

ARUN DISTRICT COUNCIL BUDGET 2023/24

REPORT BY THE INTERIM GROUP HEAD OF FINANCE

1. Introduction

- 1.1. 2023/24 is the second year of budget preparation under the Committee form of governance introduced by the Council on 19 May 2021. Under Committee governance, Service Committees have considered and recommended budgets for the services they provide to the Policy and Finance Committee to allow a recommendation to be made to Full Council on the overall budget to be set for 2023/24.
- 1.2. The 2023/24 provisional local government finance settlement was issued on 19 December 2022. The draft settlement was preceded with announcement in the Autumn Statement and a subsequent briefing note from the Department of Levelling Up, Housing and Communities (DLUHC). The details are covered in this report. The consultation period on this concluded on 16 January 2023 and the final settlement is anticipated in February 2023
- 1.3. The unprecedented budget challenges faced by the Council in 2021/22, and 2022/23 have continued into 2023/24 with significant inflationary pressures. The wider reforms of local government funding (the Fair Funding Review) continue to be delayed and the Council has had to set its budget against a background of considerable uncertainty and increasing costs.
- 1.4. The report sets out the Capital, Housing Revenue and General Fund Revenue budget for 2023/24. These budgets have been prepared taking account of the following:
 - The Medium-Term Financial Strategy 2022/23 to 2026/27 considered at Finance and Policy Committee on 13 December 2022 and Full Council on 18 January 2023.
 - Housing Revenue Account Business Plan update 2022/23 considered at Housing and Wellbeing Committee on 25 January 2023 and the Revised HRA 2022/23 budget approved at Full Council on 18 January 2023.
- 1.5. Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of the estimates made for the purposes of calculating Council Tax and housing rent levels, and the adequacy of the proposed financial balances. I am satisfied that the estimates, as presented in the draft budget, are sufficiently robust and that the reserve balances proposed for 2023/24 are adequate. However, there is a significant risk for the General Fund when the Council's Funding Resilience Reserve is anticipated to be depleted due to a fundamental budget imbalance from 2023/24 which will require savings in the short to medium term. In addition, there is significant pressure on the level of the HRA balance,

which is predicted to remain below the £2m recommended balance set by the Council for a number of years. The HRA Business Plan and future years budgets need to be closely monitored to ensure that expenditure on reactive repairs, the stock acquisition programme, decarbonisation programme and enhanced repairs and improvements programme remain affordable.

2. The Local Government Finance Settlement and Council Tax

2.1. The provisional local government finance for 2023/24. The significant headlines from the announcement were:

- One year settlement for 2023/24 with some indications about funding for 2024/25.
- Revenue Support Grant (RSG) uplifted by 10.1% but other items like the LCTS administration grant was rolled in.
- Services grant lower than expected.
- 3 % Funding Guarantee.
- Core Spending Power assumes that authorities apply the maximum increase in Band D and tax bases rise in line with average for the authority.
- no changes made for those authorities in a “negative RSG” position – cost continues to be met by the Government.
- Additional year of New Homes Bonus, with no indication of the future of the NHB 2024/25 and beyond.

New homes Bonus (NHB)

2.2. The allocation for New Homes Bonus (NHB) in 2023/24 is £616k (a reduction of £676k from 2022/23). The grant is now a simple one-year payment, with the final legacy payment being received in 2022/23. It should be noted this allocation is for one year only and there is still no indication of what the replacement will be. When the NHB was introduced in 2011/12, the aim was to create an incentive to reward local authorities delivering sustainable housing growth in their areas. The NHB is shared between Arun (80%) and WSCC (20%). The scheme has undergone major reviews and changes having started off with 6 years of payments, which reduced to 4 years and was only expected to guarantee legacy payments, declining to zero in 2023/24. The Council has benefitted significantly from the original scheme.

Revenue Support Grant (RSG)

2.3. The provisional settlement announced an allocation of RSG of £194k. The grant now includes rolled in grants for Local Council Tax Support Grant (£155k in 2022/23). The negative RSG (payment to the Government) anticipated from 2019/20 continues to be funded by Government.

Lower Tier Services Grant

2.4. This grant has been discontinued and replaced by the Minimum Funding Guarantee of 3% for 2023/24 (£164k in 2022/23).

Services Grant

- 2.5. The services grant was introduced in 2022/23. The £143k allocation is a reduction of £110k from the previous year.

