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OVERVIEW AND SCRUTINY COMMITTEE

19 SEPTEMBER 2023

Present: Councillors Patmore (Chair), Sinden (Vice-Chair), Carr, Cooke, Foster, Hay, Hilton, Turner and Webb

Officers: Jane Hartnell (Chief Executive), Kit Wheeler (Chief Finance Officer), Chris Hancock (Head of Housing), Amy Terry (Property and Commercial Assets Manager), Coral Harding (Continuous Improvement and Democratic Services Officer)

Victoria Conheady (Deputy Chief Executive), Natasha Tewkesbury (Head of Community and Regulatory Services), Mary Kilner (Chief Legal Officer) and Stephen Dobson (Head of Strategic Programmes) accessed the meeting remotely.

Members of Cabinet Present: Councillor Barnet and Councillor Evans

1. APOLOGIES FOR ABSENCE

Apologies received from Councillors Roberts and Bacon

2. DECLARATIONS OF INTEREST

Councillor	Item	Interest
Cllr Hay	4,5	Personal – ESCC Councillor
Cllr Hilton	4,5	Personal – ESCC Councillor
Cllr Webb	4,5	Personal – ESCC Councillor

3. MINUTES OF THE PREVIOUS OVERVIEW AND SCRUTINY COMMITTEE 27/07/23 & 15/08/23

RESOLVED – that the minutes of the meeting held on 27th July & 15th August 2023 be approved as a true record.

4. FINANCIAL MONITORING REPORT

The Chief Finance Officer presented a report to provide a summary of the forecast outturn position at the end of July 2023. The report provides an update on the current

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financial position which continues to be challenging. There is a forecast overspend of close to £1.9 million. The pay award has not been finalised but is more than budgeted for. Housing accounts for £1.7m of the overspend. The overall picture is one of financial difficulty continuing for the council. The Minimum Revenue Provision (MRP) predictions are now included within the report.

The Head of Housing updated the committee on progress against achieving the £1m budget savings in housing due to be achieved in 2023/34. The savings cover six areas, i.e. housing options capacity, home visiting officers, housing acquisitions, rough sleeping accommodation pathway purchases, all of which are on target or more positive than target. The affordable housing supply saving will not be met this year or next year due to issues around development sites where developers have ceased trading, the savings will however be achieved in future years. Rough sleeping accommodation pathway leases is not on target because of challenges with suitable properties not being available and the saving will not be met. There are discussions with Homes England to move this funding to housing acquisitions. The revised savings for 23/24 will be £798,898 and for 24/25 £1,175,820.

The committee asked questions:

Councillor Webb asked about how residents contact the Housing department? The Head of Housing explained people can contact the council by phone, online or attend the Hastings Borough Council offices.

Cllr Hilton asked whether charities are having to help people that Hastings Borough Council no longer have duty to house? The Head of Housing answered this is a significant challenge. Advice and alternative options are given to people who are no longer under the duty of Hastings Borough Council.

Cllr Turner asked about queuing on the phone when residents contact the Council. The Chief Executive answered that the data is not showing calls are not being answered. Phone lines can be busy e.g. when council tax recovery is issued. Members of public can also attend the Hastings Borough Council offices.

Cllr Foster asked is everything being done to make savings now? The Head of Housing answered that everything is being done now as well as identifying other areas for possible development.

Cllr Patmore asked the Chief Finance Officer how the housing savings shortfall will affect the council? The Chief Finance Officer explained the savings would have to be made in other ways.

Cllr Patmore asked the Chief Finance Officer how long the reserves can last? The Chief Finance Officer explained the latest information is needed with numbers being revised constantly and in year saving are being investigated.

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Cllr Hilton asked with £35m in investments, how much is available for use? The Chief Finance Officer explained not all the investments are liquid.

Cllr Hay asked if the underspends from vacant posts will be permanent? The Chief Finance Officer answered it depends on the services and how services will be impacted if they are understaffed.

Cllr Patmore asked when the Revenue and Benefits restructure will happen? The Chief Finance Officer answered that consultation has started last week. The use of agency staff is causing an overspend.

Cllr Carr asked when the pay review negotiations are going to be complete, and will there be strike action? The Chief Executive explained that there are not significant numbers of Unite members at Hastings Borough Council so striking is not thought to be an issue. (Note: GMB are currently balloting their members). The pay review will probably not be settled until December or the new year. A 3.88% pay rise is in the budget figures already. The Chief Executive explained Hastings Borough Council are part of the national negotiating body and employers and unions work together nationally to set pay levels.

