

**Report to:** Budget Cabinet

**Date of Meeting:** 11 February 2019

**Report Title:** Draft Corporate Plan 2019/20

**Report By:** Jane Hartnell, Director of Corporate Services and Governance

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### **Purpose of Report**

To present the draft corporate plan 2019/20, together with feedback from the public consultation.

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### **Recommendation(s)**

- 1. That the Cabinet recommends to the Full Council, that the content of the attached documents form the basis of the council's corporate plan 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. That 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. That all those who submitted views as part of the consultation process be thanked for their contributions**

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### **Reasons for Recommendations**

The council needs to approve the corporate plan as its statement of Hastings Borough Council's strategic direction

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## Introduction

1. The corporate plan sets out the council's strategic direction. The draft corporate plan outlines the challenging financial climate in which the council continues to operate, followed by what we plan to do to best meet local need with the resources we have. Teams across the council have been reviewing progress against the targets in the current corporate plan to identify key programmes and activities for inclusion in the plan for 2019/20.
2. The plan includes infographics of relevant statistics for both the town and our services that set the scene for the key activities planned to take place over 2019/20. These complement the vision, mission, values and priorities that are consistent with previous years.
3. Building on the format of the existing corporate plan, this draft specifically sets out by service area those key activities we must do first and then choose to do next. This reflects 'our position' and 'our approach' that underpin how we will plan for the future, navigating the challenging financial climate detailed in the draft budget.
4. Progress against these 'must do' and 'choose to' do activities, our key programmes of work and performance indicators will be monitored quarterly by the Overview and Scrutiny Committee.
5. A list of performance indicators from the 2018/19 plan have been included at the end of the draft document. The performance indicators will be agreed in July 2019 once we have analysed year-end performance from 2018/19 and Overview and Scrutiny have had the opportunity to consider the targets to be set in detail.

## Consultation

6. Comments on the council's draft corporate plan have been sought from residents, council staff and a range of community and business organisations.
7. The consultation closes on 11 February. A summary of the responses received so far can be found below. Any further comments received after this report has been published will be submitted to Cabinet separately, after the consultation has closed.

## Hastings Area Chamber of Commerce

8. Councillor Chowney attended the chamber meeting on 30 January. The following questions were asked:

Question: Is it wise to invest in a straw bale visitor centre at the Country Park?

Response: The majority of funding for the new straw bale visitor centre will be from EU funds.

Question: Are European Union (EU) funds now drying up?

Response: At present we can still apply for these funds. Many EU funding streams have been geared towards tackling deprivation and subsequently the

council has been successful in applying for a number of EU funding streams given the town's demographics. Future funding is uncertain and may become clearer as Brexit arrangements unfold. There is talk of the government introducing a new Shared Prosperity Fund. If this is introduced, it is unclear whether this will have a similar focus to EU funding streams supporting more deprived areas or whether it will focus on making prosperous areas even more so.

Question: Can you elaborate on the new business units mentioned in the presentation?

Response: These will be based at Sydney Little Road. At present the building costs outweigh the value of rents we would expect to receive when the units are complete. The council is currently sourcing external funding to support the development of these units.

Question: The presentation mentioned new accommodation to address homelessness...when will this be available?

Response: Via the Housing First programme we have two clients that have moved into permanent accommodation and four due to make this transition shortly. Through the Rough Sleeping Initiative we have a share of £600k with Eastbourne to bring on-street homeless into supported accommodation. Our current count of on-street homeless is 37 and it is intended that this number be helped into supported accommodation. However numbers may increase and the funding is time limited.

Question: Isn't doing away with rough sleeper numbers a false hypothesis?

Response: At present monies will help in the short term, but national policy change is required to make a more sustainable lasting change. Homelessness is also exacerbated by reductions in funding to support services and lack of affordable accommodation.

Question: The council has some ambitious income generation programmes in the pipeline; with assumedly big operational costs...Should the council not postpone the larger schemes and go for smaller more manageable ones with less risk given the budgetary challenges and uncertainty outlined in the presentation?

Response: It is important that the council remains ambitious retaining a long term vision for the town and undertaking big and small schemes as these often complement each other. Some of the costs can be capitalised once the schemes commence and we are keen to pursue schemes that address our housing needs. It will be important to cover the funding gap immediately.

Question: Are you confident that the funding deficit can be covered?

