



Corporate Plan & Budget 2019 / 2020



Our position

Our vision, mission, values and priorities remain the same despite an ever more challenging financial position...

Our grant funding has reduced, from **£12.7 million in 2010/11 to just £3.4 million this year**, whilst our operational costs rise.

We need to address a budget deficit of **£1.8 million in 2019/20** and **£2.5 million in 2020/21**.



Funding shortfalls

What we said in February 2018:

£1.039m	in 2018/19 (to be funded from reserves)
£1.036m	in 2019/20
£1.894m	in 2020/21

What we are saying now (including Income Generation projections)

£964k	in 2018/19 (still a big call on reserves)
£1.8m	in 2019/20
£2.5m	in 2020/21
£1.8m	in 2021/22
£2m	in 2022/23



Financial headlines 2019/20

- Settlement Funding Assessment (SFA) down (9% reduction from previous year);
- Revenue Support Grant (RSG) £0 down from £1.4 million; Business rates baseline up £988k;
- New Homes Bonus down 14.4% (down £93k);
- proposed Council Tax (Hastings element) £265.50 from £257.81 – £7.69 p.a. increase in Band D Council Tax (2.99%, the maximum allowed - less than 15p a week!);
- 1% on Council Tax raises £68k.



Revenue Support Grant – Government projection

Year	RSG (£000's)	Decrease	Percentage Change (Annual)	Decrease (Cumulative)	Percentage Change since 2015/16 (Cumulative)
2010/11	£9,040k				
2015/16	£3,727k				
2016/17	£2,835k	-£891k	-23.9%	-£891k	-23.9%
2017/18	£2,038k	-£797k	-28.1%	-£1,689k	-45.3%
2018/19	£1,542k	-£496k	-24.3%	-£2,185k	-58.6%
2019/20	£988k*	-£554k	-35.9%	-£2,739k	-73.5%

*Replaced by business rates



Challenges we face

- 73% plus cut in government grant 2010 – 2019;
- significant volatility in income and expenditure – business rates, factory/shop rents, development control, interest rates, Council Tax Reduction Scheme, etc.
- increased pressure on council services – for example, homelessness;
- continuing to meet the needs of our town and our deprived communities with less resources across the public sector;
- increased costs – salaries, inflation e.g. contracts;
- transition to a different council, doing different things, funded in different ways with less certainty.



A perfect storm ...

This year we had a big cut to our government grants, big additional demands on council services such as homelessness, unavoidable costs such as software upgrades, and the early termination of the waste contract.

These led to a budget gap of around £3m.

To cover this gap, we've made over £1m efficiency savings and service cuts, but we've also had to use £1.8m from reserves.



Calming the storm

We will have to make difficult and unpalatable decisions because of our financial position, but we will look to protect frontline services wherever possible.

To do this we will make sure our criteria for decisions prioritise the achievement of the objectives in our Corporate Plan.



2019/20 budget headlines

- £1.39m savings identified;
- growth of £347k identified;
- 14.6 FTE posts redundant (but only 1.9 FTE compulsory redundancies);
- 5 FTE new posts created;
- fees and charges increased (including parking);
- £1.4m additional costs of new waste and street cleaning services - seeking to reduce costs;
- using all £1.8m of Transition Reserves to balance budget;
- £11.5m potential investment in further income generation/regeneration schemes.



2019/20 budget headlines (2)

- Business Rate pilot – so-called ‘75% business rate retention’ (up from 50%);
- maintaining 100% support for most vulnerable households in Council Tax Reduction Scheme;
- need to retain reserves to protect council against the unexpected;
- awaiting outcome of Government’s 2019 Spending Review and the Fair Funding Review to inform financial position from 2020/21 onwards.



