

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF POLICY AND FINANCE COMMITTEE ON 10 FEBRUARY 2022

SUBJECT: Revenue and Capital Budgets 2022/2023

REPORT AUTHOR: Carolin Martlew, Interim Group Head of Corporate Support and Section 151 Officer
DATE: January 2022
EXTN: 01903 737558
AREA: Corporate Support

EXECUTIVE SUMMARY:

The purpose of the report is for this Committee to make a recommendation to Full Council on 23 February 2022 on the overall budget to be set, level of Council Tax for the District, Housing Revenue account budget and rent levels for 2022/23.

In addition, Policy and Finance Committee must consider the overall capital programme to make a recommendation to Full Council on 23 February 2022 on the overall capital programme (HRA and General Fund) to be set for 2022/23.

RECOMMENDATIONS:

It is recommended that this Committee:

2021/22 financial year:

In respect of Environment Committee, approve the £180,000 contribution to the Community Flood Fund and a further £100,000 in 2023/24, to enable required Partnership Contributions to continue. The £100,000 recommended in 2023/24 will be assessed at a later date.

A contribution of £100k be made to a contingency budget reserve to replace the £50k annual budget to be topped up annually.

2022/23 financial year:

- (a) Note that the Interim Group Head of Corporate Support, in consultation with the Leader of the Council, has approved a Council Tax base of 63,011 for 2022/23;
- (b) Note the budget report in Appendices A, 1, 2 and 3;

Policy and Finance Committee is requested to recommend to Full Council that:

- The General Fund Revenue budget as set out in Appendix 1 is approved;
- Arun's band D council tax for 2022/23 is set at £196.47, an increase of 2.58% over 2021/22;

- Arun's Council Tax Requirement for 2022/23, based on a Band D Council Tax of £196.47, is set at £12,379,771 plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements;
- The Council's General Fund Revenue Account Balance be set at £5m. Any balance above this to be transferred to the Funding Resilience Reserve to allow future budgets to be balanced;
- The HRA budget as set out in Appendix 2 is approved;
- HRA rents for 2022/23 are increased by 4.1% (CPI plus 1%) in accordance with the provisions of the rent standard;
- HRA garage rents are increased by 5% to give a standard charge of £13.58 per week (excluding VAT), and heating and water/sewerage charges increased on a scheme by scheme basis, with a view to balancing costs with income;
- The Capital budget as set out in Appendix 3 is approved.

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 have considered and recommended 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 must then consider an overall budget to recommend to Full Council. This report is compiled on the assumption that all previous recommendations on this agenda and other Committee agendas were agreed.

Growth items were not included in service committee estimates. They were considered as a separate list by service committees and agreed for submission to this Committee. These items now form the final growth list which this Committee must consider when setting the overall budget.

In addition, the draft Housing Revenue Account budget for 2022/23 is also attached for Member consideration, following presentation to the Housing and Wellbeing Committee.

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.

The draft capital programme for 2022/23 is also included.

2. PROPOSAL(S):

Revenue Budget

Prior to the start of each financial year, the Council sets its budget, Council Tax levels and housing rent levels for the year. This report allows Policy and Finance Committee to make a recommendation to Full Council on the budgets, Council Tax level and Housing rent levels to be set for 2022/23.

Policy and Finance Committee is requested to consider the attached report and to approve the recommendations made.

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:		
<u>Financial</u>		
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.		
<u>Legal</u>		
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 Full Council for 2022/23.

8. BACKGROUND PAPERS:

Detailed budget working papers 2022/23
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 and Service Committee Budget reports

