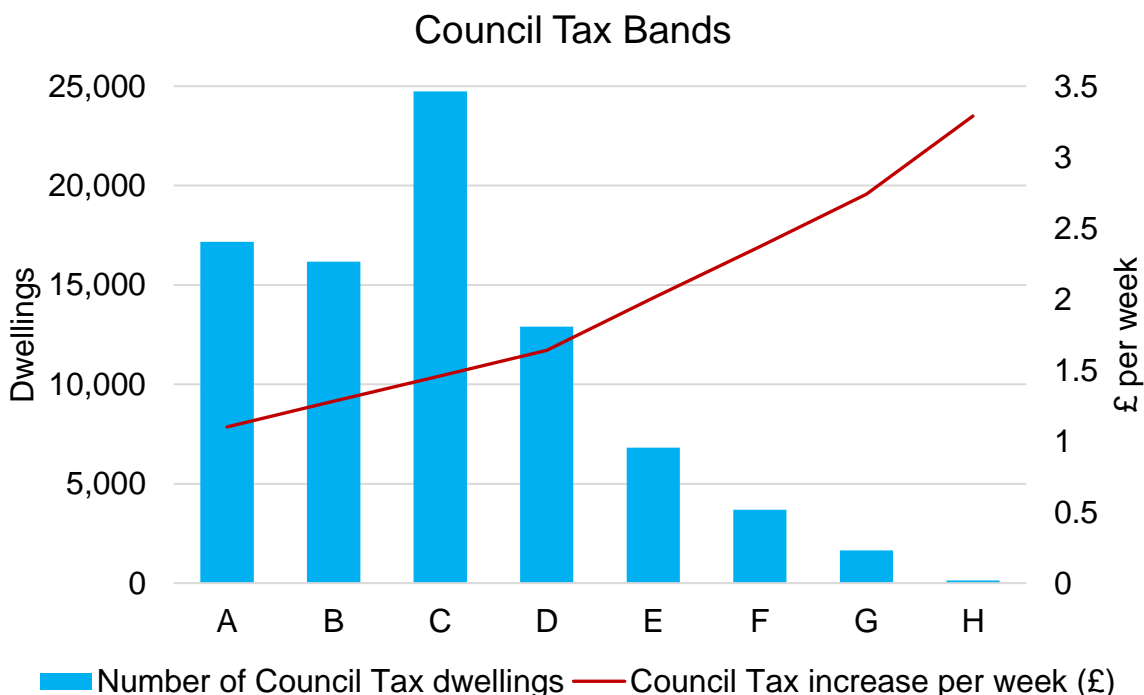
12.14. Overall, the draft budget assumes a total increase in the Council Tax of 4.99% (that being 2.99% for general use and 2% for the Adult Social Care precept). This would result in a Band D value of **£1,798.74** per annum (the Band D level for 2024/25 is £1,713.24). This equates to an annual increase of **£85.50** and a weekly increase of **£1.64**.

12.15. **Table 6** and **Figure 3** provide an indicative illustration of the impact of the proposed council tax increase for 2025/26 across the range of properties in Southend-on-Sea. 70% of properties in the City are in council tax bands A to C.

**Table 6 Council Tax Bands**

Council Tax Band	A	B	C	D	E	F	G	H
Number of Council Tax dwellings	17,163	16,168	24,744	12,900	6,814	3,698	1,638	128
24/25 Council Tax per week (£)	21.96	25.63	29.29	32.95	40.27	47.59	54.91	65.89
Increase per week (£)	1.10	1.28	1.46	1.64	2.01	2.38	2.74	3.29
25/26 Council Tax per week (£)	23.06	26.90	30.75	34.59	42.28	49.97	57.65	69.18

**Figure 3 Number of Council Tax Dwellings and the associated proposed increase**



12.16. This draft proposed budget for 2025/26 assumes a Council Tax increase of **2.99% for general use** on the Southend-on-Sea element of the total Council Tax. It also assumes an **Adult Social Care precept increase at a level of 2.0%** of the main Council Tax. This has been determined based on trying to limit the local Council Tax increase to as low a level as realistically possible in these very financially challenging circumstances.

12.17. The ability to apply this precept was introduced by the Government as part of the 2016/17 Local Government finance settlement. It was introduced to assist with the increasing demand and demographic expenditure pressures from Adult Social Care that Local Government has been experiencing and are continuing to face.

12.18. The total Council Tax payable by taxpayers consists of Southend-on-Sea City Council element, the Adult Social Care element and the precepts for Essex Fire & Rescue Services Authority and Essex Police Authority. Where applicable it also includes Leigh-on-Sea Town Council precept.

### Precepts

12.19. Leigh-on-Sea Town Council has indicated its proposed level of precept for 2025/26 of **£484,790** (2024/25 = £466,656) pending approval at their Town Council meeting of 7 January 2025. Based on their council tax base of **9,104.04** the Town Council element of the total Council Tax bill would increase from £51.75 to **£53.25** at Band D, equivalent to an increase of **2.90%** from 2024/25.

- 12.20. Essex Fire & Rescue Services and Essex Police through the Police, Fire and Crime Commissioner for Essex has by law to set both precepts no later than 1 March 2025 (after consideration by the Essex Police, Fire and Crime Panel on 4 February 2025). At this stage, no information is available on their proposed Council Tax increase levels for 2025/26.

### Levies

- 12.21. The Council is required to pay relevant levying bodies, who have only indicated their draft levy position for 2025/26. Updated levies figures will be included in the final report to Cabinet on 11 February 2025. The final levies will be reported on in the Council Tax report for Council on 20 February 2025. The current position for 2025/26 is identified in Table 7.

**Table 7 Levying bodies and their charges.**

	<b>2024/25 Estimate £000</b>	<b>2025/26 Estimate £000</b>	<b>Percentage increase %</b>
Kent and Essex Inshore Fisheries and Conservation Authority (Provisional)	24.5	24.9	1.5
Flood Defence – Environment Agency (Provisional)	221.1	223.3	1.0
Coroners Court (Provisional)	594.7	617.1	3.8
<b>Total</b>	<b>840.3</b>	<b>865.3</b>	

- 12.22. The Kent and Essex Inshore Fisheries and Conservation Authority levy is provisional and is a proposed increase of **£368** from 2024/25 to 2025/26. The Flood defence levy is provisional and is based on the increase agreed at the Anglian Eastern Regional Flood and Coastal Committee but is subject to confirmation of Southend’s relative share calculated using taxbases. The Coroners Court levy is also provisional and is based on the amount notified by Essex County Council following continued pressure on the coroners’ budget.

### Reserves Strategy and Section 151 Officer’s Statement

- 12.23. The Reserves Strategy is set out in the Section 151 Officer’s Statement on the Adequacy of Balances attached at **Appendix 2**. Within the boundaries of this strategy the presentation of the budget reflects proposed net appropriations to earmarked reserves totalling £1.924M for which separate approval is sought. Full details are shown in **Appendix 3**.