Funding Guarantee

- 2.6. The provisional settlement introduced a Funding Guarantee. The Council's allocation is £956k for 2023/24

Retained Business Rates

- 2.7. The Business Rate Retention scheme was introduced in April 2013. The scheme focuses on promoting economic growth through the local retention of business rates. The scheme has also transferred a considerable risk to the council by linking government (DLUHC) support directly to the local economy. This is a strong incentive for the Council to ensure that the business ratings list is fully inclusive and to encourage a buoyant local economy. It is also important to note that any significant negative changes in the value of the ratings list will directly reduce the level of funding received in future, such as valuation appeals which can be backdated.
- 2.8. The Council has benefitted from comparatively large increases in its business rates base due to the substantial growth in the area. Business rate income is forecast to increase by £1.450m to £7.626m (including s31 grants) in 2023/24, following the business rate revaluation which will take place on 1 April 2023. There is a high degree of risk in relation to the level of business rate appeals which may be received and to the extent that they are successful. The budget is currently based on information supplied by the Council's external consultants, and this will require close monitoring in case an in year adjustment is required.
- 2.9. The business rates pool consisting of West Sussex County Council, Adur, Arun, Horsham and Mid Sussex approved in 2022/23 will continue in 2023/24.
- 2.10. Non ringfenced grant income is summarised in the table below:

Non-Ringfenced Grant Income	Budget	Budget	Change
	2022/23	2023/24	
	£'000	£'000	£'000
Retained Business Rates including s31 grants from earmarked res	6,176	7,626	1,450
New Homes Bonus	1,292	616	(676)
Other non-ringfenced grants			
Lower Tier Services Grant	164		(164)
Services Grant	253	143	(110)
Housing Benefit Administration Grant	384	348	(36)
Localised Council Tax Support Administration Grant**	155	0	(155)
Funding Guarantee		956	956
Revenue Support Grant	0	194	194
Business rates collection allowance	184	184	0
Total Other Non-ringfenced grants:	1,140	1,825	685
Total Non-ringfenced grants:	8,608	10,067	1,459
* restated: including s31 grants, Tariff and Levy and earmarked reserve contributions			
** rolled into RSG as part of the draft LG Settlement			

Council Tax

2.11. Council Tax Income – Arun excluding Parish Councils is summarised below:

Actual 2021/22	Arun excluding Parish Councils	Budget 2022/23	Budget 2023/24	Change
62,628	Tax base *	63,011	64,159	1,148
£191.52	Band D Tax	£196.47	£202.34	£5.87
	Percentage increase			2.99%
£11,995,000	Council Tax Income (excluding parishes)	£12,380,000	£12,982,000	£602,000

*the tax base represents the number of Band D equivalent dwellings in the district adjusted for exemptions, discounts, council tax reduction and collection rate percentage.

2.12. The Council Tax income of £12.982m for Arun (excluding Parish/Town Councils) referred to in the General Fund Summary (appendix 1) is based on an Arun Band D Council Tax of £202.34, which represents an increase of £5.87 or 2.99% (£4.95 or 2.58% 2022/23). Arun's tax base for 2023/24 shows an increase of 1,148 from 2022/23 (383 previous year). This is mainly due to the completion of new dwellings in the district.

3. Budget Assumptions

- 3.1. The budget for 2023/24 assumes a pay award of 4.5% for 2022/23 in the absence of better information.
- 3.2. The budgets for 2023/24 have been rebased following the Zero Based Budget exercise.
- 3.3. Individual service fees and charges budgets have not been uplifted in line with inflation. The contingency budget for 2023/24 contains a target of (£0.5m) for fees and charges.
- 3.4. HRA rents have been set at an increase of 7.0%. Garage rents have been set at an increase of 7.0% over 2022/23.
- 3.5. The general background to the 2023/24 budget process was included in the Financial Prospects 2022/23 to 2026/27 report to Policy and Finance Committee on 13 December 2022, which was approved by Full Council on 18 January 2023.

The main points to note are:

- a significant budget deficit of circa £4m for 2023/24;
- a roll over funding settlement similar to 2022/23 is provided from central government for 2023/24;
- Council Tax increases by a maximum of £5 per annum or 2.99%, which is currently the maximum allowed for similar District Councils;
- There is an increase in salary costs in 2022/23 as per the employers' offer;
- The effect of the government's announcement to reverse increasing National Insurance contributions from November 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;
- A triennial review of the pension fund is due with revised figures required from 2023/24. Preliminary indications have been received and the financial effects of this are favourable and are built into projections;
- At this stage, no increase in discretionary fees and charges imposed by the Council has been assessed and included in the financial projections.
- 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 service provision.

