

CABINET

28 JANUARY 2022

REFERENCE REPORT FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE

A.1 SCRUTINY OF THE UPDATED FINANCIAL FORECAST/BUDGET 2022/23 AND HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2022/2023

(Report prepared by Keith Simmons and Keith Durran)

BACKGROUND

In accordance with the requirements of the Budget & Policy Framework Procedure Rules the Resources and Services Overview and Scrutiny Committee, at its meeting held on 12 January 2022 (Minute 50 refers), undertook an enquiry into:-

- (1) the updated financial forecast and proposed budget position for 2022/23; and
- (2) the Housing Revenue Account (HRA) Budget for 2022/23 including the movement in HRA Balances, the level of fees and charges for 2021/22 and the HRA Capital Programme.

This enquiry considered the above in the light of the Council's Medium Term Financial Strategy and its Treasury Strategy.

The Committee's enquiry was assisted by the Leader and individual Cabinet Members who also outlined the Cabinet's initial highlight priority actions for 2022/23 and the synergy of those with the proposed Budget for 2022/23. A number of officers also supported the enquiry.

The enquiry was conducted through a private evidence gathering stage on 5 January 2022 followed by a public meeting during the day of 12 January 2022.

RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE'S RECOMMENDATION(S) TO CABINET

The Resources and Services Overview and Scrutiny Committee thanked the Cabinet for the participation in its enquiry and for answering the Committee's many questions. The Committee then approved the following:-

RECOMMENDATIONS TO CABINET:

In respect of the financial forecast and proposed General Fund budget position for 2022/23

1. That the issue of the level of carry forward amounts each year, as highlighted several times by the external auditors in their annual audit letters to the Council in recent years, be addressed urgently by the Cabinet.

2. That the intentions for developing a Corporate Investment Plan in order to establish a process for considering proposals for investment against the Corporate Plan Priorities and developing a prioritisation framework for investment over the coming year and into the medium term be welcomed and:
 - a. That the schemes set out in the current reserves, provisions and one-off sums be reassessed as part of that Corporate Investment Plan process in order to avoid sums of money being allocated for schemes that are no longer to be pursued and thereby hampering investment in schemes that can deliver real benefit to the District;
 - b. That, further to (a) above, the approvals to establish a reserve for a Residents Free Parking Scheme (£221K in reserves) and to allocate funds for a Clacton Town Centre Fountain (£159K as a one-off sum) be reversed immediately (as they are not required/being pursued) and the sums reallocated to fund the posts of 6 Community Ambassadors, 4 Street Rangers and 1 Technical/Administration (at a total cost of £352K) for 2022/23 with the remaining £28K from the released funds being ring-fenced to support training, equipment and supplies costs associated with those posts in 2022/23.
 - c. That the Plan should identify a range of seafront enhancements, developed in conjunction with seaside communities (including where relevant Town/Parish Councils) on the basis that these are funded by an expansion of beach huts in those communities.
 - d. That the Plan should deliver on the intentions of the Public Conveniences Strategy by improvements in those continuing facilities (particularly in view of the saving of £72,200 from the Government's backdating of business rate relief to the start of 2020/21 and the absence of business rates on those facilities since the Strategy was adopted).
 - e. That the Plan clearly identifies how it will integrate with the priorities for investment through funding secured through the Community Infrastructure Levy (CIL) and the monitoring of the investment through that funding route.
3. That progress with the procurement of the new cremators for the Weeley crematorium and the significant loss of income in 2021/22 and 2023 while the cremators are out of action, be monitored, very closely, and councillors and the public be kept informed about the process.
4. That internal procurement processes be re-examined with a view to strengthen those processes and addressing the risk of failure by companies who are major suppliers to the Council (given recent example of the company maintaining the cremators and other examples in recent years).
5. That the planned events for the platinum Jubilee and associated funding for them, be approved as a matter of urgency.
6. That the problem of littering along the A120 be highlighted and the Council pursues with Essex County Council and Highways England, frequent cleaning of the road, and verges next to it, with waste bins that are suitable for the level of use be installed and maintained in the laybys between

Ardleigh Crown and Harwich, so that this major route through the District is kept clean.

In respect of the Housing Revenue Account 2022/23

1. That, in respect of the Housing Revenue Account, stretch targets be introduced for void levels given the impact on the budget in lost rental income and Council Tax (including the proposed surcharge for empty homes being introduced for 2022/23) and the demand for housing that could be met by bringing void homes back into rental.
2. That the Council commences setting aside funds to meet the costs that will arise from the housing stock condition survey (albeit that the full extent of those sums is not yet known).

In respect of the proposed highlight priorities for 2022/23

1. That the Cabinet reassess its highlight priorities for 2022/23 and include in them, with appropriate budget and milestones or otherwise implement the following:
 - a. Progress with the various steps that will be part of the Stock Condition Survey to be undertaken in 2022/23 – in view of the important role the Council has as a major local landlord and the need to prepare for the implications of the Hackett review and revisions to the Decent Homes Standard.
 - b. Delivery of key elements of the emerging Sports and Leisure Strategy – given the need to take forward the range of actions to improve activity levels not just among those who are currently not active but also among those who are moderately active and across all parts of the District.
 - c. As part of the growing and Inclusive Economy Theme, Tourism Officers/ events proposed priority, include measures to increase the numbers and extend the percentage of visitors to the area that can (and do) stay overnight and thereby increase dramatically the spend locally by visitors.
 - d. In respect of the proposed priority of carbon reduction/climate action:
 - i. as and when initiatives are brought forward, details should be provided as to how the relevant carbon reduction measures affect the Council and its partners financially (and is there a consequence for job numbers/skills of the individual measures).
 - ii. the proposals for Electric Vehicle charging points across the District be worked up and the consequential budgetary issues for the Council be established and shared widely.

PORTFOLIO HOLDER COMMENT(S) AND RECOMMENDATION(S) TO CABINET

Portfolio Holder's Comments

The comments of the Corporate Finance & Governance and Housing Portfolio Holders (as appropriate) will be submitted to Cabinet at the meeting, to be considered as part of items 9 and 10 of the agenda, which are the General Fund and HRA budget proposals.

Recommendations to Cabinet:

That the recommendations made by the Resources and Services Overview & Scrutiny Committee be noted and that it be further noted that the response of the Portfolio Holder thereto will be considered as part of items 9 and 10 of the agenda.