

CABINET 17 FEBRUARY 2014

Present: Councillors Birch (in the chair), Cartwright, Chowney, Forward, Hodges, Kramer and Westley (from 6.05pm).

69. DECLARATIONS OF INTEREST

Councillors made no declarations of interest at the meeting.

MATTERS FOR COUNCIL DECISION

70. DRAFT CORPORATE PLAN 2014/15 – 2016/17

The Head of Corporate Services presented a report on feedback from the consultation on the draft corporate plan and budget. The corporate plan outlined the council's strategic direction to the end of 2016/17.

Part I of the corporate plan set out the corporate priorities which the council would seek to deliver, as well as the strategic and financial context within which the organisation would operate for the next three years. Part II of the plan set out targets for services to achieve during 2014/15, in order to meet the corporate priorities. The council would be asked to approve parts I and II of the draft corporate plan, together with the budget which supports these plans, at its meeting on 26 February 2014.

The Head of Corporate Services proposed an amendment to the third recommendation of the report, as set out in the resolution below. Budget Council would be asked to approve that delegated authority be granted to Cabinet to approve part III of the corporate plan, which would contain retrospective report-back of performance in 2013/14 and proposed performance indicator targets for 2014/15 – 2016/17. Part III of the corporate plan would then be published in July 2014.

The report included a summary of the responses received to the public consultation on the corporate plan and budget, which had concluded on 14 February 2014. As part of the consultation, the council had sought to engage with a cross section of community, business and voluntary groups operating in the town.

Members thanked all those involved in drafting the corporate plan.

Councillor Chowney moved approval of the amended recommendations to the report, which was seconded by Councillor Kramer.

RESOLVED (unanimously) that –

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- 1) the Cabinet recommends to the council, that the content of the attached Part I and II documents form the basis of the council's corporate plan 2014/15 – 2016/17, subject to the proviso that any significant amendment made to the council's draft budget be reflected in the corporate plan text, and;
- 2) delegated authority be given to the Director of Corporate Resources, after consultation with the Leader of the Council to make further revisions as is considered necessary to the attached plan prior to publication to reflect decisions made on the council's budget, and to improve the design, layout and to use non-technical, user-friendly language, and;
- 3) Part III of the corporate plan be produced to include a retrospective year-end report on performance and the actual performance indicator information from 2013/14; that this information be presented to the Overview and Scrutiny Committees in June, prior to consideration by Cabinet in July 2014; and that the council be asked to delegate authority to the Cabinet meeting on 7 July 2014 to agree Part III, and;
- 4) all those who submitted views as part of the consultation process be thanked for their contributions.

The reason for this decision was:

The council needs to approve the corporate plan as it is a statement of Hastings Borough Council's strategic direction to the end of 2016/17. It sets out how we will ensure that we successfully address our priorities, meet the needs of our communities, and ensure we have a strong dedicated and motivated workforce to deliver our strategic priorities and long-term goals of the Hastings and St Leonards Sustainable Community Strategy. Good practice requires that the council refresh its rolling 3 year plan alongside its budget.

71. REVENUE BUDGETS 2013/14 (REVISED) AND 2014/15, PLUS CAPITAL PROGRAMME 2013/14 TO 2016/17

The Head of Finance presented a report on the revised revenue budget for 2013/14 and a budget for 2014/15. The revised budget took account of variations to the council's expenditure and income, since the budget had been set in February 2013.

The Head of Finance circulated a revised copy of Appendix A and N to the report, which reflected the council tax precept of the County Council, Fire Authority and Police and Crime Commissioner. A printing error was noted in the revised budget (Regeneration figure of £5,247,860 to be included).

The report summarised the key factors impacting on the budget setting process. The budget for 2014/15 acknowledged very significant reductions in external funding going forward. The report identified a £1.8million shortfall in

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revenue funding for 2015/16 and a £3.1 million shortfall in 2016/17. It would therefore be necessary to implement further efficiency initiatives, in order to make the substantial savings required to produce a sustainable balanced budget for future years. The council would undertake further service reviews over the coming year, to ensure available resources can be aligned to meet the corporate priorities.

The council had accepted a council tax freeze grant, equal to a 1% increase in council tax; therefore, there would be no increase in the borough's part of the council tax for 2014/15.

The revenue budgets 2013/14 (revised) and 2014/15 would be considered at the Budget Council meeting on 26 February 2014.

