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Cabinet

Thursday, 26th January, 2023 at 5.30 pm
Conference Room, Parkside, Chart Way, Horsham

Councillors:	Tony Hogben	Acting Leader and Finance & Parking
	Toni Bradnum	Recycling & Waste
	Liz Kitchen	Community Matters
	Lynn Lambert	Planning & Development
	Christian Mitchell	Horsham Town
	Roger Noel	Leisure & Culture
	Josh Potts	Environment & Rural Affairs
	Tricia Youtan	Housing & Public Protection

You are summoned to the meeting to transact the following business

Jane Eaton
Chief Executive

Agenda

	Page No.
1. Apologies for absence	
2. Minutes	3 - 10
<p>To approve as correct the minutes of the meeting held on 24 November 2022 (<i>Note: If any Member wishes to propose an amendment to the minutes they should submit this in writing to committeeservices@horsham.gov.uk at least 24 hours before the meeting. Where applicable, the audio recording of the meeting will be checked to ensure the accuracy of the proposed amendment.</i>)</p>	
3. Declarations of Members' Interests	
<p>To receive any declarations of interest from Members of the Cabinet</p>	
4. Announcements	
<p>To receive any announcements from the Leader, Cabinet Members or the Chief Executive</p>	
5. Public Questions	
<p>To receive questions from and provide answers to the public in relation to matters which in the opinion of the person presiding at the meeting are relevant to the business of the meeting</p>	
6. 2023/24 Budget and the Medium-Term Financial Strategy to 2026/27	11 - 94
<p>To consider the report of the Cabinet Member for Finance & Parking</p>	

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|-----|---|-----------|
| 7. | 2023/24 Council Tax Reduction Scheme and Housing Benefit Modified Scheme
To consider the report of the Cabinet Member for Finance & Parking | 95 - 100 |
| 8. | Business Rates Discretionary Charitable Relief 2023/24
To consider the report of the Cabinet Member for Finance & Parking | 101 - 116 |
| 9. | Overview & Scrutiny Committee
To consider any matters referred to Cabinet by the Overview & Scrutiny Committee | |
| 10. | Forward Plan
To note the Forward Plan (latest published version available at: January Forward Plan) | |
| 11. | To consider a matter of General Exception
A general exception has been used with regard to the publication of the Notice of Key Decision for this item. This item is to approve and accept the allocation of £2.656m funding from Government and add £3.21m of its own funding to provide 14 standard homes and 2 larger homes by the 30 November 2023 deadline. The reason it was not on the Forward Plan was because the Department of Levelling Up, Housing and Communities (DLUHC) only recently announced a new £500m Local Authority Housing Fund for financial years 2022-23 and 2023-24 and a decision is needed by the end of this month. All elements of General Exception 4g.21 a) - d) of the Council's Constitution have been complied with.

General Exception Notice | |
| a) | Local Authority Housing Fund 2022-23 and 2023-24
To consider the report of the Cabinet Member for Finance & Parking | 117 - 124 |

Cabinet
24 NOVEMBER 2022

Present: Councillors: Jonathan Chowen (Leader), Tony Hogben (Deputy Leader), Toni Bradnum, Liz Kitchen, Lynn Lambert, Roger Noel and Tricia Youtan

Apologies: Councillors: Christian Mitchell and James Wright

EX/44 **MINUTES**

The minutes of the meeting of the Cabinet held on 29 September were approved as a correct record and signed by the Leader.

EX/45 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

EX/46 **ANNOUNCEMENTS**

There were no announcements.

EX/47 **PUBLIC QUESTIONS**

No questions had been received.

EX/48 **UPDATE ON THE COUNCIL'S FINANCIAL POSITION IN 2022/23 AND MEDIUM-TERM FINANCIAL STRATEGY UPDATE 2023/24 TO 2026/27**

Councillor Tony Hogben, Cabinet Member for Finance & Parking, introduced the report on the Council's financial position in 2022/23 and Medium-Term Financial Plan, and how key points and assumptions had changed since the update to Cabinet in September.

He stated that a further rise in inflation and put additional pressure on costs, particularly for building materials and maintenance. The rise in interest rates meant that the Council's investment income was of some help in covering these additional costs. Parking income had also recovered well, and the proposed increase in fees and charges would also help to balance the budget in 2023/24.

The Cabinet Member summarised the reasons for continuing economic pressure and uncertainty, as set out in the report, and stated that the indicative figures for the 2023/24 budget were still liable to amendment and change before being brought to Council in February 2023.

Since publication of the report the Government's Budget on 17 November announced protection of funding for the NHS and Education budgets. It could

be inferred from this that other government department budgets, including Local Government, may fall. The provisional settlement would be received in December.

Later years in the Medium-Term Financial Strategy remain very uncertain, with the impact of Government funding, inflation, fees and charges, business rates and levelling up all key variables. The estimated £1.3m cost of food waste collection from autumn 2024 remains a major factor in the projections from 2024/25 onwards. However, the Cabinet Member advised that it was becoming more likely that the Government's implementation of food waste collection legislation would be postponed to a later year.

RESOLVED

- (i) To note the changes in the Council's financial position in 2022/23 and medium-term.

RECOMMENDED TO COUNCIL

- (ii) That the charges from 1 April 2023 for the garden waste subscription service are increased from £44 for the first bin to £49 and for any subsequent bin increased from £35 to £41.
- (iii) That Fixed Penalty Notices for littering and fly tipping be raised from £75 to £150 with a £110 early payment fee (currently £50).
- (iv) To increase the car park advertising fees as set out in Appendix 3.
- (v) To approve the creation of a revenue budget in Leisure services for the Drill Hall of £9,000 income and £27,100 expenditure, which is a net cost of £18,100 in the 2022/23 budget.
- (vi) To increase the capital budget for the Highwood Community Centre project by £150,000, from £2.75m to £2.9m.

REASON

- (i) The Council needs to acknowledge the effects that high levels of inflation will have on its financial position both in the short and medium-term. This has moved the council from what has been a long-term healthy financial position to one with predicted deficits unless action is taken on fees and charges. Given the level of uncertainty in the projections, the economy and proposed Government action, the report does not recommend direct action to reduce expenditure at this stage.
- (ii) to (iv) Council required to approve fees and charges, as per the constitution.

- (v) Council is required to set the revenue budget, as per the constitution. The budget will enable the Council to continue to operate the Drill Hall for the final quarter of 2022/23.
- (vi) Council is required to set the capital budget, as per the constitution.

EX/49 **HORSHAM CARFAX MARKETS OPERATOR CONTRACT AWARD
2023 - 2026**

Councillor Jonathan Chowen, Leader and Cabinet Member for the Local Economy, introduced the report on behalf of Councillor Christian Mitchell, Cabinet Member for Horsham Town. The contract specifications for the Carfax markets operator was informed by the results of a comprehensive strategy report, lessons learned from the current contract and the Council's latest economic strategy. The successful market operator's bid exceeded these specifications and would bring enhancements to the current operation, as detailed in the report.

The Economic Development Officer confirmed that, whilst the Carfax Market and Horsham General Market in West Street were the only ones directly under contract to the Council, the Economic Development Team were engaging with other market operators across the district with a view to actively supporting them. The Leader emphasised that the new contract would bring economic and social benefits, helping to keep Horsham an attractive and vibrant place.

RESOLVED

To approve the award to Supplier A Limited as Horsham Carfax Markets Operator for a period of three years with an option to extend for one additional year starting 1 January 2023.

REASON

The tender received from Supplier A meets and exceeds the Council's requirements and aspirations for this Contract.

EX/50 **PROCUREMENT FOR COMMERCIAL WASTE AND MIXED RECYCLING
DISPOSAL TENDER AWARD**

Council Toni Bradnum, Cabinet Member for Recycling & Waste, introduced the recommendation to approve the award for commercial waste and mixed recycling disposal following a comprehensive tender process. The tender was valued at approximately £1m per year over a five-year contract, with the option to extend for two years.

She itemised the different service requirements, as set out in the report, and advised that bids that had been received for general trade waste, wood waste, and bulky bags. There had been no bids for the mixed dry recycling, commercial paper and cardboard, or commercial food waste. The Head of

Recycling & Waste advised that there had been no bids for commercial paper and cardboard because the disposal of these items was not considered of economic value.

The Cabinet Member confirmed that where bids had not been received alternative solutions were being investigated, including options that involved continuing to work with WSCC to ensure satisfactory collection and disposal.

RESOLVED

- (i) To approve the award of the contracts for commercial waste to the highest scoring tenderer(s), on the terms recommended, as detailed in Appendix 1 (exempt).
- (ii) To delegate authority to the Director of Community Services in consultation with the Head of Legal & Democratic Services to finalise terms and conditions and to enter into contract with the highest scoring tenderer(s) for the commercial waste contracts.

REASON

- (i) Under the current Public Contracts Regulations (2015) the Council is legally required to competitively tender if the value of the goods or services exceeds the current threshold of £213,477 (inclusive of VAT).
- (ii) The service has grown and changed over the period of the current contract, with the inclusion of bulky bags and due to procurement regulations and we are now required to re tender for the services again. The Tender is worth £5m (£1m per year) over a five-year contract term with the option to extend for two years.

EX/51 **REFUSE VEHICLE REFURBISHMENT TENDER AWARD**

Councillor Toni Bradnum, Cabinet Member for Recycling & Waste, advised that the Council's fleet of twenty-two refuse collection vehicles (RCVs) were in need of refurbishment as they were reaching the end of their useable life.

The proposed capital investment would extend the life of the vehicles for a further six years. She stated that the cost of purchasing a fleet of new vehicles at this stage would far exceed the cost of refurbishment, but in six years' time technological advances would make the purchase RCVs powered by alternative fuel sources viable. The strategy also contributed to the Council's carbon reduction targets.

The Leader and Cabinet Member for Finance & Parking both expressed their support for delaying the purchase of new vehicles on economic and environmental grounds.

RESOLVED

- (i) To approve the award of the contract for Refurbishing the Refuse Vehicles to the highest scoring bidder, on the terms recommended, as detailed in Appendix 1 (exempt).
- (ii) To delegate authority to the Director of Communities in consultation with the Head of Legal & Democratic Services to finalise terms and conditions and to enter into a contract with the highest scoring bidder for the Refuse Vehicles Refurbishment Contract once the capital budget has been approved by Council.

RECOMMENDED TO COUNCIL

- (iii) To approve a capital budget of £566,520 in 2023/24 and £623,172 in 2024/25 for the refurbishment of 21 vehicles.

REASON

- (i) and (ii) To refurbish our RCV fleet over the next two years will enable the vehicles to be used for a further six years to allow alternative fuel options to be more available at a reasonable cost and refuelling infrastructure to be in place.
- (iii) The constitution requires full Council to set capital budgets.

EX/52 **APPROVAL OF BUSINESS CASE FOR HORSHAM DISTRICT HOMES FOR AFFORDABLE HOMES IN LONDON ROAD, HORSHAM**

Councillor Tricia Youtan, Cabinet Member for Housing & Public Protection, reminded Members that in March 2019 affordable rental housing in the District. Horsham District Homes Limited (HDH), development company, and Horsham District Homes (Holdings) Limited (HDHH) were both incorporated in 2019.

The Directors of HDH had prepared the business case for the construction of eleven affordable homes on the Council-owned site of the decommissioned London Road carpark. These would be paid for through S106 funds that the Council holds, and provide affordable homes at a sustainable location for some people on the Council's housing waiting list.

RESOLVED

- (i) To approve the business case for the construction of eleven homes for affordable rental in London Road, Horsham by Horsham District Homes Limited.
- (ii) To approve the transfer of the land in London Road, Horsham from Horsham District Council to Horsham District Homes Limited for

c£200,000 subject to obtaining any consent of the Secretary of State, if required and approval of the final construction costs and appraisal.

- (iii) To approve a loan of up to £2,650,000 to Horsham District Homes Limited for the construction of the eleven properties at London Road, Horsham at the agreed rate of 4% plus base rate.
- (v) To delegate to the Section 151 Officer, in consultation with the Leader and Cabinet Members for (i) Finance and Parking, and, (ii) Housing and Public Protection, authority to agree the final figures in relation to this project, including the transfer value of the land, subject to the transfer value of the project of £2.65m and rental values remaining unchanged.

RECOMMENDED TO COUNCIL

- iv) To: (a) approve the transfer of s106 funds to Horsham District Homes (Holdings) Limited for the purchase, at affordable rent market rate, of the eleven 2-bedroomed homes in London Road, Horsham for a sum of no greater than £2,650,000 plus stamp duty land tax (if applicable given intra-group relief) and agents fees; and (b) to approve the transfer of the homes from Horsham District Homes Limited to Horsham District Homes (Holdings) Limited.

REASON

Approval of the recommendations will allow the details of the transactions to be completed so that the affordable rental properties can be delivered for the benefit of households on the housing list.

EX/53 PROCUREMENT OF MERCHANT ACQUIRING SERVICE

Councillor Tony Hogben, Cabinet Member for Finance & Parking, advised that the Merchant Acquiring Service allows the Council to take card payments for its services. The proposed contract award followed a comprehensive tender process, and the total cost to the Council would be no different to the current service arrangements.

RESOLVED

- (i) To award the contract to supply merchant acquisition service to the Contractor identified in Appendix 1 for a period of two years with the option to extend for a further two years.

REASON

- i) This follows a procurement process using a Crown Commercial Services framework agreement. Under the current Public Contracts Regulations (2015) the Council is legally required to competitively

tender or utilise a compliant Framework Agreement if the value of the goods or services exceeds the current threshold of £213,477 (inclusive of VAT).

EX/54 **RESIDENTIAL MANAGEMENT SERVICES TENDER AWARD**

The Cabinet Member advised that the report set out the need to renew the Council's arrangements for the residential management of flats within The Forum and Lintot Square. The new contract would replace the existing one that was due to expire on 31 December 2022. It was noted that the payment was met directly by the leaseholder as part of their service charge and there was no revenue impact on the Council.

RESOLVED

- (i) To approve the award of the contract for Residential Management of Flats at the Forum and Lintot Square to the highest scoring bidder, on the terms recommended, as detailed in Appendix 1 (exempt).
- (ii) To delegate authority to the Director of Place in consultation with the Head of Legal & Democratic Services to finalise terms and conditions and to enter into a contract with the highest scoring bidder for the Residential Management Contract.

REASON

Under the current Public Contracts Regulations (2015) the Council is legally required to competitively tender if the value of the goods or services exceeds the current threshold of £213,477 (inclusive of VAT). While at face value the contract is based on a concession model (service users pay the Supplier for services rendered directly) this does not fall under the definition of a contract governed by the Concession Contracts Regulations (2016) as the Contract Value is largely guaranteed for the supplier (it is a mandatory requirement for service users to pay for the service) so the Public Contracts Regulations (2015) still apply to this contract.

EX/55 **OVERVIEW & SCRUTINY COMMITTEE**

There were no matters currently outstanding for consideration. Cabinet noted the minutes of the Overview & Scrutiny call-in request held on 20 October.

EX/56 **FORWARD PLAN**

The Forward Plan was noted.

EX/57 **TO CONSIDER MATTERS OF SPECIAL URGENCY**

There were no matters of special urgency to be considered.

The meeting closed at 6.00 pm having commenced at 5.30 pm

CHAIRMAN

Report to Cabinet

26 January 2023

By Cabinet Member for Finance and Parking

DECISION REQUIRED



Not Exempt

The 2023/24 Budget and the Medium-Term Financial Strategy to 2026/27

Executive Summary

This report sets out details of the proposed 2023/24 revenue and capital budgets following the receipt of the provisional financial settlement from Government on 19 December 2022.

The Council is budgeting for breakeven in 2023/24. The net budget requirement for 2023/24 at £13.5m is £1.2m higher than (£12.3m) in 2022/23, reflecting the significant impact of annual inflationary and salary cost-pressures.

Despite the significant cost increases, good financial management and healthy reserves put us in a good position to sensibly invest both now and in the future.

Recognising that times are tough for some of our residents, we are intending to use £1m of reserves to support residents during 2023/24 who are finding it difficult as the cost of living rises. We are also continuing to maintain really good quality services, voluntary grants and protecting all our non-statutory services, including for example, the work undertaken by our community services that is so greatly appreciated by our residents. We continue to charge the lowest council tax in West-Sussex.

We are also setting an ambitious £8.5m capital programme providing infrastructure and facilities for residents. In addition, although difficult to fully quantify at present, work on the de-carbonisation action plan to date has identified a significant cost to achieving the aspirational target of the Council's direct emissions being carbon neutral. This key priority as well as the replacement of capital infrastructure and the reduction of carbon output of many Council owned buildings shown indicatively in Appendix J, will be significant through to 2030.

This report prudently recommends moving the New Homes Bonus earmarked reserve to an Environment and Infrastructure earmarked reserve, in order to tackle improvements to the environment, decarbonisation and the ongoing replacement of significant infrastructure that will serve the needs of the district's residents.

The report sets out a Medium-Term Financial Strategy 2023-26 using the latest information. Although the two-year provisional settlement helps us plan a little better to 31 March 2025 at least, the outlook remains extremely uncertain. Future Medium-Term Financial Strategy deficits reflect continuing high levels of inflation and a gradual reduction in Government funding after 1 April 2025. There is a risk that all Business Rate grant is taken away more quickly than that and the Council could face a significant funding drop in 2025/26 in the context of Government saying 'difficult economic decisions' must be made.

There is still no certainty on when we will be required to implement the collection of food waste and how much and for how long we might receive funding. Due to the ongoing delay, the Medium-Term Financial Strategy now assumes implementation from Autumn 2025, rather than Autumn 2024, which helps to reduce the expected budget deficit in 2024/25. Should Government announce a speedier implementation timetable, we would hope that incentivising funding of some sort would be available to offset some of the implementation costs in 2024/25. To help mitigate this concern, we propose to earmark some of the Governments Funding Guarantee grant in 2023/24 for this purpose.

Balancing future budgets will require a combination of three things. The continuing delivery of a programme to maximise efficiency and effectiveness primarily focused around digital transformation, although noting that this programme has already yielded large savings and cannot continue to do this at the same rate. Secondly, the Council could invest to generate income, and has already made some decisions about using its property portfolio, particularly for Affordable Housing. However, commercial investment heightens the risk from prudential and treasury management code changes. Thirdly, the Council provides a large number of services to its residents in excess of statutory levels and reprioritising these could be required in order to tackle the projected future deficits. The good news is that these decisions do not have to be taken right now.

The report also sets out a series of prudential indicators that are a statutory requirement to demonstrate that the Council's capital programme is affordable, and prudent in the context of the Council's overall finances. The report also includes the Chief Finance Officer's statement on the robustness of reserves in Appendix H.

Recommendations

Cabinet is recommended to propose the following for consideration by Council on 9 February 2022:

- i) That the level of Council Tax for 2023/24 increases from £162.09 by £4.85 (2.99%) to £166.94 at Band D.
- (ii) That the net revenue budget set out in Appendix A for 2023/24 of £13.513m is approved.
- (iii) That Special Expenses of £336,920 set out in Appendix C and a Band D charge of £27.53 are agreed in respect of the unparished area for 2023/24.
- (iv) That the capital programme for 2023/24 set out in Appendix D be approved and that the indicative capital budgets in the programme for future years be noted.
- (v) That the projected future budgets on the revenue account in 2024/25 to 2026/27 are noted and the Medium-Term Financial Strategy continues to be reviewed and refined to ensure that decisions are taken to set balanced budgets in these three years.
- (vi) That the Minimum Revenue Provision Statement set out in Appendix E is approved.
- (vii) That the Capital Strategy, Treasury Strategy, Investment Strategy and prudential indicators and limits for 2023/24 to 2026/27 set out in Appendix F are approved.
- (viii) To note the statement on the robustness of the level of reserves in Appendix H.
- (ix) That the increases to fees and charges set out in Appendix I to I(iii) are approved.
- (x) That the New Homes Bonus earmarked reserve is renamed to an Environment and Infrastructure earmarked reserve
- (xi) That the £2.9m Funding Guarantee grant received in 2023/24 is earmarked for £1m to help support residents in need through the cost of living, £1.6m food waste collection implementation, £0.3m for a new path around Horsham Park in the capital

programme and £50,000 is used in 2023/24 to fund the painting of the street furniture in Horsham town centre in time for the Coronation on 6 May 2023.

Reasons for Recommendations

To meet the Council's statutory requirement to approve the budget and the prudential indicators before the start of a new financial year.

Background Papers:

- Update on the Council's financial position, Cabinet, 24 November 2022
- Update on the Council's financial position, Cabinet, 29 September 2022

Wards affected: All

Contact: Dominic Bradley, Director of Resources, 01403 215300

Appendices:

- A:** Revenue Budget 2023-24 including growth and savings
- B:** Grants to voluntary groups
- C:** Special charge summary
- D:** Capital expenditure programme
- E:** Minimum Revenue Provision
- F:** Capital Strategy including Prudential Indicators
- G:** New Homes Bonus
- H:** Reserves
- I:** Schedule of increases in fees and charges
- I(i):** Licensing detailed fees and charges
- I(ii):** Sussex Building Control fees and charges
- I(iii):** Development Management fees and charges
- J:** Medium and long-term indicative capital commitments

Background Information

1 Introduction and background

- 1.1 This report sets out the Council's budget requirement for 2023/24 for capital and revenue expenditure. The budget is reviewed in the context of the projected outturn for 2022/23, future years' projected budgets and reserves.
- 1.2 On 19 December 2022, Government put forward a two-year provisional settlement, affectively stating that it has postponed its reviews of Business Rates and Funding until after the end of the current parliament. Economists are forecasting an imminent recession. All this means that councils remain unsure how the local government sector will be financed beyond 2025. It seems probable though that the direction of travel will continue towards fiscal self-sufficiency and that the amount of money available to district councils will continue to reduce over the medium-term as funding is diverted to fund budget pressures at County and Unitary Councils caused by the demands of social care.
- 1.3 Each year as the budget is set, unavoidable growth becomes apparent in the services. This is because of increased responsibilities from legislation, contractual obligations and inflationary pressures. However, high levels of inflation, including salary inflation, has significantly increased this risk. The Council is able to set a balanced budget in 2023/24 due to the increase in fees and charges it is proposing and higher investment income from interest rate rises. The projected deficit in 2024/25 is sufficiently close to being balanced that we are likely to be able to set a balanced budget when the time comes. Significant projected budget deficits in the latter two years of the Medium-Term Financial Strategy are caused by ongoing inflation and costs from the introduction of food-waste. Whilst consideration about the closure of these future budget gaps should be in our thoughts now, no immediate action is needed in the short term until the uncertainty clears.
- 1.4 The Council is well into a major programme of digital transformation to meet the demands and expectations of our customers, funded from reserves, and this has made savings. But with only Planning and Regulatory Services left to significantly change this will not deliver all the savings the Council needs to balance its budgets through the rest of the decade. Significant long-term costs also hang over the Council, which will need to be quantified and planned for, mainly around the cost of reaching net zero for carbon emissions and keeping our facilities, vehicles and equipment up to date. Options will include investing to generate income and potentially the future provision of non-statutory services.
- 1.5 The 2023/24 budget and resultant Council Tax level are set within the context of the Council's Corporate Plan priorities, the financial strategy and to meet the Council's legal requirement to deliver a balanced budget. This report is updated for the latest information and knowledge available to the Council. The report also sets out the prudential indicators used to measure the affordability of the Council's capital programme.

2 Relevant Council policy

- 2.1 To deliver a balanced budget over the medium-term and to ensure the Council has sufficient funds to deliver its Corporate Plan.

3 Details

Strategic political, economic and regulatory outlook

- 3.1 The medium-term economic outlook will depend significantly on the health of the wider economy. Rising energy prices, the general cost of living increases, and global events such as the war in Ukraine impacting prices and world supply chains and imminent recession will all affect how households, businesses and asset prices respond over time. Both the demand for the Council's services and its income streams are affected by the general economic health of the district, and the prevailing interest rate has a direct impact on interest receipts. Therefore the uncertainty of the economic and regulatory outlook adds considerable risk to setting a precise financial strategy. Cost pressures from soaring utility costs, rising inflation and salary inflation are each significant risks. With this in mind, the assumptions within the budget and Medium-Term Financial Strategy are revisited in the sections below but remain very uncertain.

Finance Settlement 2023/24

- 3.2 The Government announced a two-year provisional finance settlement for 2023/24 on 19 December 2022 that contained a 4.9% core spending power total compared to 2022/23 albeit assuming a maximum increase in Council Tax. Overall, this is more positive than expected despite the real term cash reduction in spending power from inflation levels that are nearly double that.
- 3.3 Government gave the Council £2.9m of Funding Guarantee grant. This offset the £1.3m reduction in New Homes Bonus as well as the ending of £1.5m Lower Tier services grant. It was slightly higher to ensure that the Council's core spending ability increased by at least 3%. This is a temporary funding grant. The recommendation in this report is to earmark this amount to support those in need during the cost of living crisis £1m, the implementation of food waste £1.6m and a new path around Horsham Park in the capital programme £0.3m. These items are discussed in greater detail in their respective sections below.

Revenue Budget 2022/23

- 3.4 Budget holders have monitored income and expenditure against the 2022/23 budget throughout the year. The operational forecast at Month 9 is a £0.5m deficit largely the result of a £1,925 pay increase to all staff during the year which was significantly higher than the budgeted increase. The return of many customers to parking and the increase in investment income from higher interest rates is mostly covering this, and the rapidly rising costs in fuel, maintenance and housing services. Any overspend will be met by drawing on reserves, albeit the overall funding position remains a small surplus based on the current forecast. There are also still four months to negotiate before the year-end outturn. An overall surplus of £0.6m was set in February 2022.

4 Update on the Medium-Term Financial Strategy projections

- 4.1 The Medium-Term Financial Strategy in Table 1 has been updated for the December 2022 provisional settlement for 2023/24 and other known information.

