



**MID SUSSEX**  
**DISTRICT COUNCIL**

**DRAFT Corporate  
Plan and Budget  
2024 - 2025**

**MID SUSSEX DISTRICT COUNCIL**  
**DRAFT CORPORATE PLAN AND BUDGET**  
**2024/25**

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# **MID SUSSEX**

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# **DISTRICT COUNCIL**

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## **SECTION 1: INTRODUCTION**

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## CORPORATE PLAN AND BUDGET 2024/25

### SECTION 1: Introduction

1. Our Corporate Plan and Budget is set in extremely challenging times. Across local government, there are unprecedented financial difficulties. We see many other authorities failing to be able to meet the needs of their residents whilst coping with these challenges. Our situation is not easy, but strong financial stewardship, coupled with a careful budget which balances delivering for our residents with some tough income decisions, lets us continue to support the most vulnerable, whilst also continuing to deliver significant ambitions across Mid Sussex.
2. Finding a home to live in is a huge challenge for many people. For us in Mid Sussex, especially after the pandemic, domestic abuse is one of the biggest needs in our communities. A 40% increase in families asking us for help due to family breakdown is an unprecedented situation which we are all committed to supporting. Our Housing budget set out in section 3 sets out our approach to delivering for our most vulnerable families.
3. To ensure we can support families with high quality, local Temporary Accommodation, therefore keeping links with local schools and communities, we are investing in our Temporary Accommodation provision. Taking advantage of matched funding from the Local Authority Housing Fund will enable us to deliver over £6m of local housing. As well as providing the best option for vulnerable people and families, this also makes economic sense when we know Temporary Accommodation is a cause of debilitating financial challenges for other authorities.
4. Our food waste trial has been universally popular, well supported and has enabled us to demonstrate to other local councils the benefits of a 1-2-3 collection. It is also, as part of our approach to a sustainable economy, the right thing to do. The recently announced new legislation means many of the burdens around waste collection, such as food waste collection for all, will become a statutory duty. We support these but know they won't come with the funding we will need to deliver. Sadly, they also don't meet the ambition we have set out with our hugely successful trial and currently, the legislation suggests they may set us back to a 1-2-2 collection. We will continue to use our evidence to lobby for the ability to deliver 1-2-3 while planning for all eventualities including the likely requirement of a new depot. For our residents, the immediate impact will be to continue and expand our trial, helping us recycle more and campaign for the effectiveness of this approach.
5. We are proud this year to have relaunched our community grants approach, linking application criteria to the UN Sustainable Development Goals, and placing an emphasis on helping local groups demonstrate the impact they can have on areas such as inequality, poverty, and sustainability. We have also held a campaign to provide help to people with the cost-of-living crisis, making cross council services accessible, but also working with a range of partner organisations to signpost and target support. This approach to using our role to link organisations together and targeting our resources to reach those most in need of our help is a theme in this Corporate Plan.
6. Our people set us apart. In a difficult sector to recruit to, our commitment to being a Real Living Wage employer for our directly employed staff, by April 2024, is just part of an investment in developing our workforce. We are also creating new graduate opportunities to place us on the national map and setting out a comprehensive plan to build new apprenticeships and development opportunities into our workforce planning. Our commitment to training and development is designed to make us a local employer of choice. We must plan for our future workforce and know that we cannot compete on wages alone. By being a local employer that attracts, develops, and invests in people, whilst also being a financially sound council, focused on delivering for the vulnerable and unashamedly ambitious, we will ensure that we attract the best talent to build their careers with us.
7. We continue to deliver our Sustainable Economy Strategy, our notable achievements in 2023/24 were supporting 45 local businesses with Micro Business Grants, completing 14km of new and improved cycleways in Burgess Hill, providing some of the district's least energy-efficient properties with Green Home Grant Fund and providing electric car charge points in council car parks.
8. We are proud to present our Regulation 19 draft District Plan to Council in December 2023. A new Plan will continue to ensure the district is protected from unwanted speculative development and will

also include new and strengthened policies to protect our environment whilst balancing the delivery of the much needed housing up to 2039. The Plan has been prepared in consultation and engagement with our community, Town and Parish Councils, infrastructure providers, adjoining local authorities and the development industry. Subject to Council approval it is anticipated that the Plan will be submitted to the Planning Inspectorate by Spring / Summer 2024 for examination and adopted by Autumn 2024.

