

# Arun District Council

<b>REPORT TO:</b>	<b>Policy &amp; Finance Committee – 13 February 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>	<b>Councillor Martin Lury</b>
<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 Agenda Item 10 for this meeting, 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 this 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) Agrees 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 inclusion in the Council's overall 2025/26 Revenue and Capital Budget.

#### 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, except for the establishment of a programme management office.
- 4.4. The 2025/26 revenue budget totalling £1.671m is set out in Appendix A and shows a net reduction of £275k from 2024/25. The key changes are summarised in the table below:

<b>Change</b>	<b>Amount £'000</b>
Two group head posts deleted and other staff savings	(246)
Transfer staff to Housing & Wellbeing Committee	(110)
Programme Management Office Project fees	60
Other minor changes	21
<b>Total</b>	<b>(275)</b>

- 4.5. The budget shows a reduction in staffing from savings of £246k in two group head posts along with savings achieved from flexible working practices. In addition, there is a reduction in the Committee's budget of £110k from the transfer of a group head post to the Housing & Wellbeing Committee HRA and General Fund budgets.
- 4.6. The funding for the capital programme will be determined by the Committee as part of a separate item on this meeting's agenda. 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.
- 4.7. The planned capital programme is set out in Appendix B and totals £12.649m for 2025/26 and is comprised of:
- Alexandra Theatre £10.324m
  - Littlehampton Seafront £2.325m

## **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.

**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:**

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Job Title: Group Head of Finance and Section 151 Officer

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**BACKGROUND DOCUMENTS:**

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

[Arun District Council Budget 2024-25 - Report](#)

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

[Medium Term Financial Forecast 2025-26 - Report](#)

**Policy & Finance Committee  
General Fund Revenue Budget 2025/26**

<b>Actual 2023-24 £'000</b>	<b>Description</b>	<b>Budget 2024-25 £'000</b>	<b>Budget 2025-26 £'000</b>
<b>Policy and Finance Committee</b>			
1,508	Corporate Management	1,744	1,469
273	Climate Change	202	202
<b>1,781</b>	<b>Committee Total:</b>	<b>1,946</b>	<b>1,671</b>

**Policy & Finance Committee  
Capital Programme 2025/26**

Actual 2023/24	Policy & Finance 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	
1,450	Alexandra Theatre	11,794	2,805	10,324	4,327	-	1
466	Littlehampton Seafront	5,743	4,362	2,325	-	-	2
654	Littlehampton Harbour Entrance Renewal	-	-	-	-	-	3
<b>2,570</b>	<b>Total Policy &amp; Finance</b>	<b>17,537</b>	<b>7,167</b>	<b>12,649</b>	<b>4,327</b>	<b>-</b>	

### Notes

1. Alexandra Theatre – A full project update was submitted to Policy & Finance Committee on 24 October 2024 which included an additional budget provision of £3 million due to the inflationary cost pressures in the construction industry. A significant proportion of the project has also been reprofiled to 2025/26 due to delays in the project including for example, delays in discharge of planning conditions and finalising the full detailed design.
2. Littlehampton Seafront - the programme has been reprofiled in 2024/25 to reflect the latest cashflow to fit in line with project delivery.
3. Scheme completed 2023/24.