

# Public Document Pack CABINET

16 FEBRUARY 2015

Present: Councillors Birch (chair), Chowney, Cartwright, Forward, Hodges, Poole and Pragnell

Apologies for absence were noted for Councillor Atkins

## MATTERS FOR COUNCIL DECISION

**RESOLVED** – the chair called over the items on the agenda, under rule 13.3 the recommendations set out in minute number 68 were agreed without being called for discussion

### **66. DRAFT CORPORATE PLAN 2015/16 - 2017/18**

The Head of Corporate Services presented the draft corporate plan 2015/16 to 2017/18.

The corporate plan set out in the strategic direction of the organisation and the priorities the council would seek to achieve. The layout of the draft corporate plan had been refined to clearly set out the council's visions and values, as well as key projects that would be undertaken over the coming years.

The report gave an overview of the consultation process for the draft corporate plan, detailed comments had been sought from a range of community organisations in the town, and more general public consultation had also been undertaken. A summary of the consultation responses received was provided, in general, the responses did not highlight specific amendments to either the draft corporate plan or budget.

Budget Council would be asked to approve the draft corporate plan, together with the supporting budget, at its meeting on 25 February 2015.

Councillor Chowney moved approval of the recommendations to the report, which was seconded by Councillor Cartwright.

**RESOLVED** (unanimously) that: -

- 1) **Cabinet recommends to the Council, that the content of the attached documents for the basis of the council's corporate plan 2015-16 to 2017/18, subject to the proviso that any significant amendment made to the council's draft budget be reflected in the final corporate plan text;**
- 2) **Delegated authority be given to the Director of Corporate Resources, 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) **A retrospective year-end report on performance and the actual performance indicator information for 2014/15 be presented to the Overview and Scrutiny committees in June, prior to consideration by the Cabinet meeting in July 2015; and that the Council be asked to**

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- delegate authority to that Cabinet meeting to agree 2015/16 performance indicators based on previous year's performance, and;
- 4) All who submitted views as part of the consultation process be thanked for their contributions

The reason for this decision was:

The council needs to approve the corporate plan as it is a statement of Hastings Borough Council's strategic direction to 2018. It sets out how we will ensure that we successfully address our priorities, meet the needs of our communities, and ensure we have a strong dedicated and motivated workforce to deliver our strategic priorities.

### **67. REVENUE BUDGETS 2014/15 (REVISED) AND 2015/16, PLUS CAPITAL PROGRAMME 2014/15 TO 2017/18**

The Head of Finance presented the revenue budgets 2014/15 (revised) and 2015/16, plus capital programme 2014/15 to 2017/18.

The revised budget set out variations in income and expenditure since the budget was set in February 2014.

The budget for 2015/16 acknowledged the very significant reductions in external funding received by the council, in line with the expectations set out in the Medium Term Financial Strategy. The council had been advised that the funding for discretionary housing payments had been reduced by 30%. An efficiency support grant had been included in the core settlement for 2015/16.

In order to achieve a balanced budget, an increase on 1.9% to the borough's part of the council tax in 2015/16 was proposed. Additionally, £430,000 of the transition reserve would be required to support the budget in 2015/16.

Due to the ongoing reductions in funding facing the organisation, it was necessary for all council services to continue to identify savings and efficiencies.

Councillor Birch moved approval of the recommendations to the report which was seconded by Councillor Hodges.

**RESOLVED (unanimously) that Cabinet recommend Council to: -**

- 1) Approve the revised budget for 2014/15 (appendix A)
- 2) Approve the draft 2015/16 budget (appendix A)
- 3) Approve a 1.9% increase in the borough council's part of the council tax
- 4) Approve the coastal space initiative, a grant of £875,000 being payable, as detailed in appendix P and the main body of the report
- 5) Approve the capital programme 2014/15 (revised) to 2017/18 (appendix R)
- 6) Approve the proposed expenditure from the renewal and repairs reserve, and information technology reserve (appendices J and I)

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- respectively) and those items from other reserves shown in appendix H that can proceed without further reference to Cabinet or Council
- 7) Approve that the use of the monies identified in the budget for invest to save schemes be determined by the Head of Finance in consultation with the Leader of the Council
  - 8) Approve the revised Land and Property Disposal Programme (appendix L) and agree that disposals can be brought forward if market conditions make it sensible to do so
  - 9) Agree that schemes marked with an asterisk in the capital programme can proceed without further reference to Cabinet or Council
  - 10) Agree work on priority income and efficiency reviews (PIER) should continue and where possible identify a sustainable budget for a period in excess of 1 year. A mid-year review, for members and officers, to be undertaken in light of the continuing severe government grant reductions
  - 11) Approve the revised parking charges as per appendix M from April 2015 with no further increase for a period of 24 months
  - 12) Approve the detailed recommendations in Appendix N, which relate to the setting of council tax in accordance with sections 31 to 36 of the Local Government Act 1992

The reason for this decision was:

The level of government funding to the council continues to fall and is expected to carry on falling until at least 2018-19. Since 2010/11 funding has been reduced by more than 50% in cash terms on a like for like basis

Major reductions in funding in 2015/16 are set to continue to 2018/19 and possibly beyond and this will impact heavily upon the council's ability to provide services and grants across all areas of existing activity. To ensure key corporate priorities are achieved it remains imperative that the limited resources available are properly targeted.

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.

The council is exposed to a much greater degree of volatility in the level of funding it receives through non domestic rates. In addition it is also exposed to a much higher degree of volatility in terms of council tax support claims – the council now receiving an upfront sum as part of the annual grant statement rather than reimbursement of actual costs.

Further reductions in grant funding have major implications for the council and as such work needs to continue to identify and make savings in order to produce balanced budgets in 2016/17 and beyond.

### **68. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2015/16**

The Head of Finance submitted a report to consider the draft treasury management and annual investment strategy. The strategy provided a framework for the management for the council's investments, cash flow and borrowing activities.

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The council complied with the CIPFA Code of Practice on Treasury Management. Under statutory provisions, the council was required to determine the treasury management strategy statement, minimum revenue provision (MRP) policy and annual investment strategy (2015/16) prior to start of the new financial year.

**RESOLVED that Cabinet: -**

- 1) Recommends that the Council approve the Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy and Annual Investment Strategy (2015/16**
- 2) Recommends to Council that the current year's strategy remains unaltered**

The reason for this decision was:

The council seeks to minimise the costs of borrowing and maximise investment income whilst ensuring the security of its investments. The sums involved are large and the assumptions made play an important part in determining the annual budget. Compliance with the CIPFA Code of Practice represents best practice and ensures compliance with statutory requirements.

(The chair declared the meeting closed at. 6.42 pm)