9. We know we can do more to work with communities to ensure the infrastructure required to support development is secured from developers. The planned growth across the district will attract significant investment in our local communities, though often due to the nature of the developer's contributions, this investment comes after growth has been delivered, often leaving local people frustrated. We are committed in this Corporate Plan and Budget to doing more to work with local communities to plan, deliver and communicate the benefits that S106 contributions will bring if the District Plan is adopted. We will ensure through investment in both S106 account management and community development that local people are at the heart of building new communities and are fully involved in understanding and contributing to how S106 local infrastructure contributions are secured.
10. We are also committed to delivering the right solution for the future of Clair Hall. This has started with detailed engagement on the Council's proposed solution, and we are currently enabling community organisations to respond with viable alternative proposals. We are committed to ensuring that whichever solution is delivered for Clair Hall it is the best, financially viable, solution which meets the ambition everyone must deliver a vibrant cultural and community offer. This is a once in a generation opportunity to develop something for now and the future in Haywards Heath. We will therefore take the time to focus on making evidence-based recommendations and decisions and engaging transparently with our communities throughout.
11. Delivering these ambitions, in the financial circumstances affecting the local government, is a huge challenge. Our ability to raise Council Tax is not in step with inflation and we must also minimise our reliance on reserves. In recent years, the pandemic and the current cost of living crisis have put enormous pressure on our finances, but we remain in a strong position having planned and stewarded our finances well. However, to continue to meet our ambitions for local people, and to deliver all that we have set out in this Corporate Plan and Budget we must raise our income.
12. In 2020 the council agreed to deliver a comprehensive, long-term parking strategy, but implementing this decision was deferred to enable income recovery after the pandemic. The Strategy provides an evidence-based approach to managing the Council's car park estate. It envisages improvements to the facilities available within them and some rationalisation of the estate. It was developed with cross party support and using best practice nationally. Whilst attention does tend to focus on the tariff element of the Strategy, it is important that the other components are not overlooked.
13. Now is the right time to implement this Strategy and to also commit to using external parking sector experts to carry out an evidence-based review of charges each year. This will ensure a move away from an episodic approach to tariff reviews and towards one based on evidence. The Strategy introduces evening and weekend charging as well as differential fees in our towns. This is based on careful and detailed evaluation of each of our towns and how they work. The Strategy also envisages the introduction of charging in our larger villages. This budget proposes that these be implemented in 2025/26 following further dialogue with parish councils. While these are not easy decisions Mid Sussex remains an affordable, competitive place to park, and implementing this evidence-based approach to charging reflects the costs of providing these facilities and brings much needed resources to balance the budget.



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## **SECTION 2**

### **FINANCIAL STRATEGY (INCLUDING MEDIUM TERM FINANCIAL PLAN (MTFP))**

- **2a Assistant Director Corporate Resources (S151  
Officer Statement on Budget Robustness)**

