

Arun District Council

REPORT TO:	Policy and Finance Committee – 8 February 2024
SUBJECT:	Council Revenue and Capital Budgets 2024/25
LEAD OFFICER:	Antony Baden, Group Head of Finance and Section 151 Officer
LEAD MEMBER:	Councillor Matt Stanley
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 influences all Directorates of the Council.	
FINANCIAL SUMMARY: The draft budgets for the Council are shown in the appendices. The financial forecast for the General Fund Revenue Budget predicts another significant budget deficit in 2024/25. The Housing Revenue Account (HRA) reserve will remain below the Council's minimum threshold of £2 million in 2024/25. No new capital schemes have been added to the capital programme following the budget setting process. The detailed effects are contained in the body of the report.	

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is for this Committee to consider and make recommendations to Full Council on 21 February 2024 on setting the General Fund revenue budget, the level of Council Tax for the District, the HRA budget and HRA rent levels for 2024/25.
- 1.2. In addition, the Policy and Finance Committee are requested to consider the capital programme and make recommendations to Full Council on 21 February 2024 on the capital programme (HRA and General Fund) to be set for 2024/25.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Policy & Finance Committee recommends to Full Council that:
 - (a) The General Fund Budget as set out in Appendix 1 is approved.
 - (b) Arun's Band D Council Tax for 2024/25 is set at £208.39, an increase of 2.99% over 2023/24.

- (c) Arun's Council Tax Requirement for 2024/25, based on a Band D Council tax of £208.39, is set at £13.451 million, plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements.
- (d) The HRA budget as set out in Appendix 2 is approved.
- (e) HRA rents be increased by 7.7% in accordance with the provisions of the rent standard.
- (f) HRA garage rents be increased by 7.7% to give an average rent of £15.60 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) The Capital Programme as set out in Appendix 3 is approved.

And is requested to note:

- (h) That the Group Head of Finance, in consultation with the Leader of the Council has approved a tax base of 64,550 for 2024/2025.
- (i) That the HRA Balance to remain below the Council's set minimum level of £2 million for the 2024/25.
- (j) The impact of the proposed 2024/25 budget on the Council's Usable Revenue Reserves as set out in Appendix 4.
- (k) The results and commentary of the public budget consultation process as summarized in Appendix 5.

3. EXECUTIVE SUMMARY

- 3.1. The Council's Service Committees have each considered and recommended budgets for the services they provide whose functions they are responsible for, to the Policy & Finance Committee, to allow a recommendation to be made to Full Council on the overall budget to be set for 2024/25.
- 3.2. The budget challenges faced by the Council since 2021/22 continued into 2023/24 alongside continuing significant inflationary pressures. The wider reforms of local government funding (the Fair Funding Review) continue to be delayed and the Council has again had to set its budget against a background of considerable uncertainty and increasing costs.

4. DETAIL

Local Government Finance Settlement

4.1. At the time of writing the 2024/25 Local Government Finance Settlement (LGFS) announced on 18 December 2023 was still provisional. The consultation period finished on 15 January 2024 and the final settlement is expected in the early part of February 2024. The details were reported to this Committee on 8 January 2024 and the key points are as follows:

- Increase in grant funding of £250,000 (11.07%).
- Confirmation that the New Homes Bonus (NHB) grant will be discontinued after 2024/25 but no detail yet announced on if/how it will be replaced.
- Confirmation that the West Sussex Business Rates Pool would continue into 2024/25.
- Council Tax increases for district councils remain restricted at the higher of 3% or £5 on the average Band D before a referendum is required.

4.2. A key component of the LGFS is the Council's Core Spending Power (CSP) indicator, which indicates the available revenue to fund service delivery. Members will note that it is not the same as the required revenue to fund service delivery. The LGFS increased the Council's CSP by 5.18% but unfortunately this is more than outstripped by cost increases in areas such as homelessness, and inflationary pressures.

4.3. A further announcement was made on 24 January 2024 by the Secretary of State for Levelling Up, Housing and Communities, which outlined further funding for all local authorities in 2024/25. Whilst most of the funding will go to authorities responsible for delivering Adult & Social Care services, funding has also been made available to district councils. It is not known how much this Council will receive at the time of writing this report but Officers estimate that the figure will be in the region of £150,000.

