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CABINET

2 SEPTEMBER 2019

Present: Councillors Chowney (Chair), Forward (Vice-Chair), Batsford, S Beaney, Evans, Fitzgerald, Rogers, Lee and Patmore.

192. APOLOGIES FOR ABSENCE

None.

193. DECLARATION OF INTERESTS

None.

194. MINUTES OF LAST MEETING

RESOLVED – that the minutes of the Cabinet meeting held on 8th July 2019 be approved as a true record.

RESOLVED the chair called over the items on the agenda, under rule 13.3 of the council's constitution, the recommendations set out in minute number 198b were agreed without being called for discussion.

195. MEDIUM TERM FINANCIAL STRATEGY AND 2019/20 MID-YEAR FINANCIAL REVIEW

The Assistant Director, Financial Services and Revenues presented a report outlining the Medium Term Financial Strategy.

The council looks to forecast its financial position over the medium term in order to ensure it can align corporate objectives with available resources.

The Medium Term Financial Strategy (MTFS) seeks to identify the financial risks that will affect the annual budgets for each of the next 5 years (with projections to 2028/29) in order that key priorities can be matched to expected funding.

The Assistant Director informed the Cabinet that there remains uncertainty on the level of resources that will be available to the Council beyond next year. Further detail should be set out in the forthcoming spending review with a funding settlement expected in December.

In response to a suggestion that the Council should increase its capital asset disposal programme the Assistant Director confirmed that assets are reviewed on a regular basis and there are plans to dispose of assets, however not all disposals are large enough to come to Cabinet for approval.

Councillor Chowney proposed approval of the recommendations of the report, seconded by Councillor Fitzgerald.

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The Chair agreed to vote on each recommendation separately, as shown in the resolution below.

RESOLVED:

1. Approve the Medium Term Financial Strategy. (by 7 for, to 2 against)

2. The Council take the robust actions necessary in this financial year and throughout the 2020/21 budget processes to achieve a sustainable budget. (unanimously)

Reasons for the decision:

The council matches its available resources to its priorities across the medium term.

The Council needs to achieve savings of some £3.2m in order to achieve a sustainable budget in 2020-21. To date some £1.81m savings have been identified and there are estimated to be some £548,000 of reserves that could be used to help in the transition to a lower spending Council - subject to significant savings being achieved in 2019/20.

This leaves some £1.496m of savings still to identify. The report provides the opportunity to assess the council's resources to assist the review of corporate priorities. The Council must be prepared for continued ongoing reductions in funding, greater volatility in its income streams, economic uncertainty and the need to continually ensure limited resources are properly aligned to targets.

196. MANAGEMENT RESPONSE TO OVERVIEW & SCRUTINY REVIEW OF REGENERATION FUNDING

The Director of Operational Services presented a report to provide a response to the Overview and Scrutiny Committee review of regeneration funding.

The Director noted that the report includes Maze Hill as an affected ward which isn't the case.

The council is currently working together with East Sussex County Council (ESCC) and Rother District Council (RDC) to review the impact of regeneration programmes and to identify the priorities for the next period.

The Council's financial position remains extremely difficult and Councillors will face tough choices around next year's budget. Any increase in activity not funded by new external funding will need to be found by achieving savings elsewhere. In this kind of context, it is critical to be clear that sustainable benefits to residents are expected to accrue from any new activity and to be precise about what these might be.

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Councillor Barnett, chair of the scrutiny regeneration review addressed the meeting. Councillor Barnett noted that the report was agreed unanimously by the Overview and Scrutiny Committee. The review highlighted that whilst there has been a lot of success in the town over the past ten years there is evidence to show that the poorest residents are relatively worse off. The focus needs to be building on the good work already done to support those living in the poorest areas.

Councillor Chowney proposed amending recommendation 4 to make clear the Council will investigate the possibility of maintaining a focus on specific areas through area champions.

Councillor Forward thanked Councillor Barnett, the review team and all officers involved.

Councillor Chowney proposed approval of the report, subject to the amendment to recommendation 4, seconded by Councillor Forward.