## CORPORATE PLAN AND BUDGET 2024/25

### SECTION 2: FINANCIAL STRATEGY

#### National and Local Context

14. There remains ever-increasing uncertainty in local government finance across both the short and medium term. We continuously see other authorities indicating they cannot meet this challenge. With funding reform continuing to be delayed, multiple one-year settlements, the economic downturn and recession and unprecedented levels of inflation, planning for the future is an almost impossible challenge. Despite this, we have all, Councillors and Officers alike, worked tirelessly to maintain financial stability and continue attracting investment to the district. This means that, despite funding pressures and the challenges of the external climate, we are still able to maintain one of the lowest levels of Council Tax in the region whilst delivering an ambitious level of service for our residents.
15. The government published the Provisional Local Government Financial Settlement on 18 December. The provisional settlement is broadly like last year's settlement, with grant decreases being offset by increases. It also confirmed that New Homes Bonus will be received at a reduced amount of £1.829m. Lack of clarity of funding over the medium term persists, the settlement being for a single year only, with no further clarity in relation to Business Rates reform, combined with a volatile economic and financial climate. This means that many of the medium-term projections are necessarily estimates only, and we become less confident of their accuracy regarding Business Rates Reform the further ahead we look.
16. The final settlement for 2023/24 was on the 6 February 2023. This year's announcement is expected at a similar date, however, will not change the principles of the proposed budget, as set out below. but may still change the funding figures and Business Rates formula. An update will be provided post-announcement. However, fundamentally, for councils like us, we must strive to be financially independent despite the significant barriers we face in doing so.
17. Officers continue to strive to deliver an ambitious but balanced budget for 2024/25. Everything we do will always align with our ambition, *'To be an effective Council delivering value for money services and helping to create a strong economy, environment and community'* illustrated by our stated priorities of:
  - **Effective and responsive services**
  - **Sustainable economic growth**
  - **Strong and resilient communities**
  - **Financial independence**
18. In the ongoing uncertain financial and economic climate some councils continue to be close to collapse as they have grappled with the challenge of delivering services within a difficult financial landscape. The combined outlook of considerable costs and pressures presented by high inflation, a cost-of-living crisis, unprecedented levels of homelessness and pressures on Temporary Accommodation are serious and debilitating challenges for many of our neighbours. That uncertainty is brought into sharp focus given the lack of clarity about what funding will be provided for councils in future years. It therefore remains difficult to bring the Medium-Term Financial Plan (MTFP) into balance. This paper sets out financial assumptions and makes recommendations to achieve a balanced position for 2024/25. The Medium-Term Financial Plan, outlined within these papers, highlights the need to address the gap between income and expenditure over the next four years and thereby bring the plan back into balance.
19. Our council is broadly 'financially independent'. This means we receive minimal Revenue Support Grants (funding from central government). While this does not confer any financial reward or freedoms, it is an achievement that represents many years of careful financial stewardship and ensures the council can deliver its strategic ambitions for the residents of Mid Sussex. However, the uncertainty of potential reforms particularly in relation to Business Rates makes longer-term forecasting challenging.

## Funding Reform and Rates Retention Scheme (RRS) funding

20. The Fair Funding Review and Business Rate Retention changes are further delayed and will now not happen before 2026/27 at the earliest, at which time current funding mechanisms and formulas will be changed. The main impact of this for the council is anticipated to be the redistribution of Business Rate Growth, for which Mid Sussex is above the national average. This creates a significant cliff edge for the council's finances. The delay provides more time to plan, but only delays the considerable financial impact. To reflect this the MTFP assumes reform from 2026/27, the impact being taken from local government advisors Pixel and their assessment of what this reform might look like, although the exact timing and mechanism, and therefore impact, remain unknown.
21. We still await the outcome of the Non-Domestic Rating Bill: technical adjustments to the Business Rates Retention System (BRRS). Technical changes will have to be made to the Business Rates Retention System to accommodate these proposals. Additional data will also have to be collected from billing authorities and a new draft NNDR1 form for 2024/25 has been issued for consultation. Some suppliers have already said this will be difficult in the timeframe, so the Department of Levelling Up, Housing and Communities (DLUHC) is likely to have to rely on proxy data from the Valuation Office Agency (VOA). Additionally, there are some elements of the proposals that are unclear in the consultation paper and consequently Pixel have not been able to model with any certainty. Without this clarity about the proposals, Business Rate estimates within the MTFP remain prudent but are high-level estimates and will be subject to change.