Table 1: MTFS	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Net expenditure	12,320	13,513	14,025	15,670	16,925
Forecast op deficit (M9)	500	-	-	-	-
Funding: Council Tax	<i>(10,700)</i>	<i>(11,154)</i>	<i>(11,485)</i>	<i>(11,827)</i>	<i>(12,182)</i>
Baseline Business Rates	(2,052)	(2,129)	(2,129)	(1,850)	(1,650)
One-off Govt service grant	(141)	(80)	(80)	-	-
One-off Govt RSG grant	90*	(139)	(139)	-	-
Rural service grant	(11)	(11)	(11)	(11)	(11)
Total Funding	(12,814)	(13,513)	(13,844)	(13,688)	(13,843)
Net (surplus) / deficit	(6)	-	180	1,980	3,080

Note: (income shown in brackets). * projected spend on Council Tax Support £150 scheme not RSG

4.2 The assumptions underlying the current Medium-Term Financial Strategy projections are summarised in table 2 below and expanded upon in the paragraphs that follow:

Table 2: key budget assumptions used:

Area	Assumption
Inflation cost non-salaries	6% in 2024/25, falling 1.5% each year over the period
Increase in salaries budget	4.5% increase in 2023/24, reducing by 0.5% each year over the period. Risk rising.
Contribution to pension fund	Minimum level baseline of 18% over the period. The pension fund is currently in surplus.
Local Business Rates	Business Rates review triggering a significant re-base lining in 2025/26. Reducing our funding.
Increase in Council Tax	2.99% in 2023/24 then 2% per year for future years across the period.
Increase in Band D equivalent dwellings	Impact of water neutrality dampening housing numbers. 600 to 700 per year.
New Homes Bonus	Single year payments only, ending in 2023/24. Note: NHB hasn't fed into revenue since 2018/19.
Minimum reserve level	£6m – no change.
Food waste / garden waste	Food waste from Autumn 2025. £1.3m for a 1,2,3 service. Funding, if any, likely to be single year implementation only, but we don't yet know. No cap on prices (Risk £0.5m if £30). Threat of free service removed by Government.

Interest rates and inflation

- 4.3 Soaring energy prices and rising costs in 2022 has seen inflation more than doubling from 5% to 11%. The Medium-Term Financial Strategy budgets inflation feathering down over the period, once the Bank of England base rate increases start to bite. Economists predict that inflation will remain higher than the Bank of England's target rate of 2% for some time to come.
- 4.4 Whilst income is affected by inflation, inflation also increases our expenditure and that offsets the increases in Council Tax and charges. The impact of inflation on the Medium-Term Financial Strategy will be revisited on a monthly basis as the data is released by the Office of National Statistics. The impact of every 1% of inflation is measured in hundreds of thousands of pounds of additional costs.
- 4.5 The Bank of England base rate was increased to 3.5% in December 2022, having been at 0.25% in December 2021. Whilst not good news for homeowners without fixed mortgages, it significantly increases the Council's income streams from investments. Budgeted income is expected to increase by £1.4m, to £2.4m during 2023/24. Arlingclose Ltd, our financial investment advisors, are currently forecasting that interest rates will top out at around 4.25% and therefore, if inflation continues at rates higher than this, it is in effect, still a real term cash loss.

Salaries

- 4.6 Local Government pay is negotiated nationally, and the Council has no direct influence on the settlement. A small increase was included in the 2022/23 budget as Government had indicated an expectation of limited public sector pay rises. However, the National Joint Council awarded £1,925 per person during 2022/23. This was a double digit increase on the lowest grade, falling to 1.5% for the highest grade. It has cost the Council £1.1m, albeit £0.2m was already included in the budget, and is the biggest factor in the operational deficit in 2022/23. It is also a significant additional budgetary pressure going forward.
- 4.7 Looking ahead, trade unions have already asked the local authority employers for a double-digit percentage increase for all workers in 2023/24 to make up for the losses in real pay over the previous decade. Government is again though indicating pressure for lower than inflation public sector pay increases to help reduce inflation and deflate the spiralling national debt. The 2023/24 budget includes a 4.5% increase, as well as the £0.9m to catch up the 2022/23 salary budget gap, giving an overall increase of approximately £2.2m. Further ahead, the Medium-Term Financial Strategy models salary inflation coming down by 0.5% each year, but this still adds a further £2m to the cost base. There is also a risk that salaries increase at a faster rate than this, especially if inflation is not brought under control.

Pension Fund

- 4.8 The valuation of the Council's pension fund increased to a £36m asset at 31 March 2022. It is worth remembering though that the pension fund has spent more years in deficit than in surplus and the position can quickly decline, due to any further changes in actuary assumptions increasing the liabilities, as well volatility of asset values and the value of assets falling. Despite the uncertainty, and as it is in surplus, the actuary recommends continuing the employer pension contributions to the fund's minimum level of 18% per annum and revisiting the contributions position again at the next triennial valuation in 2025.

Council Tax

- 4.9 As part of their Core Spending Power funding calculations, Government expects local authorities to increase council tax by the maximum amount. The provisional settlement set the 2023/24 referendum threshold at the higher of 3% or £5 for district councils.
- 4.10 Our council tax is the lowest in West Sussex and is in the bottom quartile of all district councils nationally. A £4.85 increase in Council Tax, equivalent to a 2.99% increase is included in the 2023/24 budget generating income of around £330,000. As Government funding is predicted to fall away across the medium-term, the Council will be increasingly reliant on self-funding through fees and charges and Council Tax as the only sources of income. Therefore it is important to build in tax increases each year into the base budget, and the Medium-Term Financial Strategy does that by modelling a 2% increase each year. Each 1% raises an additional £110,000.

Council tax support

- 4.11 The numbers of working people on council tax support in the district surged by 27% during 2020 and 2021 as a result of the pandemic from around 2,725 to a peak of nearly 3,450. This has an inverse relationship with band D equivalent dwellings in the council tax base, with more people on council tax support effectively reducing the Council tax base. Numbers on council tax support have largely stabilised at around 3,200 approximately 20% higher than pre-Covid-19. The forecast for 2023/24 predicts it staying at that level, but a deep recession could see those numbers start to rise once more, putting further pressure on the budgeted income.
- 4.12 Shortly after the provisional settlement, Government also announced a £100m scheme of additional funding for local authorities to support the most vulnerable households in England during 2023/24. This funding will allow councils to deliver additional support to households already receiving council tax support. The Council's share is £145,531.
- 4.13 The Government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Where a taxpayer's liability for 2023-24 is, following the application of council tax support, less than £25, then their liability would be reduced to nil. Where a taxpayer's liability for 2023-24 is nil, no reduction to the council tax bill will be available and those bills should not be credited. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.
- 4.14 During 2022/23, the Council, together with West Sussex County Council, funded a scheme to reduce council tax bills by up to £150 for working age claimants on Council Tax Support. The Government's scheme is less generous than this. WSCC have not indicated a desire to continue with the £150 scheme in 2023/24, as they are under a greater financial pressure to balance their budgets.
- 4.15 The Council is proposing to continue to help support working people on Council Tax Support to at least the same degree as last year. Whilst the case load at 1 April 2023 cannot be exactly known now, an estimate based on the current case load would suggest that undertaking another £150 scheme on its own might cost the Council between £0.4m and £0.5m. The Council proposes to use the funding guarantee grant, of which £1m is being earmarked for support for residents who are struggling under the cost of living. This would leave approximately the same amount again to apply to other residents who might not qualify for Council Tax Support, but might also be struggling financially. Key services such as Revenues and Benefits, Housing, and Communities are already working up plans to ensure that the money is spent

effectively and efficiently across a number of different areas that helps as many residents as possible to alleviate either energy poverty or the difficulties that people have to pay bills and keep their heads above water in these difficult economic times.

Dwellings

- 4.16 In September 2021, the Council received a Position Statement from Natural England that concluded that the existing abstraction within the Sussex North Water Supply Zone is having an impact on the Arun Valley sites. It advised that development within this zone must not add to this impact. Therefore, as part of the decision-making process for each planning permission, an assessment of water neutrality will now be needed for many of the applications. There is a significant risk from the impact of a water neutrality issue, dampening housing numbers over the medium term.
- 4.17 Consequently, rather than the 1,000 new dwellings each year that has regularly happened in the past, only 780 were added to the band D equivalent council tax base in 2023/24, and the medium term has that number dropping towards 600 per year. Should water neutrality mitigation not be easily resolved and large planning applications fall away, this would worsen the Council's financial position in the medium-term over the figures shown in our projections. Added to this, the housing industry is highly sensitive to economic factors, especially a recession.

The future of Business Rates

- 4.18 The Council currently retains around 5% or £2.1m of the £44m Business Rates collected in the district, which is based on a complex calculation involving target rates of collection set by Government. Local authorities can increase their Business Rate income by growing the Business Rate take in their area; conversely, if collections fall then local government bear an element of risk. Local government currently share this risk and reward with Government.
- 4.19 The district's economic growth from a lack of new businesses premises has been low for a long time. Initiatives such as the development of North Horsham and the redevelopment of the former Novartis site are actions aimed to correct this, but the district is a long way below the desirable level for affluence of its population and has not created enough local based but well-paid jobs. There have been a number of conversions of business premises to residential flats (under the permitted development regime introduced by the Government). Despite this, the Rateable Value list is currently £1.5m higher than when it was introduced at £114m on 1 April 2017.
- 4.20 In comparison with other authorities though, the Council is comparatively less at risk of significant Business Rate losses as it has relatively few single significant sites, such as an airport or power station in the district. Some risk does exist however, principally around outstanding rates appeals for which the Council would have to bear its share of lost revenue should those appeals prove successful. The Council had a provision of £1.6m for Business Rate appeals at 31 March 2022. Whilst this has fallen by £0.4m at 31 March 2021, the slow rate at which the Valuation Office is tackling the backlog of appeals makes the Council sceptical that the provision for appeals will fall away completely in the near future. Many businesses are also still seeking revaluations due to losses caused by the Covid-19 recession.
- 4.21 The Councils of West Sussex County, Adur, Arun, Mid Sussex and Horsham are in the business rates pool in 2022/23 and propose to continue within this pool in 2023/24. The county will retain and benefit from any growth in Business Rates above the baseline.

4.22 Many commentators are critical of the Business Rates system altogether, although no replacement scheme has yet been put forward. Based on Government's announcements during 2022 and a two year provisional settlement, the Council expects that any changes to Business Rates will involve a re-baselining at a much higher level from 2025/26 onwards.

Fair Funding Review and Council Tax

4.23 In 2018, Government consulted on the Fair Funding Review of relative needs and resources and cost drivers and updating the current needs assessment formulae. This attempts to weigh up a range of cost drivers such as population, rurality, deprivation, demand for social care, transport, waste disposal and fire and rescue service. The output from this review was expected to feed into a multi-year settlement offer. However, this has been delayed, firstly by Brexit and then the pandemic. The Provisional Settlement in December 2022 indicated that this will not be tackled until at least 2025/26.

4.24 Our projections at this point assume we retain all our sales, fees and charges alongside Council Tax as our two main funding streams in the medium-term. If previous changes are a guide, there will be some transitional arrangements, which will dampen the immediate effect. Government had indicated that any period would be short in order to redistribute funding as quickly as possible, but the impact of the pandemic might make this slower than originally assumed. The risk is though that Government redistributes more radically, and we lose some of our Council Tax and / or locally raised fees such as parking.

4.25 At this point it is difficult to calculate the effect of both the Fair Funding Review and any changes to Business Rates or Council Tax. Not enough detail is known about the potential changes or when the Government is likely to make them, but the Council can conclude that there is a high degree of uncertainty, especially beyond 2025. The Council has made the assumption that a significant re-baselining of Business Rates will occur. The Council estimates Business Rate income fading down to about £1.6m by 2026/27 rather than the current £2.1m, as the damping effect from the Fair Funding Review wears off. However the risk is that it could go much more quickly than that. The Council will revisit the impact of this as it learns more of how the scheme will work and will feed this into a future Medium-Term Financial Strategy.

4.26 Horsham District Council also carries a risk that West Sussex County Council (WSCC) pass on some responsibilities and costs in areas such as housing. The Council is monitoring the impact of other WSCC decisions on their remaining discretionary funding that may affect areas such as the housing services and social care. WSCC is working with district councils to mitigate the impact but some moderate and gradual cost impacts are anticipated over the period.

New Homes Bonus

4.27 The New Homes Bonus provides an incentive payment for local government to stimulate housing growth in their area. The calculation is based on Council Tax statistics submitted to Government each October. In two-tier local government areas this payment is currently split in the ratio 20% to county councils, 80% to district councils. New Homes Bonus is currently not ring-fenced and can be spent at the Council's discretion.

4.28 The technical consultation paper for the Local Government Finance Settlement 2020-21 informed us of Government's intention to revise the New Homes Bonus scheme

and explore a more effective way to incentivise housing growth. The provisional settlement in December 2022 provided an unexpected single-year payment in 2023/24. We no longer receive any legacy payments. This phasing out denotes Government's intention to replace New Homes Bonus. It has survived despite the severe pruning in the last few years and it may well limp on until 2025/26 at the point the Business Rates and Fair Funding are reviewed, but we are working on the assumption that 2023/24 will be the last payment.

- 4.29 Due to this overhanging threat, during 2017/18 and 2018/19, the Council removed any revenue reliance on New Homes Bonus in contrast to the £1.17m that was included in the 2016/17 revenue budget. Past and proposed payments under New Homes Bonus are shown in **Appendix G**. The New Home Bonus reserve stood at £12.6m at 31 March 2022.

Food waste collection

- 4.30 Government's resources and waste strategy currently proposes that all local authorities should be collecting food waste weekly by 2024/25. We are currently working with other West Sussex councils to develop a strategy for collecting food waste. One hundred households in our district have already taken part in a collections trial that included separate weekly food waste and Absorbent Hygiene Product collections. The households included family households, single-occupancy homes and flats. This will help produce some options to consider when implementing food waste collections.
- 4.31 The modelling work undertaken with a consultant indicates an approximate cost of £1.3m for a 1-2-3 service whereby food waste is collected weekly, recycling fortnightly, and residual waste every three weeks. This option will produce a much higher recycling rate and have less of an impact on carbon emissions. The model indicates a cost of £1.6m to remain a fortnightly residual waste service.
- 4.32 Government has not said whether or how much it will contribute towards funding the cost of the infrastructure, including the food waste caddies and vehicles, or the fuel and manpower needed to collect from every doorstep on a weekly basis. It is more likely than not that any funding would be one-off to aid implementation, rather than an ongoing revenue grant, as some authorities are already providing the service without any revenue support. We are also liaising with West Sussex County Council who have previously indicated that some one-year recycling credits may be available to districts who adopt the 1-2-3 collection early.
- 4.33 The Medium-Term Financial Strategy includes the projected costs with a start date of Autumn 2025. This spreads the impact on revenue over two financial years, with half in 2025/26 and half in 2026/27. If Government announces a more rapid timetable, then this will be dragged forward a year, but financially offset by any government funding and / or earlier use of the newly created £1.6m food waste earmarked reserve.
- 4.34 Our assumptions on the future of garden waste charges remain unchanged. The risk of a price-cap of £30 has receded as Government have not mentioned it since the consultation in May 2021. This removes a potential £0.5m loss of income in the future, but there is a risk that Government may suddenly implement this anyway. Thankfully in December 2022, Government officials answered a parliamentary question by saying that they would not force councils to collect garden waste collection for free, which would have cost the Council over £2m for the loss of income and the additional vehicles and crews to collect garden waste from every household.

The Environment, reducing Carbon emissions and climate change

- 4.35 The Council is committed to tackling climate change and on 24 September 2020, the Cabinet set an aspirational target for the Council's direct emissions to be carbon neutral by 2030. As part of its commitment to becoming carbon neutral, Cabinet also approved a short-term action plan to start putting in place immediate carbon reduction measures. In 2022/23, £1m across capital and revenue was committed to boost the work needed to reduce carbon emissions and improve the environment in the district.
- 4.36 This report now recommends that the New Homes Bonus reserve is renamed to an Environment and Infrastructure reserve. Previously, the reserve was set aside for appropriate investments to support future service delivery and / or secure the delivery of infrastructure to serve the needs of the district's residents. This will still be the case, with additional emphasis on the environment as well. A list of the type of infrastructure works the Council will need to complete over the next decade is shown at **Appendix J** some of which include works to decarbonise the Council's portfolio. For example, some of our largest buildings at the Capitol and Leisure Centres require refurbishment, and have a heavy carbon footprint which would be undertaken at the same time. These works far exceed the money in the Reserve and any later in the period will either have to be funded from other general or capital reserves or from borrowing. In addition, no impact has been factored in to revenue yet, for any closure periods.
- 4.37 Establishing an accurate estimate of the cost of decarbonisation across all the Council's residential, non-residential, operational and leased buildings is ongoing. A number of audits are already underway, although the true cost will only be known as work is completed, as each building is unique and might unveil hidden costs such as asbestos removal as things are uncovered during refurbishment. For Medium-Term Financial Planning purposes, the cost of both the key infrastructure and environmental work is estimated at £41m. The detailed split won't be known until more detailed work is done on each project, but on a general rule of thumb, using an approximation of one third for the environmental work and two thirds for the infrastructure is our best guess now, based on the works already undertaken, albeit on a much smaller project scale. We have estimated increase in revenue cost of £0.1m each year over the decade is included for this cost of capital.

5 Draft Revenue Budget for 2023/24

- 5.1 The 2023/24 budget has been prepared following a detailed "Budget Challenge" with Heads of Service to secure revenue streams and manage expenditure. The challenge process is there to ensure that excessive budgeting is avoided, additional income is found and efficiency savings are made. It also ensures that adequate resourcing is provided to meet service delivery items.
- 5.2 The budget requirement is for £13.5m. The detail of the revenue budget is shown in **Appendix A**. This is £1.2m higher than 2022/23 after in year adjustments to the original budget that was set. A summary of the main items of growth and savings in the 2023/24 budget are shown in the same appendix.
- 5.3 The most significant items of growth include £2.2m salary increases from the £1,925 budget catch up in 2022/23 and the 4.5% estimate increase in 2023/24. Higher fuel and utilities will cost an additional £0.6m. Our aging buildings and infrastructure require more maintenance at a higher price adding £0.6m. The Revenues and Benefits contract will cost £0.4m more, due to caseload increases and the partnership

costs being spread over only two authorities not three. We are smoothing the increase in costs using £0.2m from the earmarked reserve.

- 5.4 Netting this down, £1.4m investment income from higher interest rates, £0.7m of parking income, and £0.4m of other income through a general increase of higher fees and charges has helped keep the lid loosely on inflation, at least for now.
- 5.5 King Charles III has announced his coronation date in May 2023, and the Council is including £50,000 in the 2023/24 budget to mark the occasion, a similar additional expenditure to the amounts spent on the Platinum Jubilee in 2022. Furthermore, £50,000 of the £2.9m funding guarantee grant will also be used in 2023/24 to repaint bollards, bins, seats, light columns, poles, railings, and bus shelters in the Carfax and West Street in Horsham Town centre. The street infrastructure needs maintaining and would have been programmed shortly anyway, but the Council is bringing forward and planning to commence this work in early April 2023 so that it is completed before the Coronation.
- 5.6 In addition, £0.01m has been included in the revenue budget to investigate and work up a detailed project for a new path around Horsham park. As this is likely to require a lot of consultation the actual works have been programmed in the capital project in 2024/25.
- 5.7 Other notable fees and charges increases are set out in **Appendix I** and the detailed lists of fees and charges for Licensing in **Appendix I(i)**, Sussex Building Control in **Appendix I(ii)** and Development Management in **Appendix I(iii)**.
- 5.8 The budget also includes £277,000 of grants available to the voluntary groups, the largest being £94,000 to the Citizen Advice Bureau in Horsham. A full list is included in **Appendix B**.

6 Special charge

- 6.1 Details of the Special Charge expenditure of £336,920 are included in **Appendix C**. The proposed the Special Charge for 2023/24 is set at £27.53 and is sufficient to fund the proposed Special Expenses. An early draft of the increase in the special charge was shared with the Neighbourhood Councils in December 2022.

7 Council Tax for 2023/24

2023/24		2022/23
£000		£000
13,513	Net expenditure (*)	12,188
-	Contribution to / (from) general reserves	596
13,513		12,784
(11)	Rural grant	(11)
(139)	Revenue Support grant	
(80)	<u>Less</u> service grant / Council tax support grant	(141)
-	Add payment for CTS £150 scheme	120
(824)	New homes bonus	(2,097)

824	<u>Less</u> contribution to new homes bonus reserve	2,097
(2,895)	Funding Guarantee (*) / Lower tier grant	(1,518)
2,895	<u>Less</u> contribution to earmarked reserve	1,518
(2,129)	Business Rates retention scheme baseline	(2,052)
11,154	Expenditure to be financed from District Council Tax	10,700
(337)	<u>Less</u> funding by Special Charge taxpayers	(323)
10,816	Expenditure to be funded from District Council Tax	10,377
64,792.5	Estimated band D equivalent properties	64,021.5
£166.94	Council Tax at band D	£162.09
£3.21	Cost per week at band D	£3.12

Table 3 – Council Tax for 2023/24. Minor rounding errors may apply. (*) note £50k of Funding Guarantee grant awarded taken into net revenue expenditure to fund painting of Horsham Town centre street furniture in revenue budget.

8 Capital Budget

- 8.1 An £8.5m capital programme is proposed in 2023/24 which includes completion of approved schemes from preceding years based on current M8 forecast, as well as investing further in infrastructure for the benefit of our residents, including home repair and disabled facility grants, and housing enabling grants. It also includes works that will help the environment, reducing the emissions of carbon by using LED lights in car parks and other energy efficiency improvements. £1.37m will be spent on electric vehicles where practicable, or the refurbishment of existing vehicles where it isn't. A further £0.45m is also programmed to be invested in three rural car parks.
- 8.2 Two major projects will commence in earnest on the £2.9m Highwood Community Centre and £2.5m on public realm works in the Bishopric and Carfax areas of Horsham. The whole spend on these projects, as well as the £0.3m on a new path in Horsham Park are approved now and an indicative allocation has been scheduled across 2023/24 and 2024/25. At the commencement of the 2023/24 financial year, the scheduling for these schemes in 2023/24 will be refined as the preparatory work on these schemes is being undertaken now. The aim of this is to set as accurate and realistic capital budget programme as we can, bearing in mind we have significantly underspent optimistic programmes in the past yet we have to have the capital spend approval in place before we can commence the work. The revised programme will be monitored by Overview and Scrutiny Committee at the end of Quarter 1.
- 8.3 The full draft capital programme for 2023/24 is in **Appendix D**. The new programme for 2023/24 is for approval by full Council. Aside from the two major projects identified in the plan, budgets for future years are included to indicate the scale of provision that may be required to maintain the life of the Council's assets and meet the aspirations in the Corporate Plan.
- 8.4 To ensure the sufficiency of reserves in future years, officers have updated the indicative list of infrastructure replacement and improvement needed over the next eight years (Appendix J). This includes replacement of all vehicles by 2030, as well

as building improvements to help our carbon reduction plan. One of the large future projects is the upgrade of the leisure centres such as at Billingshurst and the Pavilions for which an estimated and indicative cost only has been provided but it is significant.

Minimum Revenue Provision

- 8.5 The Council is required to set aside funds to repay the borrowing need each year through a revenue charge called the minimum revenue provision. The regulations require full Council to approve a statement of the provision in advance of each year and the statement is in **Appendix E**. No changes have been made.

Prudential Code and Capital Strategy

- 8.6 The Local Government Act 2003 requires the Council to have regard to the CIPFA Prudential Code and the Ministry of Housing, Communities and Local Government (MHCLG) guidance. These also cover the Council's commercial activities, notably commercial property. The objectives of the Prudential Code remain to ensure, within a clear framework, that the capital investment plans of local government authorities are affordable, prudent and sustainable, and that any investment management decisions are taken in accordance with good professional practice.
- 8.7 The Capital Strategy and the associated treasury and non-treasury investment strategies were considered by the Audit Committee on 7 December 2022. It gives a high-level picture of the Council's capital plans including financing and the overarching strategy of investment in traditional financial investments and non-treasury investments such as service loans and commercial property. The committee was asked to approve the preliminary Capital Strategy as the appropriate overall approach.
- 8.8 The final capital programme for 2023/24 has changed slightly compared with the version tabled at the Audit Committee on 7 December 2022 but the changes are not significant to the overall strategy, so it remains substantially the same as seen by the Audit Committee. The Audit Committee was also asked to recommend that the Council approve the Treasury Management Strategy and Investment Strategy that fits in with the overarching Capital Strategy.
- 8.9 The final revised Capital Strategy and estimates to be adopted by the Council are set out in **Appendix F**. The Council are asked to adopt them as the final group of prudential indicators. This report revises the indicators for 2022/23 and 2023/24 and introduces new indicators for 2024/25.
- 8.10 The major indicators are the projected financing of capital spend, the Capital Financial Requirement and projected debt. The Council's Capital Financial Requirement is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of Council's underlying borrowing need. The Capital Strategy also sets limits on external debt and sets the overarching arrangements for borrowing, treasury investments, investments for service purposes and investments in commercial property for financial return.

9 Potential options to close the budget gaps in future years

- 9.1 To help close future budget gaps and pay towards the required infrastructure programme (Appendix J) and de-carbonisation (section 4.35 to 4.37), in the medium-term, the Council could consider different options as set out below, which focuses on the financial terms only.

- 9.2 Following the restructure at the end of 2020 and as the transformation programme nears its end, there is limited further scope for making significant savings through efficiencies. Therefore, the Council will have to fill these gaps from projects that return on investment, or from the reduction in the Council's non-statutory services such as parks and cultural venues or quality cuts to its statutory services.
- 9.3 Building affordable homes on any of the sites that the Council already owns would generate a healthy net income after taxation per annum for Horsham Homes (Holdings) Ltd. Up to £15m of Section 106 money is available. Two examples below give an indication of what could be achieved. These are in addition to the schemes currently proposed at Dukes Square and London Road.
- 9.4 After a diligent and thorough investigation, the Royal British Legion have informed us that they have decided not to go ahead with their business case to take over at the Drill Hall. They have stated that they would find it difficult to make a viable community proposition of these premises. The Council therefore has a decision to make. It can continue to run this at a £0.05m loss each year and spend over £1m on refurbishment and improvements to decarbonise the current building. Alternatively, other options may be considered, and the one most likely to have the best return would be to build a number of units of affordable homes on the site. Depending on the design and number of affordable homes, it could generate an income to Horsham Homes (Holdings) Ltd.
- 9.5 Another option is the athletics track at Broadbridge Heath leisure centre which is at the end of its life. It will cost approximately £280,000 to replace the track before a further investment of £100,000 of additional retexturing would be needed in ten years' time. It also costs the Council around £40,000 each year to maintain and run the facility.
- 9.6 Alternative use of the site could provide 100 homes, of which 35 would be affordable homes and generate £250,000 of net income after taxation per annum for Horsham District Homes (Holdings) Ltd. The capital receipt from the rest of the site could pay for the development of the affordable housing.
- 9.7 Over a ten-year period, the 'swing' from current costs of £40,000 p.a. on the track to income of £250,000 p.a. would generate nearly £3m, supporting a much wider range of Council services. There are options in the middle of these two scenarios that re-provide a track elsewhere, but any capital expenditure and running costs elsewhere would significantly reduce the income that might be generated.