## Staffing Implications

- 12.24. In response to the continuing financial challenges and the need to ensure the Council remains viable and financially sustainable, a new voluntary redundancy opportunity was made available to all staff for a limited period and was launched in November 2024. The original voluntary redundancy programme for the Council was announced in November 2023. This latest programme received a total of 60 applications from individual officers and 13 of these applications have currently been accepted and approved. Staff have been informed of the outcome from this process and where applications have been agreed, appropriate notice has been issued in accordance with the individual officer's contractual terms.
- 12.25. The approval of these 13 voluntary redundancy applications will result in the deletion of 13 FTE posts from the Council's establishment in 2025/26. There are also potentially a further 8 FTE posts proposed to be deleted, as part of the draft budget savings package detailed at **Appendix 6**. So, a total of **21 posts will be deleted** but within the proposed investments as detailed in **Appendix 5** an additional 7 new FTE posts are being proposed to be created. The net reduction to the Council's establishment in 2025/26 will be **14 FTE posts** (21 deleted – 7 new posts created). There will be a further update and final refinement of the status of all budget proposals from a staffing perspective included within the final budget report to Cabinet in February 2025.
- 12.26. As usual all proposed service staffing structure changes will be designed to target vacant posts first, fixed term contracts where applicable, interim arrangements, agency cover and the accepted voluntary redundancy agreements. Every effort will be made to avoid any compulsory redundancies as part of implementing all budget proposals. These arrangements will remain under review and service delivery mechanisms will be refined and concluded based on the feedback received from the range of consultation processes that are launched.
- 12.27. The Council's workforce planning process will continue to provide oversight on all proposed staffing changes and ensure that the approach will manage vacant posts (permanent and temporary), agency and interim arrangements to ensure that any staff identified at risk from the proposed staffing restructures can be redeployed where appropriate.
- 12.28. The Council's policies on managing organisational change, redeployment and redundancy will be followed accordingly. Consultations with staff and Trade Unions will continue throughout the budget development and implementation process. Comprehensive engagement and consultation will also be a key feature of each stage/phase of the implementation of the proposed service redesigns.



### 13. Capital Investment Programme

- 13.1. Each year the Council agrees a Capital Investment Strategy that sets out the framework for controlling and monitoring the Capital Investment Programme. The Capital Investment Strategy is a key document for the Council. It sets out the processes and policies relating to capital expenditure and investment.
- 13.2. The capital investment programme is prepared and developed in accordance with the Council's Capital Investment Strategy, which is attached as **Appendix 8** to this report. In turn, the Capital Investment Strategy has been written in the context of the Corporate Plan and all capital investment is therefore driven by the aim of contributing to the delivery of the desired outcomes of that plan.
- 13.3. Successful and timely delivery of the capital investment programme is a key part of achieving the Council's vision and to meet our 2024-2028 Corporate Plan priorities:

The Council's Vision is:

*At Southend-on-Sea City Council, we are proud to be part of a modern, vibrant coastal city that values its heritage.*

*We listen, with our city's many voices shaping what we do. We have the confidence to innovate, embrace connection and seek opportunity, and are building a sustainable future together.*

The Corporate Plan Priorities are.

A City that is:

- Proud and Prosperous
- Safe, Clean and Green
- Caring with a good quality of life for all
- Led by a transformative, responsive council.

#### **Deliverability**

- 13.4. There is inevitably a gap between the capital investment programme ambition and the finite available resources to afford and deliver the programme. This limits the number and value of schemes that are affordable and deliverable.
- 13.5. We need to ensure that investment is focussed on priorities and that priority projects have viable delivery plans. An on-going review has been undertaken to re-assess and re-prioritise the capital investment programme. As the review has progressed the results have been included in the Period 4, Period 6 and Period 8 financial performance reports to September, November and January Cabinet, respectively. The Period 8 financial performance report is included elsewhere on this agenda.

13.6. A capital challenge session, chaired by the Cabinet Member for Finance, Assets and Investments, was held in July regarding the key strategic schemes within the programme. The results of that review were included in the July 2024 (period 4) performance report to Cabinet in September. Further capital challenge sessions covering all schemes took place in early October and the resulting requested changes to the capital investment programme were included in the September 2024 (period 6) performance report to Cabinet in November. The review has continued since then and the resulting requested changes to the capital investment programme are included in the November 2024 (period 8) financial performance report elsewhere on this agenda.

13.7. The reviews of the capital investment programme have considered the following:

- the actual physical progress of each scheme (e.g. out to tender, site assembly, on site, etc.) and whether the current year's budget will be spent.
- re-assess schemes considering the effects of any supply chain issues.
- ascertain more realistic budget profiles based on expected delivery timescales and to ensure resources are in place to deliver them.
- whether projects funded by borrowing are still affordable.
- review the overall programme to achieve a more even investment profile across the years, to ensure it is realistic and affordable as a whole.
- consider whether any schemes can be stopped or paused.
- consider whether any schemes should be subject to a viable business case assessment.

13.8. This has led to some schemes being re-profiled, some scheme budgets being deleted from the capital investment programme whilst others have been moved to the 'subject to viable business cases' section below the main programme. These schemes can be brought up into the main programme at the appropriate time in line with the approach where schemes can enter the programme during the financial year and not just annually at budget setting. This approach should ensure that the programme is affordable, deliverable and focussed on the Council's key priorities.

#### **14. Capital Investment Programme – position as set out in the Financial Performance Report – Period 8 (elsewhere on this agenda)**

14.1. At November Cabinet a 2024/25 budget of £53.2M was approved and a total budget for financial years 2025/26 to 2028/29 of £109.0M was approved.

14.2. Since November Cabinet the capital investment programme review has continued as set out in paragraphs 13.6 to 13.7. As a result of this, the Financial Performance Report – Period 8 includes any virements between schemes, re-profiles across years, new external funding, proposed scheme deletions and movements between the main programme and the 'subject to' section. These are set out in **Appendix 10**.

14.3. Where grant allocations from Government have been announced for 2025/26, these have been included as new external funding. The following amounts have been included the Financial Performance Report – Period 8, with the details set out in Appendix 2 to that report:

- Bus Service Improvement Plan - £1,763k
- Highways Maintenance - £2,643k
- UK Shared Prosperity Fund - £81k
- DfT Active Travel - Tranche 5 - £96k

Where further grant allocations from Government are announced for 2025/26 after this report is published, these will be included as part of the final budget report to February Cabinet.

14.4. The resulting revised capital investment programme for 2024/25 to 2028/29 is shown in **Table 8**.

**Table 8 Revised Capital Investment Programme (GF and HRA)**

	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	2027/28 (£000)	2028/29 (£000)	Total (£000)
At November Cabinet	53,228	64,299	30,433	7,900	6,339	162,199
Amendments	(3,266)	8,063	526	309	0	5,632
<b>Revised programme</b>	<b>49,962</b>	<b>72,362</b>	<b>30,959</b>	<b>8,209</b>	<b>6,339</b>	<b>167,831</b>

*Total proposed budget for 2025/26 to 2028/29 = £117.9M*

14.5. Key areas of investment within this programme across the five-year period 2024/25 to 2028/29 are as follows:

**A city that is proud and prosperous**

14.6. Capital investment in the following area contributes to the desired outcomes of thriving businesses, a strong local economy, a more productive labour market and people proud to live and work in Southend-on-Sea.

