

Supplementary Information

HAVANT BOROUGH COUNCIL
COUNCIL
21 February 2018

Dear Councillor

I am now able to enclose, for consideration at the 21 February 2018 meeting of the Council, the following supplementary information that was unavailable when the agenda was printed.

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Budget Speech 2018/19

Within this budget speech, I would like to focus on how we intend to maintain our financial sustainability by reminding you what we pledged we would do as a Council last year, what we have achieved, and finally where we are going in the future.

I will then move on to explain the challenges I have set myself, as Leader of this council, to:

- Ensure we contribute to the growth of our economy and prosperity of the people and businesses in this Borough;**
- Deliver our services differently, including seeking opportunities to work through new models of provision if they benefit our communities and our customers;**
- Achieve financial sustainability and generate future surpluses;**

Our service provision must be compatible with:

- a. remaining financially sustainable;**
- b. growing of our economy and making improvements to our place;**
- c. and finally, be commensurate with the development of our Borough and our organisation.**

All of these statements are, I am sure you are fully aware, articulated in our Corporate Strategy, a strategy that remains continually focused on our customers, our residents, our place and our organisation.

So, being financially sustainable:

We said: We would consider how we would ensure our council services continue to be financially sustainable, whilst taking into full account the reduction in Central Government Grants.

We have delivered and will continue to deliver affordable high-quality services for our customers and residents for less cost and yet we have done this without lowering our standards. We have achieved this whilst facing a significant reduction in Central Government funding (the Revenue Support Grant) which in 2016/17 was £1.4M, is now £290,000 and from 2019/20 will be zero.

However, despite this reduction in central funding we, continue to provide a full range of public services for people and businesses in our Borough, furthermore we continue to explore every option to deliver value for money for our residents.

We are a strong 'commissioning council'.

We work through many partner organisations within the public, private and voluntary sectors to deliver.

Moreover, we are willing to also seek Joint Ventures and Shared Management arrangements where these modes of delivery stack up. Indeed, our partnership with East Hampshire District Council has saved millions of pounds since its conception, and our co-operation and closeness continues to grow, which will reap even more financial efficiencies.

Our Joint Venture Company – known as Norse South East – continues to deliver our Operational Environmental Services, whilst at the same time generating new income streams.

This provides us with the opportunity to gain a 50% profit share as part owners of this company. For example, during the year, a new income stream has been delivered by providing MOT services at our depot and trade waste services to private companies. Our knowledge on Joint Ventures will provide further opportunities for expansion.

We have been a founding member of the Six Councils Partnership.

This is an innovative commissioning and partnership model with 5 other local district authorities. – Hart DC, South Oxford DC, Vale of Horse DC, Mendip DC and ourselves, with EHDC having an interest in the membership.

During 2017/18 a number of services have been outsourced into the partnership - including Revenues and Benefits services, HR, Finance & Payroll, IT, Customer Services, Procurement and Land Charges. We expect to deliver savings against these Services which are now being delivered by Capita. There are some Members who have expressed their concerns regarding Capita. Clearly it is public knowledge that they are seeking to recover their share price and realign their business strategy.

We have been assured by Capita's Senior Management that the Local Government Arm of their business remains part of their Core Strategy. Nevertheless, our Senior Management together with the Local Government Association, headed by Lord Porter, remain vigilant and robust in their dealings with this contracted company.

Recently, the Partners have had to make some difficult decisions.

For example, as part of the Six Councils Partnership we were looking at outsourcing Facilities Management, Property Services and Post Room Services to Vinci.

However, as we moved towards full mobilisation and transfer, it became apparent that the anticipated savings were not as great as originally forecast and, as a result, the decision was made in December 2017 to withdraw from the contract with Vinci.

This action clearly demonstrates that we are committed to ensuring that all our commissioning arrangements deliver the savings that we need to make as our central funding arrangements diminish.

Our prudent approach to business together with our good governance, means we will not avoid the need to be bold, and we will withdraw from contracts or ventures if they are no longer financially and operationally viable just as much as we will enter new models if this makes sense for our public services.

We remain in an era of sustained fiscal pressures and uncertainty, in particular as Brexit draws closer, these cost saving measures and strict contract management are still not enough to ensure that the Council's budgets are balanced.