4. General Fund Revenue Budget

- 4.1. A summary of the General Fund Revenue budget showing 2022/23 Original Budget and 2023/24 proposed budget, summarised by Service Committee is shown in appendix 1. Service Committees have recommended budgets for inclusion in the overall budget at their meetings in January and February 2023.

- 4.2. The medium-term financial plan considered by Full Council on 18 January 2023. Identified a significant circa £4m budget gap for 2023/24.
- 4.3. The budget for 2023/24 has been balanced through the use of £4.996m of revenue reserves, including a net draw down of £1.185m for planned specific purposes, and a further £3.811m from the Funding Resilience Reserve to cover a general deficit in the General Fund (GF) budget. The funding resilience reserve is anticipated to reduce to £4.284m at the end of 2023/24. It is proposed that the deficit is funded from the Funding Resilience reserve and the budget has been prepared on this basis. The GF will remain at £5m, which is the minimum recommended balance until the approval of a transformation programme to balance the underlying budget. The level of the GF will be kept under review as part of this process.

Transformation Budget 2023/24

- 4.4. Significant work will be required to reduce the budget deficit over the coming years. The budget therefore contains a £3m Transformation Budget which will be applied in 2023/24 and future years to enable a programme including cost reductions and increased income to be achieved. The budget for 2023/24 assumes a base budget reduction of £2.5m comprised of £2m expenditure reduction and £0.5m increase in discretionary income. This budget will be controlled by the Chief Executive in consultation with the Group Head of Finance and s151 Officer using sound invest to save principles. The Policy and Finance Committee will be provided with regular updates on the Transformation programme during 2023/24. The transformation budget is supported by a £1.0m contribution from the Transformation Reserve set up in 2022/23.
- 4.5. Budget changes for 2023/24 over £300k are summarised in the table below:

General Fund Budget 2023/24 Headline Changes > £300k	
	£'000
Change in Establishment	1,234
Increase in Combined Cleansing Contract	1,800
Net increase in Homelessness Expenditure	1,400
District Election (one off)	300
Utility prices	300
Retained Business Rates (including s31 grants)	(1,450)
Reduction in New Homes Bonus	676
Increase in other non ringfenced grants	(685)
Council Tax	(602)
Committee Growth Bids 2023/24	1,156
Fall out of Committee Growth Bids 2022/23	(670)
Interest on Investments	(1,413)
Increase in income (Planning and Estates)	(502)
Transformation budget	3,000
Savings Target 2023/24	(2,000)
Discretionary Fees and Charges Target 2023/24	(500)
Change in Reserve Contributions	(3,068)
Other net variations < £300k	1,024
Net Change	0

