

# Arun District Council

<b>REPORT TO:</b>	<b>Economy Committee – 23 January 2025</b>
<b>SUBJECT:</b>	<b>Committee Revenue and Capital Budgets 2025/26</b>
<b>LEAD OFFICER:</b>	<b>Antony Baden, Group Head of Finance and Section 151 Officer</b>
<b>LEAD MEMBER:</b>	Councillor Roger Nash, Chair of Economy Committee
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b> The Council's financial planning and budget promotes all of the Council's Corporate Priorities.	
<b>DIRECTORATE POLICY CONTEXT:</b> The Council's financial planning and budget supports all Directorates of the Council.	
<b>FINANCIAL SUMMARY:</b> The draft budgets for this Committee are shown in the appendices.	

## 1. PURPOSE OF REPORT

- 1.1. This report is for the Committee to consider and recommend its revenue and capital budgets for inclusion in the Council's 2025/26 budget. The agreed budgets will then form part of the overall revenue and capital budgets for 2025/26 to be considered at the Policy and Finance Committee on 13 February 2025, so that recommendations can be made to Full Council on 26 February 2025 regarding the budgets to be set and level of Council Tax for the District for 2025/26.

## 2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee:
  - (a) Agrees the 2025/26 Revenue Budget as set out in Appendix A;
  - (b) Agrees the 2025/26 Capital Programme as set out in Appendix B; and
  - (c) Recommends to the Policy and Finance Committee that the Revenue and Capital Budgets for this Committee be included in the Council's overall 2025/26 Revenue and Capital Budget.

## 3. EXECUTIVE SUMMARY

- 3.1 This report sets out the 2025/26 revenue and capital budgets for this Committee to consider and recommend for submission to the Policy and Finance Committee on 13 February 2025.

#### 4. DETAIL

- 4.1 The Medium Term Financial Forecast (MTFF) 2025/26 to 2029/30 report to Policy and Finance Committee on 11 December 2024, provided members with the general background to the 2025/26 budget process along with a high-level update on the current financial and economic prospects arising from the main issues affecting the Council and their impact on the financial forecast for the next five years.
- 4.2 The MTFF advised that officers will develop budget proposals for the consideration of each service committee, which will enable the Council to maintain and replenish an adequate level of Usable Revenue Reserves as decided by the Group Head of Finance and Section 151 Officer.
- 4.3 The basis of revenue budgeting for 2025/26 broadly assumes that current levels of service provision will remain unchanged. This means that whilst inflation increases have been included, there is no growth within the budget proposals other than those outlined in paragraph 4.5.
- 4.4 The revenue budget totalling £2.582m is set out in Appendix A and shows a net increase of £38k between 2024/25 and 2025/26. The key changes are summarised in the table below:

<b>Change</b>	<b>Amount £'000</b>
Investment in the asset management review project	280
Pay inflation & adjustments	75
Removal of Community Asset Fund expenditure	(72)
Increase in land charges and beach hut rental income	(105)
Reduction in specialist fees and electricity costs	(110)
Other minor changes	(30)
<b>Total</b>	<b>38</b>

- 4.5 The investment of £280k in the asset management review project will produce high level business case option appraisals for assets within the general fund portfolios generating proposals for further investigation. The review is key for the MTFF and will develop an Asset Management Strategy which should identify opportunities for increased revenue income and capital receipts alongside reductions in asset expenditure.
- 4.6 The electricity contract enables the spot purchasing of energy one year in advance which has resulted in a reduction in the electricity costs for 2025/26. Specialist fees were in relation to the HMLR Local Land Charges project transferring local registers to a national database.
- 4.7 The level of funding for the capital programme will be determined at the Policy and Finance Committee on 13 February 2025. Existing schemes and new schemes will continue to be reviewed during 2025/26 for affordability and deliverability. The impact of any new borrowing will also be kept under review and reported to Members during the financial year.

