

RECOMMENDATIONS TO THE POLICY & FINANCE COMMITTEE
9 FEBRUARY 2023

AGENDA ITEM 10 – COUNCIL REVENUE AND CAPITAL BUDGETS 2023/2024

CORPORATE SUPPORT COMMITTEE - 19 JANUARY 2023

593. **COMMITTEE BUDGET REPORT – SERVICE SPECIFIC - BUDGET 2023/24**

The Interim Group Head of Finance and Section 151 Officer introduced the report and explained to Members that, due to the significant budget gap for 2023/24, only essential growth items had been put forward for their approval. The main growth item for this Committee related to the district election for this year. It was confirmed that would fall out in 2024/25. The growth bids for the Committee totalling £109k were summarised in Appendix B.

The Chair then asked Members if there were any questions on the report. As there were no questions the Chair then presented the recommendations and upon the vote;

The Committee

REOLVED

- (a) Agree the 2023/24 Revenue Budget as illustrated in Appendix A of this report; and
- (b) Agree the list of uncommitted growth items as illustrated in Appendix B of this report; and

RECOMMEND TO THE POLICY & FINANCE COMMITTEE that

- c) the Revenue Budget for this Committee be included in the overall General Fund Budget when considering the overall budgets on 9 February 2023

HOUSING AND WELLBEING COMMITTEE – 25 JANUARY 2023

607. **COMMITTEE GENERAL FUND REVENUE AND CAPITAL BUDGETS AND HOUSING REVENUE ACCOUNT BUDGETS 2023/24**

The Interim Group Head of Finance and Section 151 Officer introduced the report and advised members that this was the second year of preparing the budget under the committee style of governance system. The budgets from this committee plus any growth bids would be considered at the Policy and Finance Committee as part of the overall budget on 9 February 2023 before being considered at Full Council on 1 March 2023 for approval. This committee being responsible for the General Fund and HRA.

Starting with the General Fund, it should be noted that the budget had been prepared against a backdrop of a significant budget gap for 2023/24. Only essential growth bids for 2023/24 had been put forward for the committee to approve. The growth bids listed in appendix B totalling £730k were: Support for Leisure Operator £580k (£265k current year); Events £100k and an Events Officer £50k.

The main year on year changes were: The most significant increase was in the net cost of Homelessness. The net budget had increased to £2m from £810k, which was an increase of £1.19m. Leisure contract contribution had increased by £121k – however, this had to be seen in light of the bid for £580k (£265k current year) Housing Benefit had increased by £127k. This was mainly due to assisted accommodation which attracted lower level of Housing Benefit and the move to Universal Credit.

The Chair invited comments from the committee regarding the general fund where comments were made regarding funding support for the Leisure Operator and it was confirmed that an additional report on that topic would be brought to the committee at a later date. A short discussion regarding the success of recent events over the Christmas period was also had.

Turning to HRA, the revised budget for the HRA for 2022/23 was approved at Full Council on 18 January 2023. It approved changes to accounting policies had been reflected in the projected HRA balance in paragraph 3.15 which showed the HRA balance improving steadily, and it would reach a balance of £2m by 2027/28. The projected improvement in the HRA balance was a result of the delivery of savings as part of a recovery plan to address the growing revenue costs of repairs and supervision and management costs as well as changes in accounting policies mentioned previously. The budget for next year assumed a 7% increase in rent levels resulting in an average rent level of £102.34 per week. The capital programme shown in appendix E. Shows the budget reflected the £3m match funding for decarbonisation programme and £1.6m for the first part of the sheltered housing improvement scheme.

The Chair then invited questions and comments on the HRA where more information was sought in relation to paragraph 3.9 where it referred to savings and what sought of savings would the council be expecting to receive. The Head of Housing explained that a lot is spent on emergency accommodation, however the councils recovery of funds for that income is low there was scope for this to be improved this considerably. The Chair then asked if there was a timeline for when the council would be on track with this improvement, and it was confirmed that 6-9 months should be enough time to see some improvements implemented. She then requested that the Head of Housing work with members to identify those improvement metrics that can be benchmarked against other authorities. It was agreed that an update report would be brought back to committee in 3 months' time.

The recommendations were then proposed by Councillor Gregory and seconded by Councillor Needs.

The Committee

RESOLVED

- (a) Agree on the 2023/24 Revenue Budget as illustrated in Appendix A of this report;
- (b) Agree on the list of uncommitted growth items as illustrated in Appendix B of Page 39 Agenda Item 9 this report;
- (c) Agree on the 2023/24 HRA Revenue Budget set out in Appendix C of this report;
- (d) Recommends to allow the HRA Balance to remain below the minimum level of £2.0m for the period 2023/24 to 2026/27 to enable the realisation of savings in Repairs and Supervision & Management expenditure to deliver a sustainable HRA;
- (e) Recommends HRA rents for 2023/24 are increased by 7.0% in accordance with the provisions of the rent standard
- (f) Recommends that HRA garage rents are increased by 7% to give an average rent of £14.50 per week (excluding VAT) and heating and water/sewerage charges be increased on a scheme-by-scheme basis, with the aim of balancing costs with income;
- (g) Agree on the 2023/24 General Fund Capital Programme as illustrated in Appendix D of this report;
- (h) Agree on the 2023/24 HRA Capital Programme as illustrated in Appendix E of this report; and

RECOMMEND TO POLICY AND FINANCE COMMITTEE

- (i) that the General Fund Revenue Budget, list of growth items, General Fund Capital Programme, HRA Revenue Budget and HRA Capital Programme be included in the overall General Fund Budget when considering the overall budgets on 9 February 2023.

