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CABINET AGENDA

Date: Wednesday 23rd February 2022

Time: 6.00pm NB Time

Venue: Council Chamber

This meeting will be webcast live on the internet.

Membership:

Councillor Sheldon	Chairman - Leader of the Council
Councillor Cutler	Waste & Environmental Health
Councillor Mrs Egan	People – Health & Wellbeing
Councillor Hart	Place – Infrastructure
Councillor Isaacs	People – Community
Councillor Johnson	Resources
Councillor Mrs Thornton	Growth - Economic Environment & Sustainability
Councillor Varker	Special Projects (Deputy Leader of the Council)

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Reference: **9/2021/2022**
Publication Date: **Tuesday 15th February 2022**

AGENDA
PART I
(Business to be taken in public)

- 1. Apologies**
- 2. Members' Interests**
- 3. Minutes**
To approve the Minutes of the meeting held on 26th January 2022.
- 4. Forward Plan**
To review the Forward Plan.
- 5. Authority to Represent the Council**
(Report of the Cabinet Member – Resources)
- 6. Housing Revenue Account (HRA) – 2022/23 Rent Levels, Revenue Budget and Capital Plan for 2022/23 and 2021/22 Revised**
(Report of the Cabinet Member – Resources)
- 7. Budget and Policy Framework 2022/23**
(Report of the Cabinet Member – Resources)
- 8. Matters to be referred from /to Policy & Scrutiny Committees**
- 9. Matters to be referred from /to the Standing Committees**

PART II
(Business to be taken in private)
(Item to be considered with the press and public excluded from the meeting)

There were no items at time of publication of this agenda.



CABINET



26th JANUARY 2022

PRESENT:

Councillor Sheldon	Chairman – Leader of the Council
Councillor Cutler	Waste & Environmental Health
Councillor Mrs Egan	People – Health & Wellbeing
Councillor Hart	Place – Infrastructure
Councillor Isaacs	People – Community
Councillor Johnson	Resources
Councillor Mrs Thornton	Economic Development Delivery
Councillor Varker	Special Projects – Deputy Leader of the Council

ALSO PRESENT:

Councillors: Acott, Blackwell, Cole, Fortt, Greig, May, Mountford, C Mumford, S Mumford, Mrs Sach, Savage, A Thornton, Tucker

APOLOGIES:

There were none

53. MEMBERS' INTERESTS:

No declarations were made.

54. MINUTES:

The Minutes of the Cabinet meeting held on 17.11.2021 were signed and approved as a correct record.

55. FORWARD PLAN:

To comply with regulations under the Localism Act 2011, the Leader presented a revised Forward Plan to the meeting which outlined key decisions likely to be taken within the next quarter of 2022. The Plan is reviewed each month.

Resolved: To note and approve the Forward Plan as amended.

56. IMPROVING LIFE CHANCES PARTNERSHIP

Cabinet considered a report proposing the establishment of a partnership to share knowledge and best practice across partners with the aim of improving the life chances for those in areas of the Castle Point Borough who face significant challenges. The partnership was to work to establishing a range of projects to help address these challenges. Members spoke welcoming this partnership.

Draft Terms of Reference were attached to the report before Cabinet.

Resolved:

To approve the establishment of the Improving Life Chances Partnership ('the Partnership') as set out in the draft Terms of Reference.

57. SOUTH ESSEX PARKING PARTNERSHIP

The current 11-year term of the South Essex Parking Partnership (SEPP) Joint Committee Agreement was to end on 31 March 2022. Cabinet considered a report seeking approval for a new offer from Essex County Council (ECC) to continue the operation into a new term under a new Joint Committee Agreement, commencing on 1 April 2022.

The proposed Agreement was considered by the SEPP Joint Committee on 28 October 2021 and had unanimously supported its proposed terms and recommended that its constituent Councils formally approve them.

Questions were asked about enforcement arrangements. In responding to questions it was explained the enforcement of the council's car parks was undertaken through a separate service level agreement with the partnership.

Resolved:

To agree the proposed terms of the new offer from Essex County Council to enter into a new South Essex Parking Partnership Joint Committee Agreement from 1 April 2022.

58. MIGRATION OF LOCAL LAND CHARGES REGISTER (LLC) TO HM LAND REGISTRY (HMLR)

Cabinet considered the report advising of the programme for the migration of the Local Land Charges Register (LLC) to HM Land Registry (HMLR).

Every local authority was required to hold a local land charges register that records obligations affecting properties within their administrative area. The land charges register consists of two parts. The official register itself (LLC1), and then additional questions (CON29 questions).

In 2015, HM Land Registry (HMLR) was given the authority under the Infrastructure Act 2015 to create a single, national, digital register of Local Land Charges (LLC) across England and Wales.

Local authorities would continue to provide replies to CON29 enquiries, such as nearby road schemes or outstanding notices.

Castle Point records were due to be migrated in 2023/24. The report described the programme for delivery. There were 4 delivery options available to the local authority these were:

1. HMLR Delivered:
2. HMLR Supplier:
3. LA Delivered:
4. LA Self-Serve:

As the Local Authority did not have the capacity to undertake the delivery programme and there was no cost implication for utilising either Option 1 or Option 2, it was proposed that CPBC request that they proceed with either HMLR or Supplier led delivery.

The financial implications were set out. The cost of migrating to the central register was to be fully funded by HMLR and resources were free to all local authorities throughout the migration. Castle Point Borough Council would receive £60,000 for the initial phase of the programme. Additional costs to the authority would also be fully funded with a new LLC burdens fund payable within 3 months of the migration taking place.

The migration to the national programme would result in the loss of all LLC1 income some £68k. In response to a question on the report Members were advised that that revenue would still be received from responses to CON29 enquiries.

Resolved:

1. That Cabinet notes the programme for the migration of the Local Land Charges Register (LLC) to HM Land Registry (HMLR) and the associated transitional and new burdens payments to facilitate the move.
2. That Cabinet agree to request that the programme be either HMLR or Supplier Delivery led, with full Local Authority support.

