

Cabinet Lead for Finance – Councillor Tony Denton (Jan 2023)

Revenue

As previously reported, we have re-aligned the 2022/23 revenue budget to match with the new organisational structure for Havant BC, and re-set the five-year medium term financial strategy, (MTFS), as reported to Cabinet in November 2022. Although budgets now accurately reflect the actual service, and staffing commitments, of the Council, financial pressures will remain particularly around:

- (a) The impact of the rising cost of living on the housing/homelessness budget and
- (b) Continued pressures on the front-line costs of delivering waste collection and street scene services through the Norse SE contract

We will keep these, and other significant budget variations, under constant review and update the MTFS on a quarterly basis to ensure that our medium-term budget is as accurate and transparent as possible.

Our revenue budget for 2023/24 was clarified in the Government's Settlement which was received in late December 2023. Overall, the figures for next year are slightly better than anticipated. However, much of the financial benefit appears to be temporary in nature and hence we need to be careful not to commit long term spend without the clarity of sustainable on-going resources. Government has raised the Council Tax cap to 3% for next year and the Council will need to decide whether to increase the current assumption of a 2% uplift for 2023/24 when in sets the revenue budget in February 2023. The following one-off grants were confirmed in the Settlement for Havant BC:

- New Homes Bonus: £405k;
- Service Grant: £130k;
- Core Spending Power Grant: £300k;
- Local Council Tax Support Scheme Grant: £151k

We will need to prioritise relevant spend against these funding allocations over the coming months.

Capital

£1.6m of Brownfield Grant funding was confirmed in November 2022 to fund the demolition of Bulbeck Road car park with the potential to develop a new viable housing scheme on the site. We also had confirmation of £1m UK Shared Prosperity Fund grant but we still await the outcome of a £20m Levelling Up Fund bid which aims to repurpose, and regenerate, the Meridian Centre in the heart of Havant.

In addition, in late December, we were informed that we have a notional £460k of Local Housing Fund capital that we can bid for with respect to providing further housing in the Borough. Bid submissions have to be made before the end of January 2023.

Treasury

We are currently revising our Treasury Management Strategy as part of the pack of 2023/24 budget papers. The new strategy will reflect the advice of our Treasury Management advisors, ArlingClose, who were appointed in June 2022.

The performance of our Treasury investments, (of cash balances held), is now strong with a base income target of £750k being proposed from 2023/24 onwards. This compares to annual income of circa £35k which was being generated up to 2021/22. We are confident that we will over-achieve against the new £750k income target for next financial year due to three 12 month 'forward deals' which were made at the peak of interest rates in October 2022.

The surplus Treasury Management benefit along with the Settlement confirmation of one-off grants for 2023/24 will further strengthen the Council's financial position.

Finance Capacity

We have been successful over recent months in attracting some excellent Senior Finance Officer talent to Havant. Wayne Layton has now joined us, from Portsmouth City Council, as Head of Corporate Finance and Kimberley Churchill, from Fareham, as Principal Accountant.

In December 2022, the HR Committee appointed Steven Pink as the new Chief Finance, (Section 151), Officer who will start with us in April 2023. Malcom Coe will step down as the Council's interim Chief Finance Officer in mid-February 2023 and we thank him for all of his efforts in helping us to stabilise our finances over the last 10 months.

Mayoralty

Since the last update, the team have continued putting plans in place for events, both official engagements for the Mayor to attend in the Borough, and those that are being arranged directly, where there is a need to support national and Civic event(s).

In an Extraordinary Council Meeting held on 16th November 2022, Members agreed a proposal to confer the title of Honorary Alderman upon Councillor Tony Briggs. The team are now working closely with Tony on the formal ceremony. A date of 20th

January 2023, at 7.00pm, has been confirmed and will be hosted by the Mayor. The event will be attended by Councillors and Tony's family and friends.

In addition, the team are supporting Councillor Leah Turner with the annual Holocaust Service on 27th January 2023. As a Council, we will also work with other organisations to promote and organise the event. The service will be held at Havant Cemetery, Eastern Road, Havant at 11.00am.

As mentioned in the last report in November 2022, the Council held the national services and parades in the Borough for Remembrance Sunday. The numbers of those attending events were very high, both for the parades and the Church services and it was a very proud moment for the Borough. Some very positive feedback was received from those attending, on how well the events went, how clean the areas were and the effectiveness of the safety measures. This remains a testament to all those who support these events.

As a final note, officers continue to work with the Mayor, Deputy Mayor, and Portfolio Holder to update and give the assurance that the budgets against the mayoralty for facilities support and other associated budget lines remain on track. There are no areas of concern that need to be raised at this time. Work is underway to review the mayoral provision, to ensure this vital function remains well supported, going forward.

Corporate governance

Information governance and audit information form part of regular reporting via the Corporate Performance Dashboard. The Quarter 3 picture, which will cover areas such as complaints, Freedom of Information Requests, Subject Access Requests and progress against audit actions, is being collated now and will be reported to Cabinet Briefing and the Audit and Finance Committee.

More widely, the Joint Management Agreement with East Hampshire ended on 16th December 2022. In terms of governance, key work areas have included:

- Securing agreements in relation to services which, for the time being, continue to be provided either by East Hampshire for Havant Borough Council, or vice-versa, or continue to be shared.
- Ensuring both technical and governance mechanisms for data segregation and, where necessary, explicit agreements to share data.

These requirements have been addressed via joint working between transition teams and liaison with staff and services.