

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF SPECIAL COUNCIL ON 23 FEBRUARY 2022

**SUBJECT: Arun District Council Budget 2022/23**

**REPORT AUTHOR:** Carolin Martlew, Interim Group Head of Corporate Support and S151 Officer

**DATE:** February 2022

**EXTN:** 01903 737568

**AREA:** Corporate Support

### **EXECUTIVE SUMMARY:**

This report considers the recommendations made by Policy and Finance Committee on 10 February 2022 in respect of the Council's Budget for 2022/23.

The associated statutory resolutions will be circulated just before the meeting, following receipt of the West Sussex County Council and Sussex Police and Crime Commissioner precepts.

There are additional recommendations associated with the approval of the Council's tax base and NNDR1 for 2022/23 and Special Expenses.

#### Restrictions on voting under Section 106 of the Local Government Finance Act 1992

Members are reminded of the restrictions on voting outlined in Section 106 of the Local Government Finance Act 1992. In particular it should be noted that where a Member has at least two months arrears of Council Tax he or she must not vote on any matter relating directly to the setting of next year's Council Tax (though they may remain in the meeting and may speak).

### **RECOMMENDATIONS:**

Council is recommended to RESOLVE that:

- (1) The General Fund Revenue Budget as set out in Appendix 1 is approved;
- (2) Arun's Band D Council Tax for 2022/23 is set at £196.47, an increase of 2.58% over 2021/22;
- (3) 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;
- (4) 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.

- (5) The Housing Revenue Account (HRA) Budget as set out in Appendix 2 is approved;
- (6) HRA rents for 2022/23 are increased by 4.1% (CPI plus 1.0%) in accordance with the provisions of the rent standard;
- (7) 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;
- (8) The Capital budget as set out in Appendix 3 is approved; and
- (9) The statutory resolutions required by the Council in agreeing its Budget for 2022/23, as set out in Appendix 4, are approved.

Council is also recommended to:

- (10) Note that the Interim Group Head of Corporate Support, in consultation with the Leader of the Council, has approved:
  - i) a Council Tax base of 63,011 for 2022/23 and
  - ii) the submission of the Council's NNDR1 return (the estimate of the Council's Business Rate income for 2022/23) to the Department for Levelling Up, Housing and Communities (DLUHC).
- (11) Resolve that for 2022/23 any expenses incurred by the Authority in performing in part of its area a function performed elsewhere in its area by a Parish/Town Council or the Chairman of a Parish Meeting shall not be treated as special expenses for the purposes of Section 35 of the Local Government Finance Act 1992.

## **1. BACKGROUND:**

Arun District Council's Budget for 2022/23 was considered by the Policy and Finance Committee at its meeting held on 10 February 2022. The minutes from this meeting will be circulated separately.

Members have already received a copy of the Budget but for ease of reference the key summary tables (General Fund, Housing Revenue Account and Capital, Asset Management, and other projects) are attached as Appendices 1, 2 and 3 respectively.

The required statutory resolutions (Appendix 4) will be circulated before the Special Council meeting, following receipt of the West Sussex County Council precept.

Members are asked to note that as Interim Group Head of Corporate Support I am satisfied that the estimates as presented in this Budget are sufficiently robust and that the reserve balances proposed for 2022/23 are adequate. However, there is significant risk in the medium-term for the General Fund when the Council's Funding Resilience reserve is anticipated to be depleted. In addition, the HRA Business Plan and future years Budgets will need to be closely monitored to ensure that the stock acquisition programme and enhanced repairs and improvements programme remain affordable. The HRA balance is anticipated to significantly decrease during 2021/22 and 2022/23.

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

The Council is requested to consider the report and to approve the recommendations.

**3. OPTIONS:**  
N/A

**4. CONSULTATION:**

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

<b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)</b>	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 approved budgets will form the main reference points for financial decisions made in 2022/23.

Legal

This report complies with the relevant legislation by setting out:

- the Budget Requirement for 2022/23 in accordance with the Local Government Finance Act 1992; and
- the advice of the Council’s Chief Financial Officer on the robustness of the estimates and adequacy of reserves in accordance with the Local Government Act 2003.

**7. REASON FOR THE DECISION:**

To ensure the Council has an approved financial basis for conducting its business during 2022/23.

**8. BACKGROUND PAPERS:**

Correspondence from DLUHC.

Budget Reports 2022/23 to Service Committees 18 January to 10 February 2022.

