

# Public Document Pack

## BUDGET CABINET

15 FEBRUARY 2016

Present: Councillors Chowney (Chair), Forward, Cartwright, Poole, Davies, Atkins and Cooke

Prior to the start of the meeting, members stood and observed one minutes silence in memory of Councillor John Hodges.

**RESOLVED – the chair called over the items on the agenda, under rule 13.3 the recommendations set out in minute 48 were agreed without being called for discussion**

### MATTERS FOR COUNCIL DECISION

#### **46. DRAFT CORPORATE PLAN 2016/17 - 2018/19**

The Director of Corporate Services and Governance presented the draft corporate plan 2016/17 to 2018/19.

The corporate plan set out the strategic direction of the organisation and the priorities the council would seek to achieve. The layout and format of the draft plan had been revised in order to show clearly how the key tasks and activities undertaken throughout the year related to council's priorities. The new layout was also intended to assist members with their performance monitoring role throughout the year.

The report also gave an overview of the consultation process for the draft corporate plan; 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 24 February 2016.

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

**RESOLVED (by 5 votes for, 0 against, with 2 abstentions) that: -**

- 1) Cabinet recommends to the Council that the content of the documents attached to the report form the basis of the council's corporate plan 2016/17 – 2018/19, 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;**
- 3) A retrospective year-end report on performance and the actual performance indicator information for 2015/16 be presented to the Overview and Scrutiny committees in June, prior to consideration by**

## CABINET

15 FEBRUARY 2016

the Cabinet in July 2016, and that the Council be asked to delegate authority to the that Cabinet meeting to agree the 2016/17 performance indicators based on previous year's performance, and;

- 4) All who submitted views as part of the consultation process be thanked for their contribution.

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 2019. 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.

### **47. REVENUE BUDGETS 2015/16 (REVISED) AND 2016/17, PLUS CAPITAL PROGRAMME 2016/17 TO 2018/19**

The Assistant Director for Financial Services and Revenues presented the revenue budgets 2015/16 (revised) and 2016/17, plus the capital programme 2016/17 to 2018/19.

The revised budget set out variations in income and expenditure since the budget was set in February 2015.

The report acknowledged the reductions in external funding to the council throughout 2016/17. Significant areas of uncertainty were also identified in respect of business rate appeals and the cost of essential maintenance works to inland cliffs owned by the council, which may result in further calls on the council's reserves over the year ahead.

In order to achieve a balanced budget, an increase of 2.08% (£5 for a Band D property) to the borough's part of the council tax in 2016/17 was proposed. Additionally, £881,000 of the council's reserves would be required to support the budget in 2016/17.

The Assistant Director for Financial Services and Revenues advised members that both local land charges and rental income from the council's industrial units were above projection. However, due to the ongoing reductions in funding facing the organisation, it was necessary to continue to identify efficiencies and explore opportunities for income generation.

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

**RESOLVED (by 5 votes for, 0 against, with 2 abstentions) Cabinet recommends that Council: -**

- 1) Approve the revised revenue budget for 2015/16 (Appendix A)
- 2) Approve the draft 2016/17 revenue budget (Appendix A)
- 3) Approve a 2.08% (£5 for a Band D property) increase in the borough council's part of the council tax

## CABINET

15 FEBRUARY 2016

- 4) **Agree that the absolute minimum level of reserves that shall be retained be increased to £5m (plus general fund balance) from the current level of £4m**
- 5) **Approve the capital programme 2015/16 (revised) to 2018/19 (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 from other reserves shown in Appendix H that can proceed without further reference to Cabinet or Council**
- 7) **Approve that the use of monies identified in the budget for invest to save schemes be determined by the Assistant Director for 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 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 the light of the continuing severe government grant reductions**
- 11) **Agree the establishment of a Hardship Fund in respect of Council Tax Support**
- 12) **Approve the detailed recommendations in Appendix M, which relate to the setting of council tax in accordance with Sections 31 to 36 of the Local Government Act 1992**
- 13) **Approve that the budgets be amended as necessary to reflect the final grant figures from government (once revised) in respect of Benefit Administration Grant**

The reason for this decision was:

- 1) Major reductions in funding in 2016/17 are set to continue to 2019/20 and possibly 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 54% 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 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 through 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.

## CABINET

15 FEBRUARY 2016

- 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.

**48. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2016/17 INCLUDING QUARTERLY MONITORING REPORTS FOR 2015/16**

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 (2016/17) prior to start of the new financial year.

**RESOLVED Cabinet recommends that Council: -**

- 1) **Approve the Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy and Annual Investment Strategy (2016/17), and;**
- 2) **The quarterly performance for 2015/6 be agreed**

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 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. 6.49 pm)