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POLICY AND FINANCE COMMITTEE

26 October 2023 at 6.00 pm

Present: Councillors Stanley (Chair), Nash (Vice-Chair), Birch, Brooks, Cooper, Greenway, Gunner, Oppler and Pendleton

Councillors Blanchard-Cooper, Goodheart and Tandy were also in attendance for all or part of the meeting.

316. APOLOGIES FOR ABSENCE

There were no Apologies for Absence submitted for this meeting.

317. DECLARATIONS OF INTEREST

The following Declarations of Personal Interests were made in relation to Agenda Item 7 [The Regeneration of The Regis Centre – Update]:

- Councillor Nash, as a Member of Bognor Regis Town Council and as a volunteer for Arun Arts; and
- Councillor Brooks as a volunteer member of Arun Arts and a Member of Bognor Regis Town Council.

318. MINUTES

The minutes from the meeting of the committee held on 11 July 2023 were approved as a correct record and were signed by the Chair at the conclusion of the meeting.

319. ITEMS NOT ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

The Chair confirmed that there were no urgent items.

320. PUBLIC QUESTION TIME

The Chair confirmed that no questions had been submitted for this meeting.

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321. LITTLEHAMPTON SEAFRONT PROJECT - UPDATE REPORT

The Principal Landscape and Project Officer presented a project update report to Members. This highlighted that the design team had been progressing with stage 3 of the project over the last couple of months which had included reviewing the scheme layout in more detail and preparing all documentation in readiness to submit a planning application. It was emphasised that this was a significant milestone to have reached and had allowed the planning application to have been submitted at the beginning of the month.

The report also referred to the project not being able to meet the criteria for the changing places grant funding, however, Members were reassured that this facility would still be provided within the scheme. Officers were now awaiting a detailed cost review to be completed before proceeding with stage 4. The Project Team was also starting to look at the phasing of the construction works and the temporary facilities which would be needed during this period. Information would be shared with Members when these details had been confirmed.

The Chair then invited questions from Members. A question was asked about the water jets forming part of the Place St Maur facility in Bognor Regis where disappointment was expressed that these had not provided any coloured lighting and so were lacking in providing an artistic atmosphere. If water jets were planned for the Littlehampton Seafront project, could reassurance be given that coloured water jets would be provided? It was explained that this project would provide a different water type feature and that if water jets were to be provided, they would be on a much smaller scale and so it was unlikely that a lighting display would be provided. In response to this discussion, it was confirmed that coloured lighting had not, at any point, been promised for the Place St Maur project.

Congratulations were extended to the Officer Team for ensuring that the project was timewise on track. Reassurance was sought that looking forward to all future key stages and targets of the project, these would continue to be met. It was confirmed to Members that this was the case, and that work would commence early next year with a completion date of Autumn in line with the project's grant funding requirements.

The Committee then noted the contents of the report.

322. THE REGENERATION OF THE REGIS CENTRE - UPDATE REPORT

The Chair welcomed the Interim Regeneration Consultant who was attending the meeting virtually so that an update on the regeneration of the Regis Centre, Bognor Regis could be provided to the Committee.

The Interim Regeneration Consultant outlined some key points since his last update provided to the Committee on 11 July 2023. These have been summarised below:

- A final showcase of the design had taken place at the theatre which had been very well attended and well received.
- The RIBA Stage 3 design had been undertaken allowing a planning application consultation to have been completed prior to an application being submitted to the Council and considered by the Planning Committee on 6 September 2023. That Committee had resolved to delegate the granting of planning permission to a Planning Officer once a couple of conditions had been satisfied, principally around drainage.
- A tender exercise had been undertaken to procure a main contractor and this had been successfully completed.
- To facilitate stage 4 design, site investigation work had been undertaken around the theatre and on the Place St Maur as it was necessary to establish what existed underground allowing progression of the detailed design for the foundations for the extension. It could be confirmed that good progress had been made.
- Background work was being undertaken on the RIBA stage 4 design and what this would look like in detail particularly around mechanical and electrical work which was necessary before installing solar panels on the roof. Air source heat pumps would be used for the heating.