- An investment of £1.1M included in this capital investment programme is for the completion of the Airport Business Park, a major strategic employment site near London Southend Airport. The Launchpad building has now been open for two years but there is still some outstanding expenditure to be incurred on the project. This includes footpath diversions, agency and planning fees for various plots, the transfer of common parts from the Council to the management company and the creation of a bus route with the associated infrastructure.

14.7. Capital investment in the following areas contributes to the desired outcomes of a growing tourism trade and enhanced leisure offer, boosting the local economy, creating a vibrant city for our residents and visitors and contributing to better health and wellbeing.

- Capital investment of £22.7M is included in this programme to deliver the projects for improvements to the visitor economy that are funded mainly by the Levelling Up Fund. These include £7.0M for the Cliffs Pavilion, £13.7M for the Leigh Port and £2.0M for Marine Parade.
- Major capital investment in the pier of £9.1M is included in the current programme. This includes monies to deliver a continuing planned approach to addressing the condition works and bearing refurbishment identified within the condition survey. This will reduce the requirement for urgent and/or reactive condition works. To ensure the pier continues to be an outstanding visitor attraction other investment has been included for Phase Two of the Prince George Extension and for refurbishment works to the timber outer pier head.
- Capital investment of £1.9M is included in the current programme for projects funded from the Community Infrastructure Levy. This includes £0.9M from the main fund for enhancing children's play provision in public parks and £0.9M from the main fund for enhancing cycle infrastructure.

#### **A city that is safe, clean and green**

14.8. Capital investment in the following area contributes to the desired outcome of an enhanced and protected street scene, which support health and wellbeing.

- Capital investment of £18.5M in the city's footways and carriageways is included in this programme. This includes £8.5M for footways improvements and £6.2M for carriageways improvements to reduce long term structural maintenance and improve public safety. It also includes £3.7M for highways maintenance, including the repair of potholes.

14.9. Capital investment in the following area contributes to the desired outcome of an improved and cleaner transport system making Southend a healthier and more accessible place to live, work and visit.

- Capital investment of £3.4M is included in this programme for works to the A13 funded from Safer Roads Fund monies from Government.
- Capital investment of £1.8M is included in this programme for works funded by the Bus Service Improvement Plan monies from Government.
- Capital investment of £4.3M is included in this programme for the completion of schemes funded from Local Transport Plan and the Local Growth Fund monies from Government. These include essential maintenance works, bridge strengthening, transport network and management schemes and city centre interventions.

14.10. Capital investment in the following areas contributes to the desired outcome to build a resilient city to tackle the effects of climate change.

- Capital investment of £2.1M included in this programme is for flood prevention and resilience schemes including various schemes under the Catchment to Coast project funded by the Environment Agency's Innovation Resilience Programme.
- Capital investment of £1.8M included in this programme is for cliff stabilisation works at Belton Way East.
- There is £3.5M in the programme to improve the energy efficiency of council housing as part of the Social Housing Decarbonisation Fund. The project is to retrofit 110 council homes and will focus on reducing the heating demand of some of the Council's most poorly insulated homes by using external wall insulation, loft insulation, improved glazing, energy efficient lighting, draught proofing and ventilation improvements.
- As part of the Airport Business Park, the new Launchpad Innovation Centre has environmental sustainability as the core to its building design. The design and construction achieved the highest standards of environmental performance, making it the first council-owned building to achieve Building Research Establishment Environmental Assessment Method (BREEAM) Outstanding Certification.
- The other construction works at the Airport Business Park have been delivered by contractors appointed through an Official Journal of the European Union (OJEU) compliant procurement process. As part of this, the Council and Henry Boot Developments Limited have defined the standards they expect contractors to achieve. Building Research Establishment Environmental Assessment Method (BREEAM) Very Good has been adopted as the minimum standard for buildings and BREEAM Excellent will initially be targeted for all developments (albeit this will need to be considered in the context of overall development viability).
- Across the Airport Business Park there has been considerable investment in walking and cycling infrastructure ensuring connectivity with the wider network and through to Rochford station. An S106 contribution will ensure that the park is served by public transport. The site also benefits from sustainable drainage solutions and there has been considerable investment in planting.
- Where building refurbishments are undertaken, and particularly through projects delivered through the Property Refurbishment Programme, the Council is taking measures to upgrade the energy efficiency of its operational buildings with a specific focus on measures that reduce energy consumption and reduce energy loss.

## **A city that is caring with a good quality of life for all**

- 14.11. Capital investment in the following area contributes to the desired outcome that children and young people, including those cared for by the council, feel safe at home, in school and in their communities and have access to opportunities where all children can achieve success.
- The schools capital investment programme for 2024/25 onwards totals £9.3M. The programme will continue to include the schools condition works but it will be dominated by the projects funded by High Needs Provision funds. These funds are to enhance the facilities and number of places available for children with special educational needs and disabilities or requiring alternative provision.
- 14.12. Capital investment in the following areas contributes to the desired outcome that quality, affordable and safe homes are available for residents in Southend-on-Sea, with the right infrastructure to support this.
- Several sites within the housing development pipeline are currently underway and a major capital investment of £24.2M is included in this programme to deliver the agreed phases of the affordable housing development programme to provide much needed housing for those on the Homeseeker's Register. Phase 3 is to deliver circa 29 units of Council housing across six underutilised garage sites and surrounding land in Shoeburyness. Phase 4 is to deliver circa 9 units of Council housing at the North of the site within the Council owned Lundy Close housing estate. The Modern Methods of Construction pilots for off-site delivery methods are at Archer Avenue and Saxon Gardens. There is also a project at the Cattery site on Prince Avenue, which involves the building of 30 houses on the site in line with Passivhaus principles.
  - Capital investment of £5.1M is included, to continue the affordable housing acquisitions programme but also includes the acquisition of tower block leaseholds and homes purchased under the Afghan and Ukraine resettlement scheme.
  - Capital investment of £20.8M has also been included to continue the programme of works to maintain the housing stock to decency levels, to invest in environmental health and safety and common area improvement works and for improvements and structural works at the Balmoral Estate. The decency levels of the 5,960 houses, flats and bungalows needs to be maintained to sustain an environment that keeps residents safe.
  - Capital investment of £8.4M is included for Disabled Facilities Grants to provide grants to disabled people make changes to their homes. Adaptations include widening doors, installing ramps, improving access to rooms and facilities and adapting heating and lighting controls to make them easier to use.

## **A city that is led by a transformative, responsive council**

14.13. Capital investment in the following area contributes to the desired outcome of value for money and clear service standards.