59. MID- YEAR TREASURY MANAGEMENT ACTIVITY REPORT

Cabinet considered the Treasury Management mid-year activity report a requirement of the Council's reporting procedures. It summarised the Council's Treasury Management activity for the first six months of the current financial year. Supporting information was provided within Annexes A and B.

The report met the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council was required to comply with both codes through regulations issued under the Local Government Act 2003.

Resolved:

To note the Treasury Management mid-year activity report for 2021/22.

60. PLANNING POLICY UPDATE

Cabinet considered a report advising on the findings of the Authority Monitoring Report and Brownfield Land Register.

Attention was drawn to the key matters arising from the Authority Monitoring Report:

- As a consequence of COVID restrictions, which effectively brought a halt to construction activities for around 4 months, there was little by way of industrial development in 2020-2021. Completions are expected to be registered in 2021-2022, however, as activity in this sector has returned to normal.
- There was a net loss of commercial floorspace in town centres as edge of centre sites and unused or underutilised upper floors have been brought forward for residential purposes, which is a benefit as it increases footfall and local spend power. There was, however, an overall increase in commercial uses within the borough because of new retail provision in the west Canvey area.

- Town Centre vacancy levels have remained low across Castle Point despite the COVID restrictions. This reflects the strength of the mainly independent retail and leisure sector, and the national grocery sector.
- 166 homes were provided in the year compared to a requirement for 355 homes. Despite the under provision this represents an uplift on the previous year when only 71 homes were provided.
- Only 48% of the homes required in Castle Point have been delivered over the last 3 years. This is amongst one of the lowest levels of provision in the Country. Consequently, the presumption in favour of sustainable development applies to housing proposals in accordance with the NPPF, and a Housing Delivery Action Plan is required. A Housing Delivery Action Plan covering the period to April 2022 was put in place in January 2021. The principal action set out within the Action Plan is to put in place the Local Plan. The Local Plan increases land supply and the ability to achieve targets, including affordable homes.
- 13 Affordable homes were delivered in 2020-21. This is an uplift on previous years. However, all these homes were delivered by the Council. No affordable homes were secured on private development schemes. Most consents for new dwellings are below the minimum threshold for affordable housing of 10 units.
- 15 Section 106 Agreements/Unilateral Undertakings were entered into in the 2020-21 year with a total value in terms of monetary contributions of £1,086,658.88. Additionally, 17 affordable homes and 4.5ha are included within those agreements.
- At the start of the 2020/21 financial year the Council held £229,374.20 in S106 monies. Over the course of 2020-21 the Council collected a further £4,018.56 in S106 monies but spent £6,533.48. This spend was on the Essex Coast RAMS.
- At the end of the year the Council held £226,859.28. A significant proportion of this money is for healthcare and specific environmental projects. There are time limits associate with the spend of £178,058 of the money held.

The Brownfield Land register can comprise of two parts Part 1 is mandatory and should contain a list of previously developed sites where residential development is considered suitable, available and achievable. Part 2 is optional and can contain a subset of Part 1 which lists those sites where the Council has decided to allocate the land for residential development ("Permission in Principle").

The Council first approved the Brownfield Land Register in December 2017. This has been updated each year to reflect factual changes in circumstances including: Updating the planning status of a site already on the list as a consequence of the grant of planning permission; Adding new brownfield sites to the list because of the grant of planning permission, or where they were included as an allocation in the Local Plan; and Removing sites from the list once development has been completed.

As a consequence of these factual updates, the total number of sites listed in the register had increased from 59 to 60. These sites have capacity to provide around 970 homes. A list of sites on the Brownfield Register is included as an appendix. As with previous registers, it was not proposed to include any sites on Part 2, whereby they would be granted 'Permission in Principle'.

Members asked questions regarding expenditure and enforcement of Section 106 agreements. It was confirmed that legal action was being pursued with regard to outstanding agreements raised by Members at the meeting.

Resolved:

1. To note the findings of the Authority Monitoring Report 2020/21.
2. To note the updated Part 1 Brownfield Land Register December 2021.

61. TRANSPORT STRATEGY FOR THE EAST CONSULTATION

Cabinet considered the report advising on the current consultation being undertaken by Transport East in respect of the draft Transport Strategy for the East. Cabinet was invited to consider and comment on the proposed response to incorporate the following

The Transport Strategy for the East was one of several transport strategies being created for regions in England, with earlier strategies prepared in this way having been successful at securing funding for projects and schemes. The Council welcomed the regional approach to transport planning which allows all the different parties in the East of England to speak with one voice when securing funding.

The Council welcomed the identification of South Essex as a distinct transport corridor with its own transport investment needs, and the inclusion of the 15 priority projects within South Essex set out in the Investment and Delivery Plan. That specific support be expressed for projects that benefit Castle Point in particular the Improved Access to Canvey, the A127 strategic package, the South Essex bus metro -rapid transit, and the Southend Rapid Transit.

In terms of the strategy itself, Castle Point was an area which experienced transport congestion, and some communities, especially on Canvey Island were isolated from opportunities for employment and learning. Furthermore, there were parts of Castle Point which were more susceptible to the impacts of climate change. Therefore the vision, aims, priorities and goals of the strategy were supported by the Council, as over the medium to long term decarbonisation and better connectivity by a variety of transport means would be critical to the success of the communities and towns in the Borough.

Members welcomed the proposed investment and specific projects which would benefit the Borough. The remit of the A127 strategic package was explained. Members endorsed the intended response based around these considerations which had been circulated and was attached as an Appendix to the report.

Resolved:

1. To note the draft Transport Strategy for the East, and the proposals contained within it.
2. To approve the draft response to the consultation, subject to any comments arising from the Cabinet to authorise the Head of Place and Policy in consultation with the Leader of the Council to finalise the response to incorporate any comments arising from the Cabinet, and issue that response by the 30th January 2022 consultation deadline.

62. COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

In November 2019 it was decided to put in place a Community Infrastructure Levy (CIL) for Castle Point. A draft Charging Schedule was reported to the Cabinet in

October 2021 and it was agreed to undertake consultation on the draft Charging Schedule (minute no. 34).

Cabinet considered a report setting out the outcomes of that consultation. A revised recommendation had been circulated referring this matter to Scrutiny Committee before consideration by Council. This follows comments from members of the PIP and CIIP Political Groups that they would appreciate additional time to examine the report and outcomes.

In addition as this was a new charging arrangement it was good practice to refer the proposed arrangements by the Scrutiny Committee before a decision was taken by Council.

In response to questions, Members were advised that arrangements would be made for meeting of Scrutiny committee to take place on 9.2.2022 which all Members would be welcome to attend.

Resolved:

1. The Cabinet notes the outcomes of the consultation carried out pursuant to Regulation 16 of the CIL Regulations 2010.
2. To refer for scrutiny the following recommendation prior to consideration by Council to Scrutiny Committee: The Cabinet recommends to Council that it:
 - a. Approves the submission of the Community Infrastructure Levy Charging Schedule attached as Appendix 2 to the Planning Inspectorate for the purposes of examination in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and the Planning Act 2008.
 - b. Authorises the Head of Place and Policy, and suitably qualified officers and consultants as he approves, to represent the Council in the examination of the Community Infrastructure Levy Charging Schedule, and undertake any work deemed necessary for that examination.
 - c. In the case that the examiner does not recommend changes to the rates proposed in the submission Community Infrastructure Levy Charging Schedule, the CIL Charging Schedule attached as Appendix 2 is Approved for publication and to come into effect. The Chief Executive and Head of Place and Policy, in consultation with the Leader and Deputy Leader, are authorised to publish and set a date on which the Community Infrastructure Levy will come into effect, as soon as is practical after the receipt of the examiner's report.
 - d. In order to enable the Chief Executive and Head of Place and Policy to implement recommendation c, they are authorised, in consultation with the Leader and Deputy Leader, to make minor editorial changes to the Community Infrastructure Levy Charging Schedule as necessary to indicate that it is the final version and will come into effect on a specified date.

- e. In the case that the examiner does recommend changes to the rates proposed in the submission Community Infrastructure Levy Charging Schedule, require the Chief Executive and Head of Place and Policy to report back to Council on the examiners recommendations as soon as practical after its receipt, so that a further decision can be taken on the implementation of the Community Infrastructure Levy.
3. The Cabinet requests the Scrutiny Committee together with Place and Communities Policy & Scrutiny Committee to review in detail the Governance options for the expenditure of CIL monies and report back on a recommended arrangement.

63. MATTERS TO BE REFERRED FROM / TO POLICY & SCRUTINY COMMITTEES

Climate Action Plan - to refer the Climate Action Plan to the Environment Policy & Scrutiny Committee to monitor and keep under review.

At the meeting of the Ordinary Council on 24.11.2021 the following Motion was approved

“Castle Point Borough Council explore the use of an Article 4 direction in relation to relevant permitted development rights to ban the installation of non-porous driveways and hard standing without planning permission to help reduce surface water runoff into local roads in times of heavy rain.”

The Motion was to be referred to the Place and Communities Policy & Scrutiny Committee for examination.

64. MATTERS TO BE REFERRED FROM / TO THE STANDING COMMITTEES

There were no matters.

Chairman



Castle Point Borough Council

Forward Plan

FEBRUARY 2022

CASTLE POINT BOROUGH COUNCIL

FORWARD PLAN

FEBRUARY 2022

This document gives details of the key decisions that are likely to be taken. A key decision is defined as a decision which is likely:-

- (a) Subject of course to compliance with the financial regulations, to result in the local authority incurring expenditure which is, or the savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates subject to a threshold of £100,000; or
- (b) To be significant in terms of its effects on communities living or working in an area comprising two or more Wards in the area of the local authority.

The Forward Plan is a working document which is updated continually.

Date	<u>Item</u>	Council Priority	Decision by Council/ Cabinet	Lead Member(s)	Lead Officer(s)
February 2022	<u>Council Rent Setting and Capital Programme</u>	Enablers Resources People	Cabinet	Resources	Head of Housing Strategic Director (Resources)
February 2022	<u>Budget and Policy Framework</u> To make recommendations to Council on the Council tax and budget setting.	All	Cabinet/ Council	Resources	Strategic Director (Resources)
March 2022	<u>Notice of Motion examination of Minister' s comments – implications</u>	Economy and Growth	Council	– Leader of the Council /Special Projects /Resources	Interim Chief Executive/ Head of Place & Policy/Section 151 Officer
March 2022 TBC	Community Infrastructure Levy Draft Update of the Developer Contributions Guidance referred from Place & Community PSC	Economy and Growth	Council Cabinet	Growth – Leader of the Council	Head of Place & Policy
March/April 2022	<u>Waste Collection Arrangements</u> – to consider recommendations from Environment PSC	Environment	Cabinet	Waste &Environmental Health	Head of Environment
March 2022	<u>Housing Management System</u>	Enablers – Resources People	Cabinet	Leader of the Council	Head of Housing
March/April 2022	<u>Public Space Protection Order – Report from PSC</u>	People	Cabinet/ Council	People	Corporate Services

March 2022	<u>Corporate Performance Score Card Quarter 3</u>	All	Cabinet	Special Projects	Strategy Policy & Performance Manager
April 2022	<u>Refresh RIPA Policy</u>	Enablers	Cabinet	People – Community	Solicitor to the Council
April 2022	<u>Refresh Suicide Protocol</u>	Enablers	Cabinet	People – Community	Strategic Director Corporate Services

CABINET

23rd February 2022

Subject: Authority to Represent the Council

Cabinet Member: Councillor Johnson – Resources

1. Purpose of Report

The purpose of this report is to approve the authorisation to allow a member of the Council's Law Team employed by the Council to represent the Borough Council in proceedings before the Magistrates' Court and County Court.