The Chair thanked the Interim Regeneration Consultant for his detailed update and invited questions from Members. Questions and points raised by the Committee focused on:

- Given the situation and negotiations with Arun Arts, how was this progressing as this was seen as being critical now. Also, could any potential date be confirmed for when work would commence. It was confirmed that a positive meeting had been held yesterday with Arun Arts resulting in a way forward being found to best ensure their survival and finding a role for the future. On site investigations, as mentioned earlier, were currently being undertaken. The main demolition works would commence nearer to Christmas.
- Looking at the Brewers Fayre site next door, reference was made to the site visits that had been arranged for Councillors and a question was asked about this space being lost and being nothing but a building site for some time ahead when it could be an area set aside for community use. The Chair interjected confirming that this was an item for the Special Meeting of the Economy Committee on 1 November 2023 and not for discussion now.
- A question was asked about contractors using the Brewers Fayre site. It was confirmed that contractors were using this space as site offices and to save on having to use car parking spaces in the Regis Centre car park. Again, it was confirmed that this formed the detail of a different report to the Economy Committee on 1 November 2023.

The Committee then noted the update provided.

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(Prior to discussing this item, Councillors Brooks and Nash redeclared their Personal Interest made at the start of the meeting).

323. COMMUNITY CAPITAL PROJECTS (ARUN COMMUNITY FUND)

The Joint Interim Chief Executive and Director of Growth presented his report outlining to Members a mechanism by which potential qualifying capital projects for the Arun Community Fund could be assessed.

Members were reminded that in the 2023/24 budget, £100k had been set aside for a Community Fund intended to support the delivery of small one-off capital community focused projects. The report sought the Committee's approval to agree to the Arun Community Fund and to agree the suggested process for considering projects that members might want to bring forward. Equally, Members could, if they wished to, decide to not proceed with the provision of this fund and instead confirm that it would rather use the money to assist the Council in managing its financial challenges.

In considering this item, reference was made to Paragraph 10 [Human Resources Impact] as it had highlighted that the main implications surrounding the delivery of the project were the possible need to outsource the work and so further information was requested. In response, it was confirmed that no specific figures could be provided at this point as the actual proposed level of work was not yet known. Where possible, use of the Council's in-house resources would be made, but Members were asked to be mindful that staff were fully engaged with other projects, coupled with the need to constantly review resources and money available as part of the ongoing management of the council's financial situation.

Although the report had highlighted that the Council could make a saving by deciding not to proceed with this project, it was strongly felt that it should proceed as it would benefit at least three organisations within Arun providing an opportunity to provide something of real benefit to the community.

On discussing the scheme further, Councillor Greenway confirmed that in principle he had no issues with the scheme but was considering making an amendment to Recommendation 4. He asked why the capital cost of an individual project should not exceed £33k. It was outlined that this amount had been selected as it allowed for three potential projects to be put forward and considered out of a fund total of £100k. If Members did not wish to have a cap imposed, that could be an amendment that they could make but they needed to realise that this would mean that there would be less funding remaining for other projects. Councillor Greenway responded stating that it had been mentioned that this was a one-off project and that Recommendation 2 set out a range of objectives to qualify as a project. He asked about the timescales for projects being submitted for consideration and if they needed to be completed within the one year timeframe identified. It was explained that this question could not be answered without knowing the detail of each project. Returning to Recommendation 2, Councillor Greenway felt that there were other criteria that should be added in considering qualifying projects. An example was applications from Parish Councils for items such as

play equipment and whether an objective of having to include a project having a positive impact on residents' physical and mental wellbeing should be added.

Councillor Greenway then formally proposed that this be added as an additional objective for Recommendation 2. Councillor Greenway also proposed that for Recommendation 4 the project cap should be reduced from £33k to £20k to guarantee five projects coming forward. These amendments were then seconded by Councillor Gunner.