Members thanked all those involved in drafting the budget.

Councillor Birch moved approval of the amended recommendations to the report, which was seconded by Councillor Westley.

RESOLVED - (unanimously) that –

- 1) **Cabinet recommends to the council to approve the revised revenue budget for 2013/14, as set out in appendix A of the report;**
- 2) **Cabinet recommends to the council to approve the draft 2014/15 revenue budget, as set out in appendix A of the report;**
- 3) **Cabinet recommends to the council to approve a nil increase in council tax on the basis that the Council Tax Freeze Grant is receivable (equivalent to a 1% increase);**
- 4) **Cabinet recommends to the council to approve the cultural initiative as detailed in appendix S and the main body of the report;**
- 5) **Cabinet recommends to the council to approve the capital programme 2013/14 (revised) to 2016/17 (appendix P);**
- 6) **Cabinet recommends to the council to approve the proposed expenditure from the renewal and repairs reserve, and the information technology reserve (appendix J and I respectively) and those items from other reserves shown in appendix H that can proceed without further reference to Cabinet or Council;**
- 7) **Cabinet recommends to the council to approve the transfer of uncommitted monies within the area based grants reserve to the capital reserve;**
- 8) **Cabinet recommends to the council to approve the use of the monies identified in the budget for invest to save schemes be determined by the Director of Corporate Resources in consultation with the Leader of the Council;**
- 9) **Cabinet recommends to the council to approve the revised land and property disposal programme (appendix L), and agree**

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that disposals can be brought forward if market conditions make it sensible to do so;

- 10) Cabinet recommends to the council to agree that schemes marked with an asterisk in the capital programme can proceed without further reference to Cabinet or Council;
- 11) Cabinet recommends to the council to agree that work on priority income and efficiency reviews (PIER) should continue, and where possible identify a sustainable budget for a period in excess of 1 year. A mid-year review, for members and officers, to be undertaken in light of the continuing severe government grant reductions, and;
- 12) Cabinet recommends to the council to approve the detailed recommendations attached in appendix N, which relate to the setting of council tax in accordance with Sections 31 to 36 of the Local Government Act 1992.

The reason for this decision was:

- 1) The level of government funding to the council continues to fall and is expected to carry on falling until at least 2018/19. Since 2010/11 funding has been reduced by some 42.5% in cash terms on a like for like basis (over 50% in real terms).
- 2) Major reductions in funding in 2014/15 are set to continue in 2015/16 and beyond and this will impact heavily upon the council's ability to provide services and grants across all areas of existing activity. To ensure key corporate priorities are achieved it remains imperative that the limited resources available are properly targeted.
- 3) The council needs to be in a position to match its available resources to its priorities across the medium term and to maintain sufficient reserves and capacity to deal with potentially large and unexpected events in addition to fluctuations in income and expenditure levels.
- 4) The council is exposed to a much greater degree of volatility in the level of funding it receives from non domestic rates. In addition it is also exposed to a much higher degree of volatility in terms of council tax support claims – the council now receiving an upfront grant rather than reimbursement of actual costs.
- 5) Further reductions in grant funding have major implications for the council and as such work needs to continue to identify and make savings in order to produce balanced budgets in 2015/16 and beyond.

72. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2014/15, INCLUDING QUARTERLY MONITORING REPORTS FOR 2013/14

The Head of Finance presented a report to consider the draft treasury management and annual investment strategy. The strategy provided a framework for the management for the council's investments, cash flow and borrowing activities.

The council complied with the CIPFA Code of Practice on Treasury Management. The report had been considered by Audit committee at its meeting on 15 January 2014, and no recommendations were made to amend the strategy and policies. Under statutory provisions, the council was required to determine the treasury management strategy statement, minimum revenue provision (MRP) policy and annual investment strategy (2014/15) prior to start of the new financial year.

Councillor Birch moved approval of the recommendations to the report, which was seconded by Councillor Cartwright.

RESOLVED – (unanimously) that –

1) Cabinet recommends that the council approve the treasury management strategy, minimum revenue provision (MRP) policy and annual investment strategy (2014/15).

The reason for this decision was:

The council seeks to minimise the costs of borrowing and maximise investment income whilst ensuring the security of its investments. The sums involved are large and the assumptions made play an important part in determining the annual budget. Compliance with the CIPFA code of practice represents best practice and ensures compliance with statutory requirements.

(The chair declared the meeting closed at 6.20pm)