10 Reserves

- 10.1 The Council agreed in October 2012 on a minimum level of general reserves of £6m. From 2025/26 onwards income from Government is very uncertain due to the consultation around the future of Business Rates and the Fair Funding Review. The Council's current strategy on reserves gives sufficient flexibility and headroom to deal with any issues that arise. The risk of a severe economic recession would heighten the concern for the future financial health of the Council. Except for funding transformation, the Council's aim is not to use general reserves for unexpected revenue spend in this period.
- 10.2 There is a cost in implementing transformation, for which £0.3m each year is envisaged in 2023/24 through to 2026/27, largely on the new system for Planning and Regulatory Services. It is anticipated that this will be funded from general reserves or any surplus generated. The transformation will help balance future budgets and protect the level of general fund reserves set out in **Appendix H**.

10.3 The budget gaps over the Medium-Term Financial Strategy amount to £3.1m. The general fund is anticipated to stand at around £20m at 31 March 2023, remaining well above the £6m level throughout the Medium-Term Financial Strategy period unless any further information from the Government or changes in the economy indicate a substantial worsening of our financial position beyond that currently predicted. Whilst relying on reserves to plug these gaps over this period is not advisable, due to the high level of uncertainty for the future, there is also no immediate need to rush to a decision now to take action. However, given there would still be more than a £3m gap in 2027/28 to fill if no action is taken, it is also advisable not to spend money without return today that may be needed in the future. Larger schemes also take a considerable amount of elapsed time to the point income is generated. Some of the general reserves may also be needed to fund our operational infrastructure upgrades, decarbonisation and the environment during the rest of the decade.

11 Risks

11.1 The Medium-Term Financial Strategy takes a prudent but balanced view of the financial future, but continuing to take further action is also important to also help mitigate the risks that the Council faces over the medium-term. These risks are set out in summary below and include:

- Costs from utilities, inflation and salary inflation remain high rather than come down
- income, especially parking income and from leisure centres, reduces as customers don't spend as much in a recession
- late delivery of transformation savings and income
- lower savings or income as proposed changes cannot be delivered to the size / scale envisaged
- underestimation of the impact of the water neutrality issue on lower planning income and future Council Tax income growth
- weakening national economic position/ low growth post-Covid and post-Brexit
- impact of recession on income, council tax support numbers, ability of businesses to pay Business Rates and families to pay Council Tax
- a new baseline for Business Rates and / or other changes to Business Rates.
- Fair Funding review outcomes and / or further or steeper funding cuts / to help Government meet deficit reductions targets, including any impact on locally generated sales, fees and charges from the Fair Funding Review
- The impact of Ukrainian refugees on the district increases and Government funding does not match the cost
- legislation forcing local government to pick up additional responsibilities currently unknown
- West Sussex County Council pass on higher levels of responsibilities and costs to us than anticipated
- The cost of de-carbonisation is higher and / or harder than anticipated

12 Next steps

12.1 The Council meeting on 22 February 2023 will set the Council Tax for 2023/24.

13 Views of the Policy Development Advisory Group and outcome of consultations

- 13.1 The proposed budget, Medium-Term Financial Strategy and assumptions and capital programme were considered by the Finance and Parking Policy Development and Advisory Group at its meeting on 16 January 2023.
- 13.2 The proposed budget and Medium-Term Financial Strategy will be considered at the Overview & Scrutiny Committee meeting on 23 January 2023. The Committee's views will be orally reported to Cabinet at their meeting.
- 13.3 Throughout 2022, financial updates and updated Medium-Term Financial Plans have been reported to Cabinet and Council, which has allowed all Members the opportunity to discuss and review the financial situation in advance of the 2023/24 budget setting process. The Leader, Deputy and Cabinet Members were also briefed on the proposed 2023/24 budgets in January 2023.
- 13.4 The Chief Executive, Directors and the Head of Finance and Performance have been extensively involved in preparing the Budget and Medium-Term Financial Strategy and are fully supportive of its contents. The Monitoring Officer has also been consulted during the preparation of the document and is supportive of its contents.

14 Other courses of action considered but rejected

- 14.1 Putting the Council tax up by £5 was considered, but was rejected to try to keep the increase to below 3%.
- 14.2 Making cuts to popular non-statutory services such as parks and countryside, planning enforcement and cultural and leisure services this autumn was considered. This was rejected because the scale of the proposed deficits in the future is very uncertain.

15 Resource consequences

- 15.1 The high level of inflation on expenditure and salaries has increased the net revenue costs of the Council by £1.2m. Overall funding from Government increased by half the level of inflation, meaning a real cash reduction in funding, even when including the Government's assumption that local government will put up Council tax to the maximum threshold amount. Not putting up Council tax by the full amount increases the difficulty in balancing the budget in future years whilst Government imposed council tax referendum thresholds are in place, especially as the compound gain is lost.
- 15.2 No changes are planned to workforce numbers as the Council strives to maintain the high level of non-statutory services it provides. Due to a good level of reserves, we do not need to take immediate action until there is more certainty over the medium-term. However, it is highly likely that we will need to review this during 2023/24 as further information emerges. We must therefore be prepared to act, especially with regards to longer-term infrastructure expenditure and de-carbonisation commitments.

16 Legal consequences

- 16.1 The Council Tax in England and Wales is provided for and governed by the provisions of the Local Government Finance Act 1992. Within this Act, the Council is designated as a "Billing Authority", responsible for the billing, collection and enforcement of Council Tax. The Council is required under the Local Government Finance Act 1992 to produce a 'balanced budget'.
- 16.2 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their Council about the robustness of estimates and the adequacy of reserves when determining their precepts, and local government authorities are

required to take the Chief Financial Officer's report into account when setting the Council Tax. This report is shown in Appendix H.

- 16.3 This report also sets out the Council's Medium-Term Financial Strategy. The Director of Corporate Resources has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.

17 Risk assessment

- 17.1 The Council's reliance on Government controlled funding and balancing the Medium-Term Financial Strategy is captured on the Corporate Risk Register at CRR01. This is regularly reviewed and updated and is monitored at Audit Committee.

18 Procurement implications

- 18.1 There are no procurement implications arising from this report.

19 Equalities and Human Rights implications / Public Sector Equality Duty

- 19.1 The Equality Act 2010 includes a public sector equality duty which requires local government authorities when exercising functions to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act and to advance equality of opportunity and foster good relations between those who share a "protected characteristic and those who do not share that protected characteristic". When a Budget proposal has implications for people covered by the Equality Act 2010, the Council must take account of the Equality Duty and any particular impact on the protected group. There are no equality implications in regards to this proposed budget but changes needed to balance the budget beyond 2025/26 will need further consideration.

20 Environmental implications

- 20.1 A number of environmental implications are included in the main body of the report where additional money is included in the budget for spending on improving the environment and decarbonisation. There are no proposed cuts to services that impact the environment. Some non-electric vehicles are being renewed in the fleet replacement capital programme, although the Council is trying to re-furbish existing vehicles and buy second hand, until technology enables the transition to a suitable alternative.

21 Other considerations

- 21.1 There are no other considerations to take into account at this stage of developing the Medium-Term Financial Strategy.

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Appendix A - 2023/24 budget by service and variance analysis

2022/23 Net Expenditure Budget £000's	Service	Income £000's	Expenditure £000's	2023/24 Net Expenditure Budget £000's
643	CORPORATE MANAGEMENT	0	702	702
382	COMMUNICATIONS	(15)	390	375
855	REVS & BENS ADMIN	(900)	1,958	1,058
64	POLICY & PERFORMANCE	0	71	71
334	ENVIRONMENTAL STRATEGY	(124)	538	414
1,783	LEGAL & DEMOCRATIC	(317)	2,237	1,920
788	FINANCE ACCOUNTANCY	0	949	949
757	FINANCE CORPORATE	(2,404)	1,604	(800)
1,937	TECHNOLOGY	(128)	2,105	1,977
569	HUMAN RESOURCES & ORG DEVELOPMENT	0	621	621
(2,532)	PARKING SERVICES	(5,880)	2,434	(3,446)
349	CUSTOMER SERVICES	0	381	381
282	LEISURE & CULTURE	0	286	286
179	MUSEUMS	(32)	231	198
381	CAPITOL	(1,589)	1,966	377
(478)	LEISURE SERVICES	(889)	402	(487)
1,407	PARKS & COUNTRYSIDE	(456)	1,990	1,535
2,810	STREET SCENE & FLEET	(215)	3,803	3,588
720	WASTE & RECYCLING	(4,177)	5,291	1,114
932	ENVIRONMENTAL HEALTH / LICENSING	(748)	1,833	1,085
(23)	HOUSING	(2,189)	2,830	641
715	COMMUNITY SERVICES	(1,234)	2,111	876
(37)	BUILDING CONTROL	(883)	828	(55)
177	DEVELOPMENT	(2,010)	2,231	221
1,205	STRATEGIC PLANNING	(207)	1,729	1,522
1,093	PROPERTY & FACILITIES	(1)	1,110	1,109
(3,736)	INVESTMENT PROPERTIES	(4,149)	425	(3,724)
630	OPERATIONAL PROPERTIES	(102)	1,116	1,014
473	ECONOMIC DEVELOPMENT	(328)	641	313
12,659	TOTAL OPERATIONAL BUDGET	(28,976)	42,812	13,836
(250)	BENEFIT PAYMENTS	(23,850)	23,600	(250)
12,409	TOTAL	52,826	66,412	13,586
(89)	LESS CAPITALISED SALARIES	(73)	0	(73)
12,320	TOTAL	52,899	66,412	13,513

Budget variance analysed by service (DIR) 2024

Department Description	Cost Centre	Cost Centre Description	2022/23 Net Expenditure Budget	Budget Variance	2023/24 Net Expenditure Budget	Income	Staffing	Premises	Supplies & Services	Transport	Other
Directorate: 1											
Department: 10											
CHIEF EXECUTIVE OFFICE	1014	CORPORATE & DEMOCRATIC CORE	123,000	10,000	133,000	0	0	0	10,000	0	0
CHIEF EXECUTIVE OFFICE	1015	CDC-DEMOCRATIC REPRESENTATION	431,175	34,110	465,285	0	0	0	34,110	0	0
CHIEF EXECUTIVE OFFICE	1020	CHIEF EXECUTIVE	171,623	5,363	176,986	0	5,363	0	0	0	0
CHIEF EXECUTIVE OFFICE	1494	CORPORATE SUPPORT	83,196	46,884	130,080	0	46,884	0	0	0	0
Sub Total			808,994	96,357	905,351	0	52,247	0	44,110	0	0
Sub Total			808,994	96,357	905,351	0	52,247	0	44,110	0	0
Directorate: 3											
Department: 30											
DIR RESOURCES	1245	HOUSING BENEFIT GRANT	(250,000)	0	(250,000)	0	0	0	0	0	0
DIR RESOURCES	1264	REVENUES & BENEFITS HDC	(295,000)	3,000	(292,000)	0	0	0	3,000	0	0
DIR RESOURCES	1265	RESOURCES DIRECTOR	138,235	525	138,760	0	525	0	0	0	0
DIR RESOURCES	1592	REVENUES & BENEFITS CONTRACT	1,150,000	200,000	1,350,000	(240,000)	0	0	0	0	440,000
Sub Total			743,235	203,525	946,760	(240,000)	525	0	3,000	0	440,000
Department: 32											
PERFORMANCE AND PROJECT	1241	POLICY & PERFORMANCE (STRAT PLAN)	63,752	7,400	71,152	0	7,400	0	0	0	0
Sub Total			63,752	7,400	71,152	0	7,400	0	0	0	0
Department: 33											
LEGAL & DEMOCRATIC	1001	ELECTORAL REGISTRATION	90,720	(9,500)	81,220	(40,418)	(10,000)	0	40,918	0	0
LEGAL & DEMOCRATIC	1002	LOCAL COUNCIL ELECTIONS	60,000	(40,000)	20,000	(180,000)	0	0	140,000	0	0
LEGAL & DEMOCRATIC	1003	NEIGHBOURHOOD COUNCIL EXPENSES	20,000	6,000	26,000	0	0	0	6,000	0	0
LEGAL & DEMOCRATIC	1097	LEGAL SERVICES	850,914	87,448	938,362	15,000	89,448	0	(12,000)	0	(5,000)
LEGAL & DEMOCRATIC	1098	DEMOCRATIC SERVICES	207,148	48,687	255,835	0	47,687	0	1,000	0	0
Sub Total			1,228,782	92,635	1,321,417	(205,418)	127,135	0	175,918	0	(5,000)
Department: 34											
FINANCE	1017	UNAPPORTIONABLE OVERHEADS	91,000	0	91,000	0	0	0	0	0	0
FINANCE	1249	INTEREST ON CAPITAL RECEIPTS	(965,750)	(1,455,000)	(2,420,750)	(1,450,000)	0	0	0	0	(5,000)
FINANCE	1253	GENERAL FUND APPROPRIATNS A/C	917,000	0	917,000	0	0	0	0	0	0
FINANCE	1257	GENERAL EXPENSES-FINANCE	180,372	0	180,372	0	0	0	0	0	0
FINANCE	1258	INTERNAL AUDIT	148,000	0	148,000	0	0	0	0	0	0
FINANCE	1259	ACCOUNTANCY	514,635	98,319	612,954	0	78,119	0	20,200	0	0
FINANCE	1260	FINANCE SUPPORT SERVICES	273,202	62,671	335,873	0	22,811	0	(140)	0	40,000
FINANCE	1262	PROCUREMENT	72,100	0	72,100	0	0	0	0	0	0
FINANCE	1267	CENTRAL EXPENSES	314,275	(101,965)	212,310	0	(121,215)	0	19,250	0	0
Sub Total			1,544,834	(1,395,975)	148,859	(1,450,000)	(20,285)	0	39,310	0	35,000
Department: 35											
TECHNOLOGY	1018	COMMUNICATION & CONSULTATION	324,705	(3,157)	321,548	0	19,843	0	(23,000)	0	0
TECHNOLOGY	1101	IT PROJECTS	160,550	0	160,550	0	0	0	0	0	0
TECHNOLOGY	1102	ICT	1,527,585	19,804	1,547,389	28,000	(33,196)	0	25,000	0	0
TECHNOLOGY	1105	CENTRAL TELEPHONES - OPERATIONAL COSTS	165,000	0	165,000	0	0	0	0	0	0
TECHNOLOGY	1106	MOBILE PHONES	40,000	(5,000)	35,000	0	0	0	(5,000)	0	0
TECHNOLOGY	1108	PHOTOCOPIER/PRINTERS	39,000	(5,000)	34,000	0	0	0	(5,000)	0	0
TECHNOLOGY	1384	GIS / SPACIAL PLANNING	5,000	0	5,000	0	0	0	0	0	0
TECHNOLOGY	1506	RESIDENTS MAGAZINE	57,000	(4,000)	53,000	0	0	0	(4,000)	0	0
TECHNOLOGY	1641	IT SECURITY	0	30,124	30,124	70,000	60,124	0	(100,000)	0	0
Sub Total			2,318,840	32,771	2,351,611	98,000	46,771	0	(112,000)	0	0
Department: 36											
HUMAN RESOURCES & ORG DE	1013	EMERGENCY PLANNING	70,921	(6,106)	64,815	0	3,894	0	(10,000)	0	0

Department Description	Cost Centre	Cost Centre Description	2022/23 Net	Budget	2023/24 Net	Income	Staffing	Premises	Supplies & Services	Transport	Other
			Expenditure	Variance	Expenditure						
			Budget		Budget						
HUMAN RESOURCES & ORG DE 1019		HR & OD	498,422	58,253	556,675	0	60,703	0	(2,450)	0	0
Sub Total			569,343	52,147	621,490	0	64,597	0	(12,450)	0	0
Department: 37											
PARKING SERVICES	1148	BILLINGSHURST - RURAL CAR PARK	(21,353)	(4,745)	(26,098)	(6,000)	0	1,255	0	0	0
PARKING SERVICES	1149	STEYNING - RURAL CAR PARK	(45,057)	1,272	(43,785)	0	0	1,272	0	0	0
PARKING SERVICES	1150	STORRINGTON - RURAL CAR PARK	(41,380)	1,395	(39,985)	0	0	1,395	0	0	0
PARKING SERVICES	1151	HENFIELD - RURAL CAR PARK	(17,365)	(8,788)	(26,153)	(10,000)	0	1,212	0	0	0
PARKING SERVICES	1152	PULBOROUGH - RURAL CAR PARK	(10,544)	(768)	(11,312)	(1,000)	0	232	0	0	0
PARKING SERVICES	1153	SOUTHWATER COUNTRY PARK - RURAL CAR P/	(116,500)	0	(116,500)	0	0	0	0	0	0
PARKING SERVICES	1154	BRAMBER - RURAL CAR PARK	1,888	301	2,189	0	0	301	0	0	0
PARKING SERVICES	1155	COWFOLD - RURAL CAR PARK	1,370	277	1,647	0	0	277	0	0	0
PARKING SERVICES	1156	PARTRIDGE GREEN - RURAL CAR PARK	610	388	998	0	0	388	0	0	0
PARKING SERVICES	1157	UPPER BEEDING - RURAL CAR PARK	1,330	112	1,442	0	0	112	0	0	0
PARKING SERVICES	1158	WARNHAM - RURAL CAR PARK	283	57	340	0	0	57	0	0	0
PARKING SERVICES	1159	ROFFEY - RURAL CAR PARK	(1,697)	(7,563)	(9,260)	(8,000)	0	437	0	0	0
PARKING SERVICES	1160	RUDGWICK - RURAL CAR PARK	102	28	130	0	0	28	0	0	0
PARKING SERVICES	1161	OTHER RURAL CAR PARKS	(184,460)	(39,792)	(224,252)	0	0	8,208	(48,000)	0	0
PARKING SERVICES	1162	SWAN WALK MSCP	(616,758)	(326,466)	(943,224)	(340,000)	0	12,912	622	0	0
PARKING SERVICES	1163	THE FORUM MSCP	(188,304)	(136,611)	(324,915)	(135,000)	0	(2,275)	664	0	0
PARKING SERVICES	1164	PIRIES PLACE MSCP	(746,644)	(433,210)	(1,179,854)	(446,910)	0	13,316	384	0	0
PARKING SERVICES	1165	DENNE ROAD CAR PARK	(230,324)	(27,129)	(257,453)	(30,000)	0	2,871	0	0	0
PARKING SERVICES	1166	LONDON ROAD CAR PARK	(12,059)	21,678	9,619	21,350	0	798	(470)	0	0
PARKING SERVICES	1167	HURST ROAD CAR PARK	(248,654)	(96,756)	(345,410)	(100,000)	0	3,244	0	0	0
PARKING SERVICES	1168	NEW STREET CAR PARK	(10,959)	442	(10,517)	0	0	442	0	0	0
PARKING SERVICES	1169	DUKES SQUARE CAR PARK	(41,309)	55	(41,254)	0	0	55	0	0	0
PARKING SERVICES	1170	HORSHAM LIBRARY CAR PARK	(25,172)	156	(25,016)	0	0	156	0	0	0
PARKING SERVICES	1171	NORTH PARADE CAR PARK	(68,168)	1,790	(66,378)	0	0	1,096	694	0	0
PARKING SERVICES	1172	NORTH STREET CAR PARK	(110,920)	(23,699)	(134,619)	(25,000)	0	1,301	0	0	0
PARKING SERVICES	1173	BT EXCHANGE CAR PARK	(8,313)	(55,449)	(63,762)	(61,500)	0	6,051	0	0	0
PARKING SERVICES	1174	TALBOT LANE CAR PARK	(10,321)	160	(10,161)	0	0	160	0	0	0
PARKING SERVICES	1177	HOP OAST PARK & RIDE	45,424	12,457	57,881	0	0	4,827	7,630	0	0
PARKING SERVICES	1201	SHOPMOBILITY	0	0	0	0	0	0	0	0	0
PARKING SERVICES	1202	HORSHAM ON STREET PARKING SCHE	(143,840)	0	(143,840)	0	0	0	0	0	0
PARKING SERVICES	1277	LAPE - RUNNING COSTS	35,297	28,550	63,847	0	28,550	0	0	0	0
PARKING SERVICES	1284	HORSHAM HOSPITAL CAR PARK	(32,000)	(7,000)	(39,000)	(14,000)	0	0	7,000	0	0
PARKING SERVICES	1451	JUBILEE CAR PARK	(103,285)	709	(102,576)	0	0	709	0	0	0
PARKING SERVICES	1545	CAR PARKS	423,148	183,642	606,790	0	32,642	0	151,000	0	0
PARKING SERVICES	1600	PARK VIEW CAR PARK	(5,850)	260	(5,590)	0	0	260	0	0	0
Sub Total			(2,531,783)	(875,247)	(3,407,031)	(1,156,060)	61,192	61,097	119,524	0	0
Department: 39											
CUSTOMER SERVICES	1540	CUSTOMER SERVICE CENTRE	349,450	31,935	381,385	(1)	32,986	0	(1,050)	0	0
Sub Total			349,450	31,935	381,385	(1)	32,986	0	(1,050)	0	0
Sub Total			4,286,273	(1,889,809)	2,396,463	(2,953,479)	320,321	61,097	212,252	0	470,000
Directorate: 5											
Department: 50											
DIR OF COMMUNITY SERVICES 1080		DIRECTOR OF COMMUNITY SERVICES	112,125	525	112,650	0	525	0	0	0	0
PERFORMANCE AND PROJECT. 1633		WILDER HORSHAM	101,410	20,000	121,410	10,047	0	0	9,953	0	0
PERFORMANCE AND PROJECT. 1644		CLIMATE CHANGE PANEL	70,000	(30,000)	40,000	(40,000)	0	0	10,000	0	0
DIR OF COMMUNITY SERVICES 1647		ENVIRONMENTAL STRATEGY	162,694	89,624	252,318	0	49,624	0	40,000	0	0
Sub Total			446,229	80,149	526,378	(29,953)	50,149	0	59,953	0	0
Department: 51											
LEISURE & CULTURE	1024	CAPITOL HIRE (KINGS CHURCH)	(42,500)	42,500	0	42,500	0	0	0	0	0
LEISURE & CULTURE	1026	CAPITOL BAR & CAFE	(55,298)	(10,320)	(65,618)	(38,000)	7,680	0	20,000	0	0
LEISURE & CULTURE	1039	BROADBRIDGE HEATH LEISURE CENTRE	(27,600)	(1,324)	(28,924)	(3,680)	0	996	1,360	0	0
LEISURE & CULTURE	1040	THE PAVILIONS IN THE PARK	(426,467)	(17,837)	(444,304)	(22,274)	0	37	4,400	0	0
LEISURE & CULTURE	1041	STEYNING LEISURE CENTRE	8,254	(2,640)	5,614	0	0	3,970	450	0	0
LEISURE & CULTURE	1046	SPORTS DEVELOPMENT	59,090	14,820	73,910	25,000	2,350	0	(11,440)	(1,090)	0
LEISURE & CULTURE	1047	INDOOR BOWLS CENTRE	(19,470)	460	(19,010)	0	0	340	120	0	0
LEISURE & CULTURE	1048	ROOKWOOD GOLF COURSE	(50,380)	250	(50,130)	0	0	0	250	0	0

