

Arun District Council

REPORT TO:	Corporate Support Committee – 6 February 2025
SUBJECT:	Committee Revenue and Capital Budgets 2025/26
LEAD OFFICER:	Antony Baden, Group Head of Finance and Section 151 Officer
LEAD MEMBER:	Councillor Francis Oppler, Chair of Corporate Support Committee
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: The Council's financial planning and budget promotes all of the Council's Corporate Priorities.	
DIRECTORATE POLICY CONTEXT: The Council's financial planning and budget supports all Directorates of the Council.	
FINANCIAL SUMMARY: 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) Grants authority to the Group Head of Finance & Section 151 Officer to extend the contract for the renewal and upgrade of the Council's finance system for a further 5 + 5 years if bids come within budget as set out in paragraph 4.8;
- (c) Agrees the 2025/26 Capital Programme as set out in Appendix B subject to this Committee approving the Procurement of the Human Resources and Payroll System project reported elsewhere on this agenda; and

(d) 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.

4.4 The 2025/26 revenue budget totalling £6.922m is set out in Appendix A and shows a net increase of £820k from 2024/25. The key changes are summarised in the table below:

Change	Amount £'000
Realignment of Finance and Revenues & Benefits staffing structures	211
Reduction in recharges of support services to the HRA	177
Pay inflation & adjustments	129
Various Contract increases	99
Implementation and upgrade of the existing finance system	80
Security costs at the Civic Centre and Bognor Regis Town Hall	70
Centralisation of training budgets offset by other Committees	54
Total	820

4.5 Department restructures within Finance and Revenues & Benefits has resulted in an alignment of £211k of staffing costs. The additional cost to this Committee is offset by a corresponding cost reduction to the Housing & Wellbeing Committee.

- 4.6 The £177k reduction in income from the recharge of support services to the HRA is because £81k of staff are now budgeted for within the HRA, and the remaining £96k reflects a reduction in recharges which is in line with the current years forecast.
- 4.7 Additional costs for procurement, IT maintenance software and increased usage of housing servers and cloud-based backups and firewalls have increased costs by £99k.
- 4.8 The budget includes a one-off cost of £80k for the implementation and upgrade of the existing finance system. Part 6, section 4, paragraph 5.2 of the Constitution sets out that Committee approval is required when entering into a contract where the value exceeds the Public Contracts procurement threshold of £214,904. The total value of this contract will exceed the threshold, so Members are requested to grant authority to the Group Head of Finance and Section 151 Officer to extend the contract for a further 5 + 5 years.
- 4.9 The 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.
- 4.10 The planned capital programme is set out in Appendix B and totals £120k for 2025/26 for Information Communication Technology. The total capital programme budget for this Committee will increase if the Human Resources and Payroll System project reported elsewhere on this agenda is approved by Members.

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 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:

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

**Corporate Support Committee
General Fund Revenue Budget 2025/26**

Actual 2023-24 £'000	Description	Budget 2024-25 £'000	Budget 2025-26 £'000
Corporate Support Committee			
Direct Services			
500	Elections	101	104
242	Registration of Electors & Elections	215	224
742	Total for Direct Services:	316	328
Corporate Support Committee			
Management & Support Services			
215	Communications & Design	215	203
767	Customer Services	776	807
726	Democratic Services	848	851
258	Print & Post Services	333	334
1,670	Financial Services	1,659	1,868
418	Human Resources	419	727
1,906	Information & Communication Technology	2,261	2,322
660	Legal & Administration	643	655
21	Policy & Partnerships	26	30
331	Staff Support	352	364
6,972	Total for Management & Support Services:	7,532	8,162
7,714	Committee Sub Total:	7,848	8,490
(1,439)	Support Services Recharges to the HRA	(1,746)	(1,568)
6,275	Committee Total:	6,102	6,922

**Corporate Support Committee
Capital Programme 2025/26**

Actual 2023/24	Corporate Support 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	
84	Information Communication Technology (ICT)	-	180	120	280	100	1
-	Webcasting Equipment	-	62	-	-	-	2
	HR/Payroll Information System			tbc			3
84	Total Corporate	-	242	120	280	100	

1. The ICT 2024/25 budget covers EDRMS project, digital strategy and cyber security solutions. The 2025/26 programme is for the replacement of a storage area network system that is no longer supported.
2. Scheme completed in 2024/25
3. Exempt Item – HR/Payroll Project Approval:
The 2025/26 capital programme includes implementation of a new HR/Payroll information system as the current system will not be supported from December 2026. This is subject to approval from this Committee, Policy and Finance committee on the 13 February 2025 and Full Council on the 26 February 2025.