

Public Document Pack CABINET

6 FEBRUARY 2023

Present: Councillors Barnett (Chair), Evans (Vice-Chair), Batsford, Cannan, and Rogers.

In attendance: Jane Hartnell (Managing Director), Kit Wheeler (Chief Finance Officer), Mary Kilner (Chief Legal Officer), Stephen Dodson (Transformation Manager), Simon Jones (Deputy Chief Finance Officer), and Andrew Palmer (Assistant Director, Housing and Built Environment).

507. APOLOGIES FOR ABSENCE

Apologies for absence received from Councillors Roark and Willis.

508. DECLARATION OF INTERESTS

Councillor	Item	Interest
Rogers	512 – Draft Revenue Budget 2023/24, and Capital Programme 2023/24 to 2025/26	Personal – Member of Hastings Bonfire Society. Member of Old Town Carnival Week Committee. Deputy Chair, Hastings Week Committee. Jack in the Green voluntary steward. Deputy Chair, Fellowship of St Nicholas
Cannan	512 – Draft Revenue Budget 2023/24, and Capital Programme 2023/24 to 2025/26	Personal – Employee of local charity, Seaview Project

509. MINUTES OF LAST MEETING

The minutes of the last meeting were not circulated in time for approval and will be considered at the next meeting.

510. DRAFT CORPORATE PLAN AND BUDGET CONSULTATION FEEDBACK

The Managing Director presented a report to feedback to the Cabinet comments made on the draft Corporate Plan and Budget proposals as part of the consultation process.

Officers and Councillors met with local stakeholder groups including the Chamber of Commerce, Hastings Community Network, the Local Strategic Partnership and the Overview and Scrutiny Committee. Public feedback was received via online consultation.

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The Managing Director thanked the Transformation Manager and Communications Manager for their work in producing the report and collating the feedback received.

Cabinet members summarised their discussions with stakeholders and local residents regarding the draft Corporate Plan and Budget. It was noted the largest number of responses from the public were in relation to culture, followed by housing and government voter ID proposals.

RESOLVED (unanimously):

- 1. That the Cabinet reviews the comments submitted as part of the consultation and considers what amendments it wishes to make to the draft corporate plan updates and budget that it subsequently recommended to the Budget Council.**
- 2. That all those who submitted views as part of the consultation process be thanked for their contributions.**
- 3. That officers follow up on items raised during the consultation that do not directly affect the corporate plan or budget.**

Reasons:

The Cabinet recommends a draft corporate plan update and draft budget to the Budget Council meeting on 15th February 2023, and in doing so will need to be mindful of the views received as part of the public consultation.

DRAFT CORPORATE PLAN UPDATE 2023/24

The Managing Director presented the draft annual update to the Council's Corporate Plan 2020-24. The annual update reflects the changes in the national and global context within which the Council is now working and summarises some of the key activities that will be undertaken in 2023/24.

Once the Corporate Plan is approved further work will take place to agree milestones and key performance indicators so that the Overview and Scrutiny Committee can monitor performance and hold the executive to account.

The Cabinet proposed the following amendments to the draft Corporate Plan, which were agreed unanimously:

Add the following words to end of the second paragraph of the introduction: *‘through our work in 2023/24, starting new conversations about our role and how we will work in the future.’*

Add the following words to end of the first sentence of paragraph 6: *‘2023/24 and the next few years.’*

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In paragraph 10 insert the words '*(over 1,000 people)*' after 'This housing crisis has a huge impact on the lives of the almost 500 households...'

In paragraph 12 insert the words '*especially the third sector through new innovative models or ways of working*' after 'In response, the council is moving to a model whereby it no longer directly delivers some of the non-statutory activities it has supported in the past but will seek to work in partnership with others...'

In the 'Tackling homelessness, poverty and ensuring quality housing' section:

Add the following sentence to the end of paragraph 1: '*These include involving the third sector in a range of ways to inform and support delivery of some of our statutory services.*'

Add the following words to the end of paragraph 2: '*whilst also improving the face-to-face service for those digitally excluded for whatever reason.*'

In the 'Making best use of our land, buildings, public realm and cultural assets' section:

Add the following words to then end of paragraph 16: '*including establishing new relationships with local expertise and voluntary organisations.*'

Add the following words to the end of paragraph 18: '*and involve local residents in shaping and organising future delivery of priorities in the plan.*'

In paragraph 19 insert the words '*in partnership with local residents*' after 'Keep open council owned and run visitor attractions where it is safe and we can afford to do so, bringing forward...'

Add the following words to the end of paragraph 20: '*looking at innovative ways of funding active travel improvements.*'

In paragraph 21 insert the words '*especially responding further to the challenges of the climate emergency*' after 'Complete our work on our Local Plan engaging our citizens and partners to help set how the borough will shape up for the future...'

In paragraph 22 insert the words '*within six months*' after 'Complete new Asset Management and Capital Strategies', and insert '*through the lens of the climate emergency*' after '...and 2023/24 plans and actions refreshed...'