2. Links to Council's Priorities and Objectives

Legal Services provide support for the Council's business. The appointment links to the enablers of Democracy.

3. Recommendations

That the following member of the Law team be authorised to appear before the Magistrates' Court and County Courts to represent the Borough Council in legal proceedings pursuant to Section 223 Local Govt Act 1972 and Section 60(2) County Courts Act 1984: -

- **Benjamin Badura – Trainee Solicitor**
-

4. Background

Solicitors who are employed by the Council have automatic rights of audience to appear before the Courts to represent the Council and un-admitted legal staff who are undergoing training to obtain legal qualifications may also appear and represent the Council provided, they are specifically authorised to do so by the Council.

5. Proposals

It would be beneficial for the Council to allow its trainee solicitor to appear to represent the Council in legal proceedings before the Courts and the appropriate authorisation would also allow for the proper training and

development of this staff member. Any advocacy undertaken will be under the supervision of a qualified member of staff and would be appropriate to the skills and abilities of the trainee.

It is proposed that the Trainee Solicitor detailed below be authorised to appear to represent the Council in legal proceedings before the Courts pursuant to Section 223 Local Govt Act 1972 and Section 60(2) County Courts Act 1984.

- Benjamin Badura – Trainee Solicitor

6. Corporate Implications

(a) Financial Implications

In some circumstances where no other solicitor or legal officer employed by the Council is available it may be necessary to incur extra costs by instructing Counsel or a solicitor agent to represent the Council at Court.

(b) Legal Implications

Without authorisation from the Council this employee is unable to appear before the Courts to represent the Council in legal proceedings.

(c) Human Resources and Equality Implications

It would assist the management of the Council's legal services for this trainee to be authorised to represent the Council at Court.

(d) IT and Asset Management Implications

There are none to be addressed by this report.

7. Timescale for implementation and Risk Factors

The proposal will be implemented as soon as it is approved by the Cabinet.

8. Background Papers

None.

Report Author:

Jason Bishop – Solicitor to the Council

CABINET

23rd February 2022

Subject: Housing Revenue Account (HRA) – 2022/23 Rent Levels, Revenue Budget and Capital Plan for 2022/23 and 2021/22 Revised

Cabinet Member: Councillor Johnson – Resources

1. Purpose of Report

To present to Cabinet for consideration and agreement:

- **Proposed rent levels for Council dwellings and garages for 2022/23.**
- **HRA Revenue budget for 2021/22 (revised) and 2022/23.**
- **HRA Capital Plan for 2021/22 (revised) and 2022/23.**

2. Links to Council's priorities and objectives

The approval of the HRA Revenue and Capital budget supports the Council priorities areas of People and Place and the Council as an enabler with regard to resources.

3. Recommendations

That:

- 1. A rent increase of 4.1% for all social rent HRA dwellings be agreed, resulting in an average increase of £3.72 per week.**
- 2. A rent increase of 4.1% for all affordable rent HRA dwellings be agreed, resulting in an average increase of £7.28 per week.**
- 3. Following no annual rent increase being applied to garages in 2021/22 it is proposed to increase garage rents in 2022/23 by £1 excluding VAT.**
- 4. The HRA revenue budget for revised estimate 2021/22 and estimate 2022/23, as set out in Annexe A, is approved.**
- 5. The HRA capital plan for revised estimate 2021/22 and estimate 2022/23, as set out in Annexe B, is approved.**

Resolution required.

4. Introduction and background

4.1 Local authorities have freedom to manage and invest in their housing stock whilst maintaining a viable HRA Business Plan. Central control over rent setting though still continues, which means that significant constraints over income generation still exist.

4.2 The rent setting framework sets out a common basis on which all rents in the social sector should be set. The aim is that social rents for similar houses in the same area should be the same, irrespective of the landlord. This is monitored via the use of two rent indicators.

- **Limit Rent:** This is set by the Government and defines the average rent beyond which rent rebate subsidy is not payable (known as rent rebate subsidy limitation).
- **Formula Rent:** This is based on a Government national formula for calculating social rents.

The "limit" rent will remain roughly equal to the formula rent. Whilst actual rents at the Council are slightly lower due to a number of properties that currently are not at formula rent, these will be moved to formula rent when current tenants move on. The Limit rent and Formula rent must be taken into consideration when the Council sets its actual rent for the forthcoming financial year, as shown in paragraph 5.1.

4.3 Following a four year period from 2016/17 to 2019/20 where the rent setting guidance required an annual decrease rents of 1%, there has been a significant negative impact across the lifetime of the HRA business plan. As a result of work commenced in the 21/22 estimates cycle, phasing of capital repairs identified in the most recent stock condition survey, combined with reviewing the future funding of the HRA means that the business plan is sustainable. But it does identify periods where budget gaps exist that may require funding via internal or external borrowing. As a result detailed work has continued to be undertaken and proposals to address these gaps have been prepared and are explored later in this report.

4.4 In April 2020 a five-year rent settlement came into effect at CPI + 1% rent increases being applied. This has been reflected in the proposed rents for 2022/23 in this report.

Repairs and maintenance

4.5 A programme of planned maintenance for 2022/23 has been prepared by South Essex Homes in conjunction with Housing Services. The programme is informed by a stock condition survey undertaken by South Essex Homes during 2018 and updated based on work undertaken, the next full survey will take place 2023 based on a 5 year cycle. The condition survey assesses the capital and revenue investment requirements for the Council's housing stock over the next 30 years and informs the 30-year HRA Business Plan and detailed HRA budget.

4.6 The HRA budget includes provision in current and future years to reflect the ongoing Property Management Service currently provided by South Essex Homes.

