

COUNCIL
13 December 2023
CABINET RECOMMENDATIONS

Recommendations to Council Made at the Cabinet meeting held on 23 November

(a) Update of the Council's Financial Position in 2023/24 and Medium-Term Financial Strategy update 2024/25 to 2029/30

The report to Cabinet updates the Council's financial position in 2023/24 and the Medium-Term Financial Planning scenarios and assumptions and compares them to the budget set in February 2023. The 2024/25 draft settlement and budget process will be completed in December, so the indicative numbers reported to Cabinet are subject to amendment and change. Current economic uncertainty puts significant pressure on balancing the budget. Sustained levels of high inflation in services, materials and utilities together with pressure from salary increases bakes a high level of gross expenditure into the baseline. It is fortunate that the Council is not a borrowing authority and has kept high levels of reserves and is able to fund some of the rising costs with the interest from its investments. The Council will also have to increase fees and charges to balance the budget in 2024/25.

Prior to aligning the budget with the work being undertaken on the Council Plan Annual Plan for 2024/25, a balanced budget is currently estimated in 2024/25.

The medium-term remains very uncertain. A single year settlement in 2024/25 is anticipated to be broadly similar to 2023/24. A multi-year settlement is not expected until after the new parliamentary term, which reduces the effectiveness of our planning. There are numerous risks to balancing future budgets including inflation, the associated costs of our commitment to the environment and decarbonisation, the lack of clarity on the future of Government's funding of the sector, their plans for the reform of business rates or how levelling up will affect us, and the recent announcement for mandatory food waste collection by 2026. Spending reserves without generating a financial return or finding income and / or savings elsewhere to replace the lost investment income will exacerbate the situation.

The immediate risk is currently the high level of inflation and substantial action will probably be required to set balanced budgets across the medium-term, although not necessarily in this forthcoming 2024/25 budget.

RECOMMENDED TO COUNCIL

- (ii) That the charges from 1 April 2024 for the garden waste subscription service are increased from £49 for the first bin to £54 and charge this price for any subsequent bins too.
- (iii) To increase the price of the multi-storey car park day pass tariffs from 1 February 2024 from £5.50 to £8.80 at Piries Place and £7.30 at Swan Walk, and from £3.95 to £5.60 at the Forum car parks.
- iv) To support those of working age on Council Tax Support with up to £195 in 2024/25, funded from any 2024/25 Funding Guarantee grant, or reserve and ask Council to approve that this is reflected in the 2024/2025 budget accordingly.

- (v) Subject to the scheme status quo remaining and a similar settlement to 2023/24,
 - (i) approve that the Council remains in the West Sussex Business Rates pool in 2024/25 and
 - (ii) to delegate authority to the Director of Resources in consultation with the Cabinet Member for Finance and Resources to (a) agree the operational details of the pooling arrangements with participating authorities, and, (b) enter into any required documentation to give effect to this proposal.

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. Deficits are predicted 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 drastically reduce expenditure at this stage, but does recommend not worsening the revenue position now.
- (ii) and (iii) Council is required to approve fees and charges, and expenditure as per the constitution.
- (iv) Cabinet must approve any such support schemes.
- (v) Remaining in the West Sussex business Rates pool should benefit the County and therefore the district by retaining locally generated business rates, using it to further support the economic regeneration of the wider West Sussex area.

(b) Creation of a new Head of Service Post

The resignations of the Head of Leisure & Culture and Head of Housing & Communities provided an opportunity to review the structure of teams and the Heads of Service offering.

Whilst it was considered unnecessary to change the Housing & Communities service area, there were opportunities for change with Leisure & Culture. Currently there is no Head of Service responsible for Climate Change and Nature Recovery. As one of the key areas of priority for the Council, it is considered that it needs senior manager visibility and leadership.

The Cabinet report proposes that the Parks and Countryside element of the Leisure & Culture role be moved into a new service area alongside the Council's climate change work. Additional budget is required to pay for the new Head of Service post.

RECOMMEND TO COUNCIL

- (i) That funding of £2,680 be included in the 2023/24 Revenue Budget for the new position of Head of Sustainability and Green Spaces.

REASON

- (i) To ensure that the management of the organisation is best structured to achieve the Council's objectives.
- (ii) Full council is required to approve expenditure outside of the budget.