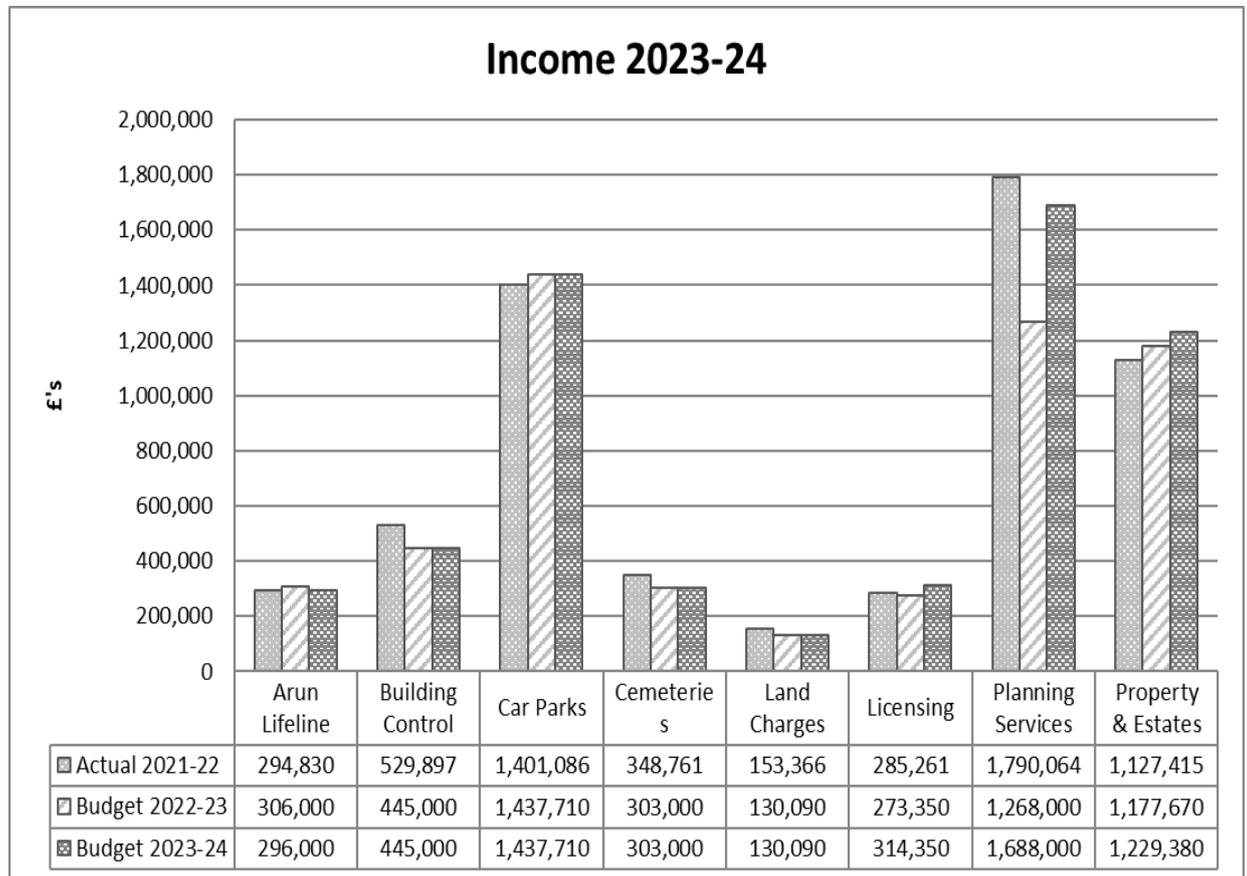
- 4.6. Members of the Environment Committee agreed the service configuration for the three year extension of the Combined Cleansing Services Contract (CSC) at their meeting on 19 May 2022. The contract extension is for the period 1 February 2023 to 31 January 2026. The financial implications were considered at Policy and Finance Committee on 30 June 2022 and a supplementary estimate of £180k (contract indexation) and £109k (continuing weekly refuse collections) were approved at Full Council on 13 July 2022 to cover the additional costs for the remainder of 2022/23. A further report was considered at the Environment Committee on 17 November 2022 informing members of the additional indexation required to cover the increase in contractual costs due to inflation, pay negotiations and fuel cost pressures. The increase in cost of £269k was met by virement from the Inflationary pressure earmarked reserve and comprised of £163k for April 2022 to January 2023 and £106k for February 2023 to March 2023. The timing and impact of the Extended Producer Responsibility (EPR) in waste announced in the policy statement alongside the Settlement remains unclear.
- 4.7. The budget assumes in year net cost reductions of £2.5m comprised of an estimated base budget reduction in cost of £2m and an increase in discretionary income of £0.5m. These actions will be the first step towards balancing the budget without the use of general reserves. However, failure to meet those targets will place even further pressure on future budgets.

- 4.8. Employee costs have increased significantly which is mainly due to the impact of the staff pay awards. The staff pay awards are negotiated nationally by the National Joint Council for Local Government Service (NJC) and given the current high level of inflation the pay increase agreed for 2022/23 was substantially higher than the assumption made when setting the 2022/23 budget. The budget for 2023/24 assumes a 4.5% pay award.
- 4.9. Members have been informed about the pressure on the Homelessness budget during 2022/23. The budget reflects that the situation is a national problem and is expected to continue during 2023/24.
- 4.10. The changes in government funding and Council tax are explained in section 2 above.
- 4.11. The increase in interest on balances is due to higher interest rates.
- 4.12. Other net variations are due year on year changes in the level of service provision (e.g. Local Plan £170k and net increases in Housing Benefit £127k) as well as the generally high level of inflation which is reflected in contract renewals as well as the regularisation of some budgets identified as part of the ZBB exercise.
- 4.13. In considering the budgets, service committees were all requested to consider increased service requests as growth items totalling £1.156m. The bids are summarised in the table below:

Committee	Growth Items	£'000
Corporate Support	Deputy Committee Services Manager	49
Corporate Support	Member Liaison Officer	41
Corporate Support	Electoral Services Assistanat	19
Economy	Small Grants Fund	100
Economy	Careers Advice	13
Environment	Assistant Tree officer	37
Environment	Countryside and Volunteering Officer	37
Environment	Apprentice EHO	30
Housing and Wellbeing	Events Co-ordinator	50
Housing and Wellbeing	Events	100
Housing and Wellbeing	Support for Leisure Provider	580
Policy and Finance	Carbon Reduction Funding	100
	Total Growth Bids 2023/24	1,156