The Chair then invited debate on these amendments which were supported by the Committee as their acceptance would ultimately mean that more projects benefiting the local community would be provided over the lifetime of the project. The inclusion of an objective to support promoting the physical and wellbeing of the community was also supported.

To assist the committee, as they were supporting these amendments, the Vice-Chair referred to the criteria set out in Recommendation 3 which stated that "the number of projects being developed at any one time should not exceed two". In accepting amendments to Recommendations 2 and 4, this would also require amending.

The Interim Joint Chief Executive and Director of Growth responded in relation to the need to change Recommendation 3 and he explained its background and purpose. To avoid over complicating the matter, he confirmed that he would firm up a form of revised wording for the Committee to consider.

Continuing with the debate, further questions were asked about timescales and the one year duration for the project. If a project was approved in month 11, would it still continue? It was confirmed that it would.

The Committee was then provided with the revised wording for Recommendation 3 for it to consider. This read "the number of projects being developed at any one time should not exceed two, **if these projects are to be developed by Arun District Council**".

On putting the amendments to Recommendations 2, 3 and 4 to the vote, the were declared CARRIED.

The Chair then returned to the substantive recommendations and invited debate. Discussion took place on Recommendation 5 as this stated that any project should have the support of at least one ward member. Concern was expressed as many wards had up to three ward councillors, and so ward member support should be more than one councillor. In response, it was confirmed that projects coming forward would have to receive this Committee's approval.

Following further discussion, the Chair proposed that this recommendation be amended to read as follows "Any project should have the support of **fifty per cent one of** ward members". This amendment was then seconded by Councillor Greenway.

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On this amendment being put to the vote it was declared CARRIED.

The Chair returned to the substantive recommendations which were then proposed by Councillor Gunner and seconded by Councillor Cooper.

The Committee

RESOLVED

That the Committee agree to the Arun Community Fund having the following parameters:

- (1) The fund can only be used to support the delivery of small one-off capital community focused projects and not revenue projects;
- (2) In order to be a qualifying project, the project should meet at least one of the following objectives:
 - Will measurably improve the economic, social and/or environmental wellbeing of an area within the district of Arun;
 - Will make a positive contribution towards improving the economic wellbeing of the residents or business;
 - Will make a positive contribution towards delivering the right homes in the right place;
 - Will make a positive contribution towards addressing climate change;
 - Will make a positive contribution towards improving biodiversity
 - Will make a positive contribution towards the physical and wellbeing of the district of Arun
- (3) The number of projects being developed at any one time should not exceed two, if these projects are to be developed by Arun District Council;
- (4) The capital costs of an individual project should not exceed £20k; and
- (5) Any project should have the support of 50 per cent of Ward Members.

324. KEY PERFORMANCE INDICATORS 2022-2026 - QUARTER 1 PERFORMANCE REPORT FOR THE PERIOD 1 APRIL TO 30 JUNE 2023

The Group Head of Organisational Excellence advised Members that this report covered the Council's key performance indicators for Quarter 1 covering April to June 2023.

These indicators had been reported previously to the relevant committees, in this cycle of meetings, and were now being reported to the Policy and Finance Committee as the Committee with overall responsibility for performance reporting.

The Chair confirmed to the Committee that it had been recommended by the Housing and Wellbeing Committee, at its meeting held on 12 September 2023, that the following indicators be included as KPIs in the future:

- A KPI is created concerning incidences of council housing subletting tenancy fraud; and
- A KPI is created concerning the non-payment of service charges for communal areas by owners of flats sold under the council's right to buy scheme.

At the same meeting the Committee had also discussed the newly created housing specific indicators identified to enable more effective scrutiny of housing functions by the committee and in addition to allow benchmarking against other authorities.