4.4. On the 20 December 2023 the Department for Levelling Up, Housing & the Communities (DLUHC) wrote to local authorities about the future of the NHB grant. DLUHC recognized the importance of NHB to local authorities and committed to providing a further round of funding in 2024/25. They also said that they would set out further details in due course to their approach beyond 2024/25.

Council Tax and the referendum limit

4.5. The Council's Medium-Term Financial Strategy partially relies on increasing Council Tax income, which is a relatively stable source of income and cost effective to collect. The 2024/25 referendum principles included in the LGFS allow for an increase for shire districts of up to 3% or £5 whichever is the greater. Appendix 1 assumes an increase of £6.05 (2.99%) to £208.39 at Council Tax Band D. This would generate £13.451 million of council tax income for 2024/25.

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

	Actual 2023/24	Budget 2024/25	Change
Tax Base *	64,159	64,550	391
Band D tax	£202.34	£208.39	£6.05
% Increase	-	-	2.99%
Council Tax income	£12,981,932	£13,451,574	£469,642

*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.

Retained Business Rates

4.7. The Business Rate Retention scheme was introduced in April 2013 with the aim of promoting local economic growth. This provides a strong incentive for the Council to ensure that its business ratings list is comprehensive and up to date. It is also important to note that any significant negative changes, such as backdated valuation appeals, directly reduce the funding levels.

4.8. The Council has benefitted from substantial growth in the district. However, the recent revaluation by the VOA of business rates based on rateable values as at the 1 April 2021 came into effect from the 1 April 2023. This means that a high degree of risk remains in relation to the potential level of successful business rate appeals. The budget is currently based on information supplied by the Council's external consultants, and this will require close monitoring during 2024/25.

Revenue Budget – 2024/25

4.9. The Council's service committees have each considered and recommended their revenue and capital budgets to the Policy & Finance Committee. These have been included on this agenda as a supplementary pack to this report. The Policy & Finance Committee are now asked to consider an overall budget to recommend to Full Council. This report has been written on the assumption that all the recommendations to the Service Committees were agreed. The revenue budget is set out in Appendix 1.

4.10. The Corporate Cost budgets includes a Contingency budget, which will be held separately to fund other initiatives such as the Flood Forum, Chief Executive Officer recruitment and work associated with the development of the Financial Strategy. It is anticipated that these costs can be funded from the additional Funding Guarantee grant referred to in paragraph 4.3. The Contingency budget is summarized in the table below:

<u>Contingency Budget</u>	2024/25 Budget £(000)
Additional Funding Guarantee grant	(150)
Flood Forum	20
CEO recruitment	30
Financial Strategy development	100
Total	0

- 4.11. Members may recall that the 2023/24 budget included growth of £1.156 million. The Council is faced with a large budget deficit therefore no growth has been built into the 2024/25 budget.
- 4.12. The budget for 2024/25 has been balanced using £3.556 million of Usable Revenue Reserves. The impact of this is set out in Appendix 4.
- 4.13. The Council's Net Budget Requirement has decreased by £401k compared to the 2023/24 budget. The total Cost of Services has reduced by £85k and these have been detailed in the service committee reports. The remaining reduction of £316k is due to changes in Corporate Costs and can be seen in Appendix 1.

Housing Revenue Account (HRA) – 2024/25

- 4.14. The HRA is a statutory ring-fenced account that the Council must operate separately from its General Fund Revenue Budget. The draft HRA budget for 2024/25 is also included in this report for Members' consideration and the details are contained in Appendix 2.
- 4.15. Members are asked to approve an increase of 7.7% for all HRA rents, which is the maximum rate that can be applied. This is key if the Council is to get to its £2 million minimum threshold for the HRA reserve.
- 4.16. The Council has set a minimum HRA reserve balance of £2 million. It is not required by statute to be at or above this level. The only statutory requirement in this regard is that the balance doesn't fall below zero. The minimum balance was breached during 2022/23 and is likely to be so again in 2023/24. Furthermore, the HRA budget in Appendix 2 indicates that the balance will only return to just over £1 million in 2024/25. Officers will continue to monitor progress against this target and report regularly to Members during the financial year.
- 4.17. The 2024/25 HRA budget forecasts a surplus of £532k, which is an improvement of £872k from the 2023/24 budget. The changes reported to Housing & Wellbeing Committee on the 25 January 2024 are shown below:

Change	Amount £'000
Dwelling Rents	(1,926)
Other Income	(80)
Interest on Balance	(77)
Repairs & Maintenance	657
Depreciation	161
Loan Charges	153
Supervision & Management	144
Voids	133
Other minor changes	(37)
Total	(872)

Capital Programme – 2024/25 to 2027/28

- 4.18. The Capital Programme outlines the Council's investment plans over the next five years. It is funded through capital receipts, government grants, reserves, other contributions and borrowing. Expenditure financed through borrowing increases the Council's 'Capital Financing Requirement' (CFR). This means a charge called the Minimum Revenue Provision (MRP) must be made to the revenue budget and is required to be set aside to cover loan debt repayments.
- 4.19. Although several new schemes have been approved and added during 2023/24, no new schemes have been identified as part of the 2024/25 budget setting process. Members will be aware that the addition of new schemes will continue to be subject to affordability and need to be supported by a robust business case. The draft capital programme for 2024/25 is also included in Appendix 3 along with a summary of the funding sources. Slippage from 2023/24 schemes has been included in the Appendix 3 figures but these will be subject to confirmation of the final out turn position to be confirmed in Quarter 1 of 2024/25. Any slippage will be reported to Policy & Finance Committee in the new financial year.
- 4.20. Full Council will be asked to approve the Capital Strategy on 13 March 2024 after consideration by the Policy & Finance Committee on 7 March 2024. The Capital Strategy forms part of the Council's overall Policy Framework and its policy framework for capital investment decisions over the next three years, informing the detailed capital budgets over this period. The strategy aims to balance capital expenditure needs and expectations with the availability of resources.

Robustness of Estimates

- 4.21. The budget assumptions for 2024/25 were outlined in the Financial Prospects 2024/25 to 2028/29 report and subsequent update to Policy & Finance Committee on 26 October 2023 and 8 January 2024 respectively.
- 4.22. The Local Government Act 2003 requires the Section 151 Officer to report on the robustness of the estimates made for the purposes of calculating Council Tax and housing rent levels. I am satisfied that the estimates, as presented in the draft budget, are sufficiently robust and that the reserve balances proposed for 2024/25 are adequate, (but please also refer to paragraphs 4.23 to 4.30).

Adequacy of Reserves

- 4.23. The Local Government Act 2003 also requires the Section 151 Officer to report on the adequacy of the Council's financial balances. The minimum prudent level of reserves that the Council should maintain is a matter of judgement for the Section 151 Officer and cannot be judged merely against the current risks facing the Council as these can and will change over time. Furthermore, Part 6, Section 3, paragraph 2.4 of the Council's Constitution clearly places this responsibility with the Section 151 Officer.
- 4.24. The consequences of not keeping a prudent minimum level of reserves can be serious. In the event of a major problem or a series of events, the Council would run a serious risk of a deficit or of being forced to cut spending during the year, in a damaging and arbitrary way.
- 4.25. CIPFA have previously issued a notification stating that there should be no **imposed** limit on the level of balances required to be held by an individual Council. However, there remains a significant risk to the General Fund due to a fundamental budget imbalance, which will require further 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 £2 million recommended balance set by the Council although it may be practical to review this figure soon. The HRA future years budgets will need to be closely monitored to ensure that expenditure on capital investment, reactive repairs, enhanced repairs, and improvements remain affordable.
- 4.26. Whilst CIPFA clearly state that a limit should not be imposed they have produced a financial resilience index, which reports various data sets including levels of reserves. This data can be used to compare information with other 'similar' local authorities. However, it has two major drawbacks. Firstly, the data only goes up to 2021/22, (this is likely to be due to the backlog of external audits that remain outstanding). Secondly, the definition of Reserves varies from authority to authority. When more up to date information is available, it will be analysed, and the results reported to Members.
- 4.27. The Office for Local Government (OFLOG) was established in July 2023 'to provide authoritative and accessible data and analysis about the performance of local government and support its improvement. One of the areas that it will be focusing on is the levels of local authority reserves.
- 4.28. Speaking at the Local Government Association's Local Government Finance Conference in November 2023, the Minister for Local Government expressed a view that a 'number of councils' have reserves that exceed their CSP and that this money is 'there to be used'. This Council's CSP for 2024/25 is £20.3 million and our forecast Usable Revenue Reserves balance for the beginning of the next financial year is £20.6 million although this is forecast to fall to £17.051 million by the end of 2024/25.
- 4.29. Grant Thornton have indicated in published documents their general view that a minimum balance of reserves should be at least 5% of Net Revenue Expenditure.