- Capital investment of £4.5M included in this programme is to continue the property refurbishment and fire improvement works programmes. The property refurbishment programme enables a proactive approach to ensure investment is made in the fabric and services within buildings before they get to a stage that capital works become urgent or have a detrimental impact on service users' use of the building or leads to urgent repairs and maintenance works which are usually more costly long term. The fire improvement programme enables the Council to proactively manage and address active and passive fire protection measures across its operational property stock. This ensures buildings remain safe whilst also progressively delivering bringing buildings up to current standards. If the project is not delivered the Council may be forced to close operational buildings following fire risk assessments or other fire inspections.
- Capital investment of £13.3M included in this programme for ICT includes the ongoing projects for the technology device refresh and software licences, including the Council's enterprise agreement licences. It also includes £1.2M to replace the MySouthend system. Later phases of the project relating to system development are expected to deliver efficiencies and improvements in productivity.

### **15. New capital investment proposed**

15.1. Although the capital investment programme for 2025/26 to 2029/30, updated because of the changes set out in **Appendix 10**, represents a significant investment of nearly £118M on the part of the Council in the Southend area, the Council's ambition to improve the lives of residents is undiminished.

#### **Civic Centre Boiler Works (Phase Two)**

15.2. New capital investment of £0.115M for 2025/26 is proposed to install new heating boilers focusing on energy efficiency. This will follow on from Phase One of the project which is to install new hot water boilers during 2024/25. As part of Phase One the boiler system will be split between heating and hot water, so that over the summer period only the hot water system will need to operate, thereby reducing gas usage.

### Better Queensway – Programme Management Office

- 15.3. New capital investment of £1.0M is proposed for 2025/26 to enable the Council to deliver the Better Queensway project. It includes the costs of the Project Management Office: to ensure the necessarily tight deadlines of the project are met and to provide the ability to backfill on occasion to keep the project to programme. It also includes provision to retain the capacity of the external advisory team as this has proved vital to the project due to their specialist knowledge and experience. This will provide the Partnership Board with the necessary support in delivering the activities the Council is committed to.

### Better Queensway – Highways Infrastructure Project

- 15.4. New capital investment of £19.88M is proposed to enable the Council to deliver the highways elements of the Better Queensway project. This comprises £0.415M in 2025/26 and £0.335M in 26/27 for the highways project management costs, including Civil Engineers, highways consultants and site supervisors and engineers. It also comprises £16.335M in 2025/26 and £2.795M in 2026/27 for highways infrastructure works.

### Footways Improvements

- 15.5. Additional capital investment of £2.5M is proposed to improve local pavements to create better conditions for walking and improve public safety by reducing instances of trips and falls. The programme of works includes some of the highest priority pavements that need repair, across a range of wards and is part of more major investment across future years that will be needed to enable all the highest priority pavements to be brought up to standard across the city.

### Carriageways Improvements

- 15.6. Additional capital investment of £1.5M is proposed to improve local roads to reduce long term structural maintenance and improve public safety. The programme of works includes some of the highest priority roads that need repair, across a range of wards and is part of more major investment across future years that will be needed to enable all the highest priority roads to be brought up to standard across the city.

### Car Parks – Resurfacing and Ancillary Works

- 15.7. New capital investment of £0.5M is proposed to resurface and re-line car parks which have been surveyed and deemed to require work. Investing in parking infrastructure and ensuring car parks are attractive and well looked after, will ensure better use and reduce the risk of loss of income from parking.

### Priority Works

- 15.8. New capital investment of £1.8M is proposed to ensure a £0.6M annual budget is available to deal with any urgent or priority works to Council owned assets that may arise during the year.



#### Civic Pride Action Plan – Approach from Victoria Station to High Street

- 15.9. New capital investment of £0.13M is proposed to improve the approach from Southend Victoria train station to the High Street to draw people into the High Street.

#### Civic Pride Action Plan – Southend-on-Sea Signage

- 15.10. New capital investment of £0.175M is proposed to review and commission wayfinding signage in the city, including directional signage, 'you are here' maps, large 'welcome to Southend' signage and Belfairs Park signage strategy and works. £0.1M is allocated to Southend-on Sea signage with £0.075M allocated to Belfairs Park Signage. Other wayfinding signage costs are yet to be determined.

#### Civic Pride Action Plan- Never Never Land and Cliffs Stabilisation – feasibility study

- 15.11. New capital investment of £0.1M is proposed to undertake a feasibility study to establish a viable business case for a new Never Never Land and cliff stabilisation options on Western Esplanade. If a viable business case is agreed, a budget would be requested for the design, surveys, obtaining planning and other statutory permissions, the tender and the on-site works.

#### Civic Pride Action Plan - Inclusive Playground at East Beach

- 15.12. New capital investment of £0.59M is proposed to design and construct a new inclusive playground at East Beach. This budget includes the design team fees, costs of obtaining statutory consents, detailed designs, the tender process and construction costs. This would be funded from the Community Infrastructure Levy (CIL) main fund.

#### HRA Future Investment Programme

- 15.13. New capital investment of £11.88M is proposed to continue the Decent Homes programme to keep the housing stock at decency levels, for common area improvements and for environmental health and safety works. These works are wholly funded through the HRA, from the Major Repairs Reserve.

### **16. Capital investment subject to viable business cases**

- 16.1. To ensure that the programme is affordable, deliverable and focussed on the Council's key priorities several schemes have been included in the Subject to Viable Business Case section of the programme. These schemes can be brought up into the main programme at the appropriate time in line with the approach where schemes can enter the programme during the financial year and not just annually at budget setting.

- 16.2. Viable business cases will need to be produced and approved before these schemes can progress and be brought into the capital investment programme. The following have been identified as priority schemes subject to viable business cases (**Table 9**).

**Table 9 Priority capital schemes subject to a viable business case**

Scheme
Civic Pride Action Plan – Review of Recycling Provision
Southend Pier - Condition Works
Coastal Defence Refurbishment Programme
Schools – Condition Works (externally funded)
Property Refurbishment Programme
Fire Improvement Works
Footways Improvements
Carriageways Improvements
Carriageways Improvements - Potholes
New Street Lighting – Column Replacement
Climate Change Provision
Southend Highway Trees
Cliffs Stabilisation
Public Toilet Provision
HRA Affordable Housing Acquisitions Programme
HRA Right to Buy - Buybacks Refurbishment
HRA Disabled Adaptations

- 16.3. Civic Pride Action Plan – Review of Recycling Provision: investment has been included in this section of the programme to review the recycling provision in the city, including the recycling points and the different types of bins.
- 16.4. Southend Pier – Condition Works: a rolling programme of investment to deliver the ongoing planned approach to addressing the condition works and bearing refurbishment identified within the condition survey. This proactive approach reduces the requirement for urgent and/or reactive condition works and ensures the integrity of this landmark structure that helps drive millions of visitors to Southend-on-Sea each year. £1.25M p.a. is included in this section of the programme for the years 2027/28 to 2029/30.
- 16.5. Coastal Defence Refurbishment Programme: a rolling programme of investment is to deliver a planned approach for the essential refurbishment works to the city’s coastal defences. This proactive approach reduces the requirement for urgent and/or reactive condition works. £0.5M is included in this section of the programme for the years 2025/26 to 2029/30.