The two suggested new KPIs were relatively detailed and likely to be of interest only to Members of the Housing & Wellbeing Committee as they had detailed knowledge of housing issues and were areas that they wished to scrutinise. The Chair therefore proposed, with this Committee's approval, that these new recommended KPIs become part of the new suite of performance measures for housing services which were being reported quarterly to the Housing and Wellbeing Committee but that they would not be added to the overall list of corporate KPIs.

The Committee was advised further that the Housing Interim Business Improvement Manager had confirmed that these new measures could be included in the Housing & Wellbeing Committee's quarterly report with effect from November 2023.

The Chair confirmed that although the performance report before the Committee was an update and information report with no recommendations, he asked if the Committee could support this course of action and if so then a proposer and seconder would be required.

Councillor Birch then proposed the recommendation, and this was seconded by Councillor Nash. On putting the recommendation to the vote, it was declared CARRIED.

The Committee therefore

RESOLVED

That the two new recommended KPIs as set out below become part of the new suite of performance measures for housing services which were now being reported quarterly to the Housing & Wellbeing Committee, but not added to the overall list of corporate KPIs.

- A KPI is created concerning incidences of council housing subletting tenancy fraud; and
- A KPI is created concerning the non-payment of service charges for communal areas by owners of flats sold under the council's right to buy scheme.

The Chair then invited questions from Members on the quarter 1 performance report. The following points were raised:

- CP2 [% of Stage 1 responses responded to within 10 working days] – concern was expressed over the hiving off of overdue complaints into a project with extra resources, could the cost be confirmed, and could reassurance be provided that these complaints would not get pushed to one side in order to achieve target. The Joint Interim Chief Executive and Director of Environment and Communities confirmed that with this project this was a different way of working to tackle and prioritise these sorts of complaints as the performance had not been good. In responding to the question on costs, it was confirmed that a written response would be provide outside of the meeting.
- CP21 [% of non-emergency repairs completed within 20 working days] – the target was 90%, Members were not aware that such a good result had been achieved and asked how as this had not been a high performing statistic in the past. It was explained that the head of service had put into place different methods for dealing with these issues by setting up a different system using different contractors, and this had resulted in the improvement being made. It was confirmed that more information would be provided outside of the meeting and that an update should be provided to the Committee.
- A general observation was made that the previous quarter's performance had been removed from the appendix making it extremely difficult for Councillors to make assessments on improvements or where performance had worsened. A request was made that this be corrected for the next quarterly report.

- There were several indicators where performance had become noticeably worse, these were primarily located within the Housing and Planning sections of the Council. The Joint Interim Chief Executive and Director of Growth responded stating that in terms of the point made about how the appendix had been presented would be taken on board for the next round of performance reporting to committees. Looking at indicators and general performance, the appendix showed a mixed picture of performance where some areas had improved, and others had not. There had been improvement in the speed of determining smaller planning applications. What had informed performance showing as red on planning indicators were that several older applications which had run over or out of time had now been determined. The result of this was that they had dragged down and impacted the overall level of performance. Generally, there had been improvement around determining applications that had been awaiting outcome for a long time. There were certain changes that were progressing now which would not feature in the performance results for this quarter. Members would see a marked improvement for the next quarter.

In terms of housing and poor performance, this had been set out in the commentary provided for CP16 and 21 where difficulties with the IT system had been illustrated for producing the void specifications. To overcome this, a second contractor had been taken on board to tackle the void work and introducing a simplified way of completing void inspections. Management improvements were in place to tackle this. Regarding poor contractor performance on the repairs, a dynamic purchasing system had been established which was starting to show improvements. The Committee was assured that it would be kept up to date on this issue.

On poor contractor performance further questions were asked. Were contractors being held to account if their performance was not satisfactory? It was explained that Officers were engaged in contractual discussions where there had been poor performance and that the new dynamic performance system was tackling this issue. Following further discussions on contractor performance, the Director of Environment and Communities confirmed that she would be happy to meet with Councillors to discuss their concerns as detailed discussion on contractual issues could not be discussed in a public meeting.