PLANNING POLICY COMMITTEE – 26 JANUARY 2023

624. COMMITTEE REVENUE AND CAPITAL BUDGETS 2023/24 - PLANNING POLICY

Upon the invitation of the Chair, the Interim Group Head of Finance and Section 151 Officer presented the report which asked the Committee to consider and recommend its revenue budget for inclusion in the Council's 2023/24 revenue budget for 2023/24. This would then be submitted to Policy and Finance Committee on 9 February 2023 when it considered the overall revenue and capital budgets for 2023/24 so recommendations could be made to a Special Meeting of the Council on 1 March

2023 on the budgets to be set and level of Council Tax for the District for 2023/24. It was noted that this was the second year of preparing the budget under the committee style governance system and that the budget had been prepared against a backdrop of a significant budget gap for 2023/24. The main budget changes from 2022/23 were highlighted - the full year cost of the proposed planning restructure being reflected in the establishment budget, £293k having been included for the Local Plan (£123k in the previous year), and the budget anticipating an increase in development control fees of £400k with a budget of £1.6m for 2023/24.

The Chair noted that this Committee was the budget holder for the entire Planning Service, with responsibility for both its own budget and statutory Development Control (Planning Committee). Members then took part in a full debate on the item where a number of points were raised. Clarification was sought on whether the figure quoted for 'Employees' was for a full compliment of staff given recent recruitment problems and whether there was any contingency within the budget to deal with additional pressures. The continued use and cost of agency staff was also raised. Further information was sought on the assumptions made on 'Other Income', as well as the figures for Local Plan expenditure and statutory fees in paragraph 3.8 of the Officer report [on page 3 of the supplementary pack].

It was confirmed that a full compliment of staff had been budgeted for and that there was some contingency in the budget before the need for requests of supplementary estimates to be made to Full Council. It was explained that expenditure could be earmarked at the end of the previous year in order to meet agency costs for example. If no funding was earmarked then the Planning Service would have to stay within its funding envelope, though through the Establishment budget held corporately there was the possibility of virement from elsewhere. It was further explained that due to the cost of living crisis assumptions for income were broadly flat, that though the Local Plan was paused some studies were ongoing hence the expenditure, and that statutory fees were set by statute over which the Council had no control.

As this was the final Planning Policy Committee meeting the Interim Group Head of Finance and Section 151 Officer would attend before leaving Arun, the Chair and Members thanked her for her services to this Committee and to the Council and wished her well in her future role.

The Committee

RESOLVED

That 2023/24 Revenue Budget as illustrated in Appendix A of the Officer report be agreed.

The Committee

RECOMMEND TO POLICY AND FINANCE COMMITTEE

That the Revenue Budget for this Committee be included in the overall General Fund Budget when considering the overall budgets on 9 February 2023.

ENVIRONMENT COMMITTEE – 31 JANUARY 2023

638. COMMITTEE REVENUE & CAPITAL BUDGETS 2023/2024

Upon the invitation of the Chair, the Interim Group Head of Finance and Section 151 Officer presented the report to the Committee. She explained that the budgets from this Committee plus any growth bids would be considered at Policy and Finance Committee as part of the overall budget on 9 February 2023, before going on to Full Council on 1 March 2023 for approval. She highlighted that the budget had been prepared against a backdrop of a significant budget gap for 2023-24. Only the essential growth bids for 2023-24 had been put forward for the Committee to approve. She went through the growth bids listed in Appendix B, and then the main year on year changes, which were Combined Cleansing Contract; and Foreshores – cost of beach patrol service; Establishment; Grounds maintenance Contract Consumer Price Index inflation. The Committees Capital programme totalling £1.655m for 2023-24 was detailed in Appendix C, and was comprised of £1.4m Disabled Facilities Grants, which were all grant funded; and £255k for Play Areas.

Members then took part in a question-and-answer session and the following points were made:

- Clarification was sought on some of the figures. This was provided by the Interim Group Head of Finance and Section 151 Officer
- There was concern that the Disabled Grant had not risen, and it was not expected this would rise over the course of the next five years, despite inflation rapidly rising. It was suggested that a letter from the Council be written to lobby for a rise in this grant. The Chair offered support for this, and it was agreed this could be discussed after the meeting.
- Disappointment was expressed by some Members that there was nothing regarding beach access in the budget.
- Questions were asked regarding spending on the Sunken Gardens, whether any underspend would be rolled over, and if so could this be spent on additional elements to the project? The Interim Group Head of Finance and Section 151 Officer would look at the detail on this and supply a written reply to Members. The Chair explained that suggestions for additional projects could be brought to the Council by any Member and would be looked at on a case-by-case basis.
- Clarification was requested on the costs of operation of the car parks. The Interim Group Head of Finance and Section 151 Officer explained that the costs in the report were the direct costs to the Committee, however there were other corporate costs involved.