Response: Yes. We will need to wait for the fair funding announcement in July to gain clarity on future finances. There is the possibility that monies will move from metropolitan areas to the shires as part of the fair funding review which will follow. If this is the case, then the lions share may well go to the upper tier authority, which in our case is East Sussex County Council. We will need to

bridge the gap by making savings, generating more income and possibly using savings to cover a peak in the deficit in 2020/21.

Question: Is there a possibility of combining works on ground maintenance and gardens with mental health services?

Response: The council's ground maintenance is done via an external contractor. While it is recognised that such work is worthwhile such schemes tend to be costly at a time when we must look how we can save money.

## **Hastings Youth Council**

9. Councillor Forward met the Youth Council at their meeting on the 17<sup>th</sup> of January in the Council Chamber.
10. The presentation on the draft corporate plan and budget by Councillor Forward inspired further discussion and clarification to Youth Council Members on some of the different areas of responsibility between East Sussex County Council and Hastings Borough.
11. No specific comments on the draft corporate plan and budget were made and the Youth Council were encouraged to consider a formal response to the consultation should they felt this to be appropriate.
12. This response was forthcoming on the 22<sup>nd</sup> January and can be found in full in the appendix (i) to this report.

## **Staff and Management Forum (SMF)**

13. Cllr Forward met members of the SMF at their meeting on the 22<sup>nd</sup> January. The following questions/comments and responses were made around the following themes: temporary accommodation, online services, redundancy, access and finance.

Question: If we are buying property because of problems with the suitability and cost of bed and breakfasts as temporary accommodation, how will that work?

Response: We will be purchasing a number of different types of properties so we can match them to suit the needs of the individual in question.

Question: What happens after we place people in temporary accommodation?

Response: Before placing someone in temporary accommodation they work with a Housing options officer to develop a personalised housing plan which sets out the steps that they will take and the council will take to secure long term accommodation. The plan is regularly updated and the work continues all the while they are living in temporary accommodation.

Question: Will these temporary accommodation properties be subject to right to buy?

Response: The properties will be purchased and provided through Hastings Housing Company and therefore will be privately owned and not subject to right to buy.

Question: You are reducing benefits staff with the introduction of the new system and with the increasing switch to Universal Credit, but won't the new system still require their skills and expertise?

Response: We are only scaling back staff proportionate to the changes we are seeing and that are backed up by the figures and in line with the intelligence that we have.

Question: The redundancy figure was 14.6FTE back in November but the play development role has since come out so what has been added in to keep the figure the same?

Response: There was an error in the totalling of number of FTEs in the earlier document, it should have read 15.6FTE - the titles etc were correct.

Question: Will online services be ready to coincide with planned redundancies?

Response: Yes in line with project planning.

Question: What about residents who are not online and don't have computers or smart phones?

Response: They can still come into the Community Contact Centre where they will be helped to access the services they require. There are a number of PCs in the Community Contact Centre and staff are available to help customers use them. This is also why we are investing so much effort in making sure all of our communication is Plain English and has a readability of 9 years.

Question: Most of the proposed reductions appear to be to frontline services how does this coincide with protecting front line services?

Response: If we weren't protecting frontline services the picture would look very different – we would be stopping whole services altogether rather than just scaling back.

Question: Why are contract staff being paid more than HBC staff?

Response: We try to avoid this where at all possible but where we cannot recruit we need to pay the market rate to ensure we can still provide key services for our customers.

Question: Are the figures for the Direct Service Organisation for street cleansing accurate?

Response: Yes.

## Local Strategic Partnership (LSP)

14. Cllr Chowney gave a presentation to the LSP as part of their meeting on the 28<sup>th</sup> of January. The following question and comment was raised:

Question: What is the reduction of expenditure from this year to last?

Response: Overall savings from 2018/19 to 19/20 is approximately 1 million net.

Comment: Should the council be engaging with partners on future proposals for community partnership funding, modelling what could happen next if this funding stops?

Response: Yes the council definitely intends to have these conversations with partners on options and alternatives.

## Hastings Community Network

15. Councillor Chowney is due to attend a meeting of the Hastings Community Network on 4<sup>th</sup> February. This meeting is scheduled after the deadline for publication of this report, therefore feedback from HCN will be tabled at the Cabinet meeting and appear as a supplementary item to the papers when it is ready.

## Budget Overview and Scrutiny Committee

16. A meeting of the council's overview and scrutiny committee was held on 24<sup>th</sup> January, to consider the draft corporate plan and budget.
17. The Committee contributed a range of views, comments and questions on the draft documents following a presentation by Cllr Chowney:

Question: What is the rationale for no longer recruiting an Empty Homes Officer?