With that in mind, during the year, and as part of the budget setting process, our paid Executive's undertook a zero-based budget exercise to ensure financial and operational alignment to the Council's strategic, operational and financial priorities.

Heads of Service were tasked to build their budgets up from a zero base and then Budget Challenge Sessions were held with Cabinet, Chief Executive Officer, Chief Finance Officer and Executive Directors in December and January.

These robust challenge sessions allowed us to successfully close a projected gap, and I emphasise projected gap between the level of services we wished to provide and the cost of providing these, of £2.1M. This measure avoided the need to reduce the services we deliver to our customers.

We have achieved this by setting clear and robust financial efficiency targets for the business over the coming year which will require strength and focus to deliver.

Despite these efforts however, it is with deep reluctance, that for the first time in 9 years we have no option but to increase our portion of the overall Council Tax Bill in order to provide a balanced budget.

Members should note however, that this increase has not been factored in for future years, but will remain under review.

In light of this increase, during 2018/19, our paid executives will be running a full review of ALL service costs.

Like any business we do need to be constantly reviewing our cost base in order to deliver the best possible service for our customers and these reviews will be part of our continued focus upon ensuring we are providing the right services for our people and our place at the right cost.

Members may need to be reminded that Havant's budget provision for 2018/19 is £4million below the budget of 2009/10.

Despite this extensively reduced budget and staffing levels, around 100 services have been maintained (and in some cases enhanced). This is something that we should be really proud of.

Now, turning to our key theme of Economic Growth and Place Shaping.

We said: We would focus on Economic Growth and Placing Shaping through our Local Plan.

We have. We have forged ahead with our aim for the transformation of our town and commercial centres in order to become the location of choice for inward investors and high growth companies, and we published our consultation on the new Local Plan that that will take us to 2036.

We continue to encourage new and expanding businesses to create quality jobs for our local people. We have supported local companies by assisting with applications for LEP funding, including the £250,000 Havant Specific Support Fund, and we awarded a contract (through ring fenced section 106 money) for the delivery of a three-year Construction Skills Training Programme.

Our current Local Plan, which Members will remember was adopted in 2011, set out the development requirements for the Borough's growth and prosperity to 2026.

Our new Local Plan, currently being consulted upon, will provide the development requirements and housing needs in the Borough until 2036.

The New Local Plan will include plans for:

- A significant increase in much needed new housing, including a range of housing choice in terms of affordability and meeting the needs of residents;**
- Employment, education and training opportunities, to meet the skills gap that currently exists;**
- The significant infrastructure improvements to support communities and businesses;**

- **Town centre and seafront regeneration and investment in new amenities;**
- **Responding to the challenges of climate change;**
- **Finally, harnessing the opportunity of digital, green and physical technology.**

We have put forward specific policies in the draft Local Plan to improve our town centres, in particular at Waterlooville and Havant and have been working with Portsmouth City Council on providing incentives for prospective occupiers at Dunsbury Business Park.

Turning finally to the development of our community and organisation:

We said: We would invest and help the most vulnerable in our society.

We have. We have delivered key infrastructure projects, such as Bidbury Mead Community Facility and the Front Lawn Recreation Ground offering new and improved local facilities.

We have focussed on providing the best services to those in need with sessions held on:

Making Every Contact Count;

Dementia Friendly;

Holding a conference on 'Your Journey to Employment' attracting over 100 attendees at the Plaza;

Holding a Youth Conference at the Plaza to demonstrate to young people how democracy works;

We are focussing on helping the most vulnerable in our community, working with the most challenged families in our Borough and supporting them to get back on track, preventing homelessness and providing much needed affordable housing and are meeting our targets to deliver to those in most need including through our benefits schemes.

We have made significant investment in our staff resources to assist businesses in accessing national funding. For example, becoming the locally "Trusted Organisation" for the 'We Big Local' Wecock Farm project.

We said: We would enhance the Organisational Development of our Council by providing the tools, the practices and the leadership qualities and create a culture fit for the changing landscape of public services.

We have. We have achieved this by establishing a Fit For Future programme across the organisation and have a team of Culture Champions to drive forward organisational development projects. We have also continued our investment in staff development and supported our CEO in holding the Annual Leadership Conference in January for all our managers alongside many other programmes to develop skills and managerial competencies for 21st century public service executives.

