

## **RECOMMENDATIONS TO THE POLICY & FINANCE COMMITTEE**

**8 FEBRUARY 2024**

### **AGENDA ITEM 11 – COUNCIL REVENUE AND CAPITAL BUDGETS 2024/25**

#### **RECOMMENDATIONS FROM SERVICE COMMITTEES**

The Committee is asked to approve the following recommendations from Service Committees as set out below:

#### **ENVIRONMENT COMMITTEE – 23 JANUARY 2024**

##### **547. COMMITTEE REVENUE AND CAPITAL BUDGETS 2024/25 - ENVIRONMENT**

Upon the invitation of the Chair, the Group Head of Finance and Section 151 Officer introduced the report to Committee. He updated that there was a change to the Table in paragraph 4.5, page 93, which should say 'Do not recruit to vacant Parking Services Permit post', not the Parks Officer post. There was a difference in cost of around £6k, however he did not propose changing the Committee budget on that basis as the amount was immaterial. The overall revenue budget increase from 2023-24 was £90k as detailed in Table 4.4 on page 92. The savings of £543,000 identified in the Financial Strategy paper were detailed in the Table in paragraph 4.5. The Environment Committee Capital Programme was detailed in Appendix B, this did not currently include slippage from programs like Bersted Brooks, but this would be included after 31 March once the slippage had been confirmed. The schemes had already been approved and no further Committee approval would be required as there was no additional expenditure.

The Group Head of Finance and Section 151 Officer understood there would be some elements of the budget that Members would not ideally choose, however Members were aware that the budget needed to be reduced. He explained if amendments were made to the budget that increased the total spend for the Committee, it would effectively increase the draw down the Council would have to make on its usable revenue reserves, which would increase financial pressure on the Council.

The recommendations were proposed by Councillor May and seconded by Councillor Blanchard-Cooper.

Members (and non-Committee Members given permission to speak) then took part in a question-and-answer session and the following points were made:

- Further information was requested around the reduction of seasonal foreshores staff hours. Officers explained they were looking at how this could be done in a way to limit the impact on the public, which may mean shorter hours at the beginning and end of the season.
- How would the additional income from cemetery fees be achieved? Officers were looking at the range of fees but were trying to reduce the impact on the lower cost fees.
- Where would the savings in event management come from? This had not yet been decided, but Officers were trying to limit the impact to the public on this.
- Clarification was sought on the updated budget for play areas in Appendix B. The Group Head of Finance and Section 151 Officer explained this included slippage from previous years, which was why there appeared to be a sharp rise.
- It was asked whether details could be provided to Members around the savings as and when they became available.
- Concern was expressed by several Members as it was felt not enough detail had been provided in advance of the meeting, particularly around consequences of the savings, and not enough consultation had taken place.
- There was concern around cemetery fees and it was thought Members should have input into these. The Group Head of Finance and Section 151 Officer pointed to Part 6, Section 3, paragraph 5.2 of the Constitution and explained Officers were responsible for raising money through fees and charges.
- It was asked that the budget process not be carried out in this way again, and more consultation be conducted with Members next year. It was felt Members should be included in the process earlier on. The Chair asked Officers to take these comments on board for next year.
- It was felt there were gaps in additional information that had been provided to Members the previous day.
- Other Members thanked Officers for their work and appreciated Officers had worked hard.
- It was recognised that all Councils across the country were having to make cuts that they would otherwise choose not to.
- It was asked whether the performance of departments would be considered in relation to budget, an example given was Building Control as it appeared to have a greater budget this year than last, however the performance was lower than target. Specific detail could not be provided by Officers as the question had not been submitted prior to the meeting. The Group Head of Technical Services explained the Building Control budget figures for last year showing in the report was the actual budgeted figure and appeared lower as they had been carrying vacancies and had generated more income than expected. The original budget for last year had been much higher.
- Clarification was sought around the difference between the original budget and the updated budget. This was provided by Officers.

During the above debate, the Chair reminded Members that detailed questions should be sent in advance of the meeting, to enable Officers to provide answers for Members.

The Interim Chief Executive Officer and Director of Growth explained the budget process had taken a considerable amount of time. It had taken time to generate ideas and then to explore these further, and he said this had been brought to Members at the earliest opportunity. He believed Members had received a significant amount of additional information during this process compared to previous years, however Officers could take on board the comments from Members around this.