For this Council, that figure, (excluding Parish precepts) is approximately £1.4 million.

- 4.30. It is the view of the Section 151 Officer that the Council will be able to maintain a sufficient level of Usable Revenue Reserves in 2024/25 and that the balance should not fall lower than £10 million in 2024/25. This should also apply to future financial years subject to an annual review by the Section 151 Officer.

Usable Revenue Reserves

- 4.31. The call on the Council's Usable Revenue Reserves in 2024/25 is estimated to be £3.556 million and the impact of this is shown in Appendix 4.

5. CONSULTATION

- 5.1. Individual Committees have been consulted on their individual budgets as part of the budget process. Several other briefings have also taken place between Officers and Members, including briefings with the Chairs of each committee, Group briefings and all-Member briefings.
- 5.2. Consultation has also been undertaken with representatives of non-domestic ratepayers on the Council's proposals for expenditure for the 2024/25 financial year in accordance with Section 65 of the Local Government Finance Act 1992. This year, the consultation was expanded to include residents as well as businesses. The consultation closed on the 21 January 2024. A summary and analysis of the results is shown in Appendix 5.
- 5.3. Whilst the wider public consultation outlined in paragraph 5.2 is a welcome step forward, the Section 151 Officer will look to improve the process for the 2025/26 and work closely with the Chair of Policy & Finance Committee on this issue.

6. OPTIONS/ALTERNATIVES CONSIDERED

- 6.1. The Council has no alternative but to set a balanced budget and the budget presented within this report represents the Section 151 Officer's best recommendation for achieving that statutory requirement.

7. CONCLUSION

- 7.1. The draft Revenue Budget has been balanced for 2024/25 by the planned use of £3.556 million from Usable Revenue Reserves. However, this is not a sustainable approach in the long term, and it is imperative that the Council delivers on its Financial Strategy. Without such action, Appendix 4 shows that reserves will fall below £10 million by 2026/27. This also increases the Council's vulnerability to being able to cope with unexpected cost increases.
- 7.2. All 2024/25 budgets will continue to be subject to significant pressure in the forthcoming year. The Council has significant reserves to ensure financial resilience, however, balances will continue to reduce significantly.

- 7.3. The HRA reserve balance will continue to remain below the Council's £2 million threshold. It is important to continue to monitor progress to ensure that the HRA remains financially sustainable.
- 7.4. The total Capital Programme for 2024/25 totals £39.171 million, which includes significant slippage from the 2023/24 capital programme. The slippage will be reported to Members in the first quarter of 2024/25 once the final out turn figures for 2023/24 are known.
- 7.5. The Council's ability to deliver future projects is dependent on funding and affordability. Any new projects will need to be supported by a robust business case and existing schemes will also continue to be kept under review for affordability.

8. COMMENTS BY THE GROUP HEAD OF FINANCE & SECTION 151 OFFICER

- 8.1. The financial implications are explained throughout the budget report and shown in greater detail in appendices 1 to 4. It is important that close monitoring of all budgets is in place, including the revenue budget, capital programme and HRA. Service Committees have received quarterly budget performance updates throughout 2023/24 and this process will continue into 2024/25.
- 8.2. The Council still has a sizeable funding gap to address, and the delivery of the Financial Strategy paper approved by Full Council on 10 January 2024 is crucial in achieving this objective.