The recommendation was proposed by Councillor Bicknell and seconded by Councillor Chace.

The Committee

RESOLVED that

- 1) the 2023/24 Revenue Budget as illustrated in Appendix A of this report be agreed;
- 2) The list of uncommitted growth items as illustrated in Appendix B of this report be agreed;
- 3) the 2023/24 Capital Programme as illustrated in Appendix C of this report be agreed; and

RECOMMEND TO POLICY & FINANCE COMMITTEE that

- 4) the Revenue Budget for this Committee be included in the overall General Fund Budget when the Policy and Finance Committee considers the overall budgets at its meeting on 9 February 2023.

ECONOMY COMMITTEE – 2 FEBRUARY 2023

655. COMMITTEE REVENUE & CAPITAL BUDGETS 2023/2024

(Councillor Gunner redeclared his interest in Appendix B for this item. He requested that recommendation b was dealt with separately to the rest of the recommendations and that he would leave the room for this part of the meeting.)

The Group Head of Finance and Section 151 Officer was invited by the Chair to provide members with an overview of the report. She explained that this was the second time preparing the budget under the committee style governance system. The budget from this committee plus any growth bids would be considered at Policy and Subject to approval at the next Economy Committee meeting 443 Economy Committee - 2.02.23 Finance Committee as part of the overall budget on 9 February before going on to Full Council on 1 March for approval.

It should be noted that the budget has been prepared against a backdrop of a significant budget gap for 2023/24. Only essential growth bids for 2023/24 had been put forward for the committee to approve. The amended growth bids listed in appendix B totalling 113k are: Small Grants Fund to community organisations including Parish Councils that are unable to apply to the UK prosperity Fund, £100k and Contribution towards Coast to Capital Careers Hub and Apprentice Enterprise Adviser Network, £12.5k.

She confirmed that the main year on year changes were shown at paragraph 3.9: Fall out of 2022/23 Growth bids; and the committees capital programme totalling £539k for 2023/24 was contained in appendix C is for the asset management programme and is comprised of: Public Conveniences £449k and Hotham Park Carriage Yard £90k.

In summing up she explained that no detail questions were received in advance of the meeting, but she was happy to try and answer any questions that members may have with the help of the officers present.

The Chair then invited questions and comments from the committee where it was raised that;

- What was the location of Sheepwash Barn. It was confirmed Middleton.
- Public Conveniences, specifically the disused toilet block in Wick, what was the plan for this, it was confirmed that there was currently a piece of work being undertaken by officers to explore converting the disused toilet block into open space to enhance the area. The proposed Economy Committee budget did not contain provision for such a conversion as that would fall within the remit of the Environment Committee. The Vice-Chair and Leader of the Council confirmed that he had spoken with the Director, and he had been assured that the Parks and Open Spaces budget would accommodate this work.
- It was requested that a Regeneration Master Plan was put together by officers and was budgeted for, so the next administration could move forward with.
- There was concern raised that there was nothing budgeted for Bognor Regis Town Hall and was it realistic that the council would not spend anything in the building. It was confirmed that the Revenue Budget was where ongoing maintenance for buildings funds came from. So it wasn't that nothing would be spent on the building, it was that there were no expected larger capital projects in the coming financial year.
- Clarity was sought on the work budgeted for the Oyster Pond and what this was. It was explained that there were defects within the structure that required attention. It was suggested that the work to install fountains should be completed at the same time as the maintenance work is completed on the pond as it was felt this would be more cost effective. Subject to approval at the next Economy Committee meeting 444 Economy Committee - 2.02.23
- Further clarity was sought regarding Bognor Regis Town Hall and what was the predicted spend in 2025 – 2027 for? It was explained that the specific details were not know to the officers present, however there were a number of elements would have been expected to deteriorate over that timescale.

The Group Head of Finance and Section 151 Officer advised members that it was important for them to remember that the finances they are discussing were only indicative at this time and further additional detail would be brought to them over time.

The Chair the asked Members if they had any debate around recommendation (b) and if not, could the vote be taken on this item now.

The Vice Chair and Leader of the Council left the room.

As there was no discussion on recommendation (b) it was proposed by Councillor Cooper and seconded by Councillor Pendleton.

The Committee

RESOLVED that

(b) the list of uncommitted growth items as illustrated in Appendix B of this report be agreed;

The Vice Chair and Leader of the Council returned to the room for the vote on the remaining recommendations.

These were proposed by Councillor Cooper and seconded by Councillor Mrs Cooper.

The Committee

RESOLVED to

(a) Agree the 2023/24 Revenue Budget as illustrated in Appendix A of this report; and

(c) Agree the 2023/24 Capital Programme as illustrated in Appendix C of this report; and

RECOMMENDS TO THE POLICY AND FINANCE COMMITTEE that;

(d) the Revenue Budget, list of growth items and capital programme for this Committee be included in the overall General Fund Budget when Policy and Finance Committee considers the overall budgets at its meeting on 9 February 2023