- 16.6. Schools – Condition Works: a rolling programme at Family Centres and emergency works at schools. These are mainly larger, urgent projects to be agreed between the Council’s property team and head teachers. £0.5M p.a. is included in this section of the programme as an indicative amount for the years 2025/26 to 2026/27. However, the amount will be subject to the allocation of funding for those years from the DfE.
- 16.7. Property Refurbishment Programme: a rolling programme of investment to enable the Council’s Property and Estate Management service to take a proactive approach to maintaining the buildings for which it is responsible. This will ensure investment is made in the fabric and services within building before they get to a stage that capital works become urgent or have a detrimental impact on service users’ use of the building or leads to urgent repairs and maintenance works which are usually more costs long term. £0.75M p.a. is included in this section of the programme for the years 2027/28 to 2029/30.
- 16.8. Fire Improvement Works: a rolling programme for the implementation of fire safety and associated compliance works across the Council’s corporate property estate arising because of any changes to building regulations and/or other standards or updated fire risk assessments. £0.75M p.a. is included in this section of the programme for the years 2027/28 to 2029/30.
- 16.9. Footways Improvements: this investment is to create better conditions for walking and improve public safety by reducing instances of trips and falls. £1.5M is included in this section of the programme for 2025/26 and £4M p.a. included for the years 2026/27 to 2028/29.
- 16.10. Carriageways Improvements: this investment is to improve the highways infrastructure, reduce long term structural maintenance and improve public safety. £1.5M p.a. is included in this section of the programme for 2026/27 to 2028/29.
- 16.11. Carriageways Improvements - Potholes: this investment relates to potholes and is to improve the highways infrastructure, reduce long term structural maintenance and improve public safety. £0.5M p.a. is included in this section of the programme for the years 2025/26 to 2028/29.
- 16.12. New Street Lighting – Column Replacement: this investment is to deliver replacement streetlight columns where they are damaged or reach the end of their useful lives. £0.05M p.a. is included in this section of the programme for the years 2025/26 to 2028/29.
- 16.13. Climate Change Provision: investment of £1.238M has been included in this section of the programme, to deliver suitable projects aimed at reducing the impact of climate change and support the Council’s aspirations to achieve net-zero emissions by 2030 in line with the Climate Emergency Declaration.
- 16.14. Southend Highway Trees: investment of £0.15M has been included in this section of the programme, for trees to be planted along the city’s highway network as appropriate.

- 16.15. Cliffs Stabilisation: it is recognised that consideration needs to be given to schemes to remedy ground movement and reduce the risk of cliff slips. Schemes will be prioritised and slopes where there is evidence of ongoing, persistent ground movement, affecting a wide area with the potential to affect adjacent buildings or infrastructure would be considered first. £0.5M is included in this section of the programme for 2025/26.
- 16.16. Public Toilet Provision: This scheme is to investigate and review the public toilet provision and location and implement the construction of a new toilet facility to meet the requirement identified. This may be in the form of one large block or multiple small blocks. The focus will be the seafront facing wards that contain the main facilities. £0.35M p.a. is included in this section of the programme for 2025/26 and 2026/27.
- 16.17. HRA Affordable Housing Acquisitions Programme: through the rolling programme of purchasing suitable private homes for council use, the acquisitions programme helps to ensure that everyone has access to quality, affordable and safe homes, including those with complex needs. £1.5M p.a. is included in this section of the programme for the years 2025/26 to 2029/30.
- 16.18. HRA – Right to Buy Buybacks Refurbishment: a rolling programme of investment to support the continuation of the programme to buy back ex-council houses and other properties to increase the stock on the housing register. This investment would be used to refurbish the properties that are purchased to bring them up to Decent Homes standard. £0.325M p.a. is included in this section of the programme for the years 2025/26 to 2029/30.
- 16.19. HRA – Disabled Adaptations: a programme to undertake adaptations to the Council's housing stock to enable disabled residents to continue to live there. Adaptations include stair lifts, ramps, rails, door widening for wheelchair access and level access showers. These works are wholly funded through the HRA, from the Major Repairs Reserve. £0.65M p.a. is included in this section of the programme for the years 2026/27 to 2029/30.

- 16.20. The following are listed as other schemes being subject to viable business cases (**Table 10**).

**Table 10 Other capital schemes subject to a viable business case**

Scheme
Strategic and Regeneration Acquisitions
Local Growth Plan – A127 Growth Corridor
Aviation Way Car Park
Local Electric Vehicle Infrastructure Capability Fund
ULEV Taxi Infrastructure Scheme
Local Electric Vehicle Infrastructure Capital Fund
Acquisition of Tower Block Leaseholds - Queensway
Victoria Centre
Southchurch Park Community Space Provision
Private Sector Housing Strategy
Community Capacity
Mental Health Funding Stream
Social Care Housing Reform
Belfairs Woodland Centre Project
Clifftown Environment Enhancement
SELEP Refund re East Sussex County Council Return of Loan
Thorpe Hall Avenue
Local Surface Water Modelling and Mapping Grant Scheme

- 16.21. Strategic and Regeneration Acquisitions: £10.5M is included to enable individual properties to be purchased as part of the wider strategic, regeneration, transformation or recovery aims of the Council. Decisions will need to be made commercially and often quickly and efficiently but will be subject to undertaking due diligence of the appropriate extent and depth.
- 16.22. Local Growth Fund – A127 Growth Corridor: The grant funded works are essentially complete. £0.53M of the budget is the match funding agreed as part of the grant bid when the funds were awarded and therefore must be spent. This amount has been moved from the main programme into this section of the programme until a viable business case is submitted to set out how these funds will be spent.
- 16.23. Aviation Way Car Park: The remaining budget of £0.336M for this scheme in Rochford is currently on hold and would be brought up into the main programme following consideration of an appropriate business case.
- 16.24. The following schemes are grant funded and the remaining unused amounts are held in this section below the main programme until appropriate schemes that can be financed by these grants are planned and approved:
- Local Electric Vehicle Infrastructure Capability Fund (£0.263M).
  - Local Electric Vehicle Infrastructure Capital Fund (£1.448M).

- Private Sector Housing Strategy (£0.214M).
  - Community Capacity (£0.254M).
  - Mental Health Funding Stream (£0.241M).
  - Social Care Housing Reform (£0.124M).
  - Clifftown Environment Enhancement (£0.033M).
  - Local Surface Water Modelling and Mapping Grant Scheme (£0.044M).
  - Belfairs Woodland Centre Project (£0.109M).
- 16.25. ULEV Taxi Infrastructure Scheme: The remaining budget of £0.077M for this scheme on London Road is currently on hold and would be brought up into the main programme following consideration of an appropriate business case.
- 16.26. Acquisition of Tower Block Leaseholds - Queensway: £1.535M is included in this section for the acquisition of properties to facilitate delivery of the Better Queensway regeneration project. The purchases will be subject to negotiations and sufficient budget can be brought up into the main programme at the appropriate time.
- 16.27. Victoria Centre: £0.25M is included in this section for landlord works and to facilitate commercial lettings.
- 16.28. Southchurch Park Community Space Provision: This scheme is to investigate and implement the enhancement of the provision of communities' spaces at Southchurch Park.
- 16.29. East Sussex County Council Funding – South East Local Enterprise Partnership (SELEP) Loan for Sovereign Harbour: East Sussex County Council is required to return SELEP grant funding in respect of this project. This has been re-distributed between the authorities covered by the Local Enterprise Partnership. £0.061M has been received by the Council to date and is being held in this section below the main programme until an appropriate scheme can be planned and approved
- 16.30. Thorpe Hall Avenue: A funding contribution of £0.35M is expected from Anglian Water for a project at Thorpe Hall Avenue. Anglian Water have not yet provided the final approval for the funding. Once this has been received, the funds will be added to the capital investment programme as new external funding.