Examples of spending reductions (1)

Full list in Appendices K1 and K2 in the budget report

- cuts to the grounds maintenance budget (£117,000);
- reducing benefits staff following introduction of Universal Credit (£100,000);
- reduction in funding for White Rock Theatre as part of new contract (£116,000);
- delete Cultural Services Manager post (£64,000);
- reduce the Ranger Service by one post (£40,000);
- reduction in CCTV monitoring hours (£30,000).



Examples of spending reductions (2)

Full list in Appendices K1 and K2 in the budget report

- changing our marketing approach to focus on Hastings as part of 'Visit1066' (£80,000);
- cease funding the Herring Fair and Stade Saturdays (£30,000);
- cease Play Days in the park and target play work in deprived areas (£20,000);
- restructure service teams and delete vacant posts;
- efficiencies from moving services on-line (systems and people savings).



Summary of growth items

- Digital by Design – staff to complete the task of moving our processes and transactions on-line for improved customer service and efficiency savings;
- Microsoft licensing – Requirement to move to Windows 10;
- Bohemia Project Staff – to deliver the development programme;
- housing development officer – to help deliver housing sites;
- legal services – resource in place to support our programmes and income generation projects.



Capital programme – 2019/20

Includes:

• commercial property	£4.7m
• conversion of York Buildings	£602,000
• Disabled Facility Grants	£1.5m (tbc*)
• public realm	£50,000
• CPO empty properties	£100,000
• Pelham Arcade and upper road	£182,000*
• playground upgrade programme	£102,000*
• purchase of temporary accommodation	£1.86m

* = fully or partially externally funded



Capital programme – 2019/20

Includes:

• DSO street cleaning vehicles	£780,000
• DSO depot works	£256,000
• energy generation schemes	£1.7m
• Hastings Housing Company	£5m
• Hastings Country Park Visitor Centre	£662,000*
• coastal defence	£563,000*
• Buckshole and Shornden reservoirs	£71,000

* = fully or partly externally funded



Corporate plan

This year's plan is set out in terms of key programmes:

- things we have to do by law, or because we are contractually obliged;
- things we choose to do in order to enhance quality of life in the town.



Key programmes for 2019/20

1. waste services;
2. modernisation and digital efficiencies;
3. tackling homelessness and disadvantage;
4. generating income;
5. tackling climate change;
6. physical regeneration initiatives.



1: waste services

- new in-house street cleaning service launched, including flytip removal and bulky waste collection;
- new domestic waste and recycling contract



2: modernisation and digital efficiencies

- more online service provision for faster, easier transactions and reporting;
- improved online payments service;
- online self-service for benefits claims and changes of circumstances.



3: tackling homelessness and disadvantage

- a new Homelessness Strategy and implementation of our Rough Sleepers Initiative;
- phase 1 of Community-Led Local Development Programme delivered
- house purchases to reduce use of bed & breakfast accommodation.



4: generating income

- developing council-owned housing sites;
- energy generation;
- developing business cases for new initiatives (eg marketing the award-winning 'My Hastings' platform, 'monetising' the Enterprise Resource Package);
- commercial Property Purchase??



5: Tackling Climate Change

- investigating all potential sites for sustainable energy generation;
- reviewing our local plan to identify sites for wind energy and to introduce higher energy efficiency standards;
- working with partners towards a 'carbon-neutral Hastings'.



6: physical regeneration initiatives

- new Visitor Centre at the Country Park;
- Bohemia and White Rock regeneration;
- development of new start up business units
- West Marina site developed for housing & leisure;
- seafront and town centre improvements;



In conclusion...

we remain optimistic but we need to:

- increase the income we generate ourselves;
- continue to make additional savings and efficiencies;
- bid into external funds wherever appropriate;
- continue to transfer services on-line.

but ...

all transition reserves will be exhausted by funding the £1.8m deficit we face in 2019/20.

There's still a £2.5m deficit for 2020/21.



Thank you for coming

Questions?

The draft Corporate Plan and budget are available:

www.hastings.gov.uk

email responses to:

consultation@hastings.gov.uk

by close on 8 February 2019