Department Description	Cost Centre	Cost Centre Description	2022/23 Net		2023/24 Net		Income	Staffing	Premises	Supplies & Services	Transport	Other
			Expenditure	Budget Variance	Expenditure	Budget Variance						
LEISURE & CULTURE	1049	HORSHAM PARK	38,629	(862)	37,767	(2,819)	0	(8,113)	10,090	0	0	0
LEISURE & CULTURE	1050	ALLOTMENTS	(16,635)	12	(16,623)	0	0	12	0	0	0	0
LEISURE & CULTURE	1054	RECREATION GROUNDS	16,571	(37)	16,534	(3,300)	0	3,253	10	0	0	0
LEISURE & CULTURE	1057	CHILDRENS PLAYGROUNDS	39,013	16,917	55,930	0	0	0	16,917	0	0	0
LEISURE & CULTURE	1060	SOUTHWATER COUNTRY PARK	68,470	46,042	114,512	(25,136)	6,000	61,294	3,884	0	0	0
LEISURE & CULTURE	1061	WARNHAM NATURE RESERVE	(1,620)	19,061	17,441	4,000	0	14,926	135	0	0	0
LEISURE & CULTURE	1062	LEECHPOOL WOODS	6,940	694	7,634	0	0	694	0	0	0	0
LEISURE & CULTURE	1064	CHESWORTH FARM	2,120	3,689	5,809	0	0	3,679	10	0	0	0
LEISURE & CULTURE	1065	COUNTRYSIDE & CONSERVTN PROJIS	3,980	(3,980)	0	0	0	0	(3,980)	0	0	0
LEISURE & CULTURE	1066	THE CAPITOL	435,683	(66,136)	369,547	(92,300)	32,690	67,564	(74,090)	0	0	0
LEISURE & CULTURE	1067	DRILL HALL (ARTS CENTRE USE)	47,700	16,524	64,224	(40,000)	36,480	16,144	3,900	0	0	0
LEISURE & CULTURE	1068	HORSHAM MUSEUM & VISITOR INFO. CENTRE	179,252	19,073	198,325	13,900	13,442	3,391	(11,660)	0	0	0
LEISURE & CULTURE	1069	CEMETERIES	(119,208)	288	(118,920)	(4,000)	10	4,134	144	0	0	0
LEISURE & CULTURE	1070	BANDSTANDS	13,615	(5,148)	8,467	0	0	(5,616)	468	0	0	0
LEISURE & CULTURE	1082	BARN	(4,926)	11,488	6,562	7,000	0	4,478	10	0	0	0
LEISURE & CULTURE	1219	CHESWORTH GROUNDS MAINT.DEPOT	17,188	3,470	20,658	6,550	0	(3,090)	10	0	0	0
LEISURE & CULTURE	1324	HENFIELD COMMON	15,780	4,000	19,780	0	0	4,000	0	0	0	0
LEISURE & CULTURE	1351	BILLINGSHURST LEISURE CENTRE	(87,112)	(6,042)	(93,154)	(5,612)	0	(1,000)	570	0	0	0
LEISURE & CULTURE	1434	DRILL HALL SUPERVISOR'S FLAT	0	2,183	2,183	0	0	2,183	0	0	0	0
LEISURE & CULTURE	1435	PROJECT AIMING HIGH FOR DISABLED CHILDRE	0	0	0	0	0	0	0	0	0	0
LEISURE & CULTURE	1516	COUNTRYSIDE SERVS- HIGHER LEVEL STEWAR	1,100	(1,100)	0	0	0	(1,100)	0	0	0	0
LEISURE & CULTURE	1524	PARKS AND OPEN SPACES	680,460	3,578	684,038	(26,300)	(190)	4,770	18,030	0	0	7,268
LEISURE & CULTURE	1534	HEAD OF LEISURE & CULTURE	81,908	3,936	85,844	0	3,986	0	(50)	0	0	0
LEISURE & CULTURE	1535	LEISURE SERVS & CLIENT MANAGER	65,790	3,371	69,161	0	3,371	0	0	0	0	0
LEISURE & CULTURE	1557	PARKS & COUNTRYSIDE STAFF	640,638	40,927	681,565	0	40,307	0	1,620	(1,000)	0	0
LEISURE & CULTURE	1605	EVENTS	200,000	0	200,000	0	(29,973)	0	29,973	0	0	0
LEISURE & CULTURE	1623	BROADBRIDGE HEATH FC PITCHES	(80)	80	0	0	0	0	80	0	0	0
LEISURE & CULTURE	1630	MUSEUM COLLECTION	0	0	0	0	0	0	0	0	0	0
Sub Total			1,770,885	137,937	1,908,822	(171,531)	116,153	179,926	11,211	(2,090)		7,268
Department: 52												
STREET SCENE & FLEET	1209	TRANSPORT SERVICES	1,781,606	423,477	2,205,083	6,000	42,957	0	7,400	367,120	0	0
STREET SCENE & FLEET	1216	HOP OAST	57,578	39,962	97,540	0	0	36,752	3,210	0	0	0
STREET SCENE & FLEET	1465	LITTER & CLEANSING	910,227	318,215	1,228,442	87,906	195,587	0	14,722	0	20,000	0
STREET SCENE & FLEET	1467	COMPLIANCE & ENFORCE	55,628	(1,313)	54,315	(2,700)	7,387	0	(6,000)	0	0	0
STREET SCENE & FLEET	1569	ADOPT-A-STREET	5,100	(2,500)	2,600	0	0	0	(2,500)	0	0	0
Sub Total			2,810,139	777,841	3,587,980	91,206	245,931	36,752	16,832	367,120		20,000
Department: 53												
WASTE & RECYCLING	1463	WASTE & RECYCLING	589,041	330,380	919,421	(194,000)	481,380	0	41,500	0	1,500	0
WASTE & RECYCLING	1464	TRADE WASTE & RECYCLING	(589,072)	116,045	(473,027)	29,344	95,211	0	(9,010)	500	0	0
WASTE & RECYCLING	1543	WASTE & RECYCLING OFFICE	504,741	8,507	513,248	0	11,007	0	(2,500)	0	0	0
WASTE & RECYCLING	1544	HEAD OF WASTE & RECYCLING	75,564	17,818	93,382	0	17,818	0	0	0	0	0
WASTE & RECYCLING	1549	BIN PROVISION	(45,000)	(10,000)	(55,000)	30,000	0	0	(40,000)	0	0	0
WASTE & RECYCLING	1561	RECYCLING QUALITY PROJECT	184,526	(68,302)	116,225	0	(43,302)	0	(25,000)	0	0	0
Sub Total			719,800	394,448	1,114,249	(134,656)	562,114	0	(35,010)	500		1,500
Department: 56												
ENVIRONMENTAL SERVICES/LIC 1090		TEMPORARY ROAD CLOSURES	(1,575)	575	(1,000)	575	0	0	0	0	0	0
ENVIRONMENTAL SERVICES/LIC 1143		PUBLIC HLTH ACT (CNTRL OF DIS)	2,000	0	2,000	0	0	0	0	0	0	0
ENVIRONMENTAL SERVICES/LIC 1178		HEALTH AND SAFETY AT WORK	(590)	0	(590)	0	0	0	0	0	0	0
ENVIRONMENTAL SERVICES/LIC 1179		FOOD SAFETY	(2,920)	6,800	3,880	5,000	0	0	1,800	0	0	0
ENVIRONMENTAL SERVICES/LIC 1180		PEST AND INSECT CONTROL	1,000	(500)	500	0	0	0	(500)	0	0	0
ENVIRONMENTAL SERVICES/LIC 1181		DRINKING WATER INSPECTIONS	(200)	(200)	(400)	(600)	0	0	400	0	0	0
ENVIRONMENTAL SERVICES/LIC 1183		STRAY DOGS	23,000	0	23,000	0	0	0	0	0	0	0
ENVIRONMENTAL SERVICES/LIC 1184		POLLUTION CONTROL	8,040	712	8,752	0	0	712	0	0	0	0
ENVIRONMENTAL SERVICES/LIC 1187		LICENSING	(20,695)	(1,890)	(22,585)	(2,090)	0	0	200	0	0	0
ENVIRONMENTAL SERVICES/LIC 1188		HACKNEY CARRIAGE LICENSING	(97,780)	(900)	(98,680)	0	0	0	(900)	0	0	0
ENVIRONMENTAL SERVICES/LIC 1189		MISCEL. LICENSING (NON-HEALTH)	(7,875)	0	(7,875)	0	0	0	0	0	0	0
ENVIRONMENTAL SERVICES/LIC 1229		COMMUNITY ALARM SYSTEM	43,411	1,655	45,066	(6,000)	8,255	0	(600)	0	0	0
ENVIRONMENTAL SERVICES/LIC 1279		LICENSING ACT 2003	(116,560)	(12,500)	(129,060)	(12,500)	0	0	0	0	0	0
ENVIRONMENTAL SERVICES/LIC 1436		PRIVATE SECTOR HOUSING	(4,100)	1,000	(3,100)	1,000	0	0	0	0	0	0
ENVIRONMENTAL SERVICES/LIC 1546		ENVIRONMENTAL HEALTH - STAFF	1,107,009	157,308	1,264,317	0	141,608	0	20,700	(5,000)	0	0
ENVIRONMENTAL SERVICES/LIC 1636		EH C19 INTERVENTIONS	0	777	777	189,421	48,777	0	(237,421)	0	0	0

Department Description	Cost Centre	Cost Centre Description	2022/23 Net		2023/24 Net		Income	Staffing	Premises	Supplies & Services	Transport	Other
			Expenditure Budget	Budget Variance	Expenditure Budget	Budget						
STRATEGIC PLANNING	1087	ENVIRONMENTAL ENHANCEMENT & MANAGEME	0	0	0	0	0	0	0	0	0	0
STRATEGIC PLANNING	1144	LAND DRAINAGE	(8,950)	(1,500)	(10,450)	0	0	(1,500)	0	0	0	0
STRATEGIC PLANNING	1197	ENVIRONMENTAL MANAGEMENT	1,450	1,032	2,482	0	0	1,032	0	0	0	0
STRATEGIC PLANNING	1528	NEIGHBOURHOOD PLANNING	(49,950)	(10,000)	(59,950)	50,000	0	0	(60,000)	0	0	0
STRATEGIC PLANNING	1538	STRATEGIC PLANNING	1,261,992	327,615	1,589,607	(7,000)	158,265	0	176,350	0	0	0
Sub Total			1,204,542	317,147	1,521,689	43,000	158,265	(468)	116,350	0	0	0
Department: 75												
PROPERTY & FACILITIES	1076	TOWN HALL	(80,120)	100	(80,020)	0	0	0	100	0	0	0
PROPERTY & FACILITIES	1093	BUS SHELTERS	6,038	1,029	7,067	0	0	1,029	0	0	0	0
PROPERTY & FACILITIES	1111	SWAN WALK RENTS	(165,670)	0	(165,670)	0	0	0	0	0	0	0
PROPERTY & FACILITIES	1113	EAST MEWS	(10,210)	169	(10,041)	0	0	149	20	0	0	0
PROPERTY & FACILITIES	1114	1 & 3 STANS WAY	(30,020)	20	(30,000)	0	0	0	20	0	0	0
PROPERTY & FACILITIES	1115	BLATCHFORD CLOSE INDUSTRIAL ESTATE	(216,100)	940	(215,160)	0	0	740	200	0	0	0
PROPERTY & FACILITIES	1116	HENFIELD INDUSTRIAL ESTATE	(40,040)	40	(40,000)	220	0	0	(180)	0	0	0
PROPERTY & FACILITIES	1117	OAKHURST BUSINESS PARK - PHASE 1	(402,691)	410	(402,281)	0	0	0	410	0	0	0
PROPERTY & FACILITIES	1118	COMMERCIAL & DOMESTIC PROPS	442,180	344,820	787,000	0	0	344,660	160	0	0	0
PROPERTY & FACILITIES	1119	SMALL DOLE CARAVAN SITE	8,580	(4,112)	4,468	0	0	888	(5,000)	0	0	0
PROPERTY & FACILITIES	1121	DUKE SQUARE (TA CENTRE)	(6,478)	10,250	3,772	0	0	10,230	20	0	0	0
PROPERTY & FACILITIES	1122	SOUTHWATER MEDICAL CENTRE	(130,560)	(4,146)	(134,706)	0	0	(4,296)	150	0	0	0
PROPERTY & FACILITIES	1135	PUBLIC CONVENIENCES	54,921	(13,707)	41,214	220	0	(14,697)	770	0	0	0
PROPERTY & FACILITIES	1147	FOOTWAYS & AMENITY LIGHTING	14,450	(12,110)	2,340	(21,394)	0	9,284	0	0	0	0
PROPERTY & FACILITIES	1191	GENERAL PUMP STATN & SEWERAGE	0	0	0	0	0	0	0	0	0	0
PROPERTY & FACILITIES	1195	ENERGY MANAGEMENT	70,000	50,000	120,000	0	0	50,000	0	0	0	0
PROPERTY & FACILITIES	1196	PUBLIC SEATS	17,500	2,800	20,300	0	0	2,800	0	0	0	0
PROPERTY & FACILITIES	1199	FEASIBILITY STUDIES	80,000	0	80,000	0	0	0	0	0	0	0
PROPERTY & FACILITIES	1200	STREET NAMING & NUMBERING	(5,100)	0	(5,100)	0	0	0	0	0	0	0
PROPERTY & FACILITIES	1203	BUS STATION	29,707	(1,670)	28,036	(2,100)	0	(304)	734	0	0	0
PROPERTY & FACILITIES	1205	FORUM (EXCL CAFE)	(312)	454	142	(4,780)	0	5,234	0	0	0	0
PROPERTY & FACILITIES	1206	FORUM CAFE (ESQUIRES)	(42,030)	11,145	(30,885)	8,100	0	3,025	20	0	0	0
PROPERTY & FACILITIES	1207	FORUM FLATS	(699)	469	(230)	(6,048)	0	6,048	469	0	0	0
PROPERTY & FACILITIES	1218	OLD BARN/PUMP ALLEY	8,848	1,464	10,312	0	0	1,454	10	0	0	0
PROPERTY & FACILITIES	1283	LINTOT SQ, SERV ACCT	2,300	4,716	7,016	0	0	4,716	0	0	0	0
PROPERTY & FACILITIES	1339	LINTOT SQ, RENT ACCT	(489,775)	9,045	(480,730)	8,980	0	0	65	0	0	0
PROPERTY & FACILITIES	1344	STEYNING HEALTH CENTRE	(326,330)	450	(325,880)	0	0	0	450	0	0	0
PROPERTY & FACILITIES	1350	OAKHURST BUSINESS PARK - PHASE 2	(239,860)	499	(239,361)	0	0	249	250	0	0	0
PROPERTY & FACILITIES	1353	TOWN CENTRE STORE	120	85	205	0	0	85	0	0	0	0
PROPERTY & FACILITIES	1366	TOWN CENTRE WATER FEATURES	7,200	3,712	10,912	0	0	3,712	0	0	0	0
PROPERTY & FACILITIES	1367	NEEDLES FARM CENTRE	(160)	1,045	885	380	0	605	60	0	0	0
PROPERTY & FACILITIES	1470	OAKHURST BUS PK-PH 3	(125,060)	267	(124,793)	0	0	107	160	0	0	0
PROPERTY & FACILITIES	1495	WESTHOPE LODGE	(46,010)	50	(45,960)	(10,331)	0	10,331	50	0	0	0
PROPERTY & FACILITIES	1503	OAKHURST BUSINESS PARK-PHASE 4	(156,000)	840	(155,160)	470	0	0	370	0	0	0
PROPERTY & FACILITIES	1504	OAKHURST PH 1-4 SERVICE CHG	4,000	(4,000)	0	0	0	(4,000)	0	0	0	0
PROPERTY & FACILITIES	1531	NEW STREET SHOPPING PARADE	(58,490)	338	(58,152)	0	0	228	110	0	0	0
PROPERTY & FACILITIES	1532	NEEDLES SHOPPING PARADE	(24,710)	258	(24,452)	0	0	228	30	0	0	0
PROPERTY & FACILITIES	1533	ARUN HOUSE, HURST ROAD	(27,180)	(27,840)	(55,020)	0	0	(33,000)	5,160	0	0	0
PROPERTY & FACILITIES	1542	PROPERTY & FACILITIES DEPARTMENT	440,489	11,179	451,668	0	11,179	0	0	0	0	0
PROPERTY & FACILITIES	1560	MILLSTREAM SURGERY - STORRINGTON	(55,070)	290	(54,780)	0	0	230	60	0	0	0
PROPERTY & FACILITIES	1563	PARKSIDE	572,040	5,230	577,270	0	0	5,220	10	0	0	0
PROPERTY & FACILITIES	1565	STABLE BLOCK CAFE (KAYA)	(52,140)	7,473	(44,667)	2,201	0	5,232	40	0	0	0
PROPERTY & FACILITIES	1570	GARAGES - BLACKSTONE RISE	0	0	0	0	0	0	0	0	0	0
PROPERTY & FACILITIES	1576	28 CARFAX, HORSHAM	(19,510)	0	(19,510)	0	0	0	0	0	0	0
PROPERTY & FACILITIES	1577	16 EAST STREET, HORSHAM	(35,040)	20	(35,020)	0	0	0	20	0	0	0
PROPERTY & FACILITIES	1579	LAND AT REDKILN WAY, HORSHAM - LOCKYEAR	(23,980)	0	(23,980)	0	0	0	0	0	0	0
PROPERTY & FACILITIES	1580	29 BARTTELOT ROAD, HORSHAM	(13,530)	90	(13,440)	80	0	0	10	0	0	0
PROPERTY & FACILITIES	1593	PARK HOUSE	(85,090)	20,816	(64,274)	0	0	20,032	784	0	0	0
PROPERTY & FACILITIES	1594	THE GRANARY	(11,212)	470	(10,742)	(1,708)	0	2,168	10	0	0	0
PROPERTY & FACILITIES	1601	7 WEST STREET, HORSHAM	(35,505)	(40)	(35,545)	0	0	0	(40)	0	0	0
PROPERTY & FACILITIES	1602	FORMER HORSHAM AMBULANCE STATION	(3,529)	(214)	(3,743)	(1,733)	0	1,459	60	0	0	0
PROPERTY & FACILITIES	1603	THE REC	(49,620)	(360)	(49,980)	0	0	(750)	390	0	0	0
PROPERTY & FACILITIES	1612	THE FORUM - HDC	(731,880)	(9,935)	(741,815)	0	0	(10,435)	500	0	0	0
PROPERTY & FACILITIES	1622	54 & 56 HIGH STREET - BILLINGSHURST	(32,090)	70	(32,020)	0	0	0	70	0	0	0
Sub Total			(2,013,428)	412,919	(1,600,510)	(27,443)	11,179	422,661	6,522	0	0	0
Department: 76												

Department Description	Cost Centre	Cost Centre Description	2022/23 Net		2023/24 Net		Income	Staffing	Premises	Supplies & Services	Transport	Other
			Expenditure	Budget	Expenditure	Budget						
ECONOMIC DEVELOPMENT	1072	BUSINESS SUPPORT (ED)	20,200	(19,700)	500	0	0	0	(19,700)	0	0	0
ECONOMIC DEVELOPMENT	1073	VISITOR ECONOMY	14,800	0	14,800	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT	1112	CHRISTMAS DECORATIONS	22,000	0	22,000	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT	1123	ECONOMIC DEVELOPMENT & PROMOTN	342,453	54,906	397,359	0	40,706	0	14,200	0	0	0
ECONOMIC DEVELOPMENT	1125	FOOD & DRINK FESTIVAL	0	0	0	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT	1186	LOCAL PRODUCE MARKET	(8,310)	(1,140)	(9,450)	(1,500)	0	360	0	0	0	0
ECONOMIC DEVELOPMENT	1198	TOWN CENTRE MANAGEMENT & MAINT	37,050	(20,940)	16,110	0	0	(20,940)	0	0	0	0
ECONOMIC DEVELOPMENT	1477	ONE OFF EVENT	0	0	0	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT	1478	BIG NIBBLE- TCM	0	0	0	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT	1619	J2W - JOURNEY TO WORK	(1)	1	0	49,012	(45,261)	(3,750)	0	0	0	0
ECONOMIC DEVELOPMENT	1635	RHSS FUND	0	0	0	128,133	0	0	(128,133)	0	0	0
ECONOMIC DEVELOPMENT	1638	INDEPENDANT RETAIL TRAINING PROGRAMME	0	0	0	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT	1639	ED GRANT PROJECTS	45,000	0	45,000	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT	1645	UK SHARED PROSPERITY FUND	0	(173,545)	(173,545)	(173,545)	0	0	0	0	0	0
Sub Total			473,192	(160,418)	312,774	2,100	(4,555)	(24,330)	(133,633)	0	0	
Sub Total			(57,688)	601,402	543,713	(287,343)	444,073	447,863	1,809	(1,000)	(4,000)	
Total			12,409,313	1,176,544	13,585,856	(2,862,418)	2,320,653	984,058	(113,297)	352,780	494,768	
		LESS CAPITALISED SALARIES	(89,492)	16,612	(72,880)		16,612					
Grand Total			12,319,821	1,193,156	13,512,976	(2,862,418)	2,337,265	984,058	(113,297)	352,780	494,768	

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2023/24

The budget includes the following grants to voluntary groups and community partnerships.

Grants to voluntary groups

	£
Citizen Advice Bureau - Horsham	94,000
Age UK	55,000
Community Transport Sussex	20,000
Henfield Haven	15,000
Upper Beeding hub	15,000
Springboard	15,000
Home-Start, Crawley, Horsham and Mid-Sussex	10,000
Family Support Work	10,000
Sussex clubs (Purple Bus)	6,000
Relate North and South West Sussex	5,154
West Sussex Mediation Service	5,000
Horsham Debt Advice	4,000
Total Grants	254,154

During 2022, additional funding was earmarked to support interventions for those affected by the cost of living crisis. One recipient was Citizens Advice who received funding to provide additional staffing capacity for two years. The 2023/24 amount is estimated at £80,000 which is not included in the total above as this is funded from elsewhere.

In addition to the grants above, we are providing grants to Community Partnerships totalling £9,100 and have an Individual Community Grants fund available to support applications of up to £500.

The total allocation across all Community Development funding strands is **£277,000**.

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2023/24 Special Charge

Appendix C

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	2023-24		2022-23
	£		£
CHILDRENS PLAYGROUNDS	23,470	20%	22,530
BANDSTANDS	13,800	100%	13,250
FOOTWAYS & AMENITY LIGHTING	1,950	5%	1,850
FLORAL DISPLAYS	5,100	15%	4,900
HORSHAM PARK	72,800	33%	69,800
GRANTS TO NEIGHBOURHOOD COUNCILS	26,000	100%	24,000
YOUTH WORKER GRANT	31,100	100%	31,000
RECREATION GROUNDS	47,200	50%	45,500
CHRISTMAS LIGHTS	29,500	100%	28,500
COMMUNITY WARDENS	86,000	100%	82,000
TOTAL	<u>336,920</u>		<u>323,330</u>
Council Tax base	12,237.4		12,050.7
Band 'D' equivalent	£27.53		£26.83

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Cabinet Member for:	Description	Forecast 22/23	Budget 23/24	Forecast 24/25	Forecast 25/26	Forecast 26/27
Community Matters	100318 - 96 ACT-DISABLED FACILITY GRANT	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Community Matters	100319 - ACT-HOME REPAIR ASSIST. GRANT	60,000	60,000	60,000	60,000	60,000
Housing and Public Protection	100322 - HOUSING ENABLING GRANTS	1,015,000	594,000	2,268,333	2,791,667	1,000,000
Waste and Recycling	100396 - VEHICLES - NEW - (Normal Replacement programme)	761,000	1,367,000	1,540,000	1,405,000	1,000,000
Property & the Local Economy	100438 - CORPORATE PROVISION - ASSET ENHANCEMENT	100,000	100,000	100,000	100,000	100,000
Property & the Local Economy	100447 - COMMERCIAL ESTATES - GENERAL	100,000	100,000	100,000	100,000	100,000
Leisure and Culture	100479 - WARNHAM NATURE RESERVE IMPROVEMENTS	4,100	0	0	0	0
Environment & Rural Affairs	100512 - BILLINGSHURST CAR PARK DEVELOPMENT	0	(0)	0	164,580	0
Horsham Town Centre	100513 - ALBION WAY CONNECTIVITY - WORTHING ROAD	50,000	120,000	0	0	0
Leisure and Culture	100522 - ROFFEY RECREATION GROUND REGENERATION PROJECT	50,000	63,491	1,000	0	0
Leisure and Culture	100523 - HORSHAM SKATE PARK	256,500	13,500	0	0	0
Environment & Rural Affairs	100526 - RURAL CAR PARK - HENFIELD (LIBRARY)	5,530	0	0	0	0
Property & the Local Economy	100530 - HORSHAM DISTRICT EXPERIENCE APP & WEBSITE	25,000	0	0	0	0
Leisure and Culture	100532 - BILLINGSHURST BYPASS REC PATH IMPROVEMENTS	73,125	1,875	0	0	0
Environment & Rural Affairs	100538 - STORRINGTON MILL LANE - RURAL CAR PARK IMPROVEMENTS	202,987	0	0	0	0
Environment & Rural Affairs	100541 - LOCAL CYCLING AND WALKING INFRASTRUCTURE	18,507	0	0	0	0
Community Matters	100542 - PUBLIC SPACE CCTV CAMERA REPLACEMENT PROGRAMME	0	60,561	0	0	0
Property & the Local Economy	100543 - HIGHWOOD COMMUNITY CENTRE	150,000	1,000,000	1,750,000	0	0
Finance & Parking	100548 - EQUITY FUNDING - PROPERTY DEV CO	275,000	0	0	0	0
Environment & Rural Affairs	100550 - RURAL CAR PARK - Pulborough Lower Street CP	0	0	80,000	0	0
Horsham Town Centre	100553 - PUBLIC REALM PROJECTS - TOWN CENTRE VISION	73,000	33,049	0	0	0
Leisure and Culture	100555 - RIVERSIDE WALK BOARDWALK - BEN'S ACRE	29,250	750	0	0	0
Leisure and Culture	100556 - BLUEBELL PARK ADVENTURE TRAIL	15,000	0	0	0	0
Property & the Local Economy	100557 - FORUM PIAZZA AND FOUNTAIN UPGRADE	113,957	0	0	0	0
Property & the Local Economy	100558 - MILLSTREAM EXTENSION	329,544	0	0	0	0
Finance & Parking	100559 - LOANS - PROPERTY DEV CO	350,000	500,000	1,333,333	1,791,667	0
Waste and Recycling	100561 - BIN WEIGHING TECH & EQUIPMENT	0	32,810	0	0	0
Community Matters	100562 - SECURITY ENTRANCE DEFENCES	34,782	0	0	0	0
Environment & Rural Affairs	100563 - EV CHARGING POINTS	60,000	0	0	0	0
Planning and Development	100565 - S106 / CIL INFRASTRUCTURE SPEND	250,000	200,000	200,000	200,000	200,000
Property & the Local Economy	100566 - ST PETERS HALL & RAFA IMPROVEMENTS	20,857	0	0	0	0
Waste and Recycling	100567 - VEHICLES - NEW - GOING GREEN ADDITIONAL COSTS	50,000	0	0	0	0
Property & the Local Economy	100570 - 7 WEST STREET - WORKS TO FACILITATE LETTING	90,000	0	0	0	0
Property & the Local Economy	100571 - PARK BARN - ENERGY EFFICIENCY IMPROVEMENTS	35,000	0	0	0	0
Property & the Local Economy	100572 - BUS STATION - REPLACE 4 DOORS	40,000	0	0	0	0
Property & the Local Economy	100573 - SWAN WALK - REPLACE TOP DECK MEMBRANE	250,000	0	0	0	0
Property & the Local Economy	100574 - HOUSING NET CARBON RESIDUAL PORTFOLIO - HOUSE FOR DECANT	200,000	0	0	0	0
Property & the Local Economy	100575 - HOUSING NET CARBON ZERO (3 HOUSES PER YEAR + 1)	0	150,000	150,000	150,000	50,000
Property & the Local Economy	100576 - GRANARY - UPGRADE WINDOWS TO IMPROVE ENERGY EFFICIENCY	20,000	0	0	0	0
Property & the Local Economy	100577 - ARUN HOUSE - PREPARE FOR FUTURE USE	100,000	0	0	0	0
Property & the Local Economy	100578 - OAKHURST - SUB STATION UPGRADE TO GIVE POWER HEADROOM	0	0	200,000	0	0
Property & the Local Economy	100579 - BLATCHFORD IND ESTATE - IMPROVE DRAINAGE & ENERGY ISSUES	70,000	0	0	0	0
Horsham Town Centre	100580 - HORSHAM PARK POND - BEACH & FENCE	50,000	0	0	0	0
Leisure and Culture	100581 - CAPITOL - LED LIGHTING (TO IMPROVE ENERGY EFFICIENCY)	205,000	0	0	0	0
Leisure and Culture	100582 - HOLBROOK EAST PLAY IMPROVEMENTS (NORTH HORSHAM PLAY)	15,000	63,375	1,625	0	0
Leisure and Culture	100583 - CHESWORTH FARM PATH IMPROVEMENTS	16,283	0	0	0	0
Leisure and Culture	100584 - BENNETTS ROAD FOOTBALL PITCH DRAINAGE IMPROVEMENTS	5,000	58,375	1,625	0	0
Leisure and Culture	100585 - HAMMER CAGE REPLACEMENT AT THE BRIDGE	35,422	0	0	0	0
Environment & Rural Affairs	100586 - RURAL CAR PARK IMPROV - STORRINGTON LIBRARY NORTH ST	15,000	150,000	0	0	0
Environment & Rural Affairs	100587 - RURAL CAR PARK IMPROV - STEYNING NEWMANS GARDENS	0	215,266	0	0	0
Horsham Town Centre	100588 - PUBLIC REALM STRATEGY STAGE 2 - DESIGN DEVELOPMENT DELIVERY	20,000	880,000	1,200,000	388,000	0
Horsham Town Centre	100589 - HORSHAM TOWN CENTRE CYCLING STUDY	26,634	0	0	0	0
Property & the Local Economy	100590 - INITIATIVES TO IMPROVE LOCAL BUSINESSES	0	238,545	187,683	0	0
Property & the Local Economy	100591 - FORUM FOUNTAIN UPGRADE	120,000	0	0	0	0
Property & the Local Economy	100592 - BURTON COURT BIN STORE	40,000	60,000	0	0	0
Finance & Parking	NEW - RURAL CAR PARK IMPROV - BILLINGSHURST LIBRARY & SIX BELLS	0	75,000	100,000	0	0
Property & the Local Economy	NEW - Energy Efficiency improvements	0	100,000	0	0	0
Housing and Public Protection	NEW - Fire Doors temp accommodation	0	20,000	0	0	0
Finance & Parking	NEW - Lighting rural car parks	0	120,000	0	0	0
Horsham Town Centre	NEW - Swan walk pedestrian crossing upgrade	0	0	50,000	0	0
Leisure & Culture	NEW - North Horsham District Neighbourhood Play Area Improvements	0	25,000	122,000	3,000	0
Leisure & Culture	NEW - Rural Play Area Improvements	0	25,000	93,000	2,000	0
Leisure & Culture	NEW - Warnham Nature Reserve café refurbishment	0	15,000	0	0	0
Leisure & Culture	NEW - Bennetts Field Improvements	0	40,807	1,046	0	0
Housing & Public Protection	NEW - Site Security measures	0	20,000	20,000	0	0
Leisure & Culture	NEW - Hills Farm Cemetery extension	0	160,000	45,000	0	0
Property & the Local Economy	NEW - Rural England Prosperity Fund	0	217,750	653,250	0	0
Property & the Local Economy	NEW - Parkside Improvements	0	150,000	0	0	0
Leisure & Culture	NEW - Park Track	0	0	300,000	0	0
Finance & Parking	NEW - ANPR replacement	0	250,000	0	0	1
	TOTAL	7,076,478	8,531,153	11,807,895	8,405,914	3,760,001

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ANNUAL MINIMUM REVENUE PROVISION (MRP) STATEMENT 2023/24

When the Council does not finance capital expenditure with resources such as capital receipts, grants, and reserves it effectively finances the spend by debt (although this can be internally sourced debt), and it must put aside resources to repay that debt. The amount charged is known as the Minimum Revenue Provision (MRP).