9. RISK ASSESSMENT CONSIDERATIONS

- 9.1. The risks listed in the Financial Prospects Report 2022/23 to 2026/27 remain relevant. Members may wish to review these alongside this report. Other risks are outlined in paragraphs 9.2 to 9.4, but Members will note that this does not represent a comprehensive list and other risks may materialise during 2024/25. However, budget performance will again be regularly monitored and reported to Members during the financial year.
- 9.2. The main risk in preparing the detailed budgets is that the Council sets an illegal budget (expenditure is greater than income). This will be avoided by using reserves in 2024/25 but the risk of reserves being run down to support the General Fund Budget remains if the Council is unable to identify further savings.
- 9.3. An illegal budget would cause severe reputational damage to the Council, but Members will note that this risk is mitigated by several existing controls and processes. Members should understand though that if the Council is unable to deliver further savings to close the budget gap, the Section 151 Officer **may** have no option than to issue a Section 114 at some point in the medium term, (a Section 114 notice indicates that a Council's forecast income is insufficient to meet its forecast expenditure for a financial year. If, during the year, the Section 151 officer realises the council does not have the money to meet its spending commitments and that it cannot cut spending enough to balance the budget, they will issue a "Section 114 Notice", which effectively freezes spending).

9.4. The delivery of the Financial Strategy will be challenging for the Council and is not without risk. However, delays in closing the budget gap will place further pressure on future budgets. The 2024/25 budget includes £1.555 million of savings, most of which are straightforward to achieve, but some do carry a level of delivery risk. Failure to deliver on any of them will place further pressure on future budgets.

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

10.1. The Council must set its budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and to regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

10.2. Section 30(6) of the Local Government Finance Act 1992 provides that the Council must set its budget before 11 March in the financial year preceding the one in respect of which the budget is set.

10.3. The provisions of Section 25 of Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Section 151 Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

10.4. Consultation must take place in accordance with the Council's duties under Section 65 of the Local Government Finance Act 1992. It must be borne in mind that this is consultation on the budget proposals, not on the decision to take whatever decision is implied by the adoption of that budget. Consultation has taken place as set out in paragraph 5 of this report, including with Group Heads and Directors in conjunction with the Finance team.

10.5. When considering options, Members must bear in mind their fiduciary duty to the council taxpayers of the district. Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided.

10.6. Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.

10.7. The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.

10.8. There is a particular requirement to take into consideration the Council's fiduciary duty and the public sector equality duty in coming to its decision.

10.9. The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimization and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

10.10. Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded.

10.11. Members are also individually reminded that Section 106 of the Local Government Finance Act 1992 applies to this meeting. Members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.

11. HUMAN RESOURCES IMPACT

11.1. There are no direct implications.

12. HEALTH & SAFETY IMPACT

12.1. There are no direct implications.

13. PROPERTY & ESTATES IMPACT

13.1. There are no direct implications.

14. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

14.1. There are no direct implications.

15. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

15.1. There are no direct implications.

16. CRIME AND DISORDER REDUCTION IMPACT

16.1. There are no direct implications.

17. HUMAN RIGHTS IMPACT

17.1. There are no direct implications.

18. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

18.1. There are no direct implications.

CONTACT 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 Report – Policy & Finance Committee 26 October 2023

[Report](#)

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

[Report](#)

Arun District Council
2024/25 Genral Fund Revenue Budget Summary

	2023/24 Budget £(000)	2024/25 Budget £(000)
Cost of Service		
Corporate Support	7,678	7,847
Economy	2,449	2,544
Environment	10,810	10,901
Housing & Wellbeing	5,937	5,785
Planning Policy	906	1,094
Policy & Finance	2,203	1,947
Recharges to HRA	(1,526)	(1,746)
Total Cost of Services	28,457	28,372
Corporate Cost		
Parish Precepts	5,301	5,459
Other Precepts & Levies	249	249
Interest & Investment Income	(1,825)	(2,260)
Contingency Budget	0	0
Pension Deficit Contributions	1,323	1,284
Total Corporate Cost	5,048	4,732
Total Net Budget Requirement	33,505	33,104
Financed By		
Retained Business Rates	(7,626)	(8,032)
New Homes Bonus	(616)	(1,378)
Other Non-Ringfenced Grants	(1,641)	(1,080)
Council Tax income: Arun	(12,982)	(13,451)
Council Tax income: Parish Councils	(5,301)	(5,459)
Collection Fund D/(S)	(152)	(148)
Total Financing	(28,318)	(29,548)
Funded from Usable Revenue Reserves	5,187	3,556