In the 'Minimising environment and climate harm in all that we do - tackling our climate and biodiversity crisis' section:

In paragraph 26 insert the words '*open and transparent*' after 'By being honest...'

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Add the following words to the end of paragraph 26: *'Our website will be regularly updated with information about new actions, council emissions and partner commitments.'*

In paragraph 27 insert the word *'specialist'* after 'Set up a cross party working group to support climate emergency work, with...'.

Add the following words to the end of paragraph 27: *'and establishing a local environment commission to shape policy.'*

In the 'New key activities (not previously included in our 2020-24 Corporate Plan)' section:

Add the follow words to end of paragraph 44: *'including a continuing commitment to being an Age Friendly Council, and the involvement of residents from communities especially impacted by inequality.'*

Add the following paragraphs:

45. Deliver a borough wide publicity campaign from October 2023 to ensure all residents are aware of the new law on voter identification and make it easy to obtain either a postal vote or council registration form before the May 2024 elections.

46. Given significant floods in January 2023:

a) investigate causes, identify mitigations and adaptations as a result of the January '23 town centre flooding;

b) in partnership with key stakeholders develop an action plan and identify funding or investment which will enable these mitigations and adaptations to be implemented;

c) continue to hold SW to account and ensure they minimise discharges onto our beaches

d) continue working with our partners to develop the relationship with Southern Water (SW), ensure infrastructure is maintained and improved in line with SW Investment plan and push harder for more investment into the aging infrastructure in our town;

e) work with regional partners for an East Sussex approach to strategic management with key infrastructure bodies.

Councillor Barnett thanked fellow Councillors for their comments during the consultation process.

RESOLVED (unanimously):

Subject to the agreed amendments:

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1. Cabinet recommends that Full Council approve the draft annual update to the Corporate Plan 2020-24

2. That delegated authority be given to the Managing Director, after consultation with the Leader of the Council to make further revisions as is considered necessary.

Reasons:

The council needs to approve the annual update to the corporate plan as its statement of strategic direction for the period 2020 - 2024, mindful of the views received as part of the public consultation.

Councillor Barnett adjourned the meeting at 7.14pm and the meeting reconvened at 7.20pm.

512. REVENUE BUDGET 2022/23 REVISED AND 2023/24, PLUS CAPITAL PROGRAMME 2023/24-2025/2026

The Chief Finance Officer presented the draft budget for 2023/24 and thanked all officers involved in the lengthy budget setting process.

The Council has had to make substantial savings across all services and these will be monitored closely going into the new financial year to ensure progress. This is a difficult financial position and the Council will be going below the minimum recommended level of reserves. Savings need to be addressed as quickly as possible to remove the reliance on reserves.

Councillor Rankin was present and asked if it was wise to have such a high level of minimum reserve and could the Council live with lower reserves in the short term? The Chief Finance Officer responded that the minimum of £6 million has been calculated based on a 50% downturn in income (£2 million), a 5% overrun in expenditure – including capital spend (£2 million), and unforeseen circumstances (£2 million). There is guidance regarding what level general reserves should be, but there is no statutory requirement to hold a certain level of reserves. The Council will be going below the minimum recommended level based on the current proposals but the aim is to get back to reserves of £6 million to provide flexibility and sustainability in the future.

The Cabinet proposed the following amendments to the draft revenue budget, approved unanimously:

Tourism: withdraw from 1066 Marketing at the end of the agreed notice period (saving £50,000 annually) and establish a Hastings tourism marketing organisation during 2023/24 and 2024/25. No tourism staffing savings are proposed. Savings from the closure of the Tourist Information Centre (after 2023 summer season) to be allocated

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to Hastings tourism marketing as follows: 2023/24 £15,000, 2024/25 £30,000 (to enable development of new website), 2025/26 onwards £20,000.

Culture: reduce levels of savings for Hastings Museum and Art Gallery (from £35,000 to £25,000 a year) and for Hastings Contemporary (from £10,000 to £5,000 in 2023/24 and from £15,000 to £10,000 in 2024/25)

Events: Work with community organisers to undertake a review of festivals to identify options for greater sustainability. Review to be completed during 2023/24. No changes to current levels of investment in 2023/24 or the first half of 2024/25, apart from Town Criers event which Rye Town Council has offered to sponsor, saving £2,000.

Parks Ranger: Defer new Park Ranger post until 2024/25 onwards, when the Grounds Maintenance DSO will have been established. Save £21,000 in 2023/24, to be allocated in 2025/26.

Voter ID: £21,000 growth in 2023/24 only. Undertake Borough wide promotion from October to inform residents of the Voter ID requirements recently introduced by government, promote postal voting which does not require photo ID, and enable new identification forms to be widely available before the May 2024 elections.

In relation to the proposals for tourism and marketing Councillor Batsford clarified that whilst 1066 Country Marketing is a partnership between Hastings, Rother and Wealden, all of the staffing and administration is currently resourced by Hastings Borough Council.

RESOLVED (unanimously):

Subject to the agreed amendments, Cabinet recommends that full Council:-

(i) Approve the draft 2023/24 revenue budget (Appendix A)

(ii) Approve a 2.99% increase in the Borough Council's part of the Council Tax.

