

Arun District Council

REPORT TO:	Economy Committee – 1 February 2024
SUBJECT:	Committee Revenue and Capital Budgets 2024/25
LEAD OFFICER:	Antony Baden, Group Head of Finance and Section 151 Officer
LEAD MEMBER:	Councillor Roger Nash
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: The Council's financial planning and budget promotes all the Council's Corporate Priorities.	
DIRECTORATE POLICY CONTEXT: The Council's financial planning and budget influences all Directorates of the Council.	
FINANCIAL SUMMARY: The draft budgets for this Committee are shown in the appendices.	

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is for this Committee to consider and recommend its revenue budget for inclusion in the Council's overall 2024/25 revenue budget. These recommendations will be submitted to the Policy and Finance Committee on 8 February 2024 when it considers the overall revenue and capital budgets for 2024/25 so recommendations can be made to a Special Meeting of the Council on 21 February 2024 regarding the budgets to be set and level of Council Tax for the District for 2024/25.

2. RECOMMENDATIONS

- 2.1 It is recommended that this Committee:
 - (a) Agrees the 2024/25 Revenue Budget as illustrated in Appendix A of this report;
 - (b) Agrees the 2024/25 Capital Programme as illustrated in Appendix B of this report; and
 - (c) Recommends to the Policy and Finance Committee that 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 8 February 2024.

3. EXECUTIVE SUMMARY

3.1 The purpose of the report is for this Committee to consider and recommend its 2024/25 revenue budget, which will be submitted to the Policy and Finance Committee on 8 February 2024.

4. DETAIL

4.1 The general background to the budget was included in the Financial Prospects 2024/25 to 2028/29 report to Policy & Finance Committee on 26 October 2023. An updated report was also presented to Policy & Finance Committee on the 8 January 2024.

4.2 Financial forecasting continues to be extremely difficult due to high inflation rates and various other external factors affecting the economy therefore budgets have been compiled on the best information available.

4.3 The basis of revenue budgeting for 2024/25 broadly assumes that current levels of service provision will remain unchanged. This means that whilst cost increases have been included, there is no growth within the budget proposals.

4.4 The net change in the revenue budget between 2023/24 and 2024/25 is an increase of £94k and the key changes are summarized in the table below:

Change	Amount £'000
Salary inflation	66
Increase in property running expenses due to the Alexandra Theatre project and the Whitbread vacating the pub site	126
Savings identified by the Financial Strategy paper	(56)
Other minor changes	(42)
Total	94

4.5 The savings of £56,000 identified in the Financial Strategy paper and referred to in paragraph 4.4 are as follows:

Saving	Amount £'000
Removal of vending machines in Council buildings	20
Delete one post in Economy	36
Total Savings	56

4.6 The level of funding for the capital programme will be determined at the Policy and Finance Committee on 8 February 2024. Existing schemes and new schemes will continue to be reviewed during 2024/25 for affordability and deliverability. The impact of any new borrowing will also be kept under review and reported to Members during the financial year.

4.7 The planned capital programme for this committee totals £4.783 million for 2024/25 and is detailed in Appendix B.

5. CONSULTATION

- 5.1 No consultation has taken place with external organisations regarding this committee's budget, but a wider budget consultation process is taking place in respect of the Council's overall budget.

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1 Not applicable.

7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 7.1 The revenue budget and the capital programme will be monitored and reported to this Committee throughout 2024/25.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1 The risks outlined in the Financial Prospects Report 2024/25 to 2028/29 to Policy & Finance Committee on the 26 October 2023 remain relevant. Members may wish to review these alongside this report.
- 8.2 Members will note that if the savings detailed in paragraph 4.5 are not realised, it will increase the size of the Council's budget shortfall.

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1 The Council has a legal duty to ensure its revenue and capital expenditure can be met by its income, inclusive of reserves.

10. HUMAN RESOURCES IMPACT

- 10.1 There are no direct implications. Any subsequent Human Resources impact arising from the savings programme will be managed in accordance with Council policies and procedures.

11. HEALTH & SAFETY IMPACT

- 11.1 There are no direct implications.

12. PROPERTY & ESTATES IMPACT

- 12.1 There are no direct implications.

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

- 13.1 There are no direct implications arising from this report, impacts arising from subsequent actions will be identified in future reports.

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1 There are no direct implications.

15. CRIME AND DISORDER REDUCTION IMPACT

15.1 There are no direct implications.

16. HUMAN RIGHTS IMPACT

16.1 None.

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1 There are no direct implications.

CONTACT OFFICER:

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Job Title: Group Head of Finance and Section 151 Officer

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BACKGROUND DOCUMENTS:

2023/24 Budget Report to Full Council - 1 March 2023

[Report](#)

Financial Prospects 2024/25 to 2028/29 –Policy & Finance Committee - 26 October 2023

[Report](#)

Financial Prospects 2024/25 to 2028/29 update – Policy & Finance Committee - 8 January 2024

[Report](#)

**Economy Committee
General Fund Revenue Budget 2024/25**

Actual 2022-23 £'000	Description	Budget 2023-24 £'000	Budget 2024-25 £'000
Economy Committee			
Direct Services			
(803)	Sundry Properties including Beach Huts	(689)	(584)
1,551	Economic Regeneration	388	367
9	Land Charges	(21)	(31)
76	Tourism	87	90
833	Total for Direct Services:	(235)	(158)
Economy Committee			
Management & Support Services			
681	Administrative Buildings and Facilities Management	782	893
334	Property and Estates Management	506	541
863	Corporate Asset Management	1,396	1,343
1,878	Total for Management & Support Services:	2,684	2,777
	Salary adjustment		(20)
2,711	Committee Sub Total:	2,449	2,599
	<u>Potential Committee Savings</u>		
	Savings identified by Financial strategy		(56)
	Total Potential Committee Savings		(56)
	Committee Total:		2,543

**Economy Committee
Capital Programme 2024/25**

Actual 2022/23 £'000	Description	Original Budget 2023/24 £'000	Updated Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000	Budget 2027/28 £'000	Note
2,541	Littlehampton Public Realm	0	796	0	0	0	0	1
1,007	Asset Management	539	3,197	1,233	1,046	784	250	2
0	Bognor Regis Arcade, Upper Floors	0	781	3,550	3,660	0	0	3
3,548	Committee Total	539	4,774	4,783	4,706	784	250	

Notes

1. Scheme completed in 23/24.
2. Most of the updated budget 23/24 budget relates to the carry forward of funds from 22/23 due to project slippage. This includes public convenience refurbishments, changing places facilities, Bognor Regis Arcade roof works and beach huts.
3. Bognor Regis Arcade upper floors project part funded by Brownfield Relief Fund (£628k), which will see the unused upper floors brought into residential use (as per Policy & Finance July 2023), total value £7.991m