Cllr Foster asked regarding conflicting statements in the report regarding section 114? The Chief Finance Officer explained the issuing of a section 114 notice is the final resort. The aim of all activities at present is to avoid the need for issuing a section 114 notice.

Cllr Hay asked regarding the pay rise and if a 7.8% would make Hasting Borough Council issue a Section 114? The Chief Finance Officer explained that there would be a plan in place to mitigate a higher payrise, but this would cause additional budget pressures.

Cllr Patmore asked the Chief Finance Officer if external advice would be taken before issuing a Section 114 notice? The Chief Finance Officer explained CIPFA would give advice and there are plans for CIPFA to present to Councillors on the process and what a S114 would mean for Hastings Council.

Cllr Hilton asked regarding O&S could see the report being written by the Head of Housing for the Dept of Levelling Up, Housing and Communities. The Chief Executive explained the report will be shared as it will be helpful in setting out the particular problems Hastings Borough Council are facing regarding Housing, temporary accommodation and the collapse of the private rented sector, these issues are also being faced by other coastal towns.

Resolved (Unanimously)

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To provide a summary of the forecast outturn position for services at the end of Period 4 (July 2023).

Reasons

To note the contents of the report, and the actions within the conclusion and management action section.

5. LGA FINANCE PEER REPORT DISCUSSION

The Continuous Improvement and Democratic Services Officer explained as part of the Overview and Scrutiny work programme, the committee members wanted to discuss the LGA Finance Peer review report with Council Leadership.

Councillors asked questions:

Cllr Patmore asked The Finance portfolio holder why a budget is being held in December? The Leader of the Council answered that previous budgets have been completed too late when savings and cuts are needed. Decisions made earlier will assist making savings throughout the year.

Cllr Webb asked if the Finance portfolio holder is confident that holding the budget early is a good idea? The Chief Executive explained the budget is planned to be held early to give staff certainty regarding redundancies.

Cllr Hilton asked how the budget can make sense without the asset management plan? The Chief Finance Officer explained that there will be some early suggestions and an interim report likely to be available in December.

Cllr Turner explained he thinks pressure should be put on ESCC. Also highlighted was for the need for housing associations to clean up their estates and enforcement action to be taken.

Cllr Carr asked how a budget can be set when the asset management plan or pay review would not be complete? The Chief Executive explained that assumptions will need to be made and that there would also be a budget meeting held in February (when the council tax level will be set) and therefore significant changes can be made at that point.

Cllr Patmore asked how do the Council Leadership work with such a deficit? The Chief Finance Officer explained that all figures are draft now as the accounts have not been signed off by the external auditors. Signed off accounts would assist with discussion with DLUHC.

Cllr Patmore asked regarding the stopping of use of agency staff and how it will affect revenues and benefits and waste services? The Chief Executive explained there is

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flexibility around service level within the waste service. The restructure of revenues and benefits will remove the need to use agency staff.

Cllr Hilton asked about the focus of attention being on balancing the budget for next year, but the LGA report suggests the council to look at the budget for the next 3-5 year. She also asked how the long-term ambitions of the Council can still be realised if we are too focussed on the short term. The Leader of the Council answered that the plan is for both to happen as there are prospects for the town that require longer term building up. However it is hard to balance this work due to the capacity of officers.

Cllr Patmore asked how will statutory services be measured? The Chief Executive explained that this will be very difficult as there is no legally defined level for most statutory services.

Cllr Carr asked if an all-staff briefing has been held? The Chief Executive explained that meetings have been held throughout the year and the next round of meetings will be held in October.

Cllr Patmore asked is it easier to have staff flexibility with not all officers in the office? The Chief Executive answered that not all staff would stay if they were asked to attend the office everyday. Some teams prefer to work in the office where other teams do not need to be in the office everyday.

Cllr Webb asked if dept is recoverable from the Hastings Housing Company? The Chief Finance officer answered that all options need to be looked at and discussions will be had with the Head of Housing about how the Co. could assist with the housing crisis (or not).

Cllr Hilton asked regarding the loan to the Hastings Housing Company? The Deputy Chief Executive explained documents need to be reviewed and an answer will be given later.

Cllr Carr proposed that the 13 recommendations be reviewed and an update to be given at a future meeting. The Chair agreed the LGA recommendations will be monitored with updates requested. The Chief Executive explained that the LGA Team will also make a return visit to review progress.

Resolved (Unanimously)

Overview and Scrutiny note the discussions during the meeting and establish next steps in their line of inquiries as necessary.

Reasons

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Overview and Scrutiny are responsible for setting their own work programme and investigating each line of inquiry.

(The Chair declared the meeting closed at. 7.38 pm)