** Note: The Parish Precepts figure is an estimate. The actual figure will be reported to Full Council on 21 February 2024.*

Housing Revenue Account Budget Summary

Description	Budget 2023-24 £'000	Budget 2024-25 £'000	Movement
Income			
Dwelling Rents	18,345	20,271	(1,926)
Non-Dwelling Rents	479	525	(46)
Voids	(272)	(405)	133
Write-Offs	(96)	(105)	9
Other Income	764	844	(80)
Interest on Balance	207	284	(77)
Total Income	19,427	21,414	(1,987)
Expenditure			
Supervision & Management	5,865	6,009	144
Repairs & Maintenance	5,956	6,613	657
Rent, rates, taxes & other charges	186	186	0
Depreciation	5,808	5,969	161
Loan Charges	1,952	2,105	153
Total Expenditure	19,767	20,882	1,115
Asset Sale Gain/Loss	0	0	0
(Surplus)/Deficit	340	(532)	872
Major Repairs Reserve			
Balance Brought Forward	(3,884)	(4,386)	
(Surplus)/Deficit	(1,334)	1,481	
Balance Carried Forward	(5,218)	(2,905)	
HRA Reserve			
Balance Brought Forward	(1,523)	(551)	
(Surplus)/Deficit	340	(532)	
Balance Carried Forward	(1,183)	(1,083)	

Capital Programme summary

Actual 2022/23 £'000	Description	Budget 2023/24 £'000	Revised Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000	Budget 2027/28 £'000
	Capital Expenditure						
954	Policy & Finance	3,750	5,964	17,537	0	0	0
2,113	Environment	1,655	2,827	1,700	1,735	1,726	1,670
3,548	Economy	539	4,774	4,783	4,706	784	250
0	Corporate Support	0	315	0	25	225	100
6,851	Housing & Wellbeing	8,998	16,585	15,151	7,107	5,516	5,356
13,466	Total Expenditure:	14,941	30,465	39,171	13,573	8,251	7,376
	Funded By:						
4,780	Grants (including S106 & CIL)	1,400	10,244	16,440	1,580	1,580	1,580
1,521	RCCO		1,705				
3,180	MRR	2,931	2,931	5,901	5,683	5,516	5,356
1,897	Capital Receipts	1,285	3,222	552			
2,088	Prudential Borrowing	9,325	12,363	16,278	6,310	1,155	440
13,466	Total Funding	14,941	30,465	39,171	13,573	8,251	7,376

** Note – The above figures include estimated slippage from 2023/24 schemes and are thus subject to confirmation of the final 2023/24 out turn position.*

