

## **Appendix 4: Enhanced written updates**

### **CRR 1- B: Balance of Housing Revenue Account**

At Housing & Wellbeing Committee on the 23<sup>rd</sup> November 2023, the Interim Group Head of Housing and Group Head of Finance & Section 151 Officer presented a detailed update on the budget performance of the Housing Revenue Account (HRA) for 2023/24. The report forecasted that the HRA reserve balance would fall to £902k by the end of the financial year, which was well below the Council's self-set target balance of £2 million but still well above a zero balance. The significance of this point is that the HRA reserve must not fall into negativity and if it were to do so, the Council would run a very high risk of central government intervention. The update also included several actions designed to maintain the HRA reserve at the forecasted level. These included reductions in certain areas of planned and cyclical maintenance, measures to optimise rental income and the establishment of procurement frameworks with the aim of driving down repairs and maintenance expenditure.

Further actions to improve the financial performance are also being developed:-

- Introduce service charges where applicable (action for completion in 2024-25).
- Refresh and remodel the HRA business plan.
- Keep internal recharges and Depreciation costs under review.

Officers will continue to seek other ways of improving the overall performance of the HRA and will continue to actively manage the risk level. However, Members will note that the risk is likely to remain red for the foreseeable future.

## **CRR 2: Organisational capacity to deliver.**

This risk remains high. The Council financial position has meant that as part of the savings strategy for 24/25 a number of vacant posts have been deleted from the organisation. Furthermore the number of Group Heads in the Senior Management Team is proposed to be reduced from 9 to 6.

All of these changes mean that the organisation will need to consider very carefully the resourcing of any new projects and how much time will be required to deliver existing and future work. The agreed financial strategy includes a commitment to review how services are delivered and it is anticipated that this work will also look at how further efficiencies can be made. This is a very significant piece of work and will involve the whole organisation. The outcomes of this work are scheduled for implementation in 2025/26.

The Financial Strategy Report was presented at the Special Meeting of the Policy and Finance Committee on 8 January 2024. This includes further information regarding the information above and can be viewed on the Council's website: [Arun District Council](#).

Action has been taken to provide stability to the organisation including updating the Council's policy on its approach to flexible working. The use of agency staff is gradually being reduced through permanent recruitment and where that remains challenging for certain professions a range of other incentives are being used such as Market Force Supplements.

## **CRR 7: Climate Change**

The Council declared a Climate Emergency in January 2020 and set a target for the council to become carbon neutral by 2030. This target includes all emissions from scope 1, 2 and 3 sources. With scope 1 being generated through the heating of our buildings and running our fleet, scope 2 being emissions generated when we purchase our electricity and scope 3 generated from the upstream and downstream activities of the Council, including areas like our purchased goods/services (or procurement), business travel and commuting.

Following the above motion, the Council commissioned a carbon audit for the 2020-2021 financial year. Results were used to set the Council's baseline and to inform the Carbon Neutral Strategy 2022-2030 (adopted in October 2021). The Climate Action and Biodiversity Work Plan 2022-2023 (adopted in February 2022) was also produced to sit alongside this strategy to showcase what actions that Council is taking, could undertake or will undertake to support the reduction of emissions.

Each year an emission audit is undertaken to monitor the Council's emissions, with results being compared to the baseline and incorporated into the Climate Action and Biodiversity Work Plan. To inform members on how things are going two reports are taken each year to Policy and Finance:

- An update on the Council's scope 1, 2 and 3 emissions.
- An update to the Climate Change and Biodiversity Work plan. This includes updates to all projects going on within the Council and incorporates any changes to emissions.

The above will be taken to the Policy and Finance committee on 8<sup>th</sup> February 2024 and 7<sup>th</sup> March 2024, respectively.

All documentation is available on the Council's website - [Climate change | Arun District Council](#) and updates to staff, members and residents occurs throughout the year to ensure everyone is kept as up to date as possible. Climate Change is also currently one of the four main pillars of the Council's vision document.