- 4.7 The Capital Plan submitted for approval at Annexe B has also been prepared based upon the stock condition survey. Future development opportunities undertaken by utilising receipts from right to buy sales as well as other sources of capital funding have been built into the Capital Plan. This includes the future schemes presented to Cabinet in October 2020, as well as the cost of completion of schemes during 2020/21.
- 4.8 The Capital Plan constitutes an affordable core plan that can be financed within the HRA business plan.
- 4.9 In April 2012 and as part of the implementation of HRA self-financing, a borrowing cap of **£37.5m** was placed on the authority, meaning that the authority could borrow up to a further **£1m**. The autumn 2018 budget announced that the borrowing cap would be removed so that local authorities would be permitted to undertake additional borrowing to enable investment in new homes, as stated in 4.7 above plans have been presented to Cabinet for a programme of new developments, additional borrowing to partly fund these, subject to viability, is anticipated. The first of the loans taken out in April 2012 has been repaid in the current financial year, having reviewed the HRA Business Plan the Strategic Director (Resources) has determined that it is not necessary to take out new borrowing in 2021/22, but anticipates that in 2024/25 when the next loan is due for repayment it may be necessary to take out borrowing to replace this. Any additional borrowing will be subject to financial viability and be affordable within the 30-year HRA Business Plan.

Basis for preparation of estimates

- 4.10 Estimates have generally been prepared by the Housing Department and agreed with the Resources Department and are:
- based on the current staffing establishment and current service delivery.
 - based on out-turn prices, i.e. to include anticipated pay and price increases.
- 4.11 The estimates are submitted to Cabinet as officers' recommendations on the net spending necessary to deliver approved HRA policies and strategies in 2022/23. These estimates have been tested in the HRA business plan and have been shown to be sustainable over the Medium Term.
- 4.12 The Cabinet is encouraged to concentrate on the policy aspects of the estimates in order to link spending plans to Council policies and strategic objectives, e.g. appropriate resources are directed to housing management and maintenance services respectively.

5. Proposals

HRA Social Rent

- 5.1 The table below provides a comparison between Castle Point's "formula", "limit" and actual rents, based on a 4.1% increase in rent for all properties, applied based on September 2021 CPI of 3.1% + 1% as per the rent setting formula.

	Rent 2021/22 £	Increase £ %		Rent 2022/23 £
Formula rent	90.88	3.72	4.10	94.60
Limit rent	90.88	3.74	4.10	94.62
Actual rent	90.84	3.72	4.10	94.56

5.2 The increase on the three rental levels are all moving in unison with Actual rent still being below Limit rent thus minimising the risk of any Housing Benefit subsidy loss and below Formula rent indicating that there are still some unconverged rent levels being charged.

5.3 The proposed 2022/23 average weekly rent for Castle Point is **£94.56**, an increase of **£3.72** on the actual average 2021/22 rent of **£90.84**.

HRA Affordable Rent

5.4 Affordable rent properties are not subject to the Formula and Limit rent calculations but are subject to the government's rent policy. These rents are set locally below the maximum of the appropriate Local Housing Allowance (LHA) cap.

	Rent 2021/22 £	Increase £ %		Rent 2022/23 £
Actual rent	177.65	7.28	4.10	184.93

Garage Rents

5.5 It is proposed to implement a rent increase for Council owned garages for 2022/23 of £1 excl VAT. The last increase applied was in 2020/21.

Revenue and Capital Estimates

5.6 Annexe A presents the HRA revenue estimates and Annexe B presents the HRA Capital Plan, the latter should be read in conjunction with the Corporate Capital Strategy section of the Policy Framework and Budget Setting report. There are columns on both annexes for:

- Actual expenditure / income for 2020/21.
- Original estimate for 2021/22 as approved by Cabinet on 24 February 2021, updated where applicable for any subsequent approved amendments since that date.
- Revised estimate for 2021/22 now submitted for approval.
- Estimate for 2022/23 now submitted for approval.

5.7 Estimates presented to Cabinet include revenue and capital projections in line with the latest budgets agreed by Cabinet on 24th February 2021 for the delivery of a new Housing Management System. These are currently being reviewed along with the overall project plan and will be subject of a future report to Cabinet once these have concluded.

HRA Reserves

5.8 The advice of the Strategic Director (Resources) on HRA reserves is that a safe minimum level would be approximately **£561k** as at 31 March 2022 and **£588k** as at 31 March 2023. These are based on previous Government guidance for a minimum level of reserve for each property, uprated for inflation.

- 5.9 Whilst the HRA budget provides for levels of reserves at the end of 2021/22 and 2022/23 in excess of these balances, the ongoing impact of the four year annual rent reduction will ensure that reserves will reduce significantly over future years and in the medium to longer term will fall below the minimum level recommended. To ensure the sustainability of the HRA the Council will continue to model options within the Business Plan including the level of future loans held, programming of capital works to meet decent homes and maximising income within the rent setting guidance issued by DLUHC.
- 5.10 The HRA also maintains a separate earmarked reserve consisting of sums set aside for the scheduled repayment of debt in future years.

6. Corporate Implications

a. Financial implications

Financial implications are outlined in sections 4 and 5 above. Whilst HRA reserves for the period as reported above are currently at a satisfactory level, future levels will be monitored, and action taken to maintain the ongoing viability of the HRA.

b. Legal implications

The HRA is “ring-fenced” by legislation and must therefore be self-financing. There is no general power to transfer surpluses to the General Fund or to meet a deficit by contribution from the General Fund.

The Council has a statutory duty to set a budget for the HRA that avoids a deficit. This includes provision for a prudent level of reserves to call upon in the event of unforeseen circumstances, emergency expenditure or major budget variations. Failure to maintain adequate reserves could possibly result in an additional mid-year rent increase; this may push rent levels above limit rents and thus result in the loss of rent rebate subsidy on part of the rental income.

c. Human resources and equality implications

The Council has a responsibility to deliver the Government’s Decent Homes Standard and to work towards the national provision of 1 for 1 replacement of homes sold through the Right to Buy. The 2022/23 Capital Plan is currently mainly prioritised towards those programmes of repair, maintenance and modernisation which tackle identified non-decency issues in the housing stock. But it may be required to support the development of new homes as well, utilising capital receipts and borrowing, in combination with additional funds being allocated from revenue.

d. Timescale for implementation and risk factors

The proposed rent level for 2022/23 must be approved at this meeting so that the statutory notice to tenants is given in order for the new rents to be effective from 4th April 2022.