The amount of Minimum Revenue Provision (MRP) is set by the Council but legislation requires the Council to have regard to guidance issued by the Department for Levelling Up, Housing and Communities (DLUHC). The aim of the guidance is to ensure that debt is repaid over a period that broadly matches the period over which the unfinanced capital expenditure provides benefits.

The DLUHC's guidance requires the Council to approve an annual MRP statement and recommends a number of options for calculating MRP. The following incorporates options in the Guidance as well as locally determined prudent methods.

The Council is recommended to approve the following MRP Statement:

- For capital expenditure incurred before 1 April 2008 or which in the future will be Supported (*Note*) Capital Expenditure, the MRP policy will follow the DLUHC Regulations. This means the MRP will be based on 4% of the Capital Financing Requirement in respect of that expenditure.
- From 1 April 2008 for all unsupported capital expenditure, the MRP will be calculated by dividing the capital expenditure by the expected useful life of the relevant assets, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years
- For assets that are leased in, the MRP requirement would be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability.
- Where loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those loans will be applied to reduce the capital financing requirement. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the DLUHC Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets.
- Capital expenditure in 2023/24 will not be subject to MRP until 2024/25.

Note Supported Capital Expenditure is capital spend that central government supports with a contribution through grant. Horsham District Council does not have any Supported Capital Expenditure at present.

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1. **Capital Expenditure and Financing:** The Council is asked to approve the projected capital expenditure and financing below. It includes the capital programme in this report and estimates of capital spend that may become necessary in the medium term. It is one of the required prudential indicators. Capital spend is broken down between assets that directly provide services and those giving rise to investment income that supports the budget.

£millions	2021/22 Actual £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Capital Service Spend	4.5	5.1	6.7	8.4	12.3
Capital Investments	0.2	0.9	0.6	1.4	1.9
Financed by:					
External resources	3.3	2.4	2.0	5.6	8.3
Internal Resources	1.4	3.6	5.3	4.2	5.9
Debt	0.0	0.0	0.0	0.0	0.0
Total Financing	4.7	6.0	7.3	9.8	14.2

2. The term ‘Debt’ used above does not automatically lead to external borrowing as the Council can use funds it holds in reserves and working capital which is usually termed ‘internal borrowing’. Over time all debt whether it be internal or external borrowing must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). The current planned MRP payments are as follows:

£millions	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
MRP	0.9	0.9	0.9	0.9	0.9

3. The Council’s cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and any capital receipts used to replace debt. The CFR is expected to reduce over the period as no new unfinanced spend is projected and the annual MRP amounts reduce the CFR. The Council’s estimated CFR is as follows:

£millions	31.3.2022 actual	31.3.2023 forecast	31.3.2024 budget	31.3.2025 budget	31.3.2026 budget
CFR	33.6	32.7	31.8	30.9	30.0

4. **Asset disposals:** Capital assets may be sold and the proceeds, known as capital receipts, spent on new assets. Repayments of capital grants, loans and investments also generate capital receipts. Projected capital receipts are:

£millions	2021/22	2022/23	2023/24	2024/25	2025/26
TOTAL	1.3	0.4	0.9	2.9	3.9

Treasury Management

5. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the inherent risks. It covers both borrowing and investing and their respective control frameworks.
6. **Borrowing strategy** The Council has no plans to borrow but could find itself in a position which calls for some borrowing. In that circumstance the main objectives when borrowing would be to achieve a low but certain cost of finance while retaining flexibility.
7. **Debt compared to CFR:** (Projected levels of the Council's total outstanding debt) are shown below, compared with the Capital Financing Requirement. Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from the table the Council expects to comply with this in the medium term. The Council is relying on 'internal borrowing' i.e. using reserves and other cash resources that it holds rather than borrow from external sources, which is considered to be sustainable in the medium term.

£millions	31.3.2021 actual	31.3.2022 forecast	31.3.2023 budget	31.3.2024 budget	31.3.2025 budget
Debt (incl. leases)	0	0	0	0	0
CFR	33.6	32.7	31.8	30.9	30.0

8. **The affordable borrowing limit:** Irrespective of plans to borrow or not the Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit. Although no borrowing is planned, limits are set in case a need develops.

£millions	2022/23 limit	2023/24 limit	2024/25 limit	2025/26 limit
Authorised limit – borrowing	15	15	15	15
Authorised limit – leases	6	6	6	6
Authorised limit – total external debt	21	21	21	21
Operational boundary – borrowing	0	0	0	0
Operational boundary – leases	0	0	0	0
Operational boundary – total external debt	0	0	0	0

9. **Treasury investments:** The Council prioritises security and liquidity over yield, minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice. The future longer term investments in the table below are strategic pooled funds that the council intends to hold for the longer term although they can be sold if required. The projections show cash balances at year-end, which is a cash low point, remaining above £60m until 2025/26.

	31.3.2022 actual	31.3.2023 forecast	31.3.2024 estimate	31.3.2025 estimate	31.3.2026 estimate
Near-term investments	57	40	41	36	30
Longer-term investments	26	33	33	33	33
TOTAL	83	73	74	69	63

10. **Treasury investment governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Resources and staff, who must act in line with the Treasury Management Strategy as approved by the Council following scrutiny and recommendation by the Audit Committee. The Audit Committee also receives a mid-year and full year report and is responsible for scrutinising treasury management.

11. **Treasury investment in detail:** The more detailed Treasury Management Strategy was recommended by the Audit Committee on 7th December 2022 to be approved by the Council. It covers a series of limits, benchmarks and indicators that form a risk management framework.

Service and Commercial Investment Strategy

12. **Investments other than the traditional treasury:** This section concerns investments other than the traditional treasury instruments. The main categories covered are loans to or shares in other bodies to provide services on behalf of the Council and property investments where the income earned supports services.

13. **Investment for service purposes:** The Council can make investments to assist local public services, including making loans to local service providers and buying shares and making loans to any Council subsidiaries that provide services.

Overall limits are set at £4m on the total exposure to loans for service purposes and £0.5m exposure permitted for shares being held. These limits were recommended by the Audit Committee on 7th December 2022 for adoption by the Council.

14. **Investment for service purposes - Governance:** Decisions on service investments are made by the full Council after the relevant Head of Service has submitted a comprehensive analysis in consultation with the Director of Resources and must meet the criteria and limits. Most loans and shares are capital expenditure and will therefore also have to be approved as part of the capital programme in the Budget report or by full Council.
15. **Commercial activities:** To support its services the Council invests in commercial property. Commercial property investments were valued at £60m on 31st March 2022 and they provide a net return after direct costs of just under 6%.
16. **Risks of commercial property:** The Council recognises the higher risk on commercial investment compared with treasury investments. The principal risk exposures include individual vacancies, falls in market value, and economic factors. Individual property risks are monitored and managed by the Head of Property. In order that commercial investments remain proportionate to the financial capacity of the Council, this strategy sets an overall maximum investment limit at £70m. Should income not meet expectations the Council holds at least £6m of general reserves to cover any shortfall in the short term while the Head of Property reviews the performance of the portfolio.
17. **Commercial property - governance:** Decisions on new commercial investments are made by the Cabinet after recommendation from the Policy Development Advisory Group for Finance & Parking. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.
18. **Net income from commercial and service investments to net revenue stream:** the latest iteration of the CIPFA Code requires the reporting of a prudential indicator that shows the proportion that commercial and service net income forms of the whole Council's net revenue stream.

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Total net income from service and commercial investments	£3.5m	£3.7m	£3.7m	£3.8m	£3.9m
Proportion of net revenue stream	27%	27%	27%	28%	27%

19. **Other liabilities:** The Council also has liabilities that it must seek to risk manage which this strategy covers. The Council has set aside £1.6m to cover risks of Business Rates Appeals. The Council is also at risk of having to pay for historic insurance claims but has not put aside any money because there is no reasonable assessment of the amount required.
20. **Other liabilities - governance:** Decisions on incurring new discretionary liabilities are taken by the relevant Director whose directorate budget would cover the crystallisation of a liability. These would be discussed at the quarterly corporate risk management meeting and final decisions as to recognition taken by the Director of Resources. New liabilities exceeding £1m are reported to full Council for approval or notification as appropriate. Further details on historic liabilities are in note 18 of the 2021/22 statement of accounts.
21. The more detailed strategy on the non-treasury investments was included in the Investment strategy incorporated in the Capital Strategy report that was recommended by Audit Committee on 7th December 2022 to be approved by the Council. That report includes detailed limits and indicators designed to demonstrate a prudent risk management approach.
22. **Revenue Budget Implications:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants. As the Council does not borrow the financing costs are purely the MRP which is stable as no new unfinanced spend is envisaged.

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Financing costs (£m)	0.9	0.9	0.9	0.9	0.9
Proportion of net revenue stream	7%	7%	7%	7%	7%

23. **Sustainability of the capital programme and financing:** Due to the long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 40 years into the future. The Director of Resources is satisfied that the proposed capital programme is prudent, affordable and sustainable because the net budget demand on the Council and the risks in the programme have been reviewed and fall within the Council's tolerances.
24. **Knowledge and Skills:** The Council employs professionally qualified and experienced staff to support capital expenditure, borrowing and investment decisions. The Director of Resources and S151 Officer is a qualified accountant

with 20 years' experience and the Head of Property is a fellow of RICS with 35 years' of experience in commercial property. The Council will also support other staff training. The Council also employs Arlingclose Limited as treasury management adviser and for any other category of significant specialist investment would use consultants with knowledge of the relevant sector.

New Homes Bonus (NHB) – January 2023

Appendix G

ending 2023/24		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
5 years in 2017/18	2011/12	379	379	379	379	379	379							
4 years from 2018/19	2012/13		390	390	390	390	390							
1 year from 2020/21	2013/14			397	397	397	397	397						
	2014/15				776	776	776	776						
	2015/16					994	994	994	994					
	2016/17						1,462	1,462	1,462	1,462				
0.4% baseline	2017/18							1,186	1,186	1,186	1,186			
0.4% baseline	2018/19								1,185	1,185	1,185	1,185		
0.4% baseline	2019/20									974	974	974	974	
0.4% baseline	2020/21										1,485			
0.4% baseline	2021/22											924		
0.4% baseline	2022/23												1,123	
0.4% baseline	2023/24													824
		379	769	1,166	1,942	2,936	4,398	4,815	4,827	4,807	4,830	3,083	2,097	824
Used to fund revenue		0	0	1,166	1,166	1,166	1,166	700	0	0	0	0	0	0
Used for BBH leisure centre		0	0	0	0	0	2,000	5,000	4,500	358	0	0	0	0
Neighbourhood warden seeding									36	92	0	0	0	0
Investment property / infrastructure										4,018	0	0	0	0
Added to / (drawn from) Reserves		379	769	0	776	1,770	1,232	-885	291	339	4,830	3,083	2,097	824
Total Reserve figure		379	1,148	1,148	1,924	3,694	4,926	4,041	4,332	4,671	9,501	12,584	14,681	15,505

Notes:

The December 2022 Provisional Settlement included a one-off New Homes Bonus payment for 2023/24. There are now no previous legacy payments. The 0.4% baseline is the amount which needs to be exceeded before any NHB payments are made. Measured against the total band D equivalents in the district, 0.4% equates to approximately 250 additional houses a year before we receive the payment in 2023/24.

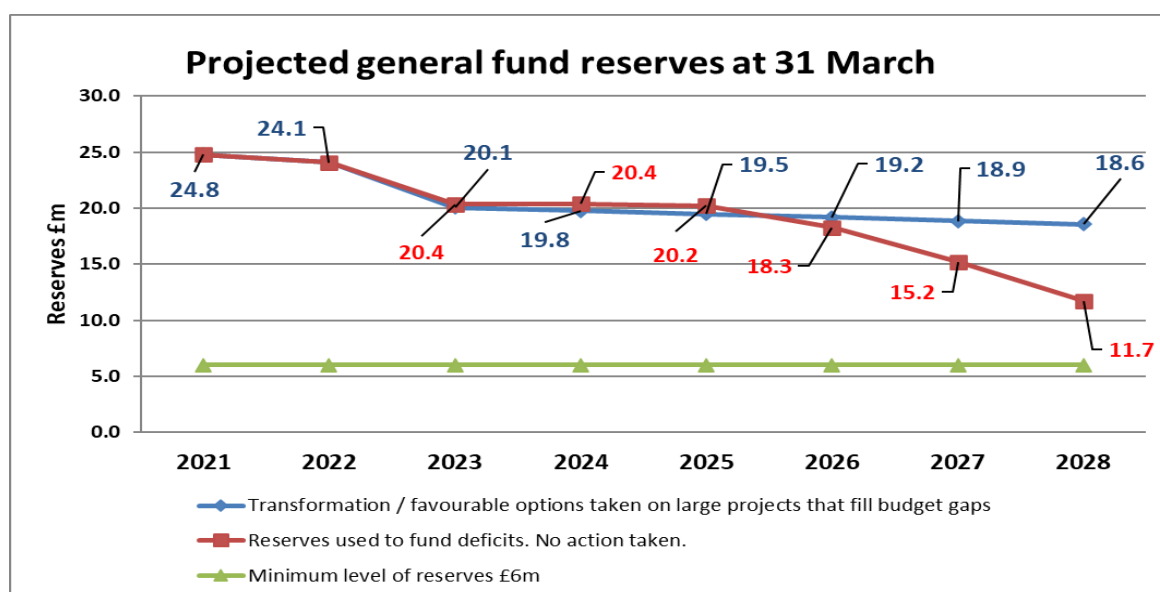
Reliance on NHB to support revenue was tapered down to nil in 2018/19. We took other measures to balance the budget as new homes bonus was not considered a permanent source of income. We expect Government to confirm the end of NHB in its current form. Government has not yet confirmed the projected figure in *blue italics*.

Note: in 2019/20, £4m was spent part-financing Piries car-park and Oakhurst phase 4.

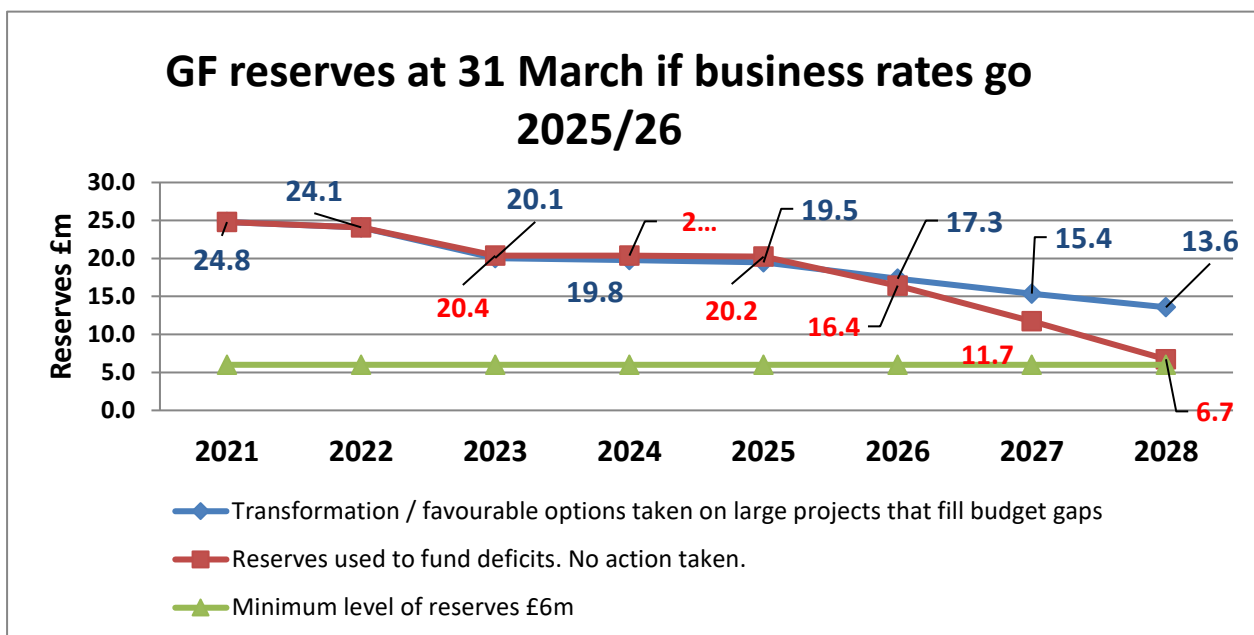
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Robustness of Estimates and Adequacy of Reserves

- 1.1 Section 25 of the Local Government Act 2003 requires Chief Financial Officers (CFO) to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their precepts, and authorities are required to take the CFO's report into account when setting the Council Tax.
- 1.2 The desired minimum level of general reserves was established in the 2012/13 budget report at £6m. Sufficient general reserves are required to ensure the Council is able to meet its expenses if it finds it needs to fund unplanned costs during the year or its projected income fall short of the budgeted amount. These changes could result from a number of sources such as increased homelessness or an increase in voids in the commercial property estate, reduced business rate income or a global pandemic.
- 1.3 A level of general reserves at £6m equates to 16% of the Council's £38m annual expenditure (excluding £24m of housing benefit payments funded by Government). Under normal circumstances, this is well above the level considered to be 'at risk' from resilience where general reserves are less than 5% of expenditure.
- 1.4 General reserves at 31 March 2022 were £24.2m, albeit temporarily overstated by £3.9m of Section 31 grant as government granted business rate relief to retail, hospitality and leisure services during 2021/22 which was then put into the Collection Fund during 2022/23. At 31 March 2023, general reserves are forecast to be around £20m.
- 1.5 The graph shows the predicted level of general reserves in future years under two different scenarios. The lower (triangle green) line shows the Council's agreed minimum level of general reserves. The upper (diamond blue) line is the level of general reserves that would be available, assuming the MTFS budgets are delivered as projected, using £0.3m of transformation funding each year and filling the gaps from large projects that return on investment such as those outlined in the report. The Council would end the period with circa £18.6m of reserves.



1.6 The middle (square red) line shows no transformation undertaken, no capital projects and the use of reserves to fund any deficit that arises each year. Whilst this does not result in the Council dipping below the £6m minimum threshold within the medium-term period, the approach is not sustainable and I advise against this approach. The Council would end the period at circa £12m of general reserves in this scenario and the Council would still have an annual budget deficit of over £3m to find. However, should one of the significant risks arise, the level of reserves could very quickly fall to a point at, or even below, the minimum level of reserves in 2027/28 under this strategy. This is illustrated below under the scenario of business rates funding being withdrawn completely in 2025/26 to redistribute funding towards authorities with social care.



1.7 Therefore, if the Council takes action, it is in a much stronger position to be able to prepare a balanced budget in the latter years of the Medium-Term Financial Strategy period and maintain its general reserves at its agreed minimum level or above and will be better placed to deal with any additional demands or changes that are not yet known but may be implemented in the future.

Earmarked reserves

1.8 The Council also holds earmarked reserves which are funds, often grants, received for a specific purpose. Details of the earmarked reserves held by the Council at 31 March 2022 are shown in table a) below.

a) Earmarked reserves

Earmarked Reserves at 31 March 2022*	£'000
Neighbourhood Planning Grant	268
S106 reserves	918
NNDR reserve*	4,231
Council Tax localisation	293
Health and Wellbeing	335
Covid-19 discretionary fund	760
Transformation fund**	500
Revenues and Benefits	920

Green reserve (SWT and funding seed pot)	566
Journey to work	364
Covid Outbreak Management Fund	446
Community Fund	250
Other (all individually less than £200k)	1,133
Total	10,984

*Inclusive of £2.8m received in 2021/22 which will flow out through the Collection Fund during 2022/23.

**Inclusive of £0.107m transformation from the general fund transferred from the 2021/22 surplus

New Homes Bonus (NHB)

- 1.9 The NHB reserve was £12.6m at 31 March 2022 and is expected to total £14.7m at 31 March 2023. Details of the NHB reserve are set out at Appendix G.

Opinion of the Chief Finance Officer

- 1.10 Based on current assumptions, the Council's reserves are adequate for the period of the current Medium Term Financial Strategy. But in the light of the Government's delay to the Fair Funding Review and the review of Business Rates and lack of clarity in the Levelling Up agenda, and wider economic uncertainty especially inflation, the assumptions within the Medium-Term estimates are less reliable than usual. As illustrated above, the Council's financial position could deteriorate more quickly than shown. At the moment, the current assumptions do not include the impact of any significant expenditure on replacing infrastructure and decarbonisation from the middle to the latter part of the decade.
- 1.11 It is unnecessary for the Council to take action on these risks during 2023. However, if the Fair Funding Review, the review of business rates or other Levelling up measures eat significantly into the Council's retained business rates, or the Government comes up with new ways of removing money from the District or, indeed the cost of decarbonisation dramatically impacts our reserves, the Council may still face the need to make cuts or increase income towards the end of the Medium-Term period.