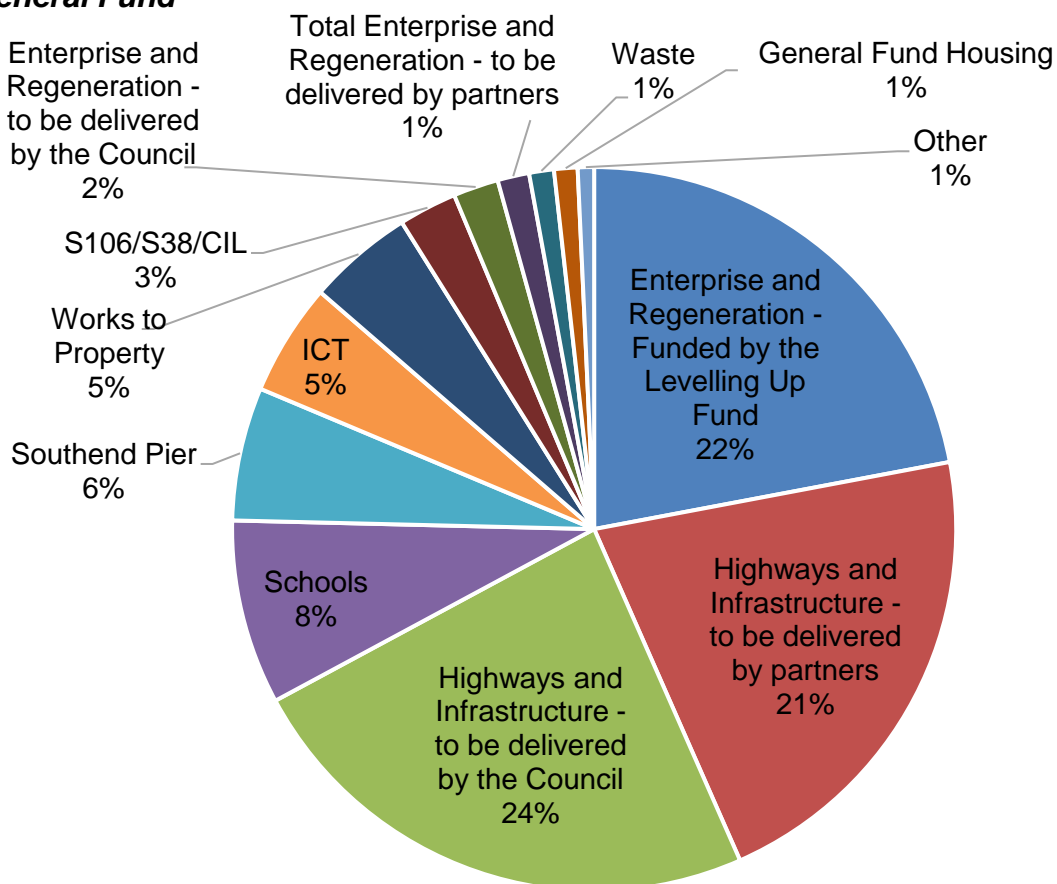
## **17. Proposed capital investment programme 2025/26 to 2029/30**

- 17.1. Given all the above, including the new investment, the proposed main capital investment programme for 2025/26 to 2029/30 represents a significant investment of over £158M on the part of the Council in the Southend area with further schemes that could be added subject to viable business cases being approved. The projected investment in 2025/26 alone amounts to over £95M.

- 17.2. To ensure that schemes are given proper consideration before they are added to the Capital Investment Programme, very few schemes are included in this report as proposed additions for 2025/26 to 2029/30: £28.3M for the General Fund and £11.9M for the Housing Revenue Account, as set out in **Appendix 9**, with the details of each scheme and its funding explained. These proposals have been prepared in line with the prioritisation process set out in the capital investment strategy and consideration has been given to proportionality, prudence, affordability, and sustainability.
- 17.3. As a result of the strategy around delivery and prioritisation of schemes some new schemes and additions being proposed are subject to viable business cases being produced and approved under current governance processes before they can be brought into the capital investment programme. The schemes that have been identified as priorities are set out in **Appendix 9** and total £9.7M for the General Fund and £8.1M for the Housing Revenue Account. This approach should ensure that the programme is affordable, deliverable and focussed on the Council's key priorities.
- 17.4. **Appendix 10** sets out the budget change requests included in the Financial Performance Report - Period 8.
- 17.5. The proposed capital investment programme for 2025/26 by investment area is shown below (**Figure 4** and **Figure 5**).

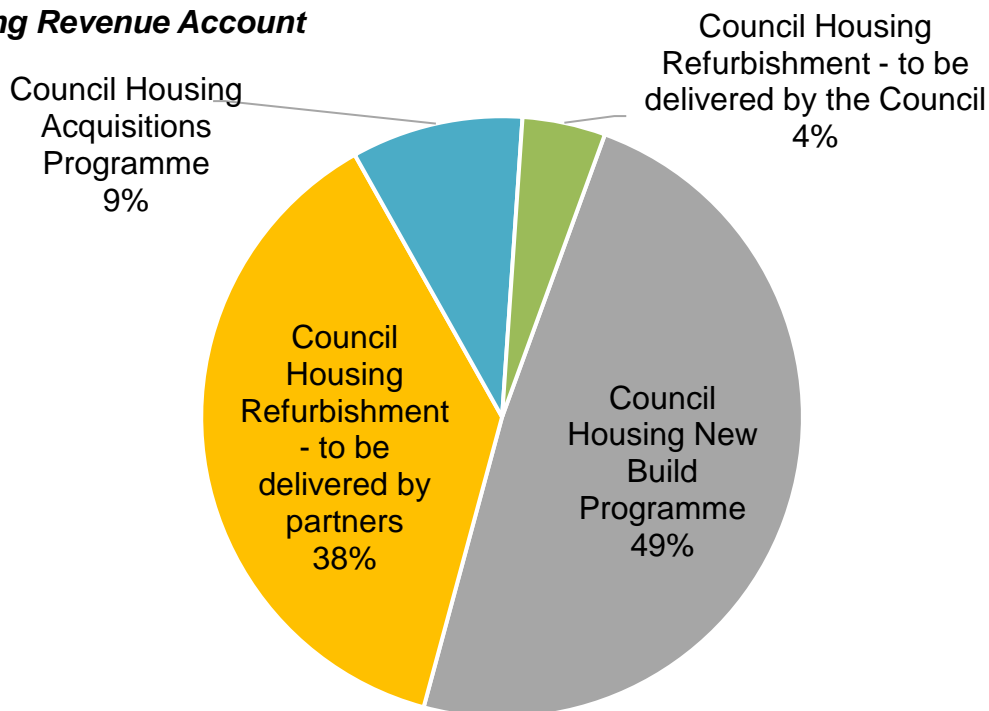
**Figure 4 Capital Investment Programme Budget 2025/26 by area**

**General Fund**



**Figure 5 Capital Investment Programme Budget 2025/26 by area**

**Housing Revenue Account**



17.6. The 2025/26 capital budget is part of the wider capital investment programme spanning several years.

17.7. **Table 11** shows the revised programme if all the requests in **Appendices 9 and 10** are approved.