Preparation for implementation of the 2022/23 Capital programme will commence immediately following Cabinet’s approval.

The implications of not approving the proposed programmes would be a failure in the Council’s responsibility to tackle known non-decency issues in its stock.

The implication of not approving the recommended rent increases for dwelling rents would be that the Council would not receive additional income to the Housing Revenue Account. This would have a direct impact on service delivery. Furthermore, if the dwelling rent increase is not approved, the Council's actual rent levels would diverge further from social housing rent policy and due to the restrictions on increases would result in ongoing lower income levels, with limited opportunity to recoup the lost income.

7. Background Papers:

HRA Business Plan and associated DLUHC guidance
Housing Strategy and associated DLUHC guidance
DLUHC guidance on the delivery of the Decent Homes Standard
Direction on the rent standard from 1 April 2020 (DLUHC)
Welfare Reform and Work Act

Report Author:

David Randerson – Housing Development and Finance Manager
Chris Mills – Strategic Director (Resources)

Housing Revenue Account - Revenue budgets

No	Housing Revenue Account summary	Note	2020/21 Actual	2021/22 Estimate	2021/22 Revised	2022/23 Estimate
			£000s	£000s	£000s	£000s
	Income					
	Gross dwelling rents		(6,968)	(7,105)	(7,045)	(7,277)
	Gross non-dwelling rents		(111)	(113)	(100)	(103)
	Charges for services and facilities		(639)	(610)	(601)	(631)
1	Total Income		(7,718)	(7,828)	(7,746)	(8,011)
	Expenditure					
	Supervision and management		2,537	2,659	2,884	2,893
	Repairs and maintenance		1,454	1,279	1,595	1,475
	Increased provision for bad or doubtful debts		47	80	100	80
	Rents rates taxes and other charges		191	205	205	207
	Depreciation and revaluation/impairment of fixed assets		1,841	1,904	1,843	1,875
	Amortisation Costs		0	36	25	68
2	Total Gross Expenditure		6,070	6,163	6,652	6,598
3	Net cost of HRA services		(1,648)	(1,665)	(1,094)	(1,413)
4	Total other operating Income and Expenditure	1	1,046	948	932	890
5	Total Net Statutory Adjustments	2	76	7,763	6,790	219
6	(Surplus) on HRA services		(526)	7,046	6,628	(304)
	Reserves					
	HRA Main Reserve					
7	Reserve balance brought forward		3,122	2,626	2,872	2,244
8	Surplus/(deficit) for the year		526	(7,046)	(6,628)	304
9	Transfer (to) / from HRA Earmarked Reserves		(776)	6,000	6,000	(1,000)
	Reserve balance carried forward		2,872	1,580	2,244	1,548
	HRA Earmarked Reserves					
10	Reserve balance brought forward	3	6,224	7,000	7,000	1,000
11	Net transfer to / (from) HRA Earmarked Reserves		776	1,000	1,000	1,000
12	Loan Repayments made		0	(7,000)	(7,000)	0
	Reserve balance carried forward		7,000	1,000	1,000	2,000
Notes						
1	Various including interest payable and receivable and asset valuation adjustments					
2	Various statutory adjustments and reversals, to ensure that rental income is not affected by income and expenditure relating to non-current assets, such as gains and losses on revaluations and disposals, and other similar items. Includes repayment of first HRA self-financing loan and contributions to capital for new build housing developments					
3	HRA earmarked reserves including a specific reserve for sums set aside for future repayment of loans and first repayment of loans in 21/22					

Housing Revenue Account - Capital Plan

No	Housing Revenue Account Capital Plan summary	Note	2020/21 Actual	2021/22 Estimate	2021/22 Revised	2022/23 Estimate
			£000s	£000s	£000s	£000s
1	Annual Programmes for replacement and repair					
	Disabled adaptations to council properties	1	51	254	254	150
	Central heating replacement	2	173	108	108	165
	Window Replacements		109	200	200	400
	Insulation		9	24	24	24
	Kitchen replacement and improvements	2	117	146	146	186
	Environmental improvements		0	0	47	50
	Roofing maintenance	2	50	389	389	148
	Electrical rewiring	2	26	42	42	43
	Chimney Replacement		0	21	21	19
	Replacement Doors		31	0	0	200
	Bathroom replacement and improvements	2	19	80	80	137
	Maintenance and redevelopment of communal areas	2	18	93	36	40
	Water Supply and tank replacement		9	10	10	0
	UPVC fascias and soffits		0	77	77	70
	Wall finishes	2	7	81	81	50
2	New Build construction and Periodic Programmes					
	Affordable Housing		43	40	40	20
	New Build at Church Close	3	519	1	1	0
	New Build at Windsor Gardens	4	28	0	0	0
	Refurbishment of ex-wardens accommodation		0	0	0	0
	Purchase 60 North Avenue	5	0	0	0	0
	Demolition at Linden Way		17	26	26	0
	New Build at Link Road	6	6	80	80	549
	New Build at 54-60 Linden Way	6	11	100	100	820
	New Build at Cedar Road	6	7	74	74	422
	Fire and CO Detector installation	7	11	0	0	0
	Digital TV		6	150	150	0
	Lifts		0	74	74	0
	Unallocated Provision	8	0	20	20	100
	HMS Implementation	9	254	423	423	84
			1,522	2,501	2,501	3,676
Notes						
1	Provision for adaptations from the Council's waiting list for council owned properties					
2	Changes resulting from the updated stock condition survey					
3	Budget approved by Cabinet June 2018					
4	Provision for new development agreed as part of report to Cabinet in January 2019					
5	Purchase of property for provision of temporary accommodation agreed at Cabinet September 2019					
6	Budget approved by Cabinet October 2020					
7	Programme completion in 2020/21.					
8	Unallocated provision used to support updated programmes					
9	Budget for replacement of existing Housing Management System approved at Cabinet in March 2020					
10	2021/22 Estimate figures include budgets rolled forward from 2020/21 previously reported to Cabinet in July 2021 and changes agreed by Cabinet in November 2021					