(iii) Approve the Capital Programme 2023/24 to 2025/26 (Appendix D).

(iv) 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.

(v) Approve that the use of the limited monies in the budget and Reserves for "Invest to Save" schemes be determined by the Chief Finance Officer in consultation with the lead member for Finance and Chief Executive.

(vi) Agree once again that the Council does not seek to undertake any capital

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project/scheme purely for yield that would prevent the Council from borrowing either commercially or from the PWLB to fund its Capital programme.

(vii) Approve the revised Land and Property Disposal Programme (Appendix F) and agree that disposals can be brought forward if market conditions make it sensible to do so and as part of the future Capital Asset Strategy.

(viii) Agree that where a Capital scheme involves a net increase in overall revenue costs to the Council, or where any guarantee is to be provided which does, or could, incur costs for the Council, such decisions continue to be made by full Council.

(ix) Agree that no Council properties or land be disposed of, either by sale or lease, at less than market value without further express approval by Full Council - except where the lease is no longer than 5 years and the difference is less than £5,000 p.a. in which case Cabinet will have the authority to determine.

(x) Agree that schemes marked with an asterisk in the Capital Programme can proceed without further reference to Cabinet or Council.

(xi) 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 (Appendix M – to be provided/updated for full Council).

(xii) Approve that the budget be amended as necessary to reflect the final grant figures including Disabled Facility Grants - once received.

(xiii) Full Council adopt the existing Council Tax Support Scheme subject to amendments to allowances in line with national changes. Determination of the allowances to be delegated to the Chief Finance Officer in line with prior year practice.

(xiv) It is recommended that the Council reviews the affordability of the Council Tax Support Scheme during 2023/24 in order for a consultation exercise to be undertaken.

Reasons:

1. The Council continues to be under severe financial pressure. It is facing increased costs, particularly from inflation and homelessness, it has large Capital projects in the pipeline and must by law set a balanced budget. It has had to use large elements of its reserves to fund the cost pressures and to balance the budgets in each of the last few years and will need to do so again in 2023/24 and 2024/25.

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2. A major overhaul of the funding mechanism for local authorities has again been postponed and when combined with a Spending Review that continues to underfund disadvantaged councils will leave the Council with little option but to cut services to the barest minimum. The Council is able to increase Council Tax by a maximum of 2.99% without a referendum against a background of inflation currently running at above 9%.
3. Despite identifying Priority Income and Expenditure Review (PIER) savings of over £1.4m for 2023/24 these are insufficient to balance the budget without the further use of Reserves. Once again further significant savings need to be found during 2023/24 to reduce the call on the Reserves, achieve a balanced budget in future years, and to try and ensure that reserve levels can be maintained at above the minimum recommended level.
4. 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 – as highlighted by the Covid-19 crisis and one-off expenditure items such as dangerous structures, cliffs and reservoir works. The increased in-year spend on temporary housing accommodation necessitates a much greater degree of service reductions elsewhere in the Council.
5. The Council remains exposed to a much greater degree of volatility in terms of its income from Non Domestic Rates and expenditure in terms of Council Tax Support claims – the cost falling directly on the Council and the preceptors.

513. TREASURY MANAGEMENT, ANNUAL INVESTMENT STRATEGY AND CAPITAL STRATEGY 2023/24

Councillor Barnett noted that the Cabinet had already discussed the Treasury Management, Annual Investment Strategy and Capital Strategy 2023/24 at the previous meeting and had agreed to forward the recommendations to Full Council on 8th February for approval.

514. URGENT ITEMS (IF ANY)

The Chief Legal Officer notified the Cabinet of updates to the recommendations for the Housing Acquisition Proposal.

Cabinet previously considered the proposal on 3rd January and agreed to forward the recommendations to the Full Council meeting on 8th February. The new reports reflect updates to the programme's modelling which have taken place following further discussions with Councillors from all parties.

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515. HOUSING ACQUISITION PROPOSAL UPDATE

Councillor Barnett explained that Cabinet will be amending the recommendations at the Full Council meeting on 8th February in order to reflect the updates.

Councillor Hilton was present and asked how the revised figures for the proposals had been arrived at. The Assistant Director, Housing and Built Environment, explained that there are two elements to the changes, one is the change in the Minimum Revenue Provision (MRP) calculations, which produces a substantial saving. Secondly, following discussions there is now increased headroom for maintenance costs, however overall there is a significant saving compared to the previous reports considered on 3rd January.

The Cabinet noted the updated report and revised recommendations.

516. EXCLUSION OF THE PUBLIC

Councillor Barnett proposed that the public be excluded from the meeting during the consideration of exempt information.

RESOLVED (unanimously):

That the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that if members of the public were present there would be disclosure to them of “exempt” information as defined in the paragraphs of schedule 12A to the Local Government Act 1972 referred to in the relevant report.

517. HOUSING ACQUISITION PROPOSAL UPDATE PART 2

The Cabinet noted the updated Part 2 report and revised recommendations.

(The Chair declared the meeting closed at 8.05pm)

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