## Council Tax Inflation

22. The council's element of the Council Tax charged across the district is set each year by Members and is the largest area of income for the council.
23. It is proposed that Council Tax will be increased to the highest allowable level, which is a rise of 2.95% (compared to the previous plan of 2.65% in 2024/25, reflective of £4.95 which was the previous cap). This is presented as part of the Medium-Term Financial Plan. This is within the allowable limits and raises an estimated additional income of £254k over the MTFP period. Table 1 below presents Mid Sussex Council Tax at band D against other lower-tier authorities in the West Sussex Area in this financial year, therefore a rise of 2.95% will still see us as one of the lowest in the West Sussex Area.

**Table 1: Council Tax at Band D**

West Sussex Local Authority Area	Council Tax Band D for 2023/24 £
Adur	324
Arun	202
Chichester	181
Crawley	225
Horsham	172
Mid Sussex	185
Worthing	260

24. Detailed Council Tax Levels will be presented at section 7 for Council (when figures are available).

## Council Tax Base

25. The calculation of Council Tax base is prescribed by regulation. The projection being based on figures at 30 November annually. This year has seen growth of 1.61% (compared to 2.27% at 30 November 2022) which increased the tax base to 65,704.5 band D equivalents. This is considered to show continued stability in growth, with no impact from the economic downturn, however, growth may be impacted in future years, so growth thereafter remains at a prudent level of 1.4%.



## Council Tax Collection Fund Surplus/Deficit

26. Each year our Council Tax receipts are based on estimates. They can therefore be impacted by a number of factors including collection rates, new builds or homes becoming empty. Therefore, we see either a surplus or deficit arising the following year which is included in our MTFP. At this stage, a surplus of £263k on the Mid Sussex part of the Collection Fund is forecast by the end of the year.

## Inflation

27. The MTFP includes an estimate for the pay award for 2024/25 at 5.5%. This is an average increase across all pay grades reflecting the trend towards a flat cash award, which provides for higher percentage increases to lower grades. Thereafter, 3.5% is estimated for 2025/26 reducing to 2% in subsequent years. This is reflective of the forecasts of continued (all be it reducing) high levels of inflation. It is also in line with neighbouring local authorities' assumptions. The pay award is set nationally for all local government employees and is therefore not within our control. The pay estimate is based on reasonable assumptions, however, the final agreement of the pay award is not expected before the budget is set, or this financial year. A mechanism is therefore required to manage potential fluctuation, and as is normal practice, the actual outcome will be managed in year via the General Reserve.
28. The Consumer Price Index (CPI) measure of inflation was at 4.6% in October 2023 (6.7% in September). Inflation is required to be added annually to the council's contracts where applicable and a detailed model ensures that the most appropriate inflationary increases are applied. Although inflation has dropped rapidly over the last few months, as the inflation connected to energy prices in 2022 falls out of the calculation, it is expected that the rate at which inflation drops will now slow. With inflation remaining above the Government target of 2% until 2025, A mechanism is required to manage potential fluctuation and it is proposed to manage this in year from the General Reserve should it be required.
29. Overall, net inflation relating to pay, contracts, other expenditures is expected to be £1.726m in 2024/25. The details of this calculation are set out below.

**Table 2: Calculation of 2024/25 Inflation**

		Inflation included at March 2022/23 £'000	Additional Inflation £000	Total £000
Employee Costs	5.5% - Assumption is that the fiscal drag following the cost-of-living crisis will lead to an above inflation pay award in 2024.	276	608	884
Contracts	8.4% Contractual inflation is calculated on a basket of measures, average at 8.4%	203	334	537
Energy	0% Budget increases approved at Council March 2023 cover estimated rises across both years 2024/25	-	-	-
Other Costs	4.7% October 2023 CPI rate used as appropriate.	327	22	334
Externally Funded	Inflation costs to be covered by charges set outside local government i.e., WSCC	(19)	(26)	(45)
<b>Total Inflation</b>		<b>787</b>	<b>939</b>	<b>1,726</b>
Discretionary Fees & Charges	10.3% Weighted average of proposed increases		(284)	(284)
Car Parking Fees	Parking Fees and charges have been reviewed (see para. 33(d))		(492)	(492)
<b>Net Inflation</b>		<b>787</b>	<b>162</b>	<b>949</b>

