

CABINET

8 February 2021 at 5.00 pm

Present: Councillors Dr Walsh (Chairman), Oppler (Vice-Chairman), Coster, Mrs Gregory, Lury, Stanley, Mrs Staniforth and Mrs Yeates

Councillors Bicknell, Bower, Charles, Clayden, Mrs Cooper, Cooper, Edwards, English, Gunner, Mrs Pendleton and Roberts were also in attendance for all or part of the meeting.

465. ARUN DISTRICT COUNCIL BUDGET - 2021/22

Before inviting the Cabinet Member to introduce this item, the Chairman made a statement about an item that had become entangled with the Budget and had made press headlines leading to speculation and some ill-informed comments to do with beach patrols in Littlehampton and Bognor Regis. Councillor Dr Walsh confirmed that the proposals did not appear in the Budget and were still under review. The situation last year was that the Council only had beach inspectors in place for a very short time due to the Coronavirus pandemic which began in March 2020. Due to Covid-19, the Council was not able to recruit these posts at the current time and that no recruitment would commence until the Covid-19 emergency was over and the decision was taken by Officers and the Cabinet to proceed.

The Deputy Leader of the Council and Cabinet Member for Corporate Support, Councillor Oppler, explained that the annual Budget provided the financial parameters and direction for the year ahead. It was excellent that the Council had managed to achieve a balanced budget for 2021/22. The pandemic had meant that the Budget process had been even more challenging than in recent years and so he wished to take this opportunity to thank the whole of the Finance Team and all Arun staff for their hard work during these exceptionally challenging times.

The Group Head of Corporate Support then provided a strategic overview of the Budget and the main highlights explained in his presentation have been summarised below:

- It was excellent news that the Council had not had to use its reserves to balance the Budget this had been clearly set out on the General Fund Revenue Budget Summary

- Another good news item was that the Council had been able to set aside around £0.5 m in contingency savings that could be used against any further Covid-19 emergencies should there be any
- The most significant variable was funding from Central Government. The New Homes Bonus (NHB) had been introduced in 2011/12 to create an incentive rewarding local authorities that delivered sustainable housing growth in their areas. This scheme had undergone major review and continued to be reduced and would likely receive a payment of zero in two years' time. This would be partly offset by a lower tier Service Grant, but it was assumed that this grant would be a one-off grant and not a replacement of the NHB.
- It had previously been flagged a number of times that the Government was planning a funding review of funding streams through the Fair Funding Review which could result in reset of business rates which would effectively mean that the Council would lose all the growth it had accumulated since the inception of the scheme in 2013. Although this had been further delayed due to Covid-19, it was anticipated that the Government would still be carrying out these changes [the Fair Funding Review]. It was worth noting that although the Council had done well out of some of these schemes, there were other Councils elsewhere in the country that had not done so well and so were asking for this sort of funding to be shared more evenly.
- Given the balanced budget, it was anticipated that the Council's balances would remain at around £6.7m. The major variation to the Budget had been set out at the Table in Paragraph 4.6 of the report.
- On the General Fund, a Council Tax increase of £4.95 was proposed to £191.52 for a Band D Council Tax. 2.65%
- On the HRA, this reflected the priorities of the Business Plan as presented to the last meeting of Cabinet on 11 January 2021 and included a significant investment in affordable homes. For 2021/22 HRA rents would be increased by 1.5% in accordance with the provisions of the rent standard.
- Finally, on Capital and Asset Management and other projects, the report set out the significant investment in essential infrastructure. Cabinet was asked to note that in addition to what was outlined in the report, funding had been approved at the last Full Council meeting for funding for the enhancement of the Sunken Gardens and Place St Maur projects in Bognor Regis.

Questions were asked by Non-Cabinet Councillors in relation to the Council's proposed increase in Council Tax which was proposed to be increased by the maximum amount allowed. The Leader of the Council was asked if a threshold was not in place, would his administration be proposing a much higher percentage rise. Councillor Dr Walsh confirmed that the 2.65% increase proposed was the right amount as the Council had produced a balanced budget and so did not need to raise its Council Tax any more or less than what was proposed which represented a fair amount for the District's tax payers.

Other questions asked were around the number of new dwellings built against targets set. The Cabinet Member for Residential Services responded confirming that to date 90 properties were being purchased, 24 had been handed over with one existing 5 bedroomed house being refurbished into two 2-bedroom flats for temporary accommodation. Councillor Mrs Gregory confirmed that she had to hand all the dates for the handovers with last being in early 2022 which she would be happy to share. Councillor Mrs Gregory stated that with the 70/30 monies from properties sold from the Right to Buy Scheme, it was hoped to be able to push those figures further.

Further clarification was sought from Non-Cabinet Councillors in relation to the Foreshores Team. The Chairman confirmed that it was not part of the budget proposals to alter the situation or to either increase or decrease the budget.

The Cabinet Member for Community Wellbeing, Councillor Mrs Yeates, confirmed that she had not been made aware of this situation.

Suggestions were made for the foreshore team to be recruited now in readiness for the start of the new season. Councillor Mrs Yeates confirmed that she needed to check on the exact status of the personnel.

The Director of Services was asked to expand on this issue. She reminded Councillors that the foreshore staff employed were temporary staff and she explained the reasoning for the reduced service last year reminding Councillors that this service was supported by the important service of lifeguarding which had also been reduced last year as the RNLI had prioritised Littlehampton over Bognor Regis, due to the fast flowing River Arun.

Statements were made that the answers being provided were not clear in terms of when Foreshore staff operated. The Director of Services reconfirmed that no recruitment had yet been undertaken for this season for the reasons she had already provided.

Following further debate, the Chairman confirmed that this situation was under review in line with the pandemic and that when it was appropriate to review the situation, this would occur.

The Cabinet

RECOMMEND TO FULL COUNCIL – That

- (1) The General Fund Revenue budget as set out in Appendix 1 is approved;
- (2) Arun's Band D Council Tax for 2021/22 is set at £191.52, an increase of 2.65%;

- (3) Arun's Council Tax Requirement for 2021/22, based on a Band D Council Tax of £191.52, is set at £11,994,514 plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements;
- (4) The HRA Budget as set out in Appendix 2 is approved;
- (5) The HRA rents for 2021/22 are increased by 1.5% (CPI plus 1%) in accordance with the provisions of the new rent standard;
- (6) HRA garage rents are increased by 5% to give a standard charge of £12.93 per week (excluding VAT), and heating and water/sewerage charges increased on a scheme by scheme basis, with a view to balancing costs with income; and
- (7) The Capital budget as set out in Appendix 3 is approved.

The Cabinet also noted

- (1) that the Group Head of Corporate Support, in consultation with the Deputy Leader of the Council and Cabinet Member for Corporate Support, has approved a Council Tax base of 62,628 for 2021/22; and
- (2) the budget report in **Appendix A, 1,2 and 3**;

The Cabinet confirmed its decision as per Decision Notice C/052/0802021, a copy of which is attached to the signed copy of the Minutes.