- 4.8 The planned capital programme is set out in Appendix B and totals £8.376m for 2025/26 and is comprised of:
- Asset Management £2.236m
  - Bognor Regis Arcade, Upper Floors £6.140m

## **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 financial implications are shown throughout the report. It is important that close monitoring of both revenue budgets, and the capital programme is in place.

## **8. RISK ASSESSMENT CONSIDERATIONS**

- 8.1 The risks outlined in the Medium Term Financial Forecast 2025/26 to 2029/30 reported to Policy and Finance Committee 11 December 2024 remain relevant. Members may wish to review these alongside this report.

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

- 9.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs while section 25 of the Local Government Act 2003 requires the Council to have due regard to a statement on the adequacy of reserves and the robustness of the budget, produced by the Chief Financial Officer, when making its budget decisions.

- 9.2 The Council is required to set a balanced budget and the Chief Financial Officer must report under s114 of the Local Government Finance Act 1988 if it appears to them that the expenditure of the authority incurred (or proposed to be incurred) in a financial year is likely to exceed the resources available to meet that expenditure.

## **10. HUMAN RESOURCES IMPACT**

- 10.1 There are no direct implications.

## **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.

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**CONTACT OFFICER:**

Name: Antony Baden

Job Title: Group Head of Finance and Section 151 Officer

Contact Number: 01903 737558

**BACKGROUND DOCUMENTS:**

Arun District Council Budget 2024/25 - Special, Full Council 21 February 2024

Medium Term Financial Forecast 2025/26 to 2029/30 –Policy & Finance Committee  
11 December 2024

**Economy Committee  
General Fund Revenue Budget 2025/26**

Actual 2023-24 £'000	Description	Budget 2024-25 £'000	Budget 2025-26 £'000
<b>Economy Committee</b>			
<b>Direct Services</b>			
(509)	Sundry Properties including Beach Huts	(584)	(625)
171	Economic Regeneration	327	256
(69)	Land Charges	(32)	(137)
77	Tourism	89	109
<b>(330)</b>	<b>Total for Direct Services:</b>	<b>(200)</b>	<b>(397)</b>
<b>Economy Committee</b>			
<b>Management &amp; Support Services</b>			
852	Administrative Buildings and Facilities Management	869	771
421	Property and Estates Management	532	942
1,013	Corporate Asset Management	1,343	1,266
<b>2,286</b>	<b>Total for Management &amp; Support Services:</b>	<b>2,744</b>	<b>2,979</b>
<b>1,956</b>	<b>Economy Committee Total:</b>	<b>2,544</b>	<b>2,582</b>

**Economy Committee  
Capital Programme 2025/26**

Actual 2023/24	Economy Committee Capital	Original Budget 2024/25	Current Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Note
£'000		£'000	£'000	£'000	£'000	£'000	
754	Asset Management	1,233	2,007	2,236	1,317	1,000	1
350	Bognor Regis Arcade, Upper floors	3,550	1,181	6,140	320	-	2
712	Littlehampton Public Realm	-	-	-	-	-	3
<b>1,816</b>	<b>Total Economy</b>	<b>4,783</b>	<b>3,188</b>	<b>8,376</b>	<b>1,637</b>	<b>1,000</b>	

## Notes

1. The 2025/26 Asset Management Budget of £2.236m is made up of:
  - £1,000k Waterloo Square
  - £392k Car park resurfacing
  - £300k Hotham Park Carriage Yard (drainage)
  - £200k Arun Leisure Centre (WSCC Dual Use Agreement)
  - £135k The Arcade Roof
  - £119k Public convenience refurbishments
  - £90k East Preston Depot road remodelling
  
2. Bognor Regis Arcade has a total project value of £7.991m (including £350k expenditure in 2023/24) and the main scheme, RIBA3 is underway to refine the design and cost plan. This will help inform a revised financial appraisal and any required budget reprofiling to future years.
  
3. Scheme completed in 2023/24