Following some further discussion around the covering report and the detail provided, the Committee noted the content of the report and updates provided.

325. ARUN DISTRICT COUNCIL RESIDENTS' SURVEY 2023

Group Head of Organisation Excellence presented her report and introduced the 2023 Arun Residents' satisfaction Survey to the Committee.

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It was explained that the survey provided an insight into residents' perceptions in terms of Arun and what it was like as a place to live and what were the customer satisfaction levels in terms of the services that were provided by the Council.

The Committee was advised that:

- (1) The survey had been carried out by a professional survey organisation called BMG to ensure that responses remained anonymous. Members had been given a copy of their full report. These included details of the methodology used and the views expressed. Where possible the data in the report had been benchmarked against the Local Government Association's national public poll in June 2023 on resident satisfaction with local councils.
- (2) The various perceptions of residents had been illustrated in tables or charts, including trends over time and on page 49 of the agenda a summary of the responses to each question and the changes in positive satisfaction since the 2022 survey had been provided.
- (3) The survey had been posted to 3000 residents selected to ensure full geographical coverage across the district with 755 questionnaires completed, a response rate of 25%. This was slightly down on last year but provided a big enough response to be statistically valid. This was the 'closed survey'. In addition, all residents of the district were given the opportunity to complete the survey online, via a link on the website. 610 surveys were completed by this route. Section 4 of the BMG report set out differences between the perceptions of those responding to the open and the closed surveys with some suggested reasons.

Finally, it was explained that in addition to this survey, key performance indicators were reported to Service Committees which also provided the Council with a wealth of factual performance data enabling Members to scrutinise the performance of services on a regular basis. Officers were therefore proposing that the Residents Satisfaction Survey be completed every two years in the future with the next survey planned to be undertaken in 2025, resulting in a budget saving.

A range of questions and observations were asked and made by Members. Of particular interest were the satisfaction levels for the eastern and western sides of the district which differed considerably with those residing in the east being very satisfied compared to those in the west who were less so. These differences could be seen with issues such as levels of cleanliness and trusting the council to make the right decisions. Members were keen to explore how improvements could be made to level out these differences.

The Joint Interim Chief Executive and Director of Growth outlined that Officers were looking at the results closely to identify the specific areas that the Council needed to address. It was clear the Council needed to find ways of communicating better with residents and this work was in hand.

Following further discussion, the Chair drew Members' attention to the recommendations set out within the report. A request was made that the voting on the recommendations be separated.

Councillor Nash formally proposed recommendation 1 which was seconded by Councillor Stanley.

The Committee

RESOLVED

That following review, the report be noted.

Councillor Birch then proposed the second recommendation which was seconded by Councillor Oppler.

The Committee

RESOLVED

That approval be given that the Residents' Satisfaction Survey be carried out on a biannual basis in the future with the next survey to be in 2025.

326. FINANCIAL PROSPECTS 2024/25 TO 2028/29 - INTERIM UPDATE

The Committee received a report from the Group Head of Finance and Section 151 Officer. Prior to presenting the detail of his report, he confirmed that he needed to make an amendment to Recommendation 2.3 to read as follows [deletions have been shown using ~~strike through~~ with additions shown using **bold**].

Recommendation 2.3 "the Committee agrees to delegate authority to the Section 151 Officer **and the** Chief Executive Officers ~~and~~ **in consultation with the** Chair

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of the Policy & Finance Committee to decide future participation in **any** West Sussex Business Rates Pool”.

Councillor Gunner formally proposed this amendment which was then seconded by Councillor Stanley. On this amendment being put to the vote it was declared CARRIED.

(At this point, Councillors Greenway, Pendleton and Oppler declared their Personal Interests as Members of West Sussex County Council).

The remainder of the report with recommendations was then presented. It was highlighted that the report provided a 5 year forecast, which was still work in progress, but that a further report would be presented to the Committee at its next meeting on 6 December 2023. There would certainly be changes made to the figures and assumptions made within that report as the economic situation was still extremely volatile making the job of forecasting very difficult.