**Table 11 Proposed revised capital investment programme.**

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 and future years £000	Total £000
<b>At November Cabinet</b>	<b>53,228</b>	<b>64,299</b>	<b>30,433</b>	<b>7,900</b>	<b>6,339</b>	<b>0</b>	<b>162,199</b>
Amendments in <b>Appendix 10</b>	(3,266)	8,063	526	309	(4,389)	4,389	5,632
<b>Sub-total</b>	<b>49,962</b>	<b>72,362</b>	<b>30,959</b>	<b>8,209</b>	<b>1,950</b>	<b>4,389</b>	<b>167,831</b>
New investment in <b>Appendix 9</b>	0	22,835	3,655	6,380	6,700	600	40,170
<b>Revised programme</b>	<b>49,962</b>	<b>95,197</b>	<b>34,614</b>	<b>14,589</b>	<b>8,650</b>	<b>4,989</b>	<b>208,001</b>
General Fund	34,196	76,449	20,693	2,550	2,550	4,989	<b>141,427</b>
HRA	15,766	18,748	13,921	12,039	6,100	0	<b>66,574</b>

**Total proposed budget for 2025/26 to 2029/30 = £158.0M**



17.8. The proposed amended Capital Investment Programme for 2024/25 to 2029/30 is detailed in **Appendix 11**. The revised budget for 2025/26 of £95.2M is higher than the level of programme normally delivered due to inclusion of priority projects which are subject to key grant funding conditions. £16.8M relates to the three Levelling Up Fund projects and £16.8M relates to the Better Queensway Highways Infrastructure Project which is funded by £14.5M of Highways Infrastructure Funding. Without these schemes the revised budget for 2025/26 would be £61.6M.

### **Funding of the capital investment programme**

- 17.9. The proposed capital investment programme presented in this report is currently fully funded and has been prepared based on the level of borrowing the Council can support, notified capital grants, prudent assumptions over the level of other grants and the timing and valuation of capital receipts (from the sale of existing surplus Council assets) that will be realised.
- 17.10. The proposed estimated funding for the programme (excluding schemes Subject to Viable Business Case) is as shown in **Table 12**.

**Table 12 Proposed funding for capital investment programme**

Type of funding	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	2029/30 & future years £M	Total £M
External funding – capital grant	45.0	3.1	0.8	0.8	4.4	<b>54.1</b>
External funding – third party contributions	4.6	0.5	0	0	0	<b>5.1</b>
Capital Receipts	4.6	3.1	2.4	0	0	<b>10.1</b>
Major Repairs Reserve (Housing Revenue Account)	7.2	6.1	6.1	6.1	0	<b>25.5</b>
Earmarked reserves / Revenue Contributions	6.3	4.7	3.6	0	0	<b>14.6</b>
Borrowing – Main Schemes <sup>(1)</sup>	26.9	17.1	1.7	1.7	0.6	<b>48.0</b>
Borrowing – Invest to Save <sup>(1)</sup>	0.6	0	0	0	0	<b>0.6</b>
<b>Total</b>	<b>95.2</b>	<b>34.6</b>	<b>14.6</b>	<b>8.6</b>	<b>5.0</b>	<b>158.0</b>

<sup>(1)</sup> this relates to both internal and external borrowing

The estimated amounts of internal and external borrowing are shown in **Table 13**.

**Table 13 Borrowing to fund capital schemes**

	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	2029/30 & future years £M	Total £M
Internal borrowing	27.5	0	0	1.7	0	29.2
External borrowing	0	17.1	1.7	0	0.6	19.4
<b>Total borrowing</b>	<b>27.5</b>	<b>17.1</b>	<b>1.7</b>	<b>1.7</b>	<b>0.6</b>	<b>48.6</b>

- 17.11. The Corporate Asset Management Strategy records a clear preference for the retention of freeholds but does recognise that in some circumstances, a disposal is the most appropriate course of action. Future decisions will be influenced by the transformation work around estate optimisation. Capital receipts will reduce the need for borrowing to support the Capital Investment Programme if they can be generated.
- 17.12. Individual authorities are responsible for deciding the level of their affordable borrowing. The Government does have powers to limit the aggregate for authorities for national economic reasons, or for an individual authority. The revenue consequence of funding capital schemes by borrowing is the subject of a complex calculation. An indicative amount for revenue consequences is approximately £70k p.a. for every £1M borrowed or if £10M is borrowed this would equate to an increase in Council Tax of approximately 0.67%. The full impact of borrowing costs associated with the funding of the proposed programme has been included in the Council's current financial planning for 2025/26 to 2029/30.
- 17.13. The Minimum Revenue Provision (MRP) is an amount to be set aside for the repayment of debt. The Council has a general duty to charge an amount of MRP to revenue which it considers to be prudent. The MRP Guidance sets out that such policies may be amended at any time, so long as the Council maintains a prudent and transparent approach whilst ensuring any changes are sustainable from a revenue budget perspective.
- 17.14. On 22 February 2024, when the MRP policy for 2024/25 was approved by Council, the further consultation on the MRP regulations and guidance notes had only just closed and feedback had not been released. During 2024/25 the new regulations and guidance were issued and although the changes were in line with expectations, the implementation date for some aspects was moved from 1 April 2024 to 1 April 2025. The MRP policy for 2024/25 has therefore been amended as appropriate and the MRP policy for 2025/26 written in line with the new regulations.

- 17.15. The Council has responsibility for approving an annual MRP policy statement. A revised MRP policy for 2024/25 is attached as **Appendix 12a**, alongside the new MRP policy for 2025/26 attached as **Appendix 12b**.
- 17.16. The Treasury Management Strategy covers the management of the council's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks.
- 17.17. The budget includes provision for the financing costs of the Council's Capital Investment Programme, including interest on external borrowings. Offsetting this, the Council will earn interest by temporarily investing its surplus cash, which includes unapplied and set-aside capital receipts. These budgets depend on many factors, not least the Council's level of revenue and capital budgets, use of reserves, methods of funding the budget requirement, interest rates, cash flow and the Council's view of risk.
- 17.18. Audit Committee have responsibility for the scrutiny of the Treasury Management Strategy, and it is the subject of a separate report to February Cabinet proceeding to Council for approval in advance of the forthcoming year.
- 17.19. The CIPFA Prudential Code for Capital Finance in Local Authorities has been developed to support Local Authorities in taking capital investment decisions and to ensure that these decisions are supported by a framework which ensures proportionality, prudence, affordability, and sustainability.
- 17.20. To demonstrate compliance with the objectives of the Code each authority is required to produce a set of prudential indicators. These prudential indicators for capital and treasury management are attached as **Appendix 13**. The Chief Finance Officer has established procedures to monitor performance against all forward-looking indicators on a regular basis as appropriate.
- 17.21. It is the Chief Finance Officer's view that this capital investment programme is proportionate, prudent, affordable, and sustainable and the risks associated with it are manageable.