CABINET

23rd February 2022

Subject: Policy Framework and Budget Setting for 2022/23

Cabinet Member: Councillor Johnson – Resources

1. Purpose of Report

- 1.1 This report (including the accompanying document which forms part of this report) submits proposals and recommendations for the Council's Policy Framework and Budget Setting for 2022/23. The Cabinet should consider these and make appropriate recommendations to Council at the meeting to be held later this evening.
- 1.2 All precepting organisations with the exception of Essex County Council (ECC) have confirmed decisions on their precepts for 2022/23 and these are included within section 15 of the accompanying report, together with the Borough Council's own information.
- 1.3 On 7th February 2022, the Rt Hon Michael Gove MP made a written statement to Parliament confirming the publication of the 2022/23 Final Local Government Finance Settlement, which was subsequently debated in parliament.

2. Links to Council's priorities and objectives

- 2.1 This report is linked to all the Council's priorities. Sound and strategic financial management is essential in order to ensure that resources are available to support the Council's priorities and maintain or improve services.
- 2.2 This report is designed to provide Members with the latest information on the future cost of spending plans and levels of resources.

3. Recommendations

Implementation of Council policies and related spending plans

- 1. That the Cabinet approves the continued funding of priority projects and other items of discretionary expenditure, as set out in table 3.4.
- 2. That the Cabinet notes the cost pressures and budget increases (growth) as set out in table 3.5.
- 3. That the Cabinet note the efficiency savings, cost reductions and additional income summarised in table 3.6.

4. That subject to recommendations 1 to 3 above, the revenue spending plans for 2021/22 (revised) and 2022/23, set out in section 3, tables 3.1 (summary) and 3.2 (net services expenditure) of the accompanying report, are approved.

Capital spending plans and prudential indicators

5. That the capital spending plan described in section 9 of the accompanying report (tables 9.2 and 9.3) is approved in respect of 2021/22 (revised) and 2022/23.
6. That as required by section 3 of the Local Government Act 2003, and the Prudential Code for Capital Finance in Local Authorities (the Prudential Code), the following Prudential Indicators are approved as set out in the appropriate sections of the accompanying report:

Prudential Indicator - Reference to sections 9, 10 and 11 of accompanying report	
Capital expenditure	Tables 9.2 and 9.3
Capital financing requirement (CFR)	Table 9.4
Authorised limit for external debt	Table 9.5
Operational boundary for external debt	Table 9.6
Ratio of financing costs to new revenue stream	Table 9.7 (a & b)
Gross external borrowing does not exceed CFR	Section 9 – para 53
Maturity structure of fixed rate borrowing - upper and lower limits	Table 10.2
Upper limits of fixed and variable interest rate exposures	Table 10.3
Maximum period and counterparty limits for specified and non-specified investments	Table 11.2 & 11.3

7. That the Statement of Minimum Revenue Provision for 2022/23, as stated in paragraphs 55 to 60 of section 9 of the accompanying report is approved.
8. That no new capital proposals are allowed until:
- the proposal has been evaluated in accordance with relevant evaluation criteria;
 - the Cabinet has confirmed affordability and compliance with the Prudential Code for Capital Finance in Local Authorities;
 - the Cabinet has considered and approved details of the proposal.
9. That, as stated in paragraph 69 of section 9 of the accompanying report, and as required by the Prudential Code, the statement of the Strategic Director (Resources) in respect of the affordability, deliverability and appropriateness of risk management arrangements with respect to the Capital Strategy is noted.
10. That the policies and strategies supporting the budget framework and contained within the accompanying report are approved.

Statutory report of the Strategic Director (Resources)

11. That as required by section 25 of the Local Government Act 2003, the report of the Strategic Director (Resources) set out in section 13 of the accompanying report in respect of robustness of the estimates is noted.
12. That as required by section 25 of the Local Government Act 2003, the report of the Strategic Director (Resources) set out in section 7 of the accompanying report in respect of the adequacy of proposed financial reserves is noted.

Statutory calculations in respect of the budget requirement & Council Tax as required by the Local Government Finance Act 1992, as amended (“the Act”)

13. That as set out in section 4 of the accompanying report it is noted that acting under delegated authority and in consultation with the Cabinet Member responsible for Finance, the Strategic Director (Resources) has calculated:
 - A tax base for the Borough of Castle Point of **31,181** being the amount **T** required by section 31B of the Act; and
 - A tax base for Canvey Island to which a Town Council precept applies as **12,041**.
14. That the following amounts be calculated for the year 2022/23 in accordance with sections 31 to 36 of the Act:

Ref	Amount £	Item
(a)	58,028,189	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish (Town) Councils.
(b)	49,298,244	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	8,797,265	being the amount by which the aggregate at 14(a) above exceeds the aggregate at 14(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the act)
(d)	282.14	being the amount at 14(c) above (item R), divided by item T (14(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish (Town) precepts.
(e)	263,337	being the aggregate amount of the (Parish (Town) precepts) referred to in Section 34(1) of the Act.
(f)	273.69	being the amount at 14(d) above less the result given by dividing the amount at 14(e) above by item T (14(a) above), calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

15. That the Cabinet recommends that Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2022/23 for each part of its area and for each category of dwelling. This information is included within section 14 of the accompanying report:

Castle Point Borough Council Tax 2022/23, including and excluding Town Council precept, for each of the following categories of dwelling:

Council Tax			
Band	Ratio in 9ths	Canvey Residents Council Tax Including Town Council	Mainland Residents Council Tax Excluding Town Council
A	6	197.04	182.46
B	7	229.88	212.87
C	8	262.72	243.28
D	9	295.56	273.69
E	11	361.24	334.51
F	13	426.92	395.33
G	15	492.60	456.15
H	18	591.12	547.38