The Committee’s attention was drawn to Appendix A providing the latest forecast in terms of budget deficits that had to be closed. For 2024/25 this stood at £4.5m representing a change of £1m from the previous year when this Committee received the same report back in December 2022. One of the main reasons for this had been pay and contract inflation and further detail had been provided within the report.

The Group Head of Finance and Section 151 Officer said that there was more work to be done on estimates and further reviews were to be undertaken. One of these was business rates. For 2025/26, a large increase had been forecasted and this was explained in detail. Further work on this area would be undertaken ahead of the report for the Committee’s next meeting. Certain assumptions had been made on central government grants and further work would be undertaken on capital programming and potential projects.

Looking at Appendix B, it was explained that this showed the impact to the Council’s usable revenue reserves if the funding gap was not closed. It was stressed to Members by the Group Head of Finance and Section 151 Officer that whilst he did not expect the Council to run out of reserves, Members would need to make some difficult decisions going forward.

The Council’s approach to formulating its forecasts was then explained. Much work in producing service planning templates had been undertaken with Group Heads as these would inform the budget process and would be reported back to Members during the budget setting process.

The Group Head of Finance and Section 151 Officer then drew Members' attention to Section 4.1 of report which explained the budget process. Turning to the Local Government Finance Settlement, this was normally announced in December each year, and this was not expected to change. Various cost pressures were highlighted with a main feature being inflation and the implications of inflationary increases on contracts. Looking forward to the December meeting, work would be undertaken for inclusion in the next report on borrowing costs and increasing the capital programme. Other issues for Members to be aware of surrounded staffing costs and external audit fees.

Looking at the West Sussex Business Rates Pool it was highlighted that the Committee had earlier approved an amended recommendation that the Council continue with its participation. Membership enabled the Council to access a pool of money which would have otherwise been returned to central government in the form of a business rates levy. Reference was made to council tax increases and the council tax base which would be announced as part of the Local Government Finance Settlement. Turning to the adequacy of reserves, Members were reassured that the Council was sitting on a good level of revenue reserves and that further detail would be provided in the Committee's next report.

Finally, the major challenges ahead were explained with Members being reminded that the Council would need to make crucial but painful decisions in the future.

The Chair invited questions from Members. The Committee passed on its thanks for a detailed report and for highlighting the major issues ahead. The need to 'invest to save' was important. An observation was made about public consultation, and it was highlighted that it was very important for the Council to be including residents as part of the budget preparation process. Members were keen to hear how this would be implemented. It was explained that the Council was required by law to do this, and plans were in place to undertake a meaningful consultation exercise via questionnaire that would be posted on the Council's web site.

Reference was made to the West Sussex Business Rates Pool where disappointment was expressed, by some Members, that Arun and its businesses had seen very little return from its membership to date. One Member of the Committee questioned the Council's ongoing participation due to these concerns and asked for clarity on the criteria surrounding membership.

Concern was also expressed over the assumed increases in pay inflation as the pay award was still under negotiation. The Group Head of Finance and Section 151 Officer explained that the assumptions in the report did not set Council pay policy and confirmed that he was comfortable with them as they currently stood. Similar concerns were expressed over the projections in the report and at what point could the saving requirements be confirmed.

In response, it was confirmed that looking at the criteria for being a member of the business rates pool, the Council did not lose out financially with the Council having access to the pool pot. Officers would be happy to propose in drawing up criteria surrounding the Council's future participation in the pool and that in addition to

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undertaking consultations with the Chair, other Members who were interested would be advised of the criteria. Regarding the pay award, only assumptions could be made until solid confirmation had been announced. On savings, these could not be confirmed until it was known which proposals Members wanted to adopt.

It was felt that more direction, steer and guidance needed to be provided to Members ahead of them making budgetary decisions and confirming savings. Further comments were made regarding the Council's membership to the business rate pool in that a positive outcome was urgently needed.