- 4.14. Income from fees, charges and rents are included within the net cost of service. In total this amounts to an overall financing of £5.843m (£5.341m 2022/23) an increase of £502k. The main reason for the increase is planning fees (£420k) which are set by statute, with the remaining increase from Licensing fees (£41k) and Property and Estates (£51k) and a reduction in Lifeline fees of £10k. Income is a key risk area to the budget as it is predominantly externally influenced, without a direct link to service cost and each source is unique. The budgets for

discretionary charges were not uplifted in the budget. However, the contingency budget contains a (£500k) income target which is required for the Council to close the budget gap and become more self-sufficient. The graph below shows income by source and value and demonstrates trend. The income estimates included in the 2023/24 budget are reasonable.



5. Earmarked Reserves

5.1. Earmarked Reserves are amounts of money specifically identified for operational purposes and held alongside the General Fund for drawdown as required. The total value of earmarked reserves at the end of 2021/22 financial year was £27.533m (£29.162m previous year). The carry forward balance into 2023/24 will be a minimum of £15m, depending upon the amount of budget variation during 2022/23. It should be noted that S.31 grant which is received to cover the Collection Fund loss in relation to Business Rates can cause extreme fluctuations in the level of earmarked reserves as the grants cannot be carried forward to match the following years collection fund losses. Budget expenditure relating to these reserves is isolated from the cost of service for General Fund financing purposes. Earmarked reserves are drawn down into the budget as required through the virement approval process.

- 5.2. The Council has a Funding Resilience Reserve (balance £9.073m 1 April 2022), which was established to mitigate against the risk of a significant drop in government funding (Fair Funding Review, Review and reset of Business Rates and New Homes Bonus) to ensure that the General Fund balance does not drop below the recommended minimum balance of £5m. Any surplus or deficit will therefore be transferred to/from the Funding Resilience Reserve at the end of the Financial Year. It is anticipated that the balance of the FRR will reduce to approximately £8.1m at 31 March 2023. The closing balance for 2022/23 will depend on the actual budget variation at the 31 March 2023. The budget for 2023/24 required a drawdown of £3.8m resulting in an estimated FRR reserve balance of £4.3m at 31 March 2024. The anticipated FRR appropriations are summarised in the table below:

Funding Resilience Reserve	£'000
Balance at 1 April 2022	9,073
Budgeted draw down 2022/23	(817)
Supplementary Estimates	(429)
Budget variation to Q3 2022/23	268
Estimated closing balance 31 March 2023	8,095
Budgeted draw down 2023/24	(3,811)
Estimated Balance at 31 March 2024	4,284

6. Risk analysis

- 6.1. Corporate and Operational risk registers have been reviewed for financial implications as part of the budget process on the criteria of probability of occurrence and materiality of impact upon balances.
- 6.2. Income: the budget includes £5.341m (£5.341m previous year) from fees, charges and rents; these have been set on the basis of achievement of the level of predicted income and previous outturn, including known changes in environment. At present, the main risks to this are a poor summer resulting in lower car park income and income from planning fees declining if the economy contracts.
- 6.3. Transformation programme and resulting savings will be challenging for the Council to achieve. Delays in closing the budget gap will place further pressure on future budgets.
- 6.4. The budget contains an assumption of a pay increase of 4.5% in 2023/24 and the vacancy management factor has been kept at £500k. There is currently no information on the likely pay award for 2023/24.
- 6.5. Retained Business Rates: the reset of the retained business rates baseline has been postponed again. This could effectively wipe out all or a proportion of the past gains through growth, built up since the inception of the scheme. The significant adverse effect of a full baseline reset is mentioned in section 2 above. However, the magnitude of the change will be subject to potential damping.

- 6.6. The future and timing of the Fair Funding Review and the New Homes Bonus remain uncertain.
- 6.7. The timing of any prudential borrowing will have to be kept under review to ensure that loans are not taken out at higher rates unless necessary.
- 6.8. Continuing high rates of inflation will result in significant budget pressure as the costs built into the base budgets.

7. Housing Revenue Account

7.1. The Revenue Budget is shown at Appendix 2. The budget has been prepared using the most up to date information available. A housing rent increase of 7.0% has been assumed for 2023/24 giving an average rent of £102.34 per week (excluding VAT). In addition, a garage rent increase of 7.0% for 2023/24 has been assumed giving an average rent of £14.50 per week (excluding VAT). The HRA budget for 2023/24 shows an expected surplus of £0.995m, leaving a balance carried forward at 31 March 2024 of £4.191m (HRA Reserve £1.261m and Major Repairs Reserve £2.930m).