Response: The number of long term empty properties has reduced over time. We still intend to retain our current performance targets. There is scope to increase council tax charges on long term empty properties.

Question: What is the rate of return on housing investment and our future intentions for associated investment via the Housing Company?

Response: A two percent margin is the current predicted rate. Due to not having the right staff in the right place, progress on meeting our associated targets has been slower than intended, but the Leader committed that purchases will ramp up in the future. It was also acknowledged that current work in this area has been further hampered by time taken to address problems identified through the surveys undertaken on properties prior to potential purchase.

Question: In terms of White Rock and Bohemia aspirations, is there scope to review our investment intentions here and potentially postpone these, if deemed more viable in the future?

Response: If we can bring the costs down then we will look to do so. There are a range of options being worked up given the scale of this work and it will be a number of years before a new scheme is implemented. Our priority in the short term is ensuring the safety of our existing leisure facilities for our residents and visitors.

Question: In terms of business rate retention, is it right that we need to attract more businesses to the town to make up for funding reductions elsewhere?

Response: Yes, business rate growth is essential to make up for shortfalls elsewhere. There is still uncertainty on the proportion of business rates the borough will retain and a government report is due on this in due course.

Question: Has the impact of Brexit been included?

Response: Recently the Audit committee received an impact assessment on this.

Question: What scope is there at North Bexhill and the Queensway Gateway to encourage business growth and associated rates?

Response: Most of the land is owned by East Sussex County Council, HBC do own some land at North Queensway, although we have drainage issues with this land making it more difficult to develop. HBC would stand to benefit from business rates on developments here. We will need to work with Rother and other appropriate partners to bring forward development opportunities.

Question: Does the Leader feel proud of the draft corporate plan and budget?

Response: Proud of minimising compulsory redundancies and the way the challenges are being handled. Not proud of having to make cuts on this scale as it is not what any standing councillor would want to come into local government to do.

Comment/Question: The corporate plan infographics identify ever challenging demographics. While the borough is physically changing, the life chances of some of our more deprived communities remain stubbornly unchanged or worsening, what can the council do and what methods can we employ to improve things?

Response: We know Hastings has some of the most deprived areas and we are proud of the fact we minimise council tax for the most deprived. The CLLD programme works to build opportunities for learning, training and work readiness in our most deprived communities. Our development intentions may be controversial against our demographic challenges and will need to be self-funding and commercially viable. Our 'Grotbuster' programme continues to improve the appearance of the town and the seafront.

In terms of methods, there is little more that can be put in the corporate plan to effect the changes at present, but specific views and ideas of committee members are welcome and sought now as part of the consultation and over the course of delivery of the plan. The corporate plan will continue to be a live document and we'll make appropriate changes where necessary.

Question: Is there more detail that can be shared on the fair funding review?

Response: The council will know more following the government's comprehensive spending review in the first quarter of next year and further clarity on business rate retention. There is the possibility that monies will move from metropolitan areas to the shires as part of the fair funding review which will follow. If this is the case, then the lions share may well go to the upper tier authority, which in our case is East Sussex County Council. We suspect there will be a transition scheme for those set to lose out on changed arrangements.

Comment/questions: Given the funding uncertainties, the extent to which the council can generate income will be dependent on how well we can talk up the town, ensuring the image of the town catches up with reality...How then can the budget process be used to support this and the corporate plan instigate a wider conversation with the town, setting out a vision and ideally a budget for five years rather than one year?... And spread the planning and engagement throughout the year rather than the condensed time window in which the current documents are agreed? Moreover given the importance of capital, is there scope to have more advanced discussion on the capital element of the budget?

Response: There are some statutory requirements such as ensuring we set a balanced budget and set the council tax rates that dictate some aspects of the process. We will be looking at the capital programme through the treasury management strategy immediately following this budget process.

It is agreed that the multiple uncertainties we face as well as new opportunities call for new or changing ways of working and the council has already undergone significant recent change and continues to recalibrate. While our staff capacity for outreach and engagement has diminished in recent years there are new opportunities via social media and making better use of councillor intelligence to sustain more regular and ongoing dialogue with our communities. Working with the Overview and Scrutiny Committee to review existing practice, refine a longer term vision and blueprint to talk up the town in the ongoing development and improvement of our corporate plan and budget process would be welcomed.

Question: Within the new waste contract is there a recycling target given that waste has increased and recycling has decreased?