Capital Programme Detail

Actual 2022-23 £'000	Description	Original Budget 2023/24 £'000	Revised Budget 2023/24 £'000	Original Budget 2024/25 £'000	Original Budget 2025/26 £'000	Original Budget 2026/27 £'000	Original Budget 2027/28 £'000
	Policy & Finance						
296	Levelling Up Fund - Littlehampton Seafront	0	1,249	5,689	0	0	0
0	Alexandra Theatre ADC contribution	3,750	865	3,251	0	0	0
658	Levelling Up Fund - Alexandra Theatre	0	2,989	8,543	0	0	0
0	Littlehampton Seafront ADC contribution	0	111	54	0	0	0
0	Littlehampton Harbour Entrance Renewal	0	750	0	0	0	0
954	Policy & Finance Committee Total	3,750	5,964	17,537	0	0	0
	Environment						
199	Play Areas	255	664	120	155	120	90
82	Keystone Centre & MUGA	0	250	0	0	0	0
237	Sunken Gardens	0	176	0	0	0	0
0	Bersted Brooks Country Park	0	320	0	0	0	0
439	Place St. Maur Bognor Regis	0	17	0	0	0	0
0	Chipper	0	0	0	0	26	0
1,156	Disabled Facilities Grants	1,400	1,400	1,580	1,580	1,580	1,580
2,113	Environment Committee Total:	1,655	2,827	1,700	1,735	1,726	1,670
	Economy						
2,541	Littlehampton Public Realm	0	796	0	0	0	0
0	Bognor Regis Arcade, Upper floors	0	781	3,550	3,660	0	0
1,007	Asset Management	539	3,197	1,233	1,046	784	250
3,548	Economy Committee	539	4,774	4,783	4,706	784	250
	Corporate Support						
0	ICT	0	315	0	25	225	100
0	Corporate Support Committee Total:	0	315	0	25	225	100
	Housing & Wellbeing						
409	Sports Centres	0	578	0	0	0	0
332	Housing IT	467	420	579	24	0	0
2,924	Stock Development	0	7,056	6,671	0	0	0
3,186	Housing Improvements	2,931	2,931	5,901	5,683	5,516	5,356
0	Decarbonisation	3,000	3,000	0	0	0	0
0	Sheltered Accommodation	2,600	2,600	2,000	1,400	0	0
6,851	Housing & Wellbeing Committee Total:	8,998	16,585	15,151	7,107	5,516	5,356
13,466	Total Capital, Asset Management & Other Projects:	14,942	30,465	39,171	13,573	8,251	7,376

USABLE REVENUE RESERVES TABLE

Usable Revenue Reserves	2023/24 Budget £(000)	2024/25 Budget £(000)	2025/26 Budget £(000)	2026/27 Budget £(000)	2027/28 Budget £(000)	2028/29 Budget £(000)
Opening Balance	25,793	20,607	17,051	14,774	9,741	4,524
Use of Reserves to fund the budget	(5,186)	(3,556)	(2,277)	(5,033)	(5,217)	(4,923)
Closing Balance	20,607	17,051	14,774	9,741	4,524	(399)

BUDGET CONSULTATION

2024/25 Budget Consultation Response summary

A budget consultation survey was published online to Arun residents, businesses and organisations from 14 December 2023 to 21 January 2024. The aim of the survey was to gain residents and stakeholder views on Arun District Council's proposed budget for 2024/2025.

Various forms of communication and social media channels were used to advertise the survey in a bid to reach more people to complete the consultation. Of the 58 respondents, 87% were residents, with 34% between the ages of 35 - 54 and 31% aged 65 and over. Even though there was a small number of responses, it is important that the Council has engaged with the council taxpayers, and it offered an opportunity for residents and stakeholders who wanted to comment on the budget to do so.

When asked about the budget, almost half, (48%) tended to agree with council's spending priorities. 17% of the respondents strongly agreed with the budget proposals, 14% were neutral and 21% either disagreed or strongly disagreed.

Survey respondents were asked for their thoughts on service areas they wished to see a decrease in funding on and the top three areas were:

1. Benefits - information and advice on housing benefit and Council Tax reduction.
2. Information on upcoming elections, registering to vote.
3. Information and support including business rates, licences and registering a food business.

Respondents were further asked which service areas they wished to see an increase in funding on and the top three areas were:

1. Leisure and tourism - information on leisure facilities, events, parks and visiting Arun.
2. Environment and climate change (including waste disposal and recycling).
3. Building control services, find applications, apply for permission and regeneration.

In the responses to which of the Council's services respondents have used in the last year, 74% indicated that they had used waste services, such as household waste, garden waste and recycling centres. The second most popular service used was car parks which were used by 60% of the respondents. The third most popular service used were the parks, play areas and nature reserves, used by 59% of respondents.

What was evident in many of the responses is that respondents wish for the council to prioritize essential services especially in the current climate of growing pressures on local council budgets and increasing demands on key services.

The link to the budget survey is shown below:

[Arun District Council Budget Consultation 2024-2025 \(office.com\)](https://office.com)