7.2. The expected surplus of £0.995m is subject to the delivery of the following savings in 2023/24 as part of the recovery plan to address the growing revenue costs of repairs, supervision and management:

- Responsive Repairs - £0.143m
- Supervision and Management - £0.186m

The 2023/24 responsive repairs budget has been based on 2022/23 actual expenditure after removing the impact of one-off spend in relation to compliance issues.

7.3. The target is to bring Arun into line with the median benchmark of 3 repairs per property and average cost of £135 (2023/24 prices). To achieve this the following cumulative savings targets have been applied in consultation with Housing Management:

- 2023/24 = 5% (£0.143m)
- 2024/25 = 8% (£0.390m)
- 2025/26 = 8% (£0.642m)
- 2026/27 = 9% (£0.928m)

7.4. Cumulative savings targets of 3% have been assumed for Supervision and Management over the period 2023/24 to 2026/27 resulting in total savings of £0.776m by 2026/27.

7.5. The achievement of the savings is critical to the sustainability and viability of the HRA.

7.6. The minimum level HRA Balance is set at £2.0m. During 2022/23 this minimum level has been breached and is not forecast to return to a level in excess of

£2.0m until 2027/28, the critical elements of this being the delivery of the savings targets as previously mentioned in the preceding paragraphs. Forecast HRA Balance 2024/25 to 2027/28 is as follows:

- 2024/25 = £1.380m
- 2025/26 = £1.385m
- 2026/27 = £1.649m
- 2027/28 = £2.307m

8. Capital Budget

- 8.1. The Capital budget together with the proposed method of financing can be found in Appendix 3.
- 8.2. Full council will be asked to approve the capital strategy on 15 March 2023 (after consideration by Policy and Finance Committee on 7 March 2023). The capital strategy forms the policy framework for capital investment decision over the next three years informing the detailed annual capital budgets over this period. The strategy aims to balance capital expenditure needs and expectations with the scarcity of available resources.
- 8.3. The total General Fund capital programme is £5.944m. However, it should be noted that Full Council approved a capital supplementary estimate totalling £3.750m on 29 September 2022 (FC 29/9/22 minute ref 329). It comprised of £3m to support the Alexander Theatre (Regis Centre site) levelling up fund project and £750k to buy back the lease for the property to gain vacant possession, to allow delivery of the project. The Council is anticipating £1m capital receipt which will be applied to this scheme and therefore Members will be asked to approve the remaining £2.194m balance of the general fund capital budget for 2023/24.
- 8.4. The capital budget for 2023/24 and future years is limited by the funding that is available. If all capital receipts in hand are applied, then other funding will need to be considered, such as borrowing or revenue funding. Both would place pressure on the revenue account. The budget will apply £1.285m of capital receipts to finance the programme, in previous years this has been part financed from revenue contributions.

8.5. A summary of the capital budget and financing for 2023/24 is set out below:

	£'000
General Fund	
Disabled Facilities Grants	1,400
Capital Project Programme	794
Alexandra Theatre	3,750
Total General Fund	5,944
Housing Revenue Account	
Housing IT	467
Housing Improvements	2,931
Decarbonisation	3,000
Sheltered Accommodation	2,600
Total Housing Revenue Account	8,998
Total Capital Programme	14,941
Financed by:	
Capital Grants	1,400
Capital Receipts	1,285
Major Repairs Reserve	2,931
Prudential Borrowing	9,325
Total Financing	14,941

9. Capital Receipts

- 9.1. Capital receipts are an important source of funding for the Council's capital programme. There are two categories of capital receipts: "1 for 1 replacement" receipts and general receipts. "1 for 1 replacement" receipts are those accrued under the terms of Arun's agreement with the Government to retain the additional receipts generated by the relaxation of the Right to Buy discount rules. Under the terms of this agreement these receipts can only be used for the provision of new social housing and Arun must match every £40 of receipts used with £60 of its own funding. A further condition of the agreement is that receipts must be spent within five years, failing which they must be returned to the Government plus interest at 4% above base rate. One of the approved priorities of the Council's Housing Revenue Account Business Plan is a significant new stock development programme. Any new receipts (net of amounts paid to the Government under pooling), will be used to support this programme. There are very few restrictions relating to the use of general receipts, these can be used for any capital purpose and there are no time constraints relating to their use.
- 9.2. The Council's available capital receipts totalled £2.035m as at 31 March 2022 (£1.933m previous year). The total comprises of only general receipts, all 1 for 1 receipts had been utilised at this date to fund HRA new build/acquisitions. The 2023/24 budget assumes application of £1.285m of capital receipts. This is dependent on actual receipts and the amount of capital expenditure. If all usable receipts are applied, then alternative funding will be used.