The Interim Chief Executive and Director of Growth provided reassurance confirming that Officers were working diligently on plans for savings for 2024/25. On completion of this work, the Council would be in a better position to provide further guidance and detail to Members.

The Chair acknowledged and shared the views made regarding the business rate pool and confirmed that the points raised would be investigated, especially at a time of unique economic challenge where such money could be utilised to meet the numerous challenges already identified.

A request had been made for the voting on some of the recommendations to be undertaken separately. Following discussion, it was agreed that Recommendations 2.1 would be taken separately with Recommendations 2.2 to 2.4 being taken together.

Councillor Nash then formally proposed Recommendation 2.1 which was seconded by Councillor Birch.

The Committee

RESOLVED

2.1 That the financial forecast be noted.

Councillor Nash then formally proposed recommendations 2.2 to 2.4 which were then seconded by Councillor Birch.

The Committee

RESOLVED – That

2.2 Delegation be granted to the Section 151 Officer to finalise the wording of the budget consultation literature in consultation with the Committee Chair of the Policy & Finance Committee;

2.3 The Committee agrees to delegate authority to the Section 151 Officer and the Chief Executive Officers in consultation with the Chair of the Policy & Finance Committee to decide future participation in any West Sussex Business Rates Pool; and

- 2.4 Officers continue to develop proposals which will enable the Council to maintain and replenish an adequate level of Usable Revenue Reserves as decided by the Section 151 Officer.

327. BUDGET MONITORING REPORT TO 30 JUNE 2023

Group Head of Finance and Section 151 Officer presented to Members the Budget Monitoring Report to 30 June 2023.

This report was asking the Committee to note that an additional £750k would need to be added to the capital programme in respect of capital works to the harbour wall at Littlehampton Harbour as it was currently a statutory requirement. Members were also being asked to note that the Housing Revenue Account (HRA) would continue to be closely monitored to ensure that corrective action would be taken if required. A report would be taken to the next meeting of the Housing and Wellbeing Committee on 23 November 2023.

There were virements that the Committee needed to approve, and Members were reminded that this did not mean that this was additional expenditure. Appendix 1 of the report set out the quarter 1 revenue budget forecast performance for the year at £34.377m against a budget of £35.042, resulting in a forecast underspend of £665k. The significant variances had been set out within the report and the reasons for the underspend had been presented to Service Committees over the last cycle of meetings.

Due to increases in interest rates it was positive to be able to report an overachievement of investment income. Members were reminded that within the 2023/24 budget, £3m had been set aside for the transformation budget but there was also the need to identify £2m savings in 2023/24. An update would be reported in greater detail in the Quarter 2 report.

Other appendices set out the General Fund forecast, the capital programme, the HRA and associated cost pressures. The £750k mentioned earlier for the Littlehampton Harbour wall was not presently in the capital programme but would need to be added. The three capital projects approved by Full Council on 19 July 2023, would appear in the Quarter 2 forecast. The HRA was looking at a current overspend of £179k, however, following major review work taken place since then it was anticipated that this figure would change significantly. Members were reminded that an update report would be provided to the next meeting of the Housing & Wellbeing Committee and then reported to this Committee on 6 December 2023.

Finally, looking at earmarked reserves, it was anticipated that by the end of the financial year these would reduce to around £19.7m.

The Chair invited questions from Members. It had been highlighted that the £2m savings target would probably not be achieved and the £3m transformational budget

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would not be fully spent. It was explained, as mentioned under the previous agenda item, that more detail would be provided in the Quarter 2 report.

It was stated that it would be very difficult for Members to be expected to make major budgetary decisions in February 2024 without being provided with all the details around savings and not knowing what savings could be achieved in 2023/24. It was again emphasised that this work was currently underway with proposals coming forward for Members to see and be updated on hopefully before Christmas.

Following further discussion, a request was made that some recommendations be voted on separately, these were Recommendations 1.2 to 1.4 and then Recommendation 2.2.

