

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF PLANNING POLICY COMMITTEE ON 25 JANUARY 2022

**SUBJECT: Committee Revenue and Capital Budgets 2022/2023**

**REPORT AUTHOR:** Carolin Martlew, Interim Group Head of Corporate Support and Section 151 Officer

**DATE:** November 2021

**EXTN:** 01903 737558

**AREA:** Corporate Support

### **EXECUTIVE SUMMARY:**

The purpose of the report is for this Committee to consider and recommend its revenue budget for inclusion in the 2022/23 revenue budget, which will be submitted to the Policy and Finance Committee on 10 February 2022. Policy and Finance Committee will consider the overall revenue budget for 2022/23 to make a recommendation to Full Council on 23 February 2022 on the budget to be set and level of Council Tax for the District for 2022/23.

In addition, Committees must consider and recommend their draft capital budget for inclusion in the overall capital programme, which will be submitted to the Policy and Finance Committee on 10 February 2022. Policy and Finance Committee will consider the overall capital programme to make a recommendation to Full Council on 23 February 2022 on the overall capital programme to be set for 2022/23.

### **RECOMMENDATIONS:**

It is recommended that this Committee:

- (a) Agree on the 2022/23 Revenue Budget as illustrated in Appendix A of this report;
- (b) Agree on the 2022/23 list of uncommitted growth items as illustrated in Appendix B of this report; and
- (c) Agree to recommend to Policy and Finance Committee that the Revenue Budget and list of growth items be included in the overall General Fund Budget when considering the overall budgets on 10 February 2022.

### **1. BACKGROUND:**

2022/23 is the first year of budget preparation under the Committee form of governance introduced on 19 May 2021. Under Committee governance, Service Committees such as this must consider and recommend budgets for the services they provide to the Committee responsible for budget setting. At Arun, this is the Policy and Finance Committee. The Policy and Finance Committee will then consider an overall budget to recommend to Full Council.

The general background to the 2022/23 budget process was included in the Financial Prospects 2021/22 to 2025/26 report to Policy and Finance Committee on 14 October 2021. The main points to note are:

- Council Tax increases by £5 or 2% per annum which is currently the maximum allowed for similar District Councils;
- There is an inflationary increase in salary costs in 2022/23. The effect of the increase in National Insurance contributions from 2022/23 is included;
- If possible, cash limited sums for goods and services (no inflationary rise) for the period are included, otherwise inflation is provided for;
- The most up to date figure available has been used for the lump sum payable to the pension fund which was reflected in the latest report from the actuary for 2022/23;
- It is assumed all discretionary fees and charges imposed by the Council increase by at least 2.5% for the year;
- Growth items are not included in service committee estimates. They will be considered as a separate list by service committees. Items agreed by service committees will then form part of the final growth list which Policy and Finance Committee will need to consider when it sets the overall budget. It has been made clear to budget officers that growth requests should be minimised and restricted to those with a significant impact on Council priorities or objectives.

Financial forecasting has been difficult due to the COVID 19 pandemic. Budgets have been compiled on the best information available. In addition, where appropriate, central government funding has been applied to mitigate against increased costs and reductions in income.

There is no draft capital programme for this Committee.

## **2. PROPOSAL(S):**

### Revenue Budget

The basis of budgeting for 2022/23 assumes that current levels of service remain unchanged. Any proposed increase in the service level, or other significant new area of expenditure, is treated as uncommitted growth. These items are listed at Appendix B and are not included in the budgets. If this Committee agrees this list either in full, or in part, it will be considered by Finance and Policy Committee on 10 February 2022 in the context of the overall General Fund budget.

The budgets are presented in the format recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) for the publication of accounting information.

The information contained in the detailed budgets is as follows:

- Actual 2020/21, as per the Council's published accounts for 2020/21;
- Budget 2021/22 – a reproduction of the budget approved by the Council for 2021/22, adjusted to align with the Committee governance Structure;
- Budget 2022/23 – budgets are prepared at current price, plus inflation where unavoidable. The budgets contain committed growth. This indicates a change to the base level of service arising from policy changes determined by the Council,

the effects of the financing of the agreed Capital Programme, or other unavoidable costs, e.g. arising from statutory commitments. Such growth is included in the budgets.

Uncommitted growth indicates an enhanced level of base service provision. This is not included in the budgets at this stage. The final inclusion in the Authority's overall revenue budget will be subject to consideration by the Policy and Finance Committee and Council.

The proposed uncommitted growth items are summarised with explanatory notes at Appendix B.

The budget is shown at Appendix A.

The significant changes in the revenue budget between 2021/22 and 2022/23 are:

- The 2021/22 pay award is still under negotiation. It is therefore necessary to include two years' pay awards in the employee figures which increases the expected cost in 2022/23. Two part time posts in the Section have been full time. Resource switching has been used to achieve this;
- Expenditure in supplies and services has decreased by £173,000 following the Planning Policy Committee recommendation on 6 October 2021 to pause the preparation of a revised local plan for the District. This will be reviewed in April 2022;
- Increased Development Control income of £185,000 is expected in 2022/23. This estimate is based on actual income to date in 2021/22. There may be delayed applications due to the pandemic and these cannot be anticipated. No fee increase is expected at this time.

### 3. OPTIONS:

Not applicable

### 4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓

### 5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)

	YES	NO
Financial	✓	
Legal	✓	
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓

Technology		✓
Other (please explain)		✓

#### **6. IMPLICATIONS:**

##### Financial

The financial implications are shown throughout the report. Capital spending is susceptible to overrun, delay and increased costs. It is important that close monitoring of both revenue budgets and the capital programme is in place.

##### Legal

The Council has a legal duty to ensure its expenditure can be met by its income, inclusive of reserves.

#### **7. REASON FOR THE DECISION:**

To enable the Committee to recommend a revenue and capital budget to Finance and Policy Committee for inclusion in the Council's overall General Fund budget for 2022/23.

#### **8. BACKGROUND PAPERS:**

2021/22 Budget Report to Full Council 17 February 2021

Financial Prospects 2021/22 to 2025/26 Report – Finance and Policy Committee 14 October 2021

Budget Consultation Report

Statement of Accounts 2020/21

**Planning Policy Committee  
Budget 2022/23**

Actual 2020-21 £'000	Description	Budget 2021-22 £'000	Budget 2022-23 £'000
<b>Planning Policy Committee</b>			
<b><u>Planning &amp; Development Control (D20 &amp; D25)</u></b>			
1,584	Employees	1,605	1,717
22	Transport	27	21
328	Supplies and Services	519	353
57	Third party costs	60	67
(1,444)	Other Income	(1,131)	(1,333)
<b>547</b>	<b>Total for Planning &amp; Development Control:</b>	<b>1,080</b>	<b>825</b>
<b>547</b>	<b>Total for Planning Policy Committee:</b>	<b>1,080</b>	<b>825</b>

**Planning Policy Committee  
Budget 2022/23  
Growth Items**

Item	£'000	Note
Restructure of Planning and Development Section	120	1
<b>Total</b>	<b>120</b>	

Note:

1. The Group Head of Planning is preparing a restructure of the Section in response to the Hannaby Report. The estimated net cost of the proposed establishment changes is shown here. Approval of this in the 2022/23 budget will allow the restructure to be implemented. The full financial year cost from 2023/24 is estimated at £297,000.