10. Conclusion

- 10.1. The General Fund revenue budget and Capital budgets are set within the medium-term financial strategy. The budget for 2023/24 is subject to significant pressure on expenditure due to the unprecedented rates of inflation, growth in the homelessness budget and the Combined Cleansing Contract resulting in a significant budget gap from 2023/24. The Council has significant reserves to ensure financial resilience, however, balances are anticipated to reduce significantly from 2023/24. The Council's Corporate Management Team (CMT) are working with members to identify efficiencies and income generating ideas, which will continue to be worked on during 2023/24. The £2.5m base budget reduction assumed in the contingency budget will be challenging to achieve.
- 10.2. The 2023/24 budget requires a drawdown of £3.9m from the funding resilience reserve leaving a balance of circa £4.4m. This is in addition to a £5m General Fund Balance
- 10.3. The HRA will be below the recommended minimum of £2m for a number of years. It is important to continue to monitor progress to ensure that the HRA remains financially sustainable.
- 10.4. The total General Fund capital programme for 2023/24 totals £5.9m. The Council's ability to deliver future programmes is dependent on funding. A review will be undertaken during 2022/23 on current schemes to determine their deliverability and whether they should remain in the programme. This will free up resource for other projects

General Fund Revenue Budget Summary

Actual 2021-22 £'000	Description	Budget 2022-23 £'000	Budget 2023-24 £'000
Cost of Service			
1,866	Policy and Finance Committee	2,136	2,003
6,854	Corporate Support Committee	6,592	7,569
1,450	Economy Committee	2,713	2,336
8,386	Environment Committee	8,257	10,556
23	Planning Policy Committee	945	906
4,453	Housing and Wellbeing Services	3,311	5,217
0	Vacancy Management	(500)	(500)
(1,710)	Recharges to Housing Revenue Account	(1,545)	(1,526)
21,322	Total Cost of Service:	21,909	26,561
Corporate Cost			
4,877	Parish Precepts	5,024	5,289
256	Other precepts and levies	247	249
(442)	Interest & investment income	(413)	(1,825)
(727)	Contingencies / miscellaneous	0	1,706
426	Contribution to/(from) earmarked reserves	(1,928) x	(4,996)
1,059	Capital expenditure financed from revenue	52	0
1,098	Pension deficit contributions	982	1,323
6,547	Total Corporate Cost:	3,964	1,746
27,869	Total Net Budget Requirement	25,874	28,306
Financed By			
(5,963)	Retained Business Rates	(6,176) xx	(7,626)
(1,040)	New Homes Bonus	(1,292)	(616)
(4,201)	Other non ringfenced grants	(1,140)	(1,825)
(11,836)	Council Tax Income - Arun Excluding Parishes	(12,380)	(12,982)
(5,036)	Council Tax Income - Town & Parish Councils	(5,024)	(5,289)
207	Collection Fund deficit/(surplus)	138	32
(27,869)	Total External Finance:	(25,874)	(28,306)
(0)	Transfer (to) / from General Fund Reserve	(0)	0

^x Excluding £3.742m S31 Grant received in 2021/22

^{xx} Including £3.742m S31 Grant received in 2021/22

Housing Revenue Account Budget Summary

Actual 2021-22 £'000	Description	Budget 2022-23 £'000	Budget 2023-24 £'000
	Expenditure		
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
16,572	Total Expenditure:	18,980	19,351
	Income		
(15,982)	Rents (dwellings, garages, hostels, other property)	(16,391)	(17,286)
(521)	Charges for services and facilities	(632)	(641)
45	Interest on balance	10	(28)
(16,458)	Total Income:	(17,013)	(17,955)
114	HRA (surplus) / deficit	1,967	1,396
	Housing Revenue Account Reserves		
(8,948)	Balance brought forward	(8,834)	(4,921)
114	HRA (surplus) / deficit	1,967	1,396
	Capital Slippage in year	1363	
	Estimated variation in 2022/23 out turn	583	
(8,834)	Balance carried forward	(4,921)	(3,525)