## **18. Reasons for Decisions**

- 18.1. The recommendations in this report comply with statutory requirements and relevant Local Authority codes of practice and to ensure that the draft budget proposals align to and enable the delivery of the Councils vision, corporate priorities and desired outcomes or to enhance the Councils infrastructure.

## **19. Other Options**

- 19.1. The Local Government Act requires billing authorities to complete and approve their budgets and set a council tax level each year before 11 March immediately prior to the start of the next financial year on 1 April.

## **20. Financial Implications**

20.1. As set out in this report.

## **21. Legal Implications**

21.1. The setting of the budget is a function reserved to Full Council. The Council is required to set its budget before 11 March each year (Local Government Finance Act (LGFA) 1992, section 30 (6)). The Council is required to set a balanced budget for each financial year, following a specific process.

## **22. Carbon Impact**

22.1. Assessments have been conducted for all revenue and capital investment proposals where appropriate.

## **23. Equalities**

23.1. Assessments have been conducted for all proposed revenue investment and reprioritisation proposals in the 2025/26 budget and for all capital investment proposals where appropriate. This is summarised in **Appendix 14**.

## **24. Consultation and Engagement**

24.1. There is an expectation that local authorities will engage communities in the difficult choices and decisions that determine the range and level of services that can be delivered by the Council in a financially sustainable way.

24.2. The Council has expanded and strengthened engagement through its primary online platform, Your Say Southend. Inclusive approaches were employed, offering alternative feedback options such as printed questionnaires, phone support, and direct outreach to seldom heard or impacted groups through virtual and public meetings. Individual consultations have centred on service redesign, policy and regulation development, and renewing contracts for commissioned services to align with agreed savings, enhance service delivery, and inform budget proposals for 2025/26.

24.3. More than 40 consultations and engagements were conducted, attracting over 42,000 site visitors and generating over 5,000 contributions from residents, service users, and other stakeholders. Topics included Leisure Centres, Play Area Improvements, the Local Electric Vehicle Infrastructure Project, Hackney Carriage Unmet Demand, Marine Parade Sustainable Water Management, Period Poverty, Public Health Funerals, and Careers Guidance Outcomes in Southend Schools.

- 24.4. Consultation and engagement over the past year have significantly contributed to the review and refresh of the Corporate Plan 2024-28, shaping its priorities. The Council also collaborated with external partners on consultations including the Local Government Boundary Commission, the Ward Boundary Review, and the City Vision consultation led by the Southend City Partnership. Engagement was further supported for the Catchment to Coast project to gather views on water scarcity, flooding, and coastal erosion, while continuing leadership on the City of Sanctuary project to foster a more welcoming city.
- 24.5. Efforts to enhance resident and stakeholder participation have intensified, with increased co-production opportunities. The Council's co-production lead and commissioning team actively support user-led groups, ensuring lived experiences inform policy and service design processes. The SEND co-production team collaborates with families and professionals on the SEND Local Offer. The Youth Voice team continues to empower the Youth Council and other forums for young people's voices, achieving notable increases in attendance and diverse representation. The Make Your Mark survey on young people's priorities achieved the second-highest response rate nationally, driven largely by a dedicated network of Youth Champions in schools.
- 24.6. Council teams maintained regular informal dialogues with residents and stakeholders, complementing formal consultations. This approach is exemplified in funding the work of Community Builders, supporting the Faith and Belief Network, and the "In Conversations with..." events held in local neighbourhoods in collaboration with the South East Essex Alliance.
- 24.7. Full engagement has been undertaken with the Chief Executive, Executive Directors, and their Directors as part of the budget preparation process who are fully committed to working within the proposed budget framework and parameters. Members have been engaged and will be fully consulted on the proposals through Cabinet, Scrutiny, and Council discussions.
- 24.8. All staff have been kept regularly updated on progress and invited to contribute via communications from the Chief Executive and Executive Director (Finance & Resources). This approach has also been supplemented by several media briefings.
- 24.9. Consultation with staff and unions will continue throughout the process. Briefings for local businesses and the voluntary sector have been undertaken to give them an opportunity to find out more about what is in the planned draft budget from the Leader, Deputy Leader and Executive Director (Finance & Resources).
- 24.10. The overall results, comments, and feedback from the range of consultations undertaken in 2024/25 have been integral to shaping and helping to inform the development of the 2025/26 budget and the Medium Term Financial Strategy extending to 2029/30.

## 25. Background Papers

- Provisional Local Government Finance Settlement 2025/26, MHCLG
- Budget working papers held by the Finance and Resources team.
- Southend-on-Sea City Council's Corporate Plan 2024 – 2028

## 26. Appendices

- Appendix 1 Medium Term Financial Strategy 2025/26 – 2029/30  
Annex 1 to Appendix 1 – Medium Term Financial Forecast to 2029/30  
Annex 2 to Appendix 1 – Earmarked Reserves to 2029/30
- Appendix 2 Section 151 Officer's Statement on the Adequacy of Balances and the Robustness of the Budget
- Appendix 3 Appropriations to and from General Fund Earmarked Reserves
- Appendix 4 General Fund Revenue Budget for 2025/26 (one page summary)
- Appendix 5 Investments and Unavoidable Cost Pressures 2025/26
- Appendix 6 Proposed Budget Savings and Income Generation Initiatives
- Appendix 7 Dedicated Schools Grant Budget 2025/26 Budget planning and 2024/25 updates
- Appendix 8 Capital Investment Strategy – 2025/26 to 2029/30  
Annex 1 to Appendix 8 – Capital Investment Policy
- Appendix 9 Capital Investment Proposals – 2025/26 to 2029/30
- Appendix 10 Other Requested Changes to Approved Capital Investment Programme
- Appendix 11 Amended Capital Investment Programme 2025/26 to 2029/30 (2024/25 shown for information)
- Appendix 12a Revised Minimum Revenue Provision Policy 2024/25
- Appendix 12b Minimum Revenue Provision Policy 2025/26
- Appendix 13 Prudential Indicators 2025/26 to 2029/30
- Appendix 14 Equality Analyses supporting budget proposals.

## Report Authorisation

<b>This report has been approved for publication by:</b>		
	<b>Name:</b>	<b>Date:</b>
S151 Officer	Joe Chesterton	02/01/2025
Acting Monitoring Officer	Jayne Middleton	31/12/2024
Executive Director(s)	Joe Chesterton	02/01/2025
Relevant Cabinet Member(s)	Councillor Daniel Cowan Councillor Paul Collins	02/01/2025 02/01/2025