The Committee

RESOLVED that

- (a) It agrees the 2024/25 Revenue Budget as illustrated in Appendix A of this report;
- (b) It agrees the 2024/25 Capital Programme as illustrated in Appendix B of this report; and

RECOMMENDS TO POLICY AND FINANCE COMMITTEE that

- (c) the Revenue Budget for this Committee be included in the overall General Fund Budget when the Policy and Finance Committee considers the Council's budgets at its meeting on 8 February 2024.

#### **HOUSING & WELLBEING COMMITTEE – 25 JANUARY 2024**

##### **559. COMMITTEE GENERAL FUND REVENUE AND CAPITAL BUDGETS AND HOUSING REVENUE ACCOUNT BUDGETS 2024/25**

The Group Head of Finance and Section 151 Officer was invited by the Chair to present the report. The report recommended this Committee's Revenue, Capital and Housing Revenue Account (HRA) budgets to the Policy and Finance Committee on 8 February 2024, as part of the overall revenue and capital budget. He highlighted some key points from the report advising that the revenue budget in overall terms had decreased by approximately £151k from 2023-24 and included financial strategy savings of £580k. He explained that it was expected that the HRA balance would remain below £2 million until 2027-28. However, the balance was expected to increase to £1 million during 2024-25. The HRA surplus for 2024-25 had been budgeted at £530k and included an increase for 7.7% in rents and garage rents. Referring to the Capital Programme, he reported that the Sheltered Accommodation and Carbonisation projects continued to be delayed. Turning to the Revenue budget he advised that the financial forecasting continued to be difficult in the current financial climate due to the high inflation rates, although they were expected to reduce in the coming months. There was no growth in the budget

proposals, only cost increases, with the council continuing to provide the same level of service. He drew attention to the table at paragraph 4.4 that provided details of the net change in the revenue budget between 2023-24 and 2024-25. In particular he explained that the 'Supported Accommodation' budget increase had arisen because the subsidy set by the Department for Work & Pensions often did not cover the cost of the rent. The budget of £590k for financial support to Freedom Leisure was not required in 2024-25. Attention was drawn to the table at 4.5 with details of the savings and the risks associated with them, in particular the Emergency Accommodation and Temporary Accommodation savings. It was noted that the Council will receive additional homeless prevention grant funding during 2024-25, which it was hoped would help absorb some of the financial pressures the council was facing in this respect.

The Group Head of Finance and Section 151 Officer said that whilst he expected that members may have questions on some elements of the budget, he explained that if any amendments were made to increase the total budget for the Committee would create additional financial pressure on the Council's revenue reserves.

The recommendations were proposed by Councillor Walsh and seconded by Councillor Yeates.

The Chair invited members to make comment or ask any questions where and a full debate was had where a number of points were raised including the following, which were responded to by officers:

- Information was sought regarding the increasing Voids costs, where the Committee was advised that there would always be a number of voids due to tenancy changes. However, this was the beginning of a voids plan to improve the situation. Included in the figures were a number of long-term vacant properties, designated for regeneration or redevelopment, which had affected the figures.
- Concern was raised about the lack of progress on the sheltered accommodation review and the effect of this on the District's most vulnerable residents. It was explained that work had now started with a detailed options appraisal prepared. A member briefing would be arranged in the next few weeks to provide members with details of the proposals.
- It was confirmed the vacant Community Warden post would be re-advertised.
- The impact on the housing stock if used for Emergency accommodation costs
- The impact on the Council's housing waiting list if emergency accommodation costs were reduced by using the Council's housing stock. It was agreed that this was a challenging saving. An emergency accommodation action plan would be developed, as well as ways to increase the HRA housing stock. Although the demand could not be controlled action could be taken to reduce the costs, in particular reducing the use of nightly paid accommodation.
- With regards to the LAHF scheme intended to support Afghan refugees, discussions were taking place with West Sussex County Council to identify those in need.
- A member sought reassurance that savings would be achieved in respect of temporary accommodation and voids, the Group Head of Housing advised that

there would be a range of actions that would contribute to this aspiration. He acknowledged they were ambitious and some were statutory functions that the Council had no choice over the demand for them. A suite of measures would go into the Emergency Accommodation Reduction Plan with a suite of measures to deliver the savings set out in the report. He confirmed that none of the staffing posts, listed at paragraph 4.5, related to the management of void properties within the housing estate. He would provide more information on the voids under the key performance indicators item.

