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OVERVIEW AND SCRUTINY COMMITTEE

24 JANUARY 2019

Present: Councillors Turner, Webb (Chair), Rankin, Davies (Vice-Chair), Barnett, Battley, Beaney, Evans, Foster and Levane

42. APOLOGIES FOR ABSENCE

Apologies were received for Councillors Charman and Cox. Councillor Levane substituted for Councillor Cox.

43. DECLARATIONS OF INTEREST

The following Councillors declared an interest:

Councillor	Minute	Interest
Webb	<ul style="list-style-type: none">• 44, Consultation on the Revenue Budget 2018/19 revised 2019/20, plus Capital Programme 2019/20-2021/22• 45, Draft Corporate plan 2019/20	Personal- he is a councillor at East Sussex County Council
Rankin	<ul style="list-style-type: none">• 44, Consultation on the Revenue Budget 2018/19 revised 2019/20, plus Capital Programme 2019/20-2021/22• 45, Draft Corporate plan 2019/20	Personal- he operates a commercial property business

44. CONSULTATION ON THE REVENUE BUDGET 2018/19 REVISED AND 2019/20, PLUS CAPITAL PROGRAMME 2019/20- 2021/22

45. DRAFT CORPORATE PLAN 2019/20

With the committees agreement agenda items '*Consultation on the Revenue Budget 2018/19 revised and 2019/20, plus Capital Programme 2019/20- 2021-22*' and '*Draft Corporate Plan 2019/20*' were taken together.

Cllr Peter Chowney gave a presentation for both the Corporate Plan and Budget 2019/20. Currently there is a public consultation running from 11th January 2019- 11th February 2019. As part of that consultation process Overview and Scrutiny Committee are asked for their views and to suggest changes or amendments as appropriate.

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The presentation discussed the current position of the council. Currently grant funding has been reduced from £12.7 million in 2010/11 to just £3.4 million this year whilst operational costs rise. The council needs to address a budget deficit of £1.8 million in 2019/20 and £2.5 million in 2020/21.

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. This has led to a budget gap of around £3 million. £1 million in efficiency savings and service cuts plus £1.8 million from reserves have been used to cover this.

The presentation went through budget headlines and examples of spending reductions. In total £1.39 million of savings and £347,000 of growth had been identified. Examples from the presentation included 14.6 full time employment officer posts are redundant but only 1.9 full time employment posts would be subjected to compulsory redundancy. Councillors were keen to support residents living in deprivation and would continue to give 100% support for the most vulnerable households in Council Tax Reduction scheme. Details of the Capital programme for 2019/20 were given which included details about the new street cleansing scheme and commercial property purchases.

The corporate plan was discussed and has been set out in terms of things we have to do (either legally or contractually) and things that we chose to do. The key programmes of the corporate plan were discussed with the Committee. They are;

1. Waste Services
2. Modernisation and Digital Efficiencies
3. Tackling Homelessness and Disadvantage
4. Generating income
5. Tackling Climate Change
6. Physical Regeneration Initiatives

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.

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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.

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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

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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.

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

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(The Chair declared the meeting closed at. 7.56 pm)