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The following prices will commence from 1 April 2023 unless otherwise stated

	From 1 April 2022		From 1 April 2023	
Waste and Recycling				
Garden Waste collection service – first bin	£44		£49	
Garden waste collection service – subsequent bins	£35		£41	
Business Waste (collection and disposal)	Tier 1	Tier 2	Tier1	Tier 2
240 litre bins – refuse – first bin	£7.65	£11.47	£8.00	£12.00
360 litre bins – refuse – first bin	£8.60	£12.90	£9.00	£13.50
660 litre bins – refuse – first bin	£12.80	£19.20	£13.45	£20.17
1,280 litre bins – refuse – first bin	£19.60	£29.40	£20.20	£30.30
Green sacks (1 roll, 25 sacks)	£33		£38.50	
Tier 1 up to £75kg. Tier 2 over 75kg to 150kg. Above 150kg = Tier 2 plus £0.18 per additional kg. The prices of subsequent bins may be cheaper. Bins for mixed dry recyclables and cardboard & paper are less.				
Bulky Bag (collection and disposal)				
Mega bag	£238		£245	
Large bag	£160		£170	
Medium bag	£130		£145	
Seasonal offers and incentives may occur during the year.				
Bin purchases				
140 litre waste bin	£42		£46	
140 litre recycling	£18		£21	
240 litre	£45		£50	
Three bin multi-buy	£92.50		£102	
Refuse & MDR multi-buy	£67.50		£75	
MDR & GW (240L Bins)	£70		£77	
Developer bin purchase costs				
360L	£62		£68	
660L	£263		£289	
1100L (Plastic)	£285		£313.50	
1100L (Reverse lidded apertures)	£333		£366	
1100L Metal (Do not use unless cleared by PG & AN)	£333		£366	
Bulky Waste				
1 item	£22		£28	
2-8 items	£15		£20	
Full Van Load	£120		£140	
Half Van Load	£87.50		£97	
Outdoor park facilities				
Adult football with changing room (season)	£1,280		£1,408	
Adult football with changing room (match)	£61		£79	
Adult football without changing room (season)	£778.50		£858	
Adult football without changing room (match)	£39		£51.50	
Junior football (season)	£400		£440	
Junior football (match)	£22.50		£29.70	
Community / Charity event	£30		£35	

Horsham & District Youth League football pitch hire (per pitch any size) (season)	£400	£440
Tennis – adult per court per hour (VAT included)	£6.50	£7.15
Tennis – annual membership (VAT included)	£49	£54
Fairs per day	£900	£990
Circuses per day	£460	£505
Commercial events up to 500 small / medium / large space	£260 / £310 / £430	£285 / £340 / £475
Commercial events up to 501-1,000 small / medium / large space	£310 / £430 / £645	£340 / £475 / £710
Commercial events up to 1,001+ small / medium / large space	£430 / £645 / £850	£475 / £710 / £935
National charity day - small / large	£205 / £515	£225.5 / £566.50
Human nature garden small / medium / large	£105 / £130 / £155	£115.50 / £145 / £170.50
Filming: Hourly	£75	£82.50
Filming: Half Day	£250	£275
Filming: Full Day	£500	£550
Session charges for specific sport coaching and recreational sessions under sports development are not included here as they will need to incorporate consideration of facility hire, equipment costs and other non-fixed costs once the service has been re-established, which is dependent on the emerging needs of the community. The price setting of such sports development service, and that that of any one-off commercial opportunity within Leisure and Culture services, are delegated to the Cabinet Member for Leisure & Culture and the Director of Communities, in consultation with the Director of Resources.		
Warnham Nature Reserve (WNR)		
Visitor centre room hire per evening / day	£25 / £105	£27.50 / £115.50
Visitor Centre Room + Hub Hire – community hire per evening 4 hours / day 8 hours	£40 / £120	£45 / £130
Visitor Centre Room + Hub Hire – private / commercial hire per evening 4 hours / day 8 hours	£80 / £200	£90 / £220
Adult day permit	£3	£3.50
Visitor Permit – annual season ticket - 1st householder resident / subsequent householder / Friends of WNR	£18 / £9 / £8	£20 / £10 / £9
Exclusive Evening use of the Reserve only (4 Hours)	n/a	£45
Corporate Fundraising Group rate (per person charge - dependent on suitable task availability)	n/a	£10
Self-Guided School Groups (Equipment Hire / RA and Familiarisation Meeting)- Max 30	n/a	£60
Chesworth Farm Studio Room hire – per hour / day	£12.50 / £100	£13.75 / £110
School visits across all sites		
1 Teacher (1 class) half / full day	£82.50 / £115	£91 / £126.50
2 Teachers (1 class) half / full day	£135 / £175	£148.50 / £192.50
3 Teachers (2 classes) whole day	£257.50	£283.25
Forest school Leechpool and Owlbeech Wood month	£46.50	£50

Forest Schools - Chesworth Farm incl use of Studio facilities per session	£15.50	£17
Burials, Internments, Memorials, Cemetery		
Exclusive right of burial	£1,338	£1,471
Additional charge for siting plot in Row 1 by path	£208	£229
Additional charge for siting plot in Row 2 by path	£100	£110
Exclusive right of burial of cremated remains	£756	£831.50
Additional charge for siting plot in Row 1 by path	£115.25	£127
Additional charge for siting plot in Row 2 by path	£60	£66
Internments - An adult aged 16 years or over	£645	£710
Cremated remains- an adult aged 16 years or over	£225	£247.50
Cremated remains – a scattering of ashes	£65	£71.50
A Headstone – not exceeding 1220mm(4') in height	£200	£220
A tablet – max 450mm x 450mm (18"x 18")	£200	£220
Each additional inscription	£105	£115.50
Kerbset /Ledger – grave plot max1830mm x 760mm (6'x 2'6")	£1,001	£1,100
Kerbset/Ledger - ashes plot max 915mm x 610mm (3'x 2')	£725	£797.50
Memorial Garden rose bush	£295	£324.50
Extension to Exclusive Right of Burial -interments (50 Years)	n/a	£280
Extension to Exclusive Right of Burial - cremated remains (50 Years)	n/a	£150
Additional charge per hour, or part thereof, payable for any interments commencing outside the hours of 9.00am and 3.00pm	£107	£117.50
Transfer of exclusive right of burial deed	n/a	£100
Allotment site with water supply	£9	£9.25
Allotment site without water supply	£8.50	£8.75
Parish Council Play Inspection – per inspection	£12	£15.85

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ENVIRONMENTAL HEALTH AND LICENSING – LICENCE FEES FOR 2023/2024

	Current Fee	2023/24 Fee
Environmental Protection Act 1990 Stray Dogs		
Day 1	£102.00	£112.00
Day 2	£118.00	£130.00
Day 3	£134.00	£147.00
Day 4	£150.00	£165.00
Day 5	£166.00	£183.00
Day 6	£182.00	£200.00
Day 7	£198.00	£218.00
Second and subsequent dogs		
Day 1	£62.00	£68.00
Day 2	£78.00	£86.00
Day 3	£94.00	£103.00
Day 4	£110.00	£121.00
Day 5	£120.00	£133.00
Day 6	£142.00	£156.00
Day 7	£158.00	£174.00
Environmental Information Regulations 1991		
Land charge report on contaminated land	£116.00	£128.00
Unsound Food		
Voluntary Surrender Certificate	£122.00	£134.00
Export Hygiene Certificate		
Minimum Cost – Single Inspection Visit for up to two separate consignments and issue of EHCs	£72.00**	£79.00**
Additional Certificate Copies (Each)	£30.00*	£33.00**
More than two consignments (Each)	£30.00*	£33.00**
Food Hygiene and Health and safety Courses		
Level 2 and H&S courses	£84.00	£92.00
Examination resit	£20.00	£22.00

	Current Fee	2023/24 Fee
Dangerous Wild Animals Act 1976	£238.00+ VAT	£262+VAT
Pleasure Boats	£219.00	£241.00
Street Trading		
Annual Consent	£756.00	£832.00
Consent for special occasions	£48.00	£53.00
Tables and Chairs		
Application Fee	£590.00	£649.00
Annual Renewal	£214.00	£253.00
Variations	£175.00	£193.00
Temporary Tables & Chair Licences	-	£100.00
Sex Establishments		
Application fee	£3688.00	£4057.00
Renewal	£3688.00	£4057.00
Transfer	£3688.00	£4057.00
Acupuncture, Tattooing, Ear Piercing and Electrolysis		
Premise plus Operative	£155.00	£171.00
Premise plus Operative Ear Piercing only	£125.00	£138.00
New/Additional Operatives	£38.00	£42.00
Scrap Metal Dealers		
Site licence application	£382.00	£420.00
Site licence renewal	£382.00	£420.00
Site licence variation	£85.00	£94.00
Collector's licence application	£275.00	£303.00
Collector's licence renewal	£275.00	£303.00
Collector's licence variation	£85.00	£94.00

* Fees include VAT at 20%

** Minimum Cost for EHC will be increased based on Officer Time and Travel Expenses/Time for inspection visit, where total time exceeds one hour. Price will be quoted on a business-by-business basis. Fees include VAT.

Caravan sites

Current Fee	Band			
Number of units on site	A (1 – 5)	B (6 - 24)	C (25 - 99)	D (100+)
New Application for Site Licence	£288.00	£422.00	£475.00	£540.00
Transfer of Site Licence	£64.00	£150.00	£150.00	£150.00
Variation of Site Licence	£64.00	£150.00	£150.00	£150.00
Annual Fee	£125.00 (Single sites and family sites exempt)	£158.00	£180.00	£277.00
Deposit of Park Rules with Local Authority	£73.00	£73.00	£73.00	£73.00

Caravan sites

2023/24 Fee	Band			
Number of units on site	A (1 – 5)	B (6 - 24)	C (25 - 99)	D (100+)
New Application for Site Licence	£317.00	£464.00	£522.00	£594.00
Transfer of Site Licence	£70.00	£165.00	£165.00	£165.00
Variation of Site Licence	£70.00	£165.00	£165.00	£165.00
Annual Fee	£138.00 (Single sites and family sites exempt)	£174.00	£198.00	£305.00
Deposit of Park Rules with Local Authority	£80.00	£80.00	£80.00	£80.00

Animal Welfare Licensing

Current Fees	New/renewal application				Variation	Re-score	Appeal
	Part A (application fee)	Part B (for granted licences)	Total fee due	Vet fees due in addition to licence fees			
Main Activity							
Pet Shops	£207.00	£150.00	£357.00	No	£183.00	£131.00	£98.00
Boarding for cats/dogs	£207.00	£150.00	£357.00	No	£183.00	£131.00	£98.00
Dog Day Care	£207.00	£150.00	£357.00	No	£183.00	£131.00	£98.00
Home Boarding	£195.00	£138.00	£333.00	No	£171.00	£120.00	£86.00
Horses (up to 10)	£207.00	£150.00	£357.00	Yes	£183.00	£131.00	£98.00
Horses (Between 11 and 20)	£218.00	£162.00	£380.00	Yes	£195.00	£143.00	£109.00
Horses (More than 20)	£242.00	£185.00	£427.00	Yes	£218.00	£167.00	£133.00
Breeding Dogs	£207.00	£150.00	£357.00	Yes (first inspection only)	£183.00	£131.00	£98.00
Keeping or training animals for exhibition	£171.00	£36.00	£207.00	No	£171.00	n/a	n/a

Additional activities (for more than one activity an additional fee is due under part A) (same as unannounced inspection fee, RA and rate, grant/refuse)

Pet Shops	£130.00
Boarding for cats and dogs	£130.00
Dog Day Care	£130.00
Home Boarding	£118.00
Horses (up to 10)	£130.00
Horses (Between 11 and 20)	£141.00
Horses (More than 20)	£165.00
Breeding Dogs	£130.00
Keeping or training animals for exhibition	£57.00

Animal Welfare Licensing

2023/24 Fees	New/renewal application				Variation	Re-score	Appeal
	Part A (application fee)	Part B (for granted licences)	Total fee due	Vet fees due in addition to licence fees			
Main Activity							
Pet Shops	£228.00	£165.00	£393.00	No	£201.00	£144.00	£108.00
Boarding for cats/dogs	£228.00	£165.00	£393.00	No	£201.00	£144.00	£108.00
Arranger	£145.00	£58.00	£203.00	No	£151.00	£57.00	£47.00
Boarder under arranger	£174.00	£129.00	£303.00	No	£182.00	£76.00	£62.00
Dog Day Care	£228.00	£165.00	£393.00	No	£201.00	£144.00	£108.00
Home Boarding	£215.00	£152.00	£367.00	No	£188.00	£132.00	£95.00
Horses (up to 10)	£228.00	£165.00	£357.00	Yes	£201.00	£144.00	£108.00
Horses (Between 11 and 20)	£240.00	£178.00	£418.00	Yes	£215.00	£157.00	£120.00
Horses (More than 20)	£266.00	£204.00	£470.00	Yes	£240.00	£184.00	£146.00
Breeding Dogs	£228.00	£165.00	£393.00	Yes (first inspection only)	£201.00	£144.00	£108.00
Keeping or training animals for exhibition	£188.00	£40.00	£228.00	No	£188.00	n/a	n/a

Additional activities (for more than one activity an additional fee is due under part A) (same as unannounced inspection fee, RA and rate, grant/refuse)

Pet Shops	£143.00
Boarding for cats and dogs	£143.00
Dog Day Care	£143.00
Home Boarding	£130.00
Horses (up to 10)	£143.00
Horses (Between 11 and 20)	£155.00
Horses (More than 20)	£182.00
Breeding Dogs	£143.00
Keeping or training animals for exhibition	£63.00

CURRENT FEES**NEW APPLICATION -TO LICENCE A HOUSE IN MULTIPLE OCCUPATION**

1: Shared Houses				
No. Occupiers	Licence Fee £		No. Occupiers	Licence Fee £
5	970		11	1,085
6	989		12	1,104
7	1,009		13	1,123
8	1,028		14	1,142
9	1,047		15	1,161
10	1,066		16	1,181

2: Bedsits and Non-self-contained Accommodation							
No. Units	£		No. Units	£		No. Units	£
2 or less	1,123		11	1,811		20	2,499
3	1,200		12	1,888		21	2,576
4	1,276		13	1,964		22	2,652
5	1,353		14	2,041		23	2,729
6	1,429		15	2,117		24	2,805
7	1,506		16	2,194		25	2,882
8	1,582		17	2,270		26	2,958
9	1,658		18	2,347		27	3,035
10	1,735		19	2,423		28	3,111

3: Hostels		£
10 occupiers or less		970
11 to 20 occupiers		1,353
21 to 40 occupiers		1,735
41 to 60 occupiers		2,117

2023/24 FEES**NEW APPLICATION -TO LICENCE A HOUSE IN MULTIPLE OCCUPATION**

1: Shared Houses				
No. Occupiers	Licence Fee £		No. Occupiers	Licence Fee £
5	1067		11	1,194
6	1088		12	1,214
7	1,110		13	1,235
8	1,131		14	1,256
9	1,152		15	1,277
10	1,173		16	1,299

2: Bedsits and Non-self-contained Accommodation							
No. Units	£		No. Units	£		No. Units	£
2 or less	1,235		11	1,992		20	2,749
3	1,320		12	2,077		21	2,834
4	1,404		13	2,160		22	2,917
5	1,488		14	2,245		23	3,002
6	1,572		15	2,329		24	3,086
7	1,657		16	2,413		25	3,170
8	1,740		17	2,497		26	3,235
9	1,824		18	2,582		27	3,339
10	1,909		19	2,665		28	3,422

3: Hostels		£
10 occupiers or less		1,1067
11 to 20 occupiers		1,488
21 to 40 occupiers		1,909
41 to 60 occupiers		2,329

CURRENT FEES

RENEW APPLICATION -TO LICENCE A HOUSE IN MULTIPLE OCCUPATION

1: Shared Houses			
No. Occupiers	Licence Fee £	No. Occupiers	Licence Fee £
5	818	11	910
6	834	12	925
7	849	13	941
8	864	14	956
9	879	15	971
10	895	16	987

2: Bedsits and Non-self-contained Accommodation					
No. Units	£	No. Units	£	No. Units	£
2 or less	941	11	1492	20	2,043
3	1,002	12	1553	21	2,105
4	1,063	13	1615	22	2,166
5	1,125	14	1676	23	2,227
6	1,186	15	1737	24	2,288
7	1,247	16	1798	25	2,350
8	1,309	17	1860	26	2,411
9	1,370	18	1921	27	2,472
10	1,431	19	1982	28	2, 533

3: Hostels		£
10 occupiers or less		818
11 to 20 occupiers		1,125
21 to 40 occupiers		1,431
41 to 60 occupiers		1,737

2023/24 FEES**RENEW APPLICATION -TO LICENCE A HOUSE IN MULTIPLE OCCUPATION**

1: Shared Houses				
No. Occupiers	Licence Fee £		No. Occupiers	Licence Fee £
5	900		11	1,001
6	917		12	1,018
7	934		13	1,035
8	950		14	1,052
9	967		15	1,068
10	985		16	1,086

2: Bedsits and Non-self-contained Accommodation							
No. Units	£		No. Units	£		No. Units	£
2 or less	1,035		11	1,641		20	2,247
3	1,102		12	1,708		21	2,316
4	1,169		13	1,777		22	2,383
5	1,238		14	1,844		23	2,450
6	1,305		15	1,911		24	2,517
7	1,372		16	1,978		25	2,585
8	1,440		17	2,046		26	2,652
9	1,507		18	2,113		27	2,719
10	1,574		19	2,180		28	2,786

3: Hostels		£
10 occupiers or less		900
11 to 20 occupiers		1,238
21 to 40 occupiers		1,574
41 to 60 occupiers		1,911

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BUILDING CONTROL CHARGES SCHEME

Date this Scheme comes into effect: 1st April 2023

Sussex Building Control providing building control services on behalf of:



Horsham
District
Council



A member of



SCHEME FOR THE RECOVERY OF COSTS

Introduction

It has been the intention of successive governments to ensure that the cost of the Building Regulations service is recoverable from the charges made. Charges are made under the provisions of The Building (Local Authority Charges) Regulations 2010 (SI 2010/404) which came into force on 1st April 2010.

This scheme should be read in accordance with the Regulations particularly in relation to matters of detail, including those of interpretation. Copies of the Regulations are available from www.Gov.uk

This scheme may be amended, revoked, or replaced by the Authority at any time. You are therefore advised to satisfy yourself that this document is current.

Definitions

The following definitions apply to this Charging Scheme and should be read in conjunction with the other clauses and tables which constitute the Charging Scheme.

Building – means any permanent or temporary building but not any other kind of structure or erection, and a reference to a building includes a reference to part of a building.

Building Notice – means a notice given in accordance with regulations 12(2)(a) and 13 of the Building Regulations 2010 (as amended).

Building work – means

- a. The erection or extension of a building;
- b. The provision or extension of a controlled service or fitting in or in connection with a building;
- c. The material alteration of a building, or a controlled service or fitting;
- d. Work required by building regulation 6 (requirements relating to material change of use)
- e. The insertion of insulating material into the cavity wall of a building;
- f. Work involving the underpinning of a building;
- g. Work required by building regulation 23 (requirements relating to thermal elements);
- h. Work required by building regulation 22 (requirements relating to a change of energy status);
- i. Work required by building regulation 28 (consequential improvements to energy performance).

Chargeable function - means a function relating to the following –

- (a) the passing or rejection of plans of proposed building work which has been deposited with the council in accordance with section 16 of the Building Act 1984 (as amended).
- (b) the inspection of building work for which plans have been deposited with the council in accordance with the Building Regulation 2010 (as amended) and with section 16 of the Building Act 1984 (as amended)
- (c) the consideration of a building notice which has been given to the council in accordance with the Building Regulations 2010 (as amended)
- (d) the consideration of building work reverting to the council under the Building (Approved Inspectors etc.) Regulations 2010 (as amended)
- (e) the consideration of a regularisation application submitted to the council under regulation 18 of the Building Regulations 2010 (as amended).

Cost - does not include any professional fees paid to an architect, quantity surveyor or any other person.

Dwelling - includes a dwelling-house and a flat.

Dwelling-house - does not include a flat or a building containing a flat.

Estimated cost – means the amount accepted by the local authority as that which a person engaged in the business of carrying out building work would reasonably charge for carrying out the work in question, excluding VAT and professional fees.

Flat - means separate and self-contained premises constructed or adapted for use for residential purposes and forming part of a building from some other part of which it is divided horizontally.

Floor area of a building or extension - is the total floor area of all the storeys which comprise that building. It is calculated by reference to the finished internal faces of the walls enclosing the area, or, if at any point there is no enclosing wall, by reference to the outermost edge of the floor.

Relevant person - means:

- (a) in relation to a plan charge, inspection charge, reversion charge or building notice charge, the person who carries out the building work or on whose behalf the building work is carried out;
- (b) in relation to a regularisation charge, the owner of the building; and
- (c) in relation to chargeable advice, any person requesting advice for which a charge may be made pursuant to the definition of 'chargeable advice'

Principles of this Scheme

Charges have been set for the functions prescribed in Regulation 4 of the Building (Local Authority Charges) Regulations 2010, namely:-

- **An application charge**, payable when an application is given to the Local Authority for carrying out building control functions.
- **A plan charge**, payable when plans of the building work are deposited with the Authority.
- **An inspection charge**, payable on demand after the Authority carry out the first inspection in respect of which the charge is payable.
- **A building notice charge**, payable when the Building Notice is given to the Local Authority.
- **A reversion charge**, payable for building work in relation to a building:-
 1. which has been substantially completed before plans are first deposited with the Authority in accordance with Regulation 19 of the Approved Inspectors Regulations, or
 2. in respect of which plans for further building work have been deposited with the Authority in accordance with Regulation 19 of the Approved Inspectors Regulations,

On the first occasion on which those plans have been deposited.

- **A regularisation charge**, which is payable at the time of the application to the Authority in accordance with Regulation 18 of the Building Regulations.
- **Chargeable advice**, LAs can make a charge for giving advice in anticipation of the future exercise of their chargeable functions (i.e. before an application or notice is received for a particular case). This charge is payable on demand after the first hour of advice, and after the authority has given notice required by Regulation 11 of the Building (Local Authority) Charges Regulations 2010 (i.e. the charge has been confirmed in writing following an individual determination). This charge can be discounted from a subsequent application or notice received for the work in question.

You are advised that:-

- The above charges are payable by the relevant person.
- Any charge, except the regularisation charge, which is payable to the Authority shall be subject to value added tax at the standard rate.
- Where the work relates to work to a single dwelling a separate inspection charge is not payable unless the authority is requested to split the charge.
- Any charge which is payable to the authority may, in a particular case, and with the agreement of the authority, be paid by installments of such amounts payable on such dates as may be specified by the authority. If the applicant and an authority are agreeable, an inspection charge can be fully or partly paid in advance, at the same time as the plans charge.
- The charge for providing a chargeable function or chargeable advice is based on the principle of achieving full cost recovery. The charges will be calculated by using the Council officers' average hourly rate stated in the charging scheme, multiplied by the time taken to carry out the functions/advice, taking the following factors into account, as applicable, in estimating the time required by officers to carry out the function/advice:
 1. The existing use of a building, or the proposed use of the building after completion of the building work;
 2. The different kinds of building work described in regulation 3(1)(a) to (i) of the Building Regulations;
 3. The floor area of the building or extension;
 4. The nature of the design of the building work and whether innovative or high-risk construction techniques are to be used;
 5. The estimated duration of the building work and the anticipated number of inspections to be carried out;
 6. The estimated cost of the building work;
 7. Whether a person who intends to carry out part of the building work is a person mentioned in regulation 12(6) or 20 of the Building Regulations (i.e. related to competent person/self-certification schemes) ;
 8. Whether in respect of the building work a notification will be made in accordance with regulation 41 of the Building Regulations (i.e. where design details approved by Robust Details Ltd have been used);
 9. Whether an application or building notice is in respect of two or more buildings or building works all of which are substantially the same as each other;
 10. Whether an application or building notice is in respect of building work, which is substantially the same as building work in respect of which plans have previously been deposited or building works inspected by the same local authority;
 11. Whether chargeable advice has been given which is likely to result in less time

- being taken by a local authority to perform that function;
12. Whether it is necessary to engage and incur the costs of a consultant to provide specialist advice in relation to a particular aspect of the building work.

Exemption from charges

The Authority has not fixed by means of its scheme, nor intends to recover a charge in relation to an existing dwelling which is, or is to be, occupied by a disabled person as a permanent residence; and where the whole of the building work in question is solely-

- (a) for the purpose of providing means of access for the disabled person by way of entrance or exit to or from the dwelling or any part of it, or
- (b) for the purpose of providing accommodation or facilities designed to secure the greater health, safety, welfare or convenience of the disabled person.

The council has not fixed by means of its scheme, nor intends to recover a charge for the purpose of providing accommodation or facilities designed to secure the greater health, safety, welfare or convenience of a disabled person in relation to an existing dwelling, which is, or is to be, occupied by that disabled person as a permanent residence where such work consists of-

- (a) the adaptation or extension of existing accommodation or an existing facility or the provision of alternative accommodation or an alternative facility where the existing accommodation or facility could not be used by the disabled person or could be used by the disabled person only with assistance; or
- (b) the provision or extension of a room which is or will be used solely-
 - (i) for the carrying out for the benefit of the disabled person of medical treatment which cannot reasonably be carried out in any other room in the dwelling, or
 - (ii) for the storage of medical equipment for the use of the disabled person, or
 - (iii) to provide sleeping accommodation for a carer where the disabled person requires 24-hour care.

The council has not fixed by means of its scheme, nor intends to recover a charge in relation to an existing building to which members of the public are admitted (whether on payment or otherwise); and where the whole of the building work in question is solely-

- (a) for the purpose of providing means of access for disabled persons by way of entrance or exit to or from the building or any part of it; or
- (b) for the provision of facilities designed to secure the greater health, safety, welfare or convenience of disabled persons.

Note: 'disabled person' means a person who is within any of the descriptions of persons to whom Section 29(1) of the National Assistance Act 1948, as extended by virtue of Section 8(2) of the Mental Health Act 1959, applied but disregarding the amendments made by paragraph 11 of Schedule 13 to the Children Act 1989. The words in section 8(2) of the Mental Health Act 1959 which extend the meaning of disabled person in section 29(1) of the National Assistance Act 1948, are prospectively repealed by the National Health Service and Community Care Act 1990, section 66(2), Schedule 10, as from a day to be appointed

Principles of the scheme in respect of the erection of small domestic buildings, certain garages, carports and extensions

- Where the charge relates to the erection of a dwelling the charge includes for the provision of a detached or attached domestic garage or carport under 40m² providing it is constructed at the same time as the dwelling.
- Where any building work comprises or includes the erection of more than one extension to a building, the total floor areas of all such extensions shall be aggregated to determine the relevant charge payable, providing that the building work for all aggregated extensions is carried out at the same time.

Information required to determine charges

If the authority requires additional information to enable it to determine the correct charge the authority can request the information under the provisions of 66 The Building (Local Authority Charges) Regulation 2010.

The standard information required for all applications is detailed on the authority's Building Regulation application forms. This includes the existing and proposed use of the building and a description of the building work

Additional information may be required in relation to:

- The floor area of the building or extension
- The estimated duration of the building work and the anticipated number of inspections to be carried out.
- The use of competent persons or Robust Details Ltd.
- Any accreditations held by the builder or other member of the design team.
- The nature of the design of the building work and whether innovative or high-risk construction is to be used.
- The estimated cost of the building work. If this is used as one of the factors in establishing a charge the 'estimate' is required to be such reasonable amount as would be charged by a person in business to carry out such building work (excluding the amount of any value added tax chargeable).

Establishing the Charge

The authority has established standard charges using the principles contained within The Building (Local Authority Charges) Regulation 2010. Standard charges are detailed in the following tables. In the tables below any reference to number of storeys includes each basement level as one-storey and floor areas are cumulative.

If the building works that you are undertaking is not listed as a standard charge it will be individually determined in accordance with the principles and relevant factors contained within The Building (Local Authority Charges) Regulation 2010. If the authority consider it necessary to engage and incur the costs of a consultant to provide specialist advice or services in relation to a particular aspect of building work, those costs shall also be included in setting the charge.

When the charge is individually determined the authority shall calculate the charge in the same way a standard charge was set by using the average hourly rate of officers' time, multiplied by the estimated time taken to carry out their building regulation functions in relation to that

particular piece of building work and taking into account the applicable factors listed in the charges regulations.

Individually determined charges will be confirmed in writing specifying the amount of the charge and the factors which have been taken into account in determining the charge.

Other Matters

- Charges are not payable for the first hour when calculating an advice charge.
- In calculating these charges, refunds, supplementary or bespoke charges, an officer hourly rate of £69 will be used.

Reductions

The authority shall make a reduction in a standard or individually determined charge when chargeable advice has been given before receipt of an application or notice for proposed building work, where it is likely to result in less time being taken by the local authority to perform the chargeable function for that work.

When it is intended to carry out additional building work on a dwelling at the same time that any of the work that Table B relates then the charge for this additional work may be reduced by 50%. Alternatively, the charge may be individually determined, with the agreement of the applicant.

Where in accordance with the charges regulations one application or building notice is in respect of two or more buildings or building works all of which are substantially the same as each other a 30% reduction in the standard plan or building notice charge may be made.

Where in accordance with the charges regulations an application or building notice is in respect of building work that is substantially the same as building work in respect of which plans have previously been deposited or building works inspected by the same local authority, a 50% reduction in the charges may apply.

Refunds and supplementary charges

If the basis on which the charge has been set or determined changes, the LA will refund or request a supplementary charge and provide a written statement setting out the basis of the refund/supplementary charge and also state how this has been calculated. In the calculation of refunds/supplementary charges no account shall be taken of the first hour of an officer's time.