RESOLVED (unanimously):

- 1. Cabinet thanks the review team for their report.**
- 2. Recommendation 1 is agreed, but that it is noted that actions that grow the wider Hastings economy will be critical to creating new opportunity for economic inclusion.**
- 3. Recommendation 2 is agreed.**
- 4. To accommodate recommendation 3 the Council will investigate how a greater focus could be given to representing local neighbourhoods through officer area champions.**
- 5. Recommendation 4 is agreed. A “project board” drawn from Cabinet members will have oversight of the programme to be adopted in the forthcoming budget.**
- 6. Overview & Scrutiny members are invited to comment upon the Hastings and Rother Task Force review.**

Reasons for the decision:

The kind of action that will address long term symptoms and causes of poverty are lack of employment opportunities added to factors like education, health and skills.

The council is actively engaged in trying to stimulate growth. The council can contribute to both growth and economic inclusion. Through partnership with the Clinical Commissioning Group (CCG) and others it supports health initiatives and its housing programmes focus upon dealing with both the causes and consequence of poverty.

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Previous neighbourhood based work was part of a nationally funded programme aimed at the UKs most disadvantaged local authority areas. Hastings programme included funding for staff to support neighbourhood provision together with a programme of area based grants. The Local Strategic Partnership had oversight of this programme with 21 key targets aimed at “gap closing” on key performance figures. Additionally, Hollington had a Greater Hollington Neighbourhood Pathfinder operating in the previous decade.

Since this funding ceased the council has faced year on year reduction of its budgets. Additionally The Connecting Hastings & Rother Together (CHART), Community Led Local Development (CLLD) and Opportunity Area are significant programmes and the council should focus on how these might be built upon and extended into the future.

The current budget of the council does not easily permit new areas of unfunded work to be developed. It is likely there will be less staff and financial resources available in 2020/21 and moving forward.

197. CENTRAL ST LEONARDS RENEWAL AREA EXIT REVIEW

The Assistant Director, Housing & Built Environment submitted a report to present the results of the exit review for the St Leonards Renewal Area.

The report was presented by the Housing Renewal Manager.

Cabinet declared the Central St Leonards Renewal Area on the 18 December 2003. Following a review of the area in 2013, which identified significant progress, the project was extended for a further five years to November 2018.

An exit review was undertaken for the Central St Leonards Renewal Area by RJFP Resourcing (who also undertook the review in 2013) in order to highlight successes.

Councillor Cox spoke as the ward councillor for Central St Leonards. On behalf of herself and Councillor Webb she welcomed the report laying out the improvements to the area since 2003 and thanked those involved. Councillor Cox asked for a commitment that if funding was restored by the Government renewal area status would be reapplied to Central St Leonards. Furthermore she requested that a watching brief on the area is maintained by the Leader of the Council, portfolio holders and officers.

Councillor Batsford proposed approval of the recommendations of the report, seconded by Councillor Forward.

RESOLVED (unanimously):

1. That the contents of the report are noted.

Reasons for the decision:

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Following the end of the 15 year St Leonards Renewal Area an exit review has been undertaken. The results of this review are presented as an appendix to the report.

198. URGENT ITEMS

198.1 12/13 York Buildings (Part 1)

The Assistant Director Financial Services & Revenues presented a report to seek approval for additional capital funding to convert the upper floors to six flats.

The Assistant Director informed the Cabinet that costs had risen by £89,000. However, borrowing costs have decreased which makes the scheme slightly more viable. If the additional funding is not approved there will still be costs involved in retaining and repairing the building.

Councillor Chowney proposed approval of the recommendations of the report, seconded by Councillor Rogers.

RESOLVED (by 7 for, to 2 against):

To increase the capital budget to convert the upper floors to 6 flats to £846,000 (was previously £757,000).

Reasons for the decision:

Following delays with obtaining consent to discharging conditions of the listed building consent and changes required to the original specification the project costs have increased. However with the historically low interest rates there is still a window of opportunity to convert the derelict upper floors in this grade 2 listed building (which has high conversion costs), to create much needed new residential accommodation and generate additional income for the Council. The estimated additional income increases from that reported in July 2018 despite the cost increase; this is the result of reductions in overall borrowing costs.

198.2 12/13 York Buildings (Part 2)

The Assistant Director Financial Services & Revenues presented a report to seek approval for additional capital funding to convert the upper floors to six flats.

The Assistant Director informed the Cabinet that costs had risen by £89,000. However, borrowing costs have decreased which makes the scheme slightly more viable. If the additional funding is not approved there will still be costs involved in retaining and repairing the building.

Councillor Chowney proposed approval of the recommendations of the report, seconded by Councillor Rogers.

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RESOLVED (by 7 for, to 2 against):

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(The Chair declared the meeting closed at. 7.46 pm)