Response: Yes there are targets in the new contract. Recycling has flat lined nationally and our recycling figures exclude garden waste. Under the new contract the council will not get recycling credits as it has done previously, but should the market pick up for recycling the council would look to negotiate this again with partners through the new contract.

18. The Overview and Scrutiny committee did not request specific changes or amendments to the draft corporate plan and budget documents as they stand.

## Other Consultation responses

19. The council received some consultation responses via the council's consultation e mail address:

20. The friends of the Country Park expressed their disappointment in terms of proposed reductions to Rangers and increases to car parking charges, making the point that parking charges will likely deter visitors to the Country Park resulting in less income.
21. Some individual suggestions were received proposing that we, get rid of on-street parking restrictions, seek to make our housing provision 'affordable' where possible and reflect this in the corporate plan as well as flag the 'good work of the Safety Partnership.'
22. Other views received conveyed that reductions of funding to culture and play were at odds with priorities such as 'cultural regeneration.'
23. Praise was received for the cultural and play activities/days previously delivered as well as the current beach huts service and associated provision.

## Equalities

The assessment of equality impacts accompanying the budget proposals for 2019/20 is included within the budget report within Appendix K.

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## Wards Affected

All wards

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## Implications

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	Yes
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	Yes
Organisational Consequences	Yes
Local People's Views	Yes
Anti-Poverty	Yes

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## Additional Information

Appendix A – Draft Corporate Plan 2019/20  
 Appendix (i) Response from the Youth Council (see below).

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## Officer to Contact

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## Appendix (i)

Response from the Youth Council (received 22<sup>nd</sup> January)

### **Hastings Youth Council Report on the Corporate Plan and Budget for 2018/2019-2020/21** *J/Beeney*

The Corporate Plan and Budget for the current (and following) year/s were reviewed by the Hastings' Youth Council on Thursday 17<sup>th</sup> January. The extensive report contained a comprehensive summary of the various department's budget following further cuts and austerity measures implemented in an effort to reduce government expenditure, as well as mentions of where the current allocation of money and resources will be focused. The report contained many positive projects, schemes and efficiency savings that will encompass benefits for local young people: the investment into attractions (e.g the '1066 country' tourism focus) is appreciated, as pushing for attractions that might generate revenue is important for not only the obvious practical economic reasons, but also for community cohesion. Pride in the community is something that should be emphasised in Hastings and, with it being an area of great cultural heritage, the '1066 Country' scheme seems like a good way to capitalise on this and fill some of the deficit currently faced. Furthermore, although not a focus of our manifesto, the push for more carbon-neutrality to combat global warming/climate change is one of great support from the Youth Council's members individually, as the need for more green energy initiatives is important to any discussion about our future.

However, there are a large number of issues that could be of concern and should be addressed if possible, especially given the removal of several events and systems that would help the youth in the area (e.g Play Days in the Park). Whilst the move to target play work to more deprived areas may focus the help to the severely disadvantaged, it would also remove the chance for more privileged children to socialise with more deprived youth, which is useful for crossing social community barriers. Otherwise, there is potential for more isolation in the community and reduction in parental networking, which can reduce strain on public services and increase economic opportunities for those in more destitute situations by engaging with more potentially savvy individuals. Additionally, with the change to Universal Credit, moving thousands of people onto the new benefit system will be a challenge, as issues will inevitably arise at some stage of the system: the reduction of benefits staff and FTE redundancies will hurt help to the poorest areas quite significantly, as Hastings has 4.6% of our working-age individuals

on JSA (Job-Seekers Allowance) or applying for Universal Credit compared to our nearest neighbour's average (NNA) of 3%. Similarly, our job density is 10 points lower than our NNA and there is very little in the summary presentation given that address the generation of revenue, nor does the summary give any indication of how they will meet certain aims (e.g How is the Rough Sleepers Initiative different from other attempts at dealing with the issue of homelessness? What will committees do differently? Etc). The cuts to services and funds are important for reducing the debt; however, there should be more of a focus on initiatives that generate income rather than simply reduce the costs, introduce FTE redundancies and efficiency saving schemes. The use of the transition reserves also strengthens this argument: all transition reserves will be exhausted by funding the £1.8m deficit by 2020, whereas an income generation scheme would be much more useful in creating a long-term answer to the deficit Hastings will face post-2021 (£2.5 million in the 2020/21 period alone). Finally, there are very few initiatives aimed at young people directly: the Corporate Plan should place more of a focus on youth initiatives that may be valuable to them, such as training opportunities, because this is mutually beneficial to both the council and the area's residents.