Three non-members of the committee were allowed to make comment and ask questions as follows:

- A non-member identified a number of typographical errors in the report and made other comments, which were responded to by the Group Head of Finance and Section 151 Officer. Clarification was then sought regarding the proposed savings in respect of the Community Wardens Service, the proposal to introduce Service Charges, Emergency Accommodation and the LAHF scheme and clarification was sought, which the Director of Environment and Communities advised officers would provide a response, outside of the meeting.
- A non-member congratulated officers on the budget and encouraged members to submit questions in advance of the meeting to aid a constructive debate. He congratulated the Group Head of Housing on the ambition in putting forward the savings. Unfortunately the council was in a position where Government funding had been reduced. The council was in a good financial position and this budget sought for that to continue. He welcomed the Committee to agree the budget and asked that if they had opposing views to put them forward.
- A non-member also paid tribute to officers and welcomed the level of information that had been provided to them on the budget, which he recommended the Committee to commend. The budget was trying to minimise the financial impact on the council's residents and should be commended.

Councillor Pendleton was given permission to provide a personal explanation.

A request was made by Councillor Pendleton for a recorded vote to be completed.

The Chair recognised the challenging times the officers were currently facing and believed they were working very hard to rise to these challenges.

Councillor Walsh, as proposer, urged the Committee to support the budget.

Councillor Yeates, as seconder, fully supported the budget.

The Committee:

RESOLVED to

- (a) Agree the 2024/25 Revenue Budget as set out in Appendix A of this report;
- (b) Agree the 2024/25 HRA Revenue Budget set out in Appendix B of this report;
- (c) Agrees to allow the HRA Balance to remain below the minimum level of £2.0m for the period 2024/25 to 2027/28 to enable the realisation of savings in Repairs and Supervision & Management expenditure to deliver a sustainable HRA;
- (d) Recommend HRA rents for 2024/25 are increased by 7.7% in accordance with the provisions of the rent standard;
- (e) Recommend that HRA garage rents are 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;
- (f) Agree on the 2024/25 Capital Programme as illustrated in Appendix C of this report;

RECOMMENDS TO POLICY AND FINANCE COMMITTEE THAT

- (g) The General Fund Revenue Budget, HRA Revenue Budget and Committee Capital Programme be included in the overall General Fund Budget when considering the overall budgets on 8 February 2024.

Those voting for the recommendations were Councillors Birch, Butcher, Haywood, Long, Walsh, Wiltshire and Yeates (7) those abstaining were Bence, Bicknell, Elkins and Pendleton (4). There were no votes against the recommendation.

### **PLANNING POLICY COMMITTEE – 30 JANUARY 2024**

#### **573. COMMITTEE REVENUE AND CAPITAL BUDGETS 2024/25 - PLANNING POLICY**

The Chair invited the Group Head of Finance and Section 151 Officer to present the report to the Committee. The report recommended this Committee's General Fund Revenue Budget for 2024/25 to the Policy and Finance Committee on 8 February 2024, as part of the Council's overall revenue and capital budget. He referred to Appendix A that set out the budget proposals, equating to a total budget of £1,094million. The net budget increase of £188k from 2023-24 compared to 2024-25 was detailed in paragraph 4.4 of the report. He explained that the increase was mainly due to the reduction in Planning Fee Income to reflect the fall in volumes. He

hoped that officers had been overcautious in their calculations following the Government having increased the level of Planning fees during December 2023.

The Group Head of Finance and Section 151 Officer said that whilst he expected that member may have questions on some elements of the budget, he explained that if any amendments were made to increase the total budget for the Committee, they would create additional financial pressure on the Council's revenue reserves.

The recommendations were proposed by Councillor Yeates and seconded by Councillor Tandy.

The Chair then invited questions and comments from members. A member sought clarification of any impact the savings of £107k identified at Paragraph 4.5 of the report, would have on the Planning Policy Service and how that workload was being managed. The Group Head of Planning explained that the Principal Planning Officer and Senior Planning Officer posts had been vacant for some time. He reminded members that the Committee had considered a report at its meeting held on 21 September 2023, concerning the recommencing of the Local Plan process, which included the commissioning of consultant support over a number of years. The sum of money required to fund consultants would outstrip the savings in the budget over a few years in the long term. In the short term the vacant posts in the Planning Policy Team would be filled by a consultant to assist the delivery of the Local Plan, so that the Team was not under resourced during this time. The Group Head of Finance and Section 151 Officer undertook to confirm the budget of £137k in respect of Professional Fees was allocated within Supplies and Services.