Councillor Birch then formally proposed Recommendations 1.2 to 1.4 which were seconded by Councillor Nash.

The Committee

RESOLVED

- 1.2 To note the report;
- 1.3 Note that an additional £750,000 will be added to the Capital Programme in respect of capital works at Littlehampton Harbour as outlined in Paragraph 4.4 of the report; and
- 1.4 Note that the Housing Revenue Account (HRA) will continue to be closely monitored to ensure that corrective action is taken if required and reported back to this Committee.

Councillor Nash then formally proposed the remaining recommendations which were seconded by Councillor Birch.

The Committee

RESOLVED – That the Committee approve

- 2.2 (a) A virement of £190,000 be made from the Corporate Support Committee budget to the Economy Committee Budget;
- 2.3 (b) A virement of £34,423 be made from the Policy & Finance Committee budget to the Corporate Support Committee budget and
- 2.4 C) The Capital programme be reviewed and amended when required to reflect future costs forecasts and expenditure profiles.

328. HOUSING AND WELLBEING COMMITTEE - 12 SEPTEMBER 2023

The Chair confirmed that the Committee had received recommendations from the Housing & Wellbeing Committee following its meeting held on 12 September 2023.

The first recommendations for this Committee to consider were at Minute 240 [Key Performance Indicators 2022-2026 – Quarter 1 Performance Report for the Period 1 April to 30 June 2023]. The two recommendations were:

- A KPI is created concerning incidences of council housing subletting tenancy fraud; and
- A KPI is created concerning the non-payment of service charges for communal areas by owners of flats sold under the council's right to buy scheme.

The Chair confirmed that these recommendations had been dealt with as part of Agenda Item 9 [Key Performance Indicators 2022-2026 – Quarter 1 Performance Report for the Period 1 April to 30 June 2023].

The Chair then drew Members' attention to a recommendation at Minute 246 [Local Authority Housing Fund] and confirmed that if approved by the Committee it was necessary to forward this onto Full Council for final approval.

The recommendation was that:

This Council includes this scheme within the Council's capital programme at a total cost of £2.7 m, with £1.09m to be funded from central government grant and £1.6 m to be funded by the Council through additional borrowing.

Having had this recommendation proposed by Councillor Nash and seconded by Councillor Birch,

The Committee

RECOMMEND TO FULL COUNCIL

That this includes this scheme within the Council's capital programme at a total cost of £2.7 m with £1.09 m to be funded from central government grant and £1.6 m to be funded by the Council through additional borrowing.

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329. ECONOMY COMMITTEE - 5 OCTOBER 2023

The Chair confirmed that the Committee had received a recommendation to consider following the meeting of the Economy Committee held on 5 October 2023.

This recommendation was at minute 283 [Budget Monitoring Report – Quarter 1] and it recommended that the Policy & Finance Committee approves a virement of £190,000 from the Corporate Support Committee budget to the Economy Committee budget.

The Chair confirmed that the Committee had already approved this recommendation in considering Agenda Item 12 earlier [Budget Monitoring Report to 30 June 2023] and so there was no further action for the Committee to take.

The Chair also confirmed that at the meeting of the Corporate Support Committee held on 12 October 2023, a recommendation had also been made to this Committee in considering that Committee's Budget Monitoring Report. It asked the Policy & Finance Committee to approve virements of £190,000 from the Corporate Support Committee to the Economy Committee and £34,423 from the Policy & Finance Committee to the Corporate Support Committee.

Again, this recommendation had been approved earlier as part of Agenda Item 12 [Budget Monitoring Report to 30 June 2023] and so there was no further action for the Committee to take.

330. OUTSIDE BODIES - FEEDBACK FROM MEETINGS

The Chair confirmed that there were no items for this meeting.

331. WORK PROGRAMME

The Committee received and noted its work programme for the remainder of the 2023/24 year.

(The meeting concluded at 7.50 pm)