## Treasury Management (TM)

30. Net receipts for Treasury Management are paid directly into the General Reserve. However, in the current climate, whilst inflationary pressures drive our expenditure up, there is a correlation in the increased income generated by our investments. For 2024/25 it is anticipated that income will remain buoyant. It is proposed that Treasury Management income is used to build the General Reserve to increase it to an adequate level, noting the draw being proposed (see para 40) on the General Reserve to balance the budget this year, the ongoing structural gap and then the potential impending cliff edge created by Business Rate Retention.
31. In 2022/23 £715k windfall from Treasury Management receipts were able to be set aside to help manage the budget deficit in 2024/25.
32. It is recommended that a further £500k is set aside from Treasury Management receipts banked in the first half of 2023/24 to manage capital risk from the receipts already received. This is set out below as the creation of a Capital Reserve.

## Fees and Charges

33. Income from fees and charges have recovered well from the pandemic but with the high levels of inflation it is essential that, where they are discretionary, they are maintained at a reasonable level and help support the council's priorities. Officers have taken a detailed approach across several areas and their recommendations are set out below. In many cases, recommendations are providing a real-term freeze or decrease as they do not recoup increasing costs. The rationale for each approach is set out below.
  - (a) For fees such as some planning and licensing and building control fees these are set by central government. On the 6<sup>th</sup> of December 2023 the Government increased the charges for planning applications by 35% for majors and 25% all others. Where there is discretion, such as fees for pre-application planning advice, and hackney carriages licenses, a 10% increase is recommended. In addition, we are proposing two new categories for pre-application advice that differentiates between majors, super major and super plus to distinguish between the support provided for larger applications.
  - (b) For waste and recycling a 10% uplift is also recommended. These charges reflect the actual costs of delivery and the anticipated contractual uplift with Serco. Additionally, it is proposed that 10.4% be applied to the garden waste service (from £77 to £85 annual charge, £1.64 a week) so that we are able to continue expanding this service for new customers.
  - (c) For outdoor leisure charges a 10% increase is proposed.
  - (d) It is proposed that the Fees and Charges for Parking reflect the introduction of differential parking and evening and weekend charges through implementing the previously agreed Parking Strategy. The Parking Strategy 2020-2030 and Action Plan align with the council's wider corporate objectives to support Sustainable Economic Growth and promote financial independence. Delivery of the recommendations in the Strategy is a vital part of modernising our approach to how our car parks support the economic and social activity within our towns and villages. The accompanying 5-Year Action Plan sets a clear ambition for the council to invest in its car park estate. The tariff changes will ensure income that covers costs, inflation, and investment needs. Critically, tariffs are tailored to reflect the unique characteristics of our towns and villages. They are driven by comprehensive evidence and take account of a wide range of factors. These include how we operate our car parks in the context of other car parks and on street parking. This means we can manage car parks and create capacity for when it is needed, pay for the costs of running them and importantly invest in the parking estate and improvements for customers.