A non-member of the committee was allowed to comment and ask questions. Clarification was sought around the financial figures for the Local Plan update.

Continuing the discussion, assurance was sought that the proposed budget could be delivered without affecting service provision. The Director of Growth and Interim Chief Executive reminded the Committee that it had agreed to renew the Local Plan principally with support from consultants, for which a budget was in place within the Services and Supplies account. The Planning Policy Team was currently working around the two vacancies. However, during the renewal of the Local Plan the Team will have a commissioning role and will utilise the consultants to carry out a lot of the core work. He advised that whilst the increased workload would not fundamentally have an impact on officers' current workload, they would need to look at the frequency certain reports were brought to the Committee.

The Group Head of Finance and Section 151 Officer undertook to provide the same breakdown of the Supplies and Services Revenue Budget for 2024-25 to Councillors' Elkins and Gunner, that had previously been provided to the Chair and Vice-Chair of the Committee in response to their own questions. He asked that members submit their questions in advance of the meeting so that he could answer them in a timely manner.

The Committee

RESOLVED that it

- (a) Agrees the 2024/25 Revenue Budget as illustrated in Appendix A of this report; and

RECOMMENDS TO POLICY AND FINANCE COMMITTEE THAT

- (b) 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.

### **CORPORATE SUPPORT COMMITTEE – 31 JANUARY 2024**

#### **590. COMMITTEE REVENUE AND CAPITAL BUDGETS - 2024/25**

The Group Head of Finance and Section 151 Officer presented his report which was asking the Committee to consider and recommend its revenue budget for inclusion in the Council's overall 2024/25 revenue budget. The recommendations would firstly be submitted to the Policy & Finance Committee on 8 February 2024 which would consider the overall revenue and capital budgets for 2024/25 so that recommendations could 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.

The Group Head of Finance and Section 151 Officer stated that forecasting remained problematic particularly due to ongoing inflationary pressures and the volatility around other external factors affecting the economy and therefore budgets had been compiled using the best information available. It was confirmed that the current levels of service provision would remain unchanged and that there was no growth in the revenue budget for 2024/25. The net changes in the revenue budget between 2023/24 and 2024/25 were outlined in Paragraph 4.4 of the report, the main



highlights being salary inflation; IT costs; an increase in the external audit fee; and a reduction in election services costs.

The savings totalling £249k identified in the Financial Strategy had been listed in Paragraph 4.5 of the report with the largest saving being a reduction in the number of digital based projects. There would be no new planned capital programme for the committee for 2024/25.

The Chair invited questions. A wide range of questions were asked. Firstly, these focused on the table of savings where an explanation was sought regarding some of the items listed. There was concern expressed over reducing the GIS contract and the deletion of the part-time web administrator post. Clarification was also sought with regard to the last saving of £6k in the table.

The Group Head of Finance and Section 151 Officer explained that the last entry in the table at Paragraph 4.5 should read "~~Reduce Legal Services subscriptions costs through West Sussex wide group purchasing.~~ Recharge Payroll service costs to third parties". Members of the Committee had been notified by email of this change and had been provided with an updated report on 26 January 2024. In terms of reducing GIS [Geographic Information System] the Head of Technology and Digital explained that some of the functionality had now been written in-house meaning that the Council was not losing this functionality, it was just not having to pay for it. On the deletion of the web administrator post, the work that had needed to be undertaken to make the Council's web site accessibility compliant had now been undertaken, so that post was no longer needed.

An explanation was sought as to what the Croner [professional] subscription was and what its deletion would mean for the HR service. The Human Resources Manager explained that this was a digital information service that the section used to procure advice on areas such as employment law and tribunals. Losing this subscription service meant that the HR team would have to undertake its own research using the internet at zero cost. Members were reassured that HR Officers were highly skilled professionals making up a very qualified and experienced team and attended regular training. There were also other information sources that could be used. It was confirmed that this saving would not have been proposed by the Human Resources team if it had not been confident that it could not sufficiently function without it.