Non-Payment of a Charge

Your attention is drawn to the Building (Local Authority Charges) Regulations 2010 which explains that plans are not treated as being deposited for the purposes of Section 16 of the 1984 Act or Building Notices given unless the Council have received the correct charge.

Complaints about Charges

If you have a complaint about the level of charges you should initially raise your concern with the relevant officer. The council has a comprehensive complaint handling process. If your complaint is not satisfactorily responded to by the officer concerned, details of how to resolve your complaint are available on request and can be viewed on the council's web site.

Transitional Provisions

The Building (Local Authority Charges) Regulations 1998 continue to apply in relation to building work for which plans were first deposited or a building notice given or a regularisation application made before 1st October 2010 and the applicable charges scheme continues.

The Council's scheme for the recovery of charges dated 1st October 2010 continues to apply in relation to building work for which plans were first deposited, a building notice given, a reversion charge becoming payable, or a regularisation application is made, between 1st October 2010 and 30 June 2011 (inclusive).

The Council's scheme for the recovery of charges dated 1st July 2011 continues to apply in relation to building work for which plans were first deposited, a building notice given, a reversion charge becoming payable, or a regularisation application is made, between 1st July 2011 and 30 November 2017 (inclusive).

The Council's scheme for the recovery of charges dated 1st December 2017 continues to apply in relation to building work for which plans were first deposited, a building notice given, a reversion charge becoming payable, or a regularisation application is made, between 30 November 2017 and 30 October 2020 (inclusive).

Standard Charges

Standard charges include works of drainage in connection with the erection or extension of a building or buildings, even where those works are commenced in advance of the plans for the building(s) being deposited.

These standard charges have been set by the authority on the basis that the building work does not consist of, or include, innovative or high-risk construction techniques and/or the duration of the building work from commencement to completion does not exceed 18 months. In these circumstances supplementary charges may apply or the charge will be individually determined. We will contact you within 2 working days of receipt of your application if we consider this to be the case with your application.

The charges have been set on the basis that the design and building work is undertaken by a person or company that is competent to carry out the relevant design and building work referred to in the standard charges tables. If not, the work may incur supplementary charges.

If chargeable advice has been given in respect of any of the work detailed in these tables and this is likely to result in less time being taken by the authority then a reduction to the standard charge will be made.

If the authority consider it necessary to engage and incur the cost of a consultant to provide specialist advice or services in relation to a particular aspect of building work, these costs may be added to the standard charge or included in an individually determined charge.

Where a suitable electrical certificate under BS 7671 cannot be provided an additional charge may be applied.

If more than 2 years has elapsed since the last communication was received or the inspection undertaken, a reactivation charge of £69 will be applied when a request for an inspection is received.

If an application is submitted by post or payment is made by cheque then an additional administration charge of £30 will be applied.

Requests for copies of Building Control documents or to carry out research on a particular site or property:-

- Copying charges for completion certificates and decision notices (created from archive record) £20 including VAT
- Research charges by administration team: £30 per hour including VAT
- Technical requests: £50 per hour including VAT

Plan and Inspection Charges

The plan charge and inspection charge are listed in the following tables.

Building Notice Charge

Where building work is of a relatively minor nature the Building Notice charge is the same as the total plan and inspection charge. In relation to more complex work the time to carry out the building regulation function is higher and the resultant additional costs of using the Building Notice procedure results in the higher charge as detailed in the following tables.

Reversion Charge

These charges will be individually determined

Regularisation Charge

The charge is listed in the following tables.

Interpretation of Table A

For the purposes of the Table, the reference in the heading to column (1) is a reference to the number of dwellings in the building or buildings referred to.

Table A

Dwelling-houses and flats not exceeding 250m² or more than 3 storeys	Standard Charges (please add VAT)			VAT Exempt	
Number of Dwelling-houses	Full Plans Application			Building Notice	Regularisation
	Plan Charge	Inspection Charge	Fee Total ex. VAT		
1	285	665	950	1180	1425
2	407	944	1351	1690	2026
3	550	1277	1827	2283	2740
4					
5					
6	813	1890	2703	3377	4053
7					
8					
9					
10					
Number of Flats					
1	200	475	675	847	1013
2	446	1040	1486	1860	2230
3					
4					
5	710	1655	2365	2955	3546
6					
Conversions					
To form a single dwelling-house (where proposed work is less than £15,000)	120	286	406	510	610
From single dwelling to 2 dwellings	160	378	538	675	810
Cost per flat formed as part of a conversion up to 6 in total (multiply charge by the number	120	286	406	510	610

of flats)					
From agricultural building to dwelling-house	510	1185	1695	2112	2541

Table B
Works to a single dwelling³

		Standard Charges (please add VAT)			VAT Exempt	
Description		Full Plans Application			Building Notice	Regularisation
		Plan Charge	Inspection Charge	Fee Total ex. VAT		
Extensions and new build						
1	Extension with a floor area not exceeding 15m ²	225	315	540	540	808
2	Extension with floor area exceeding 15m ² but not exceeding 60m ²	225	417	642	640	962
3	Extension with floor area exceeding 60m ² but not exceeding 100m ²	275	503	778	778	1167
4	Erection or extension of a non-exempt garage or carport up to 100m ²	143	263	407	407	610
5	Detached building in curtilage of dwelling that includes habitable accommodation up to 100m ²	246	463	709	709	1065
Conversions						
6	Loft conversion to a building with no more than 2 storeys with a floor area not exceeding 40m ²	223	417	640	640	960
7	Loft conversion to a building with no more than 2 storeys with floor area exceeding 40m ² but not exceeding 100m ²	275	503	778	778	1167
8	Conversion of garage to a habitable room (s)	143	263	406	406	610
Controlled services and fittings						
9	Re-roofing	215	-		215	320
10	Renovation of a thermal element	215	-		215	320

11	Replacement of 1 – 10 windows, roof lights, roof windows or external doors	215	-		215	320
12	Replacement of 11 to 20 windows, roof lights, roof windows or external doors	268	-		268	400
13	Electrical installation work other than rewire	215 ¹	-		215 ¹	320 ¹
14	Electrical rewire	215 ¹	-		215 ¹	320 ¹
15	Installation of an alternative energy system (where considered as building work and not covered by a competent person scheme)	215 ¹	-		215 ¹	320 ¹
16	Formation of a single structural opening, using a single beam	215	-		215	320
Other domestic alterations (not listed above such as underpinning and structural alterations)						
17	Cost of work not exceeding £5000	268	-		268	400
18	Cost of work exceeding £5000 but not exceeding £15,000	207	207	414	414	620
19	Cost of work exceeding £15,000 but not exceeding £25,000	155	355	510	510	766
20	Cost of work exceeding £25,000 but not exceeding £50,000	183	424	607	607	910
21	Cost of work exceeding £50,000 but not exceeding £100,000	246	567	813	813	1220
Multiple work reductions						
Where multiple work is covered by more than one of the above categories then the appropriate charge is calculated by paying the full amount for the most expensive category and only 50% for the other applicable category provided this work is undertaken at the same time.						

NOTE – All the above figures exclude VAT

1. Where it is considered necessary to engage an outside body to certify and test the installation this will incur an additional charge.
2. For very minor works such as a bay window extension or small infill under an existing roof a reduced fee may be applicable. Please contact Building Control for advice.
3. If submitting a Full Plans application the total combined fee will be requested unless the applicant only wishes to pay the plan charge.

Table C
Non-domestic work (not more than 3 storeys above ground level)

Table C1		Extensions and new build											
Description of work		Standard Charges (please add VAT)											
		Building Usage (based on B1 purpose groups)											
		Other Residential (Institution, hotel, hostel etc)			Assembly and Recreational			Industrial and Storage			Offices and Shops		
		Plan Charge	Inspection Charge	Regularisation	Plan Charge	Inspection Charge	Regularisation	Plan Charge	Inspection Charge	Regularisation	Plan Charge	Inspection Charge	Regularisation
1	Single storey with floor area not exceeding 15m ²	248	358	910	246	325	860	245	295	808	245	295	808
2	Single storey with floor area exceeding 15m ² but not exceeding 60m ²	335	514	1271	275	433	1065	250	390	962	250	390	962
3	New build & other extensions with a total floor area not exceeding 50m ²	335	514	1271	275	433	1065	250	390	962	250	390	962
4	New build & other extensions with a total floor area exceeding 50m ² but not exceeding 100m ²	456	712	1752	385	595	1470	308	470	1168	308	470	1168
5	New build & other extensions with total floor area exceeding 100m ² but not exceeding 500m ²	Contact Building Control for an individually determined charge						533	820	2028	533	820	2028

Table C2		Other work		
		Standard Charges (please add VAT)		VAT Exempt
Description of work		Plan Charge	Inspection Charge	Regularisation
6	Cost of work not exceeding £5000 including ¹ Replacement windows, rooflights or external glazed doors (up to 20 units) Installation of new shopfront Renewable Energy systems e.g. solar panels (where considered as building work and not covered by a competent person scheme)	287	-	430
7	Cost of work exceeding £5000 but not exceeding £25,000 including Replacement windows, rooflights or external glazed doors (up to 40 units) Installation of a raised storage platform within an existing building Renovation of a thermal element	250	310	840
8	Cost of work exceeding £25,000 but not exceeding £50,000	263	487	1126
9	Cost of work exceeding £50,000 but not exceeding £100,000	327	594	1382
10	Fit out of existing building up to 100m ²	195	332	790
<p>Multiple work reductions</p> <p>Where multiple work is covered by more than one of the above categories within Tables C1 and C2 then the appropriate charge is calculated by paying the full amount from Table C1 and only 50% for the other applicable category based upon the cost of the additional work provided this work is undertaken at the same time.</p>				

1. Where the work is very minor and costing under £1000 a reduced fee may be applicable. Please contact Building Control for advice.

Development Management – update to fees and charges December 2022

Updated pre-application enquiry fees

Existing fees

Category	Service	Fee	Additional meeting fee
Trees	Written	£30	£50
Do I need planning permission?	Written	£30	£50
Householder/small-scale commercial up to 100sqm	Written	£50	£50
Detailed reserved by condition	Written	£50	£50
Changes of use/advertisements/works to listed buildings/prior approvals	Written	£150	£50
Minor apps 1-9 units and 101-1000sqm	Written + 1 site visit	£350	£300
Small scale major 25-49 units and 1000 – 5000 sqm commercial	Written + 1 site visit	£500	£300
Medium scale major 25-49 units or 5000-10,000 sqm commercial	Written + 1 site visit	£750	£300
Large scale 50+units or 10,000+ commercial	Written + 1 site visit	£1250	£300

The existing fees were introduced in 2016, the proposed fees have been reviewed and benchmarked with other local authorities.

Proposed fees

Proposal type	Written response fee	Written response & Site Visit fee
Extensions and alterations to houses and flats	£70	£140
Advertisements	£205	£275
Telecommunications	£160	£230
Details required by condition	£70	£140
Internal alterations to listed buildings where planning permission is not required	£205	£275
Trees (Fixed Fee desktop appraisal)	£45	£112

Residential categories	Letter & Site fee	Additional Meeting fee
1-9 Units	£485	£112
10-24 Units	£685	£112
25-49 Units	£1025	£112
50-199 units	£1700	£112
200 Units or More	£2675	£112

Commercial categories	Letter fee	Additional Meeting fee
No new floorspace – 99m2	£70	£112
	Letter and site visit fee	
100m2 – 999m2 floorspace	£485	£112
1000m2-4999m2 floorspace	£685	£112
5000m2-9999m2 floorspace	£1025	£112
10000m2 and over	£1650	£112

S106 Fees	Fee
Enquiry Fee	£95
Amendment Fee – Discharge of Obligation	£125
Modification of S106	£250
S106 Monitoring Fee	Fee
Charge per payment of contribution/agreement of specification	£400
Charge per agreement of each individual infrastructure, specification, delivery, transfer and payment of maintenance sum	£1000
200 Units or More	£2675

Notes:

Discharge of obligation: £116 (same as discharge of condition fee)

Modification of s106: £234 (same as s.73 application)

Medium and long term indicative capital infrastructure with added carbon reducing commitments

Appendix J

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Fleet vehicle replacement	1,367,000	1,540,000	1,405,000	1,000,000	1,500,000	4,000,000	4,500,000	2,000,000	17,312,000
Leisure Centres refurbishment				6,000,000	6,000,000				12,000,000
Commercial portfolio investment and carbon reduction	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Capitol revamp			3,000,000						3,000,000
Museum						350,000			350,000
Housing (temp)	150,000	150,000	150,000	50,000	50,000	50,000	50,000	50,000	700,000
Car park refurbishment	445,000	180,000	165,000	150,000	150,000	150,000	350,000	150,000	1,740,000
Office refurb	150,000					1,000,000	1,000,000		2,150,000
TOTAL	2,612,000	2,370,000	5,220,000	7,700,000	8,200,000	6,050,000	6,400,000	2,700,000	41,252,000

All figures are estimates and subject to detailed survey and business cases

p.a. 6 yrs 6,100,000

In addition to the standard £5m to £6m capital programme; indicatively

			Estimated Revenue Cost	Annual	Years	Total	
Housing Enabling grants (funded by Govt)	1,250,000		MRP	2%	103,130	8	825,040
Disabled facility grants (funded by Govt)	1,000,000	All years					
New schemes each year	1,000,000	2027/28 onwards	Borrowing	5%	280,200	4	1,120,800
General replacement and improvements	1,000,000				383,330		1,945,840
Corporate Property in general	500,000						
CIL spend (funded by CIL income)	250,000						
	5,000,000						

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2023/24 Budget and the Medium-Term Financial Strategy to 2026/27 – Addendum to Appendix I

25 January 2023

This addendum is to update appendix I fees and charges from 1 April 2023 to include a change in the fees and charges in BT Exchange car park which is an opportunity to make better use of the ‘commuter’ car park whilst also supporting local businesses to grow.

From 1 March 2023

This is an opportunity to make better use of the BT Exchange ‘commuter’ car park whilst also supporting local businesses to grow.

Season tickets

0600-1700 hours Monday to Friday Permit Holders Only	£1,056 per annum £264 per quarter
Discounts for multi-purchases on annual season tickets:	10-19 vehicles 5% 20+ vehicles 10%
Discretionary discount for charitable & not-for-profit organisations	10-19 vehicles 5% 20+ vehicles 10%

BT Exchange Car Park pay and display

All day Saturday (previously Monday to Saturday)	£6
Sundays and Bank Holidays	£1.70

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Report to Cabinet

26 January 2023

By Cabinet Member for Finance and Parking

DECISION REQUIRED REPORT



**Horsham
District
Council**

Not Exempt

2023-24 Council Tax Reduction Scheme and Housing Benefit modified scheme

Executive Summary

The Council Tax Reduction Scheme decides which working age residents the Council will help with paying their Council Tax. The policy also decides how much each group of residents should be helped. Each year, the Council reviews the policy and sets a new policy for the following financial year.

This report provides Cabinet with an overview of Horsham's current Council Tax Reduction scheme, along with a recommendation that no changes are made to the scheme for 2023/24. It also requests approval for continuing without change, the modified scheme for the voluntary disregard of war disablement pensions and war widow pensions in Housing Benefit claims. Cabinet is asked to refer these proposals for approval at full Council.

Recommendations

That the Cabinet is recommended to recommend to full Council:

- i) no changes in the Council Tax Reduction scheme for 2023/24, other than the updates prescribed by Government to reflect changes in the wider benefits system.
- ii) no changes to the modified schemes under Housing Benefit subsidy whereby the Council locally and voluntarily disregards war disablement pensions or war widow pensions in the housing benefit calculation.

Reasons for Recommendations

- i) & ii) The Council Tax Reduction and locally modified schemes are annual schemes requiring an annual review and approval, even when no changes to the scheme are being proposed. Review work on the scheme showed the schemes remains affordable for Horsham District Council and provides a good level of support to our less well-off residents.

Background Papers: None

Wards affected: All

Contact: Beccy Salmon, Revenues and Benefits Operations Manager (Horsham)
beccy.salmon@horsham.gov.uk

Dominic Bradley, Director of Resources, 01403 215300

Background Information

1 Introduction and background

- 1.1 Horsham District Council has a Council Tax Reduction scheme, which provides financial support for people on low incomes to help them afford their Council Tax payments. This scheme is reviewed and authorised annually by both Cabinet and Council, even when no changes are proposed to the scheme.
- 1.1 Horsham District Council also has a local modified scheme which disregards war disablement pension and war widow pension from the housing benefit calculation. This scheme should also be reviewed annually.

2 Relevant Council policy

- 2.1 The design and funding of the Council Tax Reduction and modified schemes form part of supporting residents through hard times and delivering a balanced budget in the medium term, as detailed in the Corporate Plan.

3 Details

- 3.1 Horsham's Council Tax Reduction scheme currently provides financial support for residents on low incomes and provides a means-tested discount to reduce their Council Tax payments.
- 3.2 The scheme ensures that the following protected groups are subject only to the means-test calculation when their Council Tax Reduction discount is awarded:
 - Pensioner household
 - Lone parents with a child under 5
 - Households where the means-test attracts an additional premium in their applicable amount due to disability or caring responsibilities
 - Households where the customer is in receipt of War Widows Pension
- 3.3 Any customer who does not fall into one of the protected groups will not be entitled to a discount if their capital exceeds £10,000 and will also have their discount:
 - reduced by 10%
 - restricted to a Band D equivalent liability amount
- 3.4 This scheme continues to provide the best support for residents on low income, whilst adding further protection to the most vulnerable within the Horsham District. The existing scheme has been in place since April 2013 and continues to provide a familiar source of financial support to Council Taxpayers. The recommendation of this report is that the above scheme remains unchanged.
- 3.5 The provisions of the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023 ["the Regulations"] were laid before Parliament on 13 January 2023 and come into force on 10 February 2023. The Government has amended the Council Tax Reduction Scheme to ensure that pension age Local Council Tax Support (LCTS) schemes are updated in line with changes in the wider benefits system. The annual update also provides an

opportunity to ensure that the residency requirements for accessing both pension age and working age LCTS remain consistent with the UK's immigration policy. Billing authorities must ensure that the requirements of the updated regulations are reflected in their LCTS schemes for 2023-24 by 11 March 2023. The detail is set out in the Appendix.

- 3.6 The local modified scheme disregards war disablement pension and war widow pension in full, from the means-tested calculation, whereas the national scheme only disregards 10%. This ensures a more generous award of Housing Benefit and Council Tax Reduction for customers in receipt of these benefits, within the Horsham district. The recommendation of this report is that the scheme remains unchanged.

4 Next steps

- 4.1 This proposal report is submitted to Council for approval.

5 Views of the Policy Development Advisory Group and outcome of consultations

- 5.1 This proposal was presented to the Finance & Assets PDAG on 9 May 2022. The Councillors agreed that the schemes remained affordable for the Council and were necessary to help the Council's less well-off residents.
- 5.2 West Sussex County Council and Sussex Police Association indicated they were not in favour of increasing the amount of cost for the Council Tax Reduction scheme due to the significant budget pressures they are facing. Their share of the cost of the scheme is proportionately higher than the Council's share. No public consultation, therefore, took place.
- 5.3 The Monitoring Officer and the Director of Resources have been consulted to ensure legal and financial probity and their comments have been incorporated into the report.

6 Other courses of action considered but rejected

- 6.1 Horsham District Council has the authority to reduce the amount of financial support awarded through this scheme. However, this course of action was rejected because of the need to continue to support the financially vulnerable.
- 6.2 Horsham District Council has the authority to increase the amount of financial support awarded through this scheme. However, this course of action was rejected, in part due to the significant budget pressures at other public body preceptors.

7 Resource consequences

- 7.1 There will be no additional resource consequences for Horsham District Council if it decides to continue to adopt its current levels of support through the Council Tax Reduction and modified schemes.

7.2 The cost of the Council Tax Reduction scheme varies with the number of applicants and is directly related to rises and falls in the local economy. Numbers on Council Tax Support usually increase during a recession.

8 Legal considerations and implications

8.1 The legal authority for Council Tax Reduction schemes comes from:

- Local Government Finance Act 2012
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

8.2 The Regulations have been updated as per the prescribed requirements.

9 Risk assessment

9.1 There are no changes to the Council's risk profile in choosing to leave the scheme unaltered. However, the Council continues to carry a risk of the cost of the scheme increasing if the economic situation in Horsham District gets worse.

10 Procurement implications

10.1 There are no procurement implications stemming from this report.

11. Equalities and Human Rights implications / Public Sector Equality Duty

11.1 With no changes proposed to the current Council Tax Reduction scheme there is no change to the implication on equalities or human rights.

12 Environmental implications

12.1 There are no environmental implications arising from this report.

13 Other considerations

13.1 The application of the Council Tax Reduction Scheme includes sensitive personal data; however, this decision has no implications on the application of the scheme. There are no implications for crime and disorder.

Appendix – Updated Government prescribed requirements for the Council Tax Support Scheme 2023

Uprating

Reflecting the latest annual review of benefits and pension rates announced by the Department for Work and Pensions on 28 November 2022, the Regulations uprate the following amounts which must be included in pension age LCTS schemes from 2023-24:

- Non-dependant deductions – the adjustments made to the maximum amount of council tax reduction an applicant can receive to reflect non-dependant adults living in the property;
- Applicable amounts - the amount against which a person's income is compared to determine the amount of reduction to which they are entitled;
- Premiums – the additional amounts of income which persons with particular characteristics – such as those with disabilities – can have without their eligibility for a council tax reduction being affected;
- The amount which may be disregarded where the applicant is the parent of a specified student under the age of 25 and makes an eligible contribution to their maintenance; and
- The alternative maximum council tax reduction - this allows an LCTS recipient whose income or savings exceed the usual eligibility threshold to obtain a 25 per cent reduction in their bill where they share their home with one or more adults who do not pay rent, are not their partner, and who have a combined weekly income below the specified amount.

Income and capital disregards

Consistent with changes to the wider benefits system, the Regulations require that two new payments must be disregarded when assessing a person's income or capital:

- The new Adult Disability Payment established by the Scottish Government is not to be treated as the income of a pension age person claiming LCTS when moving to England; and
- The £350 monthly thank you payments made to "Homes for Ukraine" sponsors must be disregarded when assessing the income or capital of both working age and pension age applicants.

Demonstrating 'habitual residence'

The Regulations also provide that the following persons of working or pension age will not need to demonstrate "habitual residence" in Great Britain in order to receive LCTS:

- Those arriving from Ukraine in connection with the Russian invasion; and
- Other individuals granted leave to enter or remain in the UK outside the Immigration Rules and with recourse to public funds.

The Regulations laid before Parliament on 13 January 2023 and Explanatory Memorandum can be found at the following address:

<https://www.legislation.gov.uk/ukxi/2023/16/contents/made>

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Report to Cabinet

Thursday, 26 January 2023

By the Deputy Leader and Cabinet Member for
Finance & Parking

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Business Rates Discretionary Charitable Relief 2023/24

Executive Summary

This report provides Cabinet with a recommendation not to change the existing Discretionary Rate Relief scheme for charities and not for profit organisations. The current scheme grants charitable relief up to 100% for eligible organisations.

Recommendations

That the Cabinet is recommended:

- i) To refer the Discretionary rate relief scheme for 2023/24 as detailed in the appendix to Council for approval.

Reasons for Recommendations

- i) Discretionary rate relief is an annual scheme and therefore requires an annual review and approval.

Background Papers: None

Wards affected: All

Appendix: HDC Discretionary Rate Relief Policy 2023/24

Contact: Debra Collins, Revenues and Benefits Service Delivery Manager,
debra.collins@miltonkeynes.gov.uk

Dominic Bradley, Director of Resources, 01403 215300

Background Information

1 Introduction and background

- 1.1 Horsham District Council provides discretionary rate relief to charities and not for profit organisations rate relief under s47 of Local Government Finance Act 1988.
- 1.2 The scheme should be reviewed and authorised annually by both Cabinet and Council, even when no changes are proposed to the scheme.

2 Relevant Council policy

- 2.1 The charities and voluntary organisations that will benefit from this change support the Council's objectives to make Horsham District a great place to live, to have healthy and safe communities and care for our environment.

3 Details

- 3.1 Horsham's Discretionary rate relief scheme provides financial support to charitable organisations and not for profit organisations by reducing their non-domestic rate liability by up to 100%. For charitable organisations this is by means of a top up to their entitlement of 80% mandatory charitable relief and for not for profit organisations discretionary relief of up to 100% may be applied to the rate account.
- 3.2 The recommendation of this report is that the current scheme is not changed for 2023/24.

4 Next steps

- 4.1 This proposal report is submitted to Council for approval. The scheme will be implemented in the annual Business Rates bills issue in March for payment in 2023/24.

5 Views of the Policy Development Advisory Group and outcome of consultations

- 5.1 This policy was presented to the Finance & Assets PDAG on 9 May 2022. The Councillors agreed that the scheme remained affordable for the Council and was necessary to help support the charitable and not for profit organisation within the district.
- 5.2 The Monitoring Officer and the Director of Resources have been consulted to ensure legal and financial probity and their comments included within the report.

6 Other courses of action considered but rejected

- 6.1 Horsham District Council has the authority to reduce the amount of financial support awarded through this scheme. However, this course of action was rejected because of the need to continue to support charities and not for profit organisations during this time of economic uncertainty.

7 Resource consequences

7.1 The policy has not changed, so no impact is expected on the cost of the scheme.

8 Legal considerations and implications

8.1 Section 47 of the Local Government Finance Act 1988 gives discretionary power to billing authorities to grant partial or full relief to certain categories of non-domestic ratepayer.

9 Risk assessment

9.1 As the policy is not changing, there is negligible risk.

10 Procurement implications

10.1 There are no procurement implications stemming from the recommendation

11. Equalities and Human Rights implications / Public Sector Equality Duty

11.1 No changes are proposed to the current Discretionary Business rates relief scheme, so there should be change to the implication on equalities or human rights.

12 Environmental implications

12.1 There are no environmental implications arising from this report.

13 Other considerations

13.1 There are no implications on GDPR on the application of the scheme. There are no implications for crime and disorder.

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Discretionary Rate Relief Policy 2023/24

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1. Introduction

- 1.1. Horsham District Council (HDC) is committed to correctly administering the award of Discretionary Rate Relief (DRR) to organisations within the Horsham area.