Capital, Asset Management and other projects Budget Summary

Actual 2021-22 £'000	Description	Budget 2022-23 £'000	Budget 2023-24 £'000
Capital expenditure by Committee Portfolio			
464	Corporate Support Committee	200	0
2,231	Economy Committee	807	539
2,943	Environment Committee	1,945	1,655
7,617	Housing & Wellbeing Committee	9,338	8,997
0	Policy & Finance Committee	0	3,750
13,255	Total Expenditure:	12,290	14,941
Summary			
5,663	General Fund	6,539	11,544
7,592	Housing Revenue Account	5,751	3,397
13,255	Total Expenditure	12,290	14,941

Actual 2021/22 £'000	Description	Original Budget 2022/23 £'000	Updated Budget 2022/23 £'000	Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000
GENERAL FUND							
Environment							
1,413	Disabled Facilities Grants	1,400	1,400	1,400	1,400	1,400	1,400
23	Parks Chipper	-	-	-	-	-	26
-	Keystone Centre	-	250	-	-	-	-
34	Sunken Gardens	-	466	-	-	-	-
1,311	Place St Maur	-	465	-	-	-	-
162	Play Areas	225	462	255	65	100	100
-	Bersted Brooks Country Pk	320	320	-	-	-	-
2,943	Total Environment	1,945	3,363	1,655	1,465	1,500	1,526
Economy							
1,310	Littlehampton Public Realm	-	3,302	-	-	-	-
921	Asset Management	807	3,285	539	453	1,110	320
2,231	Total Economy	807	6,587	539	453	1,110	320
Policy & Finance							
-	Levelling Up Fund - L'ton Sea Front	-	7,234	-	-	-	-
-	Levelling Up Fund - Alexandra Theatre	-	12,190	-	-	-	-
-	Alexandra Theatre - Council Cont.	-	-	3,750	-	-	-
-	Total Policy & Finance	-	19,424	3,750	-	-	-
Corporate Support							
75	Arun Improvement Programme	-	-	-	-	-	-
356	ICT	200	548	-	50	-	355
33	E5 Upgrade	-	-	-	-	-	-
464	Total Corporate Support	200	548	-	50	-	355
Housing & Wellbeing							
25	Littlehampton Wave	-	-	-	-	-	-
-	Arun Leisure Centre wet change	987	987	-	-	-	-
25	Total Leisure	987	987	-	-	-	-
5,663	TOTAL GENERAL FUND	3,939	30,909	5,944	1,918	2,610	2,201
HOUSING							
Housing & Wellbeing							
262	CX Implementation	285	466	467	53	-	-
262	Total Housing IT	285	466	467	53	-	-
4,328	Stock Development	100	10,845	-	-	-	-
105	Reroofing Programme	950	950	250	500	500	500
21	Roofline	150	150	100	150	150	150
49	Lift Replacement Programme	50	50	75	75	75	75
130	Kitchen & Bathroom Replacement Programme	950	950	200	500	500	500
210	Kitchen & Bathroom Replacement Programme Voids	250	250	125	125	125	125
241	Commercial Boiler Room Improvements	100	100	150	150	150	150
242	Domestic Heating Programme	651	651	651	651	651	651
	Stores	30	30	250	100	100	0
516	Fire Compliance	-	-	-	-	-	-

30	Structural	140	140	120	120	120	120
1,060	Windows & Doors	1,575	1,575	520	20	20	20
18	Rewiring	70	70	140	173	162	135
380	Aids & Adaptations	450	450	350	350	350	350
7,330	Total Housing Stock Dev & Improvements	5,466	16,211	2,931	2,914	2,903	2,776
-	Decarbonisation	-	-	3,000	-	-	-
-	Total Decarbonisation	-	-	3,000	-	-	-
-	Sheltered Accommodation	2,600	-	2,600	2,000	1,400	-
-	Total Sheltered Accommodation	2,600	-	2,600	2,000	1,400	-
7,592	TOTAL HOUSING	8,351	16,677	8,998	4,967	4,303	2,776
13,255	TOTAL PROGRAMME	12,290	47,585	14,941	6,935	6,913	4,977
FINANCED BY:							
3,174	Capital Grants	1,400	24,184	1,400	1,400	1,400	1,400
1,396	Capital Receipts	1,500	1,500	1,285	285	285	285
2,381	Charge to General Fund (RCCO)	52	3,752	-	-	-	-
2,467	Major Repairs Reserve	5,336	5,336	2,931	2,914	2,903	2,776
653	Charge to the HRA	515	-	-	-	-	-
3,184	Prudential Borrowing	3,487	12,813	9,325	2,336	2,325	516
13,255	TOTAL FINANCING	12,290	47,585	14,941	6,935	6,913	4,977