Additionally, we continue to offer first class training for our Councillor Development Programme that provide opportunities to boost our skills to meet the increasing demands for the critical work our dedicated Councillors do in our Community.

We are proud to have a Councillor Competency Framework, and during the year we achieved National Councillor Charter status.

So, that reports on our promise of delivery and our successes thus far.

Now, moving forward:

- We will continue to build on our successes of the past years.

As our initiatives start to bed into the culture of the organisation, I will be asking everyone at the Council to increase our pace and focus on our Borough as a place and the regeneration programmes and projects that will help our current and new businesses and also help our current great work assisting the most vulnerable in our communities.

The prosperity of our residents is critical if we are to become a thriving local economy.

- We will continue to strive for Public Service Excellence as an organisation at the centre of democratic and civic leadership here in Havant.

This will be achieved by investing in our Staff, Councillors and our Business Community. We will build on our successful partnerships with our Public Service Partners and further develop the Public Service Village to enable and facilitate better and joined up local services with other public-sector partners, we support the One Public Estate concept.

Using Customer Insight, we shall determine our service priorities and redesign our processes such that our customer's most important services are delivered at the right price at the right time and to the required quality.

- We will seek to enhance our Economic Growth.

By transforming our town centres in order to attract inward investment and work to finalise our Local Plan.

We will look at our major development opportunities such as Havant and Waterlooville Town Centres, Hayling Island, Brockhampton West and Dunsbury Business Park to focus on regeneration opportunities.

- We will continue to maintain our Financial Sustainability.

This will be achieved by our continued support in growing our Joint Venture - Norse South East - and building on our strong relationship with other councils, in particular our shared management with East Hampshire.

We will maintain our Environmental sustainability programme.

This will be achieved by continuing to develop our excellent Coastal Partnership, offering a high quality level of service across the breadth of the Partnership coast, this includes seeking investment for improvements to Langstone and Hayling Island.

Now to focus on our staff - the greatest single factor in a successful organisation such as ours.

Without our staff, this Council would not be able to deliver the tremendous services it does. Our staff continue to provide us with an efficient and effective Council. This is despite the challenges of ever fast changing circumstances. They are enthusiastically adopting new ways of working and continue to put customers at the centre of all that they do.

Our organisation runs with mutual respect for one another's roles and I am keen that we continue in this tradition of teams working across the spectrum and different aspects of paid executive and non-executive roles.

I would like to turn to us, the Councillors.

I would like to pay tribute to all of your significant efforts during the last year, and thank each and every one of you for your hard work and dedication to your important and critical work you all do.

In particular, I would also like to thank our long-standing Councillors for their experience and knowledge, whilst at the same time acknowledging the newer members of the Council, and recognise their fresh new ideas and support over the past year.

We come together, collectively, to strive to make this Borough a better for place the generations of our residents for years to come.

So, Councillors as a summary and In Conclusion.

Just to remind ourselves, it is with great reluctance that we are seeking to increase Council Tax for the first time in 9 years.

The increase of 2.99% against the current charge will result in a Band D rate of £198.54, this equates to £5.76 increase per year. £5.76 (2.99% increase). This is still fantastic value for our 100 services when compared to a medium McDonalds meal at £4.49, a pint of beer at £4.00, and a month's membership of Netflix at £5.99. Not forgetting that in paying this amount each year every household in the Borough is not only receiving services for this payment but also upholding the great British tradition of contributing to help the most vulnerable in society as I have already explained in this speech.

We have followed a rigorous budget process in reaching this balanced budget but we will need to prepare for difficult decisions as we move forward but I have no doubt that we can achieve against our aims of improving the quality of lives for our residents and improving the place in which they live.

Additionally, the plan for next year will be for this Council to:

- seek to achieve further value against our commissioned work;**
- increase our joint venture value;**
- continue to review our in-house service delivery arrangements;**
- and continue to develop our Local Plan to provide the housing, employment and infrastructure requirements going forward.**

So, to reiterate, before you this evening you have a Full and Balanced Budget delivering the best possible services for our residents.

This budget has been reviewed, considered and scrutinised by the Scrutiny Board, amended where concerns have been raised, approved by the Cabinet, and I therefore commend the Budget to this Council for Final Approval so that we can move on and deliver our 2018-19 business plans from the 1st April.

Thank You for your attention.