Under the Local Government Finance Act 1988 (as amended) (LGFA) there are 6 areas of discretionary rate reliefs available to HDC Rate Payers. These are: -

- a) Relief for Charities and Not for Profit Organisations
- b) Relief for properties in rural settlements
- c) Reductions/Remissions on the grounds of Hardship
- d) Relief for Partly occupied premises.
- e) Relief to support Localism
- f) Other uses of discretionary powers under s47 of the LGFA 1988

2. Statement of Objectives

The guidelines have the following objectives:

- To make the application process simple for organisations and give the clearest possible guidance as to what will be considered with regard to an application.
- To consider each application on its merits.

- To be equitable and fair and balance the wider interests of the community within the resources made available arising from Business Rates Baseline funding.
- To make decisions based on objective criteria and organisations' suitability for Discretionary Rate Relief
- To ensure officers give due time and attention to processing applications which is proportionate to the complexity and level of relief.
- To have regard to the relevant Central Government guidance when making decisions.
- To have regard to the restrictions applicable in terms of State Aid/Subsidy Control limitations

3. Reliefs

3.1 Rate Relief for Charities and Not for Profit organisations (DRR)

3.1.1. Eligibility

The conditions to be satisfied before HDC can consider an application for this relief are detailed in the LGFA 1988 under s47 are either:

- a) The rate payer is a charity or trustees of a charity, and the property is wholly or mainly used for charitable purposes; or
- b) The hereditament (property) is not an excepted hereditament (i.e. the rate payer is not the billing authority or precepting authority) and all or part of the property is occupied for the purposes of one or more institutions none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;
and
- c) For each of the above the Council may make the decision only if it is satisfied that it would be reasonable to do so having regard to the interests of HDC council taxpayers.

Organisations where the following points apply will not generally receive DRR

- Charities or organisations that are not primarily for the benefit of HDC residents - The Council is unlikely to grant DRR to charities or organisations located within the Council's area where the premises in question are used to provide or administer services for an organisation of an international, national, county wide or regional nature unless there is some particular demonstrable benefit to the residents of Horsham District significantly over and above the benefit to the residents of other areas.

- Shops operated by trading arms of charities - Permanent profitable shops run by charities would not normally qualify for DRR and in any circumstances the Council is unlikely to grant relief to shops operated by the trading arms of locally based charities unless they can demonstrate that at least 75% of their purpose is for the benefit of the HDC community alone and where donated goods make up at least 75% of their sales.
- Bodies operating a restrictive membership policy - It is not the Council's general policy to grant relief to any body that does not allow access to all parts of the community unless such restrictions are necessary because of the size of the property occupied by the body or in order to ensure a pre-determined level of ability or required standard of achievement for a particular sport or activity.
- Businesses having more than 12 months spending available as free reserves - An organisation, or an organisation to which it is directly affiliated, whose accounts clearly show an ability to pay or an ability to readily generate sufficient income to cover running costs will not be considered for relief unless a medium term business plan exists which details how these reserves are to be used to the benefit of the local community.
- Organisations whose premises are shared with other businesses which do not meet the eligibility criteria – generally no discretionary rate relief will be awarded in these circumstances
- Sports clubs with paid players- generally no discretionary rate relief will be granted where players are paid.
- Organisations with high bar and/or gaming machine profits - an organisation which operates a licensed bar or has gaming machines must be able to demonstrate that these are not the primary or a significant attraction for the majority of members and that it is still primarily a sports organisation. Organisations generating more than £25,000 each year in combined bar and gaming machine takings would not normally qualify for relief. If bar income is less than bar expenditure, then relief will generally not be given.

3.1.2 Length of Award

All awards of Discretionary Rate Relief (Charities and other Organisations) will be granted on an annual basis. In November of each year the Revenues department in conjunction with the Director of Corporate Resources, risk assess current claimants. For the vast majority of applicants a desk top only exercise will be undertaken and an award for a further 12 month period will be approved. For those rate payers whose circumstances merit it, they will need to apply annually towards the end of the current financial year for the following financial year (commencing 1 April).

3.1.3 Application Process

Where required, each applicant will complete an application form, which has questions designed to assess the benefit of granting relief to HDC Council Taxpayers. This in turn will aid determination of the level of award to be granted.

3.1.4 Level of award

- Applications for Discretionary Rate Relief will be reviewed against the criteria shown below and the Council must be satisfied that the property is used for purposes which are of benefit to HDC residents.
- The maximum relief award will be 100% of the rate liability after taking account of any mandatory reliefs.

3.2 Relief for properties in rural settlements

3.2.1 Eligibility

The Local Government Finance Act 1998, as amended, provides for the only Post Office or the only General Store, the only Public House, the only Petrol Station and the only village food store in a Rural Settlement with a population not exceeding 3,000 to be awarded 50% Mandatory Relief. A list of qualifying rural settlements will be published by the Council by 31 December each year. The current list is

Amberley	Rudgewick
Ashington	Rusper
Ashhurst	Shermanbury
Bramber	Shipley
Coldwaltham	Slinfold
Colgate	Thakeham
Cowfold	Warnham
Itchingfield	Washington
Lower Beeding	Wiston
Nuthurst	Woodmancote
Parham	

3.2.2 Length of award

Awards of discretionary relief will be granted on an annual basis.

3.2.3 Application Process

No application will be required; relief will be awarded automatically where there is an entitlement to mandatory rural rate relief.

3.2.4 Level of award

The level of award will be calculated to ensure that the ratepayer receives 100% rate relief after the award of Mandatory Rural rate Relief

3.3 Reductions/Remissions on the grounds of Hardship

3.3.1 Eligibility

The conditions to be satisfied before HDC can consider an application for this relief are detailed in the LGFA under s49. These are that: -

- a) The rate payer would sustain hardship if the Authority did not do so, and
- b) It is reasonable for the Authority to do so, having regard to the interest of persons subject to its council tax.

An award to hardship relief will usually only be made in order to provide short term assistance to businesses that are suffering unexpected hardship, arising from circumstances beyond the business's control and outside of the normal risk associated with running a business of that type, to the extent that the viability of the business would be threatened if an award were not made.

An award of hardship relief will not usually be made for the purposes of enabling a new business to become established except where the viability of the business is threatened by events that could not reasonably have been foreseen when establishing the business.

No award shall be made where it appears to the Council that the proprietor of the business has failed to exercise due diligence or anticipate circumstances that may give rise to hardship, financial; or otherwise, and/or to put in place measures to prevent or mitigate the circumstances.

3.3.2 Length of Award

All awards for remission/reduction on the grounds of hardship are granted for short fixed periods and for no longer than the period where there is clear evidence of hardship.

3.3.3 Application process

Application should be made in writing to the Business Rates section of HDC. Full details should be provided including, but not limited to

- a) The last two year's accounts, a current cash flow forecast and a comprehensive business plan. Where the business has traded for less than two years, then draft accounts or budget forecasts must be provided for the period since the business started trading.
- b) Details of actions taken to mitigate any factors giving rise to hardship. Examples of mitigation may include seeking business advice, discounts and promotions, reviewing pricing, negotiations with creditors etc.
- c) Any other relevant factors.

3.3.4 Level of Award

The amount awarded will be determined based on the circumstances of the applicant during the period of hardship,

3.4 Relief for partly occupied premises

3.4.1 Eligibility

S44a of the LGFA enables HDC to grant relief on a hereditament that is partly unoccupied or not fully occupied for a short period only.

The granting of this relief is entirely under the discretion of HDC and each case will be considered on its merits and be referenced to the interests of Horsham Council taxpayers.

Applications will only be considered in respect of unoccupied parts of a property that can be clearly defined and are reasonably segregated from the occupied part of the property.

For the purposes of these guidelines a period of up to 12 calendar months shall be considered to be temporary and longer periods shall not be considered to be temporary.

No award shall be made where it appears to the Council that the reason that part of the property is unoccupied is wholly or mainly for the purposes of applying for Section 44a relief.

Section 44a relief will not normally be awarded in respect of different operative periods that contain the same area of unoccupied property that existed in preceding operative periods.

Rate relief under this section will not usually be awarded where the partial occupation may be considered to arise due to the ordinary day to day nature of the business (for example the operation of a warehouse).

3.4.2 Length of Award

All awards for relief due to partly occupied premises will be given for a short time only and only where there is clear evidence of partial occupation.

Awards of Section 44a relief shall end at the earliest occurrence of one of the following:

- a) The end of the statutory period for which relief may be allowed;
- b) The end of the financial year;
- c) All or part of the unoccupied area becoming occupied;
- d) The whole of the property becoming unoccupied;
- e) The ratepayer ceasing to be the person or organisation liable to pay non-domestic rates in respect of the property;
- f) Where all or part of the unoccupied area has remained unoccupied for one year;
- g) The commencement of a further award in respect of the property;
- h) The Council is unable to verify, following reasonable notice, that the area remains unoccupied.

3.4.3 Application Process

A ratepayer making an application under section 44a shall provide a plan of the property showing the dimensions of the occupied and unoccupied area of suitable quality to enable the Valuation Office Agency to apportion the rateable value of the property between the occupied and unoccupied areas. Applications will not be considered until such time as the plan is provided- each application.

The ratepayer must allow a Council Officer access to the property by appointment during normal working hours within two weeks of the Council receiving the application in order to verify the occupation of the property.

Further access may be required on at least one occasion each month, during normal office hours, during the period for which relief is being awarded. In order to enable verification, access to the unoccupied area may be requested immediately without advanced notice. In the event that access is not allowed promptly without good cause the award of Section 44a relief may be withdrawn.

3.4.4 Level of Award

The amount of reduction in rates is determined by statute and is calculated by reference to the rateable value ascribed to the unoccupied area by the Valuation Office Agency.

3.5 Relief to promote localism

3.5.1 Eligibility

S47 of the LGFA allows the Authority to offer business rate discounts to help attract firms, investment and jobs to the local area. Each case will be considered on its merits and be referenced to the interests of Horsham Council taxpayers.

Applications for rate relief under this section will normally only be considered favourably where the Council is satisfied that an award will result in tangible benefits to local residents and in particular where the award will directly result in attracting businesses, investment or jobs to the local area.

3.5.2 Length of Award

All awards for localism relief will be granted for a maximum of one financial year.

3.5.3 Application process

Application should be made in writing to the Business Rates section of HDC. In submitting an application, the ratepayer must demonstrate with verifiable supporting evidence the benefits to HDC's Council Taxpayers that will accrue from making an award.

3.5.4 Level of Award

Each application will be considered on its individual merit but in making a decision on the award the following factors must be considered by the decision maker:

1. That awards should only be made in exceptional circumstances;
2. The value of any previous awards and the benefits to local Council Taxpayers realised from previous awards;
3. The cost to the Council, including the loss of income or of retained rates yield, in making an award;
4. The impact of the cost or loss of income in relation to the Council's overall financial situation;
5. The benefits to the Horsham's Council Taxpayers in making an award, and in particular whether the award will directly result in attracting businesses, investment or jobs to the local area;
6. The impact on other Non-Domestic Ratepayers in HDC;
7. The Council's statutory equality duties;
8. That awards should normally only be made where the ratepayer's activities in the District will contribute towards the aims and objectives of the Corporate Plan.;
9. The extent to which an award will support the Council's aspiration to promote and encourage economic growth, and in particular growth in the Non-Domestic Rating tax base and in employment opportunities for residents of the District;
10. The overall profitability of the business.

3.6 Other uses of discretionary powers under S47 LGFA 1988

3.6.1 Eligibility

From time to time, additional measures are proposed by the Government to provide assistance to businesses. These can be either national schemes or locally defined schemes which are drawn up by HDC. They are provided under s47 of the LGFA 1988.

Where the Government puts in place a scheme whereby the Council will be fully compensated for the loss of rates yield arising from an award of discretionary rate relief, awards of relief shall be made in accordance with the guidance issued for the scheme unless there is a decision of the Council to the contrary.

For 2023/24 the proposed national schemes are currently

- Retail Rate Relief
- Supporting Small Businesses 2023 in respect of the new valuation list from 1 April 2023
- Supporting Small Businesses 2017, a residual scheme from the 2017 revaluation

Any new schemes introduced by the Government in 2023/24 will be administered under this discretion.

3.6.2 Length of Award

Any other awards using s47 powers will be up to the maximum period of time stipulated by central government or the locally defined scheme.

3.6.3 Application process

Application should be made in accordance with the guidance provided by central government at the time or in line with the locally defined application procedures

3.6.4 Level of Award

The level of award should be made in accordance with the guidance provided by central government at the time or in line with the locally defined application procedures

4. Determination of Applications

- 4.1. For all reliefs, HDC reserves the right to refuse an application if all information requested has not been submitted. This may include full financial information.
- 4.2. The determination of any relief to be granted will be an officer delegated decision.

- 4.3. Applicants will be notified, either by receiving a revised demand showing the reliefs awarded, or in writing detailing reasons for non-awards.
- 4.4. Unless otherwise agreed, ratepayers are required to continue to pay, in accordance with the latest demand notice, pending the outcome of an application.

5. Awards for retrospective periods.

- 5.1. With the exception of applications on the grounds of hardship, rate relief will not normally be awarded in respect of any day prior to the day that an application is received. However, in exceptional circumstances consideration may be given to awarding rate relief for a retrospective period where the ratepayer can demonstrate good cause for not submitting the application earlier. Additionally, applications for other reliefs awarded using s47 powers may be considered where the ratepayer meets the relevant criteria.
- 5.2. Where the application is on the grounds of hardship an award may be made for a respective period where it is considered that the business suffered hardship during that period.
- 5.3. No consideration shall be given to an award for a retrospective period where the Council is not able to verify to its satisfaction that the circumstances giving rise to the application pertained for that period
- 5.4. Under s47 of the LGFA, HDC is unable to grant relief with an effective date of more than six months after the end of the financial year to which it relates, therefore applications received after this date will not be considered.

6. Appeals

- 6.1. There is no statutory right of appeal against the refusal to award relief.
- 6.2. An applicant may request a review of the decision but only where either:
 - Additional information that is relevant to the application and was not available at the time the decision was made becomes available; or
 - There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was made.
- 6.3. A request for a review must be made within 28 days of notification of the decision and must set out the reasons for the request and any supporting information.

7. Subsidy Control

- 7.1. Rate relief shall not be awarded in any circumstances where it appears that an award will result in the ratepayer exceeding the subsidy control level.
- 7.2. If required by the Council, each application from a business, or organisation engaged in business activities, must be accompanied by a statement signed by the appropriate person representing the ratepayer setting out the amount of subsidy control , including but not limited to discretionary rate relief, which the ratepayer has received within the previous three years. Applications shall not be considered until this statement is received.

8. Misrepresentation or Fraud

- 8.1. The Council requires all applicants to provide complete and truthful information and to disclose all information that may be relevant to an award including any subsequent changes of circumstance. In the event of deliberate misrepresentation or fraud the Council will take action in accordance with its Anti-Fraud Strategy which may include prosecution for criminal offences.

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Report to Cabinet

26 January 2023

By Cabinet Member for Finance and Parking

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Local Authority Housing Fund 2022-23 and 2023-24

Executive Summary

Government has announced a £500m scheme to support authorities who are helping with providing accommodation to families fleeing conflict in Ukraine and Afghanistan. As well as helping to fulfil the UK's humanitarian duties to assist those fleeing war, the fund will create a lasting legacy for UK nationals by providing a new and permanent supply of accommodation for local authorities to help address local housing and homelessness pressures.

The Council is proposing to accept the allocation of £2.656m funding from Government and add £3.21m of its own funding to provide 14 standard homes and 2 larger homes by the 30 November 2023 deadline.

The Council can also passport part or all of the funding to Registered Providers should the Council not be able to provide the total number of homes. Registered Providers are able to help meet the demand provided they add the relevant share of the match funding as well. The Council can also return unspent funding to the Government should it wish or be unable to deliver all the housing from the allocation.

Recommendations

That Cabinet recommends to Council to:

- i) Proceed with (i) the application for, and, (ii) receipt of the grant allocation for the Council to provide or facilitate the provision of 14 standard properties and 2 larger homes ("the Housing).
- ii) Approve capital spend of up to £5.866m in the 2023/24 capital programme; the amount to be added being based on whether the Council decide to or is not able to proceed with the full amount and / or passporting to a Registered Provider/s.
- iii) Delegate to the Director of Resources, in consultation with the Cabinet Member for Finance and Parking and Cabinet Member for Housing and Public Protection, the decision to provide the Housing through whichever means, or work with Registered Provider/s to provide the Housing and in both instances, to enable the use of the grant funding to be maximised.

Reasons for Recommendations

- i) To use the grant to help purchase / provide more affordable homes for the district.
- ii) Full Council must approve the capital budget.
- iii) Further work is needed at this stage to establish whether the Council can source sufficient properties at the right price.

Background Papers - <https://delta.communities.gov.uk/document-repository/public/download?uri=/document-repository/Local-Authority-Housing-Fund-Prospectus-Final.pdf>.

Wards affected: All

Contact: Dominic Bradley, Director or Resources, 01403 215300

Background Information

1 Introduction and background

- 1.1 In late December 2022, the Department of Levelling Up, Housing and Communities (DLUHC) announced a new £500m Local Authority Housing Fund which will run over the financial years 2022-23 and 2023-24.
- 1.2 The aim is to support the local authorities who will be facing the greatest challenges in providing move on and settled accommodation for people fleeing conflict in countries such as Ukraine and Afghanistan.
- 1.3 As well as helping to fulfil the UK's humanitarian duties to assist those fleeing war, the fund will create a lasting legacy for UK nationals by providing a new and permanent supply of accommodation for local authorities to help address local housing and homelessness pressures.

2 Relevant Council policy

- 2.1 A great place to live - creating well balanced communities that meet residents' needs

3 Details

- 3.1 Horsham has provisionally been identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with the following indicative allocation: Main element: £2,024,400 in funding. With this funding DLUHC expects the Council to provide a minimum of 14 homes. The funding also includes £20k per property for any additional spend required on getting these homes into use, such as any refurbishment which is not part of the 40% grant.
- 3.2 Bridging element: £632,539 in additional funding. With this funding DLUHC expects the Council to provide a minimum of 2 larger 4+ bed home(s) to be allocated to households currently residing in bridging accommodation e.g. currently in a hotel. Again, this funding includes £20k per property for any additional spend required on getting these homes into use, such as any refurbishment which is not part of the 50% grant.
- 3.3 The expectation is that the Council must part fund some of the total required capital, with the expectation of a 40:60 split in the main scheme and a 50:50 split in the bridging scheme, both excluding the additional £20k per property. The expectations are set out in the table below.

Year	Grant 40%	Grant +£20k ph	HDC 60%	Bridging 50%	Grant +£20k ph	HDC 50%
Q4 2022/23	£523,320	£84,000	£784,980	£177,762	£12,000	£177,762

2023/24	£1,221,080	£196,000	£1,831,620	£414,777	£28,000	£414,777
Sub-totals	£1,744,400	£280,000	£2,616,600	£592,539	£40,000	£592,539
TOTAL	£4,641,000			£1,225,080		
Min homes	14			2		
Av £ per unit	£331,500			£612,540		

3.4 The objectives of Local Authority Housing Fund are to:

- Ensure recent humanitarian schemes (Afghan and Ukraine schemes) which offer sanctuary, via an organised safe and legal entry route, to those fleeing conflict, provide sufficient longer term accommodation to those they support.
- Support areas with housing pressures which have generously welcomed substantial numbers of Ukrainian refugees so that these areas are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems.
- Mitigate the expected increased pressures on local authority homelessness and housing resources which arise from the eligible cohort (as defined at section 3.2 of the Prospectus) as sponsorship/family placements/bridging accommodation arrangements come to an end by increasing the provision of affordable housing available to local authorities to support those in the cohort who are homeless, at risk of homelessness, or in bridging accommodation;
- Reduce emergency, temporary and bridging accommodation costs;
- Deliver accommodation that as far as possible allows for the future conversion of housing units to support wider local authority housing and homelessness responsibilities to UK nationals (i.e. after usage by this cohort ends);
- Utilise accommodation solutions to enable effective resettlement and economic integration of the eligible cohort;
- Reduce pressures on the existing housing and homelessness systems and those waiting for affordable housing.

3.5 Whilst DLUHC has set a general framework with the objectives of the fund, it also wants to provide as much flexibility to local authorities as possible to shape local delivery according to local circumstances. While DLUHC assume most delivery will be via stock acquisition, local authorities will have the flexibility to choose their delivery route. This could include refurbishment or conversion of buildings, acquiring new build properties from developers, building new homes, or passing on the funding to enable Registered Provider delivery.

3.6 The timeframe is extremely short. The Council must deliver the delivery target by 30 November 2023. With this in mind, the Head of Property and Facilities has already put out feelers with local estate agents in the district to ascertain whether it is

achievable in terms of the capital values and number, type, EPC rating (C or above) and town centre type locations specified. The estate agents have indicated that they think this is quite possible.

4 Next Steps

- 4.1 The initial validation return to DLUHC needs to be returned by 25 January 2023. The formal Memorandum of Understanding will only be returned once Council approval is obtained on 22 February 2023. The deadline for returning the MoU is by 1 March 2023 which will enable the first stage funding payment in March 2023 and being part of the scheme.

5 Views of the Policy Development Advisory Group and outcome of consultations

- 5.1 The Finance and Parking Policy Development Advisory Group considered the proposal at the meeting on 16 January 2023. They were broadly supportive of the initiative, but uncertain that the Council can find the number of properties at the right price in the tight timeframe. Council will be updated at the meeting on 22 February 2023 with progress on any prospective purchases and any discussions with Registered Providers as to the feasibility in respect of these areas of the project.
- 5.2 The Housing and Public Protection Policy Development Advisory Group has also been briefed on the scheme via email. In addition, the Liberal Democratic opposition group has also been briefed at its group meeting on 18 January 2023 and the group are supportive of this initiative.
- 5.3 The Monitoring Officer and the Director of Resources were consulted to ensure legal and financial probity.

6 Other courses of action considered but rejected

- 6.1 The Council could choose not to take the allocated funding and not provide any homes. This has been rejected at this stage in favour of accepting the funding, and then working through the delivery either alone, or with other Registered Providers to ensure the delivery of as many homes as possible in the timeframe to help fulfil the UK's humanitarian duties to assist those fleeing from war.

7 Resource consequences

- 7.1 Capital spend within the 2022/23 financial year is unlikely, so the full effect of £5.866m is placed into the 2023/24 capital programme, albeit £2.656m (45%) is funded by Government grant.
- 7.2 Capital expenditure can have a revenue impact from the Minimum Revenue Payment (MRP), although this is not the case if the expenditure is funded from reserve, rather than internal or external borrowing. The Director of Resources will determine the best source of funding as it will depend on the level of capital receipts and other capital expenditure during 2023/24, otherwise reserves will be used. At 31 March 2022, the Council had approximately £20m of useable general fund reserve, which is in excess of the £6m minimum level of general fund reserves.

More detail on the level of reserves can be found in appendix H of the budget report on this Cabinet agenda.

- 7.3 Eligible costs funded by the standard 40% and bridging 50% schemes and the £20,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items.
- 7.4 The Council can passport funding to Registered Providers, or return unspent monies to Government. Once spent, the grant is not repayable provided the conditions of the grant have been met.
- 7.5 The Council will be able to charge LHA rates of £276.16 pw for a three-bedroom house in the Horsham, Southwater and Billingshurst areas. This equates to around £14,360 p.a. less management fees and sinking fund of approximately 20% gives a net income of around £11,500. This is a 3.5% yield based on a total purchase price of about £331,500 but is a return of 6.1% on the £186,900 that Horsham would be directly funding. The equivalent return on a four-bedroom larger home using a similar methodology is 5%. A two-bedroom house would give a 4.85% return.

8 Legal considerations and implications

- 8.1 Section 31 of the Local Government Act 2003 enables central government to make a grant for any purpose, capital or revenue, to any local authority. A grant made pursuant to this section will be (i) for such amount, and, (ii) paid on such conditions as may be determined by the relevant minister.
- 8.2 Section 1(1) of the Localism Act 2011 provides that a local authority has power to do anything that individuals generally may do. The Council has the power, therefore to accept and receive grant funding.
- 8.3 The Council should (i) comply with the terms of and conditions attached to the grant, and, (ii) complete any legal documentation which is required to give effect to the receipt and use of the said grant.
- 8.4 The grant funding will be managed in accordance with the Financial Procedure Rules (inter alia paragraph 4e.33 External Funding) contained in the Council's constitution.
- 8.5 The Council will comply with any applicable statutory provisions relating to:
 - (i) Facilitating the provision of the Homes. Central government guidance provides that the grant can be passported to Registered Providers; and/or
 - (ii) Providing the Homes. Section 120 of the Local Government Act 1972 enables local authorities to acquire property for any of its functions or for the benefit, improvement or development of its area. In addition, section 9 of the Housing Act 1985 enables a local housing authority to provide housing accommodation by erecting houses, converting buildings into houses or by acquiring houses.

9 Risk assessment

- 9.1 The Council may not be able to deliver the number of houses that are required in the timeframe available, or that it will cost more than envisaged per property. This is mitigated by the fact that the Council can return unspent funds.
- 9.2 There may be implications from the acceptance of grant funding should these houses be managed through the Council's Housing Company. The best way of funding and managing the homes will be worked through during the set up period and risks mitigated where possible.

10 Procurement implications

- 10.1 The Council will ensure that it has a compliant procurement process for the appointment of the Estate agents who will do much of the legwork in sourcing the properties and may be paid a small fee upon successful purchase of a house within the scheme. Should we disseminate the money to a third party, as a lead authority, we would be responsible for ensuring that appropriate procurement is also carried out using any expenditure from these funds, reporting and monitoring on this to Government.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 In the short term, the homes would be for use by families fleeing conflict from Ukraine and Afghanistan, but it is hoped that there will come a time that these families can return home once the sanctuary is no longer needed. The support in areas suffering housing pressure is so that these areas are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems.
- 11.2 The homes would then be available for use in the future to support wider local authority housing and homelessness responsibilities to UK nationals. This would help to reduce the number of people on the housing waiting list and would be done in accordance with the Council's existing criteria and priorities. Therefore, an Equalities Impact Assessment is not required.

12 Environmental implications

- 12.1 The search criteria for the houses contains a minimum EPC rating of C, with the option of undertaking any improvement work at the same time as any refurbishment of the property if needed, to improve this rating further.

13 Other considerations

- 13.1 There are no GDPR/Data Protection or Crime & Disorder implications from this report. The sensitivities of people who are already on the housing waiting list have been considered, as they may be feeling that those fleeing conflict have been prioritised ahead of them the queue. However, the Council has a role in helping to fulfil the UK's humanitarian duties to assist those fleeing war. Longer term, the fund will also create a lasting legacy for UK nationals by providing a new and permanent

supply of accommodation to help address local housing and homelessness pressures.