

# Public Document Pack

## BUDGET CABINET

13 FEBRUARY 2017

Present: Councillors Chowney (Chair), Forward, Cartwright, Davies, Poole, Fitzgerald, Lee and Patmore

### 68. DECLARATIONS OF INTEREST

The following Councillors declared an interest in the minutes:

Councillor	Minute	Interest
Chowney	71 – Revenue Budgets 2016-17 (Revised) and 2017-18, plus Capital Programme 2017-18 to 2019-20.	Prejudicial (if car parking fees and charges are discussed) – he holds a season ticket for Grand Parade car park.

### 69. NOTIFICATION OF ANY ADDITIONAL ITEMS

The council had received a petition, as part of the public consultation on the draft corporate plan and budget, objecting to the proposed closure of public conveniences in Ore Village and Harold Place.

The lead petitioner, Stephanie Gaunt, presented the petition to Cabinet. She explained that the public conveniences in Ore village were well used by the local community, and there was a lack of suitable alternative facilities if they were closed. The building itself was well maintained and in a good state of repair. The local community had also expressed concern at the proposed closure of Harold Place toilets.

Councillor Chowney responded that it was intended to delete the proposal to close Ore Village toilets from the draft budget. The proposal to close Harold Place toilets would remain in the draft budget.

**RESOLVED the Chair called over the items on the agenda, under rule 13.3 the recommendations set out in minute numbers 70 and 72 were agreed without being called for discussion**

### 70. DRAFT CORPORATE PLAN 2017/18 TO 2019/20

The Director of Corporate Services and Governance submitted a report in respect of the draft corporate plan for 2017/18 to 2019/20.

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The corporate plan set out the council's strategic direction for the coming year. The layout and format of the draft corporate plan had been refreshed to make the document more accessible. The plan was set out in 5 thematic areas, which reflected the council's priorities, under which were the key activities to be undertaken to achieve them.

The report also gave an overview of the responses received during the public consultation period. Detailed comments had been sought from a range of community organisations in the town, and a more general public consultation had also been undertaken.

Budget Council would be asked to approve the draft corporate plan, together with the supporting budget, at its meeting on 22 February 2017.

### **RESOLVED that: -**

- 1. The Cabinet recommends to the Council, that the content of the documents attached to the Director of Corporate Services and Governance's report for the basis of the council's corporate plan 2017/18 – 2019/20, subject to the proviso that any significant amendment made to the council's draft budget be reflected in the final corporate plan text;**
- 2. Delegated authority be given to the Director of Corporate Services and Governance, 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;**
- 3. All 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 2020.

### **71. REVENUE BUDGETS 2016-17 (REVISED) AND 2017-18, PLUS CAPITAL PROGRAMME 2017-18 TO 2019-20**

The Assistant Director, Financial Services and Revenues, presented the revenue budgets 2016/17 (revised) and 2017/18, plus the capital programme 2017/18 to 2019/20.

The revised budget set out variations in income and expenditure since the budget was set in February 2016.

The report acknowledged continued reductions to the council's external funding, and the ongoing activities which were being undertaken to achieve efficiency savings and generate additional income. These activities had resulted in the call on the council's reserves to balance the 2017/18 budget being significantly less than originally anticipated.

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The Assistant Director, Financial Services and Revenues, advised of an amendment to the draft budget in respect of additional expenditure under the countryside stewardship budget. As a result, the total call on reserves would increase to £76,000. The final settlement figures had not yet been received from the government, along with the Disabled Facility Grants and Discretionary Housing Payments, and it may therefore be necessary to adjust the figures set out in the draft budget.

The Leader of the Council advised of two further amendments to the budget proposals. The council would continue to provide funding to the Dial-A-Ride service for a further year. Over the coming year the council would work with the operator of Dial-A-Ride to explore opportunities to make the service more sustainable, including commercial sponsorship. The proposal to close the public conveniences at Ore Village was also deleted from the draft budget.

Councillor Chowney proposed approval of the recommendation to the Assistant Director, Financial Services and Revenues, report subject to the above amendments, which was seconded by Councillor Davies.

**RESOLVED (by 6 votes for, 0 against, with 2 abstentions) that Cabinet recommend to Full Council to: -**

- 1. Approve the revised revenue budget 2016/17 (Appendix A).**
- 2. Approve the draft 2017/18 revenue budget (Appendix A).**
- 3. Approve a 2.04% (£5 for a Band D property) increase in the Borough Council's part of the Council Tax.**
- 4. Agree that the absolute minimum level of reserves that shall be retained be £5m (plus General Fund Balance) i.e. no change from 2016/17.**
- 5. Approve the Capital Programme 2016/17 (revised) to 2019/20 (Appendix P).**
- 6. Approve the proposed expenditure from the Renewal and Repairs Reserve, and Information Technology Reserve (Appendices J and I respectively) and those items for other reserves shown in Appendix H that can proceed without further reference to Cabinet or Council.**
- 7. Approve that the use of monies in the budget and Reserves for "Invest to Save" schemes be determined by the Assistant Director, Financial Services and Revenues, in consultation with the Leader of the Council.**
- 8. Approve the revised Land and Property Disposal Programme (Appendix L), and agree that disposals can be brought forward if market conditions make it sensible to do so.**
- 9. Agree that schemes marked with an asterisk in the Capital Programme can proceed without further reference to Cabinet or Council.**
- 10. 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 one year. A mid-year review, for members and officers, to be undertaken in the light of the continuing severe government grant reductions.**

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11. Approve the Car Parking charges for 2017/18 as detailed in Appendix N.
12. Approve the detailed recommendations in Appendix M, which relate to the setting of the Council Tax in accordance with Sections 31 to 36 of the Local Government Act 1992 (updated for Full Council).
13. Approve that the budget be amended as necessary to reflect the final grant figures from government (once received) and in respect of Discretionary Housing Payments and Disabled Facility Grants.
14. Approve the reduction for the Council Tax Prescribed Class D Properties i.e. those which are vacant and are undergoing “major repair work” or “structural alteration” to nil %.

The reason for this decision was:

1. Major reductions in funding in 2017/18 are set to continue to 2019/20 and beyond and this will impact heavily upon the council’s ability to provide services and grants across all areas of existing activity.
2. Since 2010/11 funding has been reduced by more than 50% in cash terms on a like for like basis. 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 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 in 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 sum as part of the annual grant settlement 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 2017/18 and beyond.

## **72. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2017/18**

The Assistant Director for Financial Services and Revenues submitted 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. Under statutory provisions, the council was required to determine the treasury management strategy statement, minimum revenue provision (MRP) policy and annual investment strategy (2017/18) prior to start of the new financial year.

The strategy proposed new borrowing limits, to allow for increased investment to support the council’s income generation plans.

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**RESOLVED that: -**

- 1. The Cabinet recommended that the Council approve the Treasury Management, Minimum Revenue Provision (MRP) Policy and Annual Investment Strategy (2017/18), and;**
- 2. The Cabinet recommended that the Council's Annual Investment Strategy includes the use of Property Funds with immediate effect, and that a £2m investment is made specifically with CCLA (Local Authority Property Fund).**

**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 council is seeking to increase opportunities for income generation, particularly where there are benefits to the residents of Hastings in doing so, and this will involve the council in taking on additional borrowing. 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 the best practice and ensures compliance with statutory requirements.

The council has the ability to diversify its investments into other property funds and should consider carefully the level of risk against reward against a background of low interest rates being forecast for come years ahead. Such an investment would help to close the gap in the budget in the years ahead and thus help to preserve services.

(The Chair declared the meeting closed at. 6.38 pm)

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