16. To note that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwelling in the Council's area, as indicated in the table below:

Council Tax for each band							
Band	Castle Point Borough Council	Essex County Council	Essex PFCC - Fire and Rescue Authority	Essex PFCC - Policing and Community Safety	Total excluding Town Council	Canvey Island Town Council	Total including Town Council
	£	£	£	£	£	£	£
A	182.46	934.08	50.22	145.68	1,312.44	14.58	1,327.02
B	212.87	1,089.76	58.59	169.96	1,531.18	17.01	1,548.19
C	243.28	1,245.44	66.96	194.24	1,749.92	19.44	1,769.36
D	273.69	1,401.12	75.33	218.52	1,968.66	21.87	1,990.53
E	334.51	1,712.48	92.07	267.08	2,406.14	26.73	2,432.87
F	395.33	2,023.84	108.81	315.64	2,843.62	31.59	2,875.21
G	456.15	2,335.20	125.55	364.20	3,281.10	36.45	3,317.55
H	547.38	2,802.24	150.66	437.04	3,937.32	43.74	3,981.06

17. To note that, in accordance with the requirements of section 52ZC of the Act the Council has determined whether it's Relevant Basic Amount of Council Tax for 2022/23 is excessive.

18. For 2022/23, the relevant basic amount of Council Tax for Castle Point would be deemed excessive if the authority's relevant basic amount of Council Tax for 2022/23 is:
- (a) 2%, or more than 2%, greater than its relevant basic amount of Council Tax for 2021/22; and
 - (b) More than **£5.00** greater than its relevant basic amount of Council Tax for 2021/22.

Ref	Amount £	Item
(a)	268.38	being the Relevant Basic Amount of Council Tax for 2021/22, excluding local precepts.
(b)	2.0%	being the percentage increase above which the Secretary of State has determined the Relevant Basic Amount of Council Tax for 2022/23 would be excessive.
(c)	273.75	being the amount above which the Relevant Basic Amount of Council Tax for 2022/23, excluding local precepts, would be excessive (rounded down to the nearest penny).
(d)	273.69	being the Relevant Basic Amount of Council Tax for 2022/23, excluding local precepts.

The Relevant Basic Amount of Council Tax for 2022/23 is therefore not excessive and the duty to make substitute calculations and hold a referendum does not apply (Chapter 4ZA of Part 1 of the Act).

Resolution required.

4. Background

- 4.1 The accompanying report consolidates the following information in one single presentation:
- The background to the key policy issues including the assumptions adopted in formulating the financial forecast around government support, price increases and assessment of minimum level of general fund reserves.
 - The Council's financial targets and the medium-term financial forecast.
 - Revenue and capital spending plans.
 - Prudential indicators.
 - The various policies and strategies which support the budget framework including the Capital Strategy.
 - The statutory budget and Council Tax calculations required for 2022/23.

5. Proposals

- 5.1 The key features of the budget proposals are summarised below:

- The budget is supported by Directorate and Service Action Plans which support delivery of the Council's key priorities.
- The budget for 2022/23 is balanced, meaning that the Council does not need to rely on the use of reserves to meet ongoing spending plans during this year.
- The level of general reserves planned for the end of the 2022/23 financial year, exceed the minimum recommended level of **£3.1m**.
- The budget continues to support priority services.
- Efficiencies and/or additional resources are required to deliver a balanced budget and maintain/restore reserves to the recommended minimum levels for years 2023/24 and beyond.

6. Corporate Implications

a) Financial Implications

The Council must make certain statutory calculations in relation to the Council Tax requirement for 2022/23. These are set out in full in the Policy Framework and Budget Setting 2022/23 report attached.

The tables shown at recommendations 15 & 16 set out the proposed Council Tax charges to be made to residents in respect of the Borough Council, the Town Council and the other precepting authorities.

b) Legal Implications

This report is presented by me in my role as "section 151 officer" – the officer appointed to have responsibility for the Council's financial administration. It covers all those matters required by legislation for setting a budget and Council Tax.

The Cabinet's attention is drawn particularly to sections 4, 7 and 13 of the accompanying report containing statutory reports that I have a duty to provide in respect of the adequacy of reserves and the robustness of spending plans. The Council must have regard to this advice before making the decisions required by this report.

The proposals in this report are based on a Council Tax increase of **1.98%** resulting in the Borough Council Band D charge of **£273.69**.

Council Tax Referendums

Schedule 5 of the Localism Act introduced a new chapter into the 1992 Act, making provision for Council Tax referendums to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons. The Localism Act also abolished the capping regime in England.

In summary, for 2022/23 the principles are that the Council would be required to seek the approval of the local electorate in a referendum if, compared with 2021/22, it set Council Tax increases of **2.0%** or **£5** whichever is the greater.

The Council's calculations in this regard are given at recommendation 18 above.

c) Human resource & equality implications

There are no new implications within this report.

d) Timescale for implementation and risk factors

Having considered this report, the Cabinet should submit its recommendations to the Council meeting to be held later this evening. At this meeting, the Council will also set the full amount of Council Tax, to include the precepts issued by Essex County Council, Essex PFCC Fire and Rescue Authority, Police, Fire & Crime Commissioner for Essex and Canvey Island Town Council (where appropriate).

The date of the Council meeting is well within the legal deadline for setting the budget but is the latest date that will allow adequate preparation for the timely despatch of Council Tax bills to give due notice for first instalments due on 1 April.

7. Conclusion

7.1 The recommendations set out above are classified as to:

- those required to implement Council policies and to approve the related spending plans;
- those required in respect of capital spending plans and treasury management;
- those requiring the Council to have regard to the statutory reports of the Strategic Director (Resources);
- the statutory calculations in respect of the budget requirement and Council Tax.

Background Papers:

Final local government finance settlement: England, 2022 to 2023

The Referendums Relating to Council Tax Increases (Principles) (England) Report 2022 to 2023

Report Author: Chris Mills – Strategic Director (Resources), Section 151 Officer