**Table 3: Proposed Fees and Charges**

Service Area	Type	Percentage Increase	£000
Central Government Determined Fees - Planning Fees & Licensing	Fixed		
Planning Advice & Street Numbering Fees	Discretionary	10%	8.5
Building Control - Fees	Fixed		
Local Land Charges	Fixed		
Waste & Recycling Charges	Discretionary	10%	18.5
Green Waste	Discretionary	10.4%	210
Outdoor Leisure Charges	Discretionary	10%	30
Car Parking Fees	Discretionary	Implementation of the Parking Strategy 2020-2030	492
Hackney Carriage Fees	Discretionary	10%	13
Other Licensing	Discretionary	10%	4
<b>Total</b>			<b>776</b>

**Balance Unallocated**

34. This forms a contingency for the year and has been kept low for the last few years. In effect, we accurately balance the budget by appropriately varying this figure by small amounts, and for 2024/25 it is proposed to remain at £20k.

**Government Grants**

35. The MTFP includes the current modelling provided by Pixel in November 2023 which has a continuation of the Services Grant, Funding Guarantee Grant, and a small amount of Revenue Support Grant for 2024/25. These will be confirmed by the Provisional Local Government Finance Settlement. This is not anticipated until late December 2023.

**Capital Programme**

36. The current Capital Programme and the update to the strategy for next year will be included at section 5 for Council in February 2024. The Capital Strategy and planned programme are considered by Audit Committee annually which then recommends it to council before the start of the financial year. The programme is dynamic in support of the council's investment need, its sustainability and long-term delivery of services. Consequently, projects are added to the programme during the year, as business cases are developed and in line with the Strategy and Financial Regulations.

**Services Delivery 2024/25**

37. Each year services review their budgets and the council's aspirations to align them to the level of resources available. This exercise has now been completed and details of services and their budgets are provided at section 3. Services focus on minimising costs and maximising income, whilst delivering the highest service level possible for residents.

**Medium-Term Financial Plan – Four-Year Position**

38. The financial outlook for the council over the next four years is summarised in the Medium-Term Financial Plan presented at Table 4 below. As stated above, many of the short and medium-term

projections are necessarily estimates only, and we become less confident of their accuracy the further ahead we look.

39. While the budget is balanced for 2024/25 it is currently forecast that the deficit in the council's budget over the next four years is:

Year	Deficit
Year 1 2024/25	£ zero
Year 2 2025/26	£1,547k
Year 3 2026/27	£5,423k
Year 4 2027/28	£5,353k

40. The changes detailed in this section mean that the budget is balanced for 2024/25 **but only with the use of £540k from the General Reserve**. The use of Reserves to balance the Budget is not a sustainable position over the medium term and the Council must work to bring this back into balance over the Medium-Term Financial Plan period.
41. The Budget sees a total net spending requirement of £23.079m financed from a combination of the Rates Retention scheme, Council Tax, dividend income, other grants, fees and charges and use of Treasury Management interest. Additional inflation is estimated at £939k (£787k was already included in the model approved at 1 March 2023, therefore a total of £1.726m) and Council Tax is set to rise by 2.95%.

**Table 4: Medium Term Financial Plan (MTFP).**

<b>Medium Term Financial Plan</b>					
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Service Net Expenditure approved at Council 1st March 2023</b>	19,820	20,405	20,874	21,608	22,426
<i>Summary of changes</i>					
Growth		2,750	2,815	2,840	2,866
Savings		(239)	(239)	(239)	(239)
Additional inflation requirement		939	1,551	1,703	1,703
Discretionary income increase		(776)	(874)	(874)	(874)
<b>Total Revenue Spending</b>	<b>19,820</b>	<b>23,079</b>	<b>23,966</b>	<b>24,677</b>	<b>25,521</b>
<i>Funded by:</i>					
Government Grants	(847)	(1,255)	(1,255)	(224)	(224)
Rates Retention Scheme (RRS) funding	(6,170)	(7,230)	(7,834)	(5,128)	(5,444)
Council Tax Requirement	(11,983)	(12,536)	(13,090)	(13,662)	(14,260)
<i>Collection Fund:</i>					
Council Tax deficit / (surplus)	(191)	(263)			
Rates Retention Scheme deficit / (surplus)	515	-			
Contribution Equalisation Reserve including s31 Grant	(515)	-			
Use of Treasury Management Interest In Year	(629)	(540)	(240)	(240)	(240)
Use of Treasury Management Interest 2022/23		(715)			
Use of General Reserve		(540)			
	<b>(19,820)</b>	<b>(23,079)</b>	<b>(22,048)</b>	<b>(19,254)</b>	<b>(20,168)</b>
Estimated Deficit due to BRRS Reform			-	<b>(3,559)</b>	<b>(3,559)</b>
Balance without BRRS Reform [(deficit); /surplus]	-	-	<b>(1,547)</b>	<b>(1,864)</b>	<b>(1,794)</b>
Council Taxbase - number of Band D equivalents'	64,664.1	65,704.5	66,624.0	67,557.0	68,503.0
Taxbase Growth	2.3%	1.6%	1.4%	1.4%	1.4%
<b>Council Tax at Band D (£)</b>	<b>185.31</b>	<b>190.80</b>			
Change from previous year	<b>2.75%</b>	<b>2.95%</b>			