Other concerns raised over the savings proposed were around the impact of reducing the frequency of the annual residents' survey and what the reduction was; and similarly; the reduction in the publication of the Arun Times. The Group Head of Organisational Excellence reminded Members that the decision to reduce the frequency of producing the annual residents' survey annually to bi-annual had been approved and made by the Policy & Finance Committee in October 2023. The impact of this would be that this would mean that the Council would not receive resident feedback on the delivery of its services as frequently as it did now. Turning to the proposed changes for the Arun Times, Officers were still assessing the implications from moving from two hard copy publications in 2025 to one hard copy and one digital

copy. A request was made that in rolling out this change that the hard copy of Arun Times be issued first so that it could provide adequate warning and very clearly publicise the change confirming that the next edition would be provided electronically.

Turning to Appendix A of the report, under Corporate Support Committee, Management and Support Services, a request was made for more detail regarding the decrease in the customer services budget. The substantial increase in print and post services budget was also queried. A question was asked around the salary adjustment of £101k and what this meant. The Group Head of Finance and Section 151 Officer responded explaining that with the customer services budget line, there were a couple of vacant posts that would not be filled from 1 April 2024 and so the budget had been reduced to reflect that. The postal services budget had been incorrectly set at a too low figure for 23/24 and so this reflected that necessary correction for the 2024/25 budget. With the salary adjustment, Members were reminded that when the initial Medium Term Financial Strategy [MTFS] had been presented to the Policy & Finance Committee in October 2023, that strategy had made an assumption of a pay increase at around 6 to 6.5% to reflect the economic landscape at that time which was different then to what it was now. He felt that the likely percentage pay increase for 2024-25 which was likely to be in the region of 4%. The £101k reflected that downward adjustment.

Returning its attention to the table setting out the proposed saving measures equating to £249k, concern was expressed over the possible consequences and risks to the Council and whether any risk would impede the delivery of the savings. It was hoped that there would be no additional cost associated to rectifying any consequences that may need addressing as a result of adopting the savings. This point was acknowledged.

Having received some further questions relating to Arun Times and questions regarding cyber security and its increasing risk and cost to the Council, Councillor Tandy then proposed the recommendations which were then seconded by Councillor O'Neill,

The Committee

RESOLVED – That

- (1) It agrees the 2024/25 Revenue Budget as illustrated in Appendix A of the report; and
- (2) It agrees the 2024/25 Capital Programme as illustrated in Appendix B of the report.

The Committee

RECOMMENDS TO THE POLICY & FINANCE COMMITTEE

That the Revenue Budget for the Corporate Support Committee be included in the overall General Fund Budget we the Policy & Finance Committee considers the overall budgets at its meeting.

**ECONOMY COMMITTEE – 1 FEBRUARY 2024**

601. COMMITTEE REVENUE AND CAPITAL BUDGETS 2024/25 - ECONOMY

The Group Head of Finance and Section 151 Officer presented his annual budget report which was asking the Committee to consider and recommend its revenue budget for inclusion in the Council's overall 2024/25 revenue budget as set out in Appendices A and B of the report. The recommendations would firstly be submitted to the Policy & Finance Committee on 8 February 2024 which would consider the overall revenue and capital budgets for 2024/25 so that recommendations could 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.

The Group Head of Finance and Section 151 Officer in providing some background to the report stated that forecasting remained problematic due to ongoing inflationary pressures and the volatility around various other external factors affecting the economy and therefore budgets had been compiled using the best information available.

Members' attention was drawn to the fact that the net change in the revenue budget between 2022/24 and 2024/25 represented an increase of £94k and the key changes had been set out in Paragraph 4.4 of the report with the headline items being salary inflation and property cost increases. The gross total of increases had been offset by savings items as detailed in Paragraph 4.5 totalling £56k. It was confirmed that there were no new capital schemes in the programme, however, further information on this would be provided as part of the next agenda item when the Committee would receive its Budget Monitoring Quarter 3 Report.

Having had the recommendations in the report proposed by Councillor Walsh and seconded by Councillor Stanley,

The Committee

RESOLVED – That

(1) It agrees the 2024/25 Revenue Budget as illustrated in Appendix A of the report; and

(2) Agrees the 2024/25 Capital Programme as illustrated in Appendix B of the report.

The Committee also

#### RECOMMEND TO THE POLICY & FINANCE COMMITTEE

That the Revenue Budget for the Economy Committee be included in the overall General Fund Budget when the Policy & Finance Committee considers the overall budgets at its meeting on 8 February 2024.