## General Fund Revenue Budget Summary

Actual 2020-21 £'000	Description	Budget 2021-22 £'000	Budget 2022-23 £'000
<b>Cost of Service</b>			
1,573	Policy and Finance Committee	1,563	2,136
5,927	Corporate Support Committee	6,091	6,592
872	Economy Committee	679	2,713
7,846	Environment Committee	7,650	8,256
547	Planning Policy Committee	1,080	945
5,203	Housing and Wellbeing Services	3,238	3,312
0	Vacancy Management	(500)	(500)
(1,460)	Recharges to Housing Revenue Account	(1,426)	(1,545)
<b>20,508</b>	<b>Total Cost of Service:</b>	<b>18,375</b>	<b>21,908</b>
<b>Corporate Cost</b>			
4,832	Parish Precepts	4,877	4,877
207	Other precepts and levies	278	247
(635)	Interest & investment income	(344)	(413)
0	Contingencies / miscellaneous	1,008	0
13,394	Contribution to/(from) earmarked reserves	(964) x	(1,926) *
0	Capital expenditure financed from revenue	1,711	52
1,201	Pension deficit contributions	1,046	982
<b>18,999</b>	<b>Total Corporate Cost:</b>	<b>7,612</b>	<b>3,819</b>
<b>39,507</b>	<b>Total Net Budget Requirement</b>	<b>25,987</b>	<b>25,727</b>
<b>Financed By</b>			
(14,855)	Retained Business Rates	(5,866) xx	(6,176) **
(2,295)	New Homes Bonus	(1,040)	(1,292)
(5,772)	Other non ringfenced grants	(2,416)	(1,140)
(11,970)	Council Tax Income - Arun Excluding Parishes	(11,995)	(12,380)
(4,475)	Council Tax Income - Town & Parish Councils	(4,877)	(4,877)
(140)	Collection Fund deficit/(surplus)	207	138
<b>(39,507)</b>	<b>Total External Finance:</b>	<b>(25,987)</b>	<b>(25,727)</b>
<b>(0)</b>	<b>Transfer (to) / from General Fund Reserve</b>	<b>0</b>	<b>0</b>

x Excluding £7.865m S31 Grant received in 2020/21

xx Including £7.865m S31 Grant received in 2020/21

\* Excluding £3.742m S31 Grant received in 2020/21

\*\* Including £3.742m S31 Grant received in 2020/21

## Appendix 2

## Housing Revenue Account Budget Summary

<b>Actual 2020-21 £'000</b>	<b>Description</b>	<b>Budget 2021-22 £'000</b>	<b>Budget 2022-23 £'000</b>
	<b>Expenditure</b>		
5,144	Supervision and management	5,199	5,534
4,525	Repairs and maintenance	3,887	5,181
1,860	Financing of capital expenditure	4,732	5,851
5,043	Net loan charges	5,162	2,785
<b>16,572</b>	<b>Total Expenditure:</b>	<b>18,980</b>	<b>19,351</b>
	<b>Income</b>		
(15,982)	Rents (dwellings, garages, hostels, other property)	(16,391)	(17,286)
(521)	Charges for services and facilities	(632)	(641)
45	Interest on Balance Payable / (Receivable)	10	(28)
<b>(16,458)</b>	<b>Total Income:</b>	<b>(17,013)</b>	<b>(17,955)</b>
<b>114</b>	<b>HRA (surplus) / deficit</b>	<b>1,967</b>	<b>1,396</b>
	<b>Housing Revenue Account Reserves</b>		
(8,948)	Balance brought forward	(8,834)	(4,921)
114	HRA (surplus) / deficit	1,967	1,396
	Capital Slippage in year	1,363	
	Estimated variation in 2021/22 out turn	583	
<b>(8,834)</b>	<b>Balance carried forward</b>	<b>(4,921)</b>	<b>(3,525)</b>

<b>Capital Programme 2022/23</b>	
<b>General Fund:</b>	<b>£'000</b>
<b>Corporate Support Committee</b>	
ICT	200
<b>Total Corporate Support Committee</b>	<b>200</b>
<b>Economy Committee</b>	
Leased Property Dilapidations	50
Arcade Roof, Bognor Regis	210
Roof Replacement at Windmill Theatre	190
Changing Places Project	157
Fitzleet Car Park	200
<b>Total Economy Committee</b>	<b>807</b>
<b>Environment Committee</b>	
Play Areas	225
Bersted Brooks Country Park	320
Disabled Facilities Grants	1,400
<b>Total Environment Committee</b>	<b>1,945</b>
<b>Housing and Wellbeing Committee</b>	
Arun Leisure Centre Wet Change Facilities	987
<b>Total Housing and Wellbeing Committee</b>	<b>987</b>
<b>Total General Fund</b>	<b>3,939</b>
<b>Housing and Wellbeing Committee</b>	
<b>Housing Revenue Account:</b>	
Housing IT	285
Public Housing Services	5,466
Sheltered Accommodation	2,600
<b>Total Housing Revenue Account</b>	<b>8,351</b>
<b>Total Programme</b>	<b>12,290</b>
<b>Financed by:</b>	
Capital Grants	1,400
Capital Receipts	1,500
Charge to General Fund (RCCO)	52
Borrowing	987
Major Repairs Reserve	5,336
Charge to Housing Revenue Account	515
Prudential Borrowing (HRA)	2,500
<b>Total Financing</b>	<b>12,290</b>