## CORPORATE PLAN AND BUDGET 2024/25

### SECTION 2A: Assistant Director Corporate Resources (S151 Officer) Statement on the Budget Robustness

#### Background

42. Section 25 of the Local Government Act 2003 places a statutory duty on the S151 Officer to review the Medium-Term Financial Plan and comment upon the robustness of estimates and the adequacy of the reserves when considering its budget requirement and the calculations required to determine its Council Tax or precept. Members are required to take this report into account when making that decision. Specifically, the Local Government Act 2003 requires that:

*"The chief finance officer of the authority must report to it on the following matters:*

- (a) the robustness of the estimates made for the purposes of the calculations, and*
- (b) the adequacy of the proposed financial reserves.*

*An Authority... shall have regard to the report when making decisions about the calculations in connection with which it is made,"*

#### Robustness of the process

43. Both the Revenue Budget and Capital Programme have been formulated having regard to a number of factors including funding availability; risks and uncertainties; inflation; priorities; demography; and service pressures.
44. As the development of the Corporate Plan and Budget for 2024/25 has progressed, the position has been subject to reviews with Management Team, Assistant Directors, and Members. Due consideration has also been given to reconciling the over-arching financial strategy with service delivery.
45. The proposals to increase the Council Tax to the maximum allowable and the increases to discretionary Fees and Charges will provide a more sustainable income stream to the council, which will help to protect services already under significant pressure in 2024/25 and future years.
46. The council holds reserves to help manage financial risk. The General Reserve should have a minimum level of unallocated balance maintained to provide a reasonable buffer against unknown financial risk. The level of this is not mandatory, and Chief Financial Officers (CFO's) set aside an amount that they feel is appropriate given the levels of risk facing their authority. The Reserve Policy is updated for this consideration at section 4.

#### Risk Analysis

47. The annual budget is the plan of how the council will manage its finances in the next year and has due regard to a number of areas of financial risk as follows: -

##### Inflation

48. The budget presented includes an uplift for the significant inflationary pressures that are being experienced nationally and locally. These are based on forecasts and with such unprecedented shifts in levels of inflation, there is a risk that prices will vary from the estimate as was the case in 2022/23 and as is emerging this financial year. Additionally, we are unlikely to return to the previous historic low inflation levels in the medium term, and indeed if inflation levels drop off prices may plateau but are highly unlikely to reduce.

##### Income Budgets

49. The budget requirement includes income from fees and charges which are inherently demand-led. There is a risk, therefore, that budgeted income levels will not be achieved.

## Expenditure Budgets

50. The development of the budget alongside the Corporate Plan helps provide assurance that service budgets are fit for purpose. The incremental budgeting approach also means that the previous year's performance can be used as a measure of adequacy. Expenditure budgets will be managed in year with regular reporting and a council-wide approach will continue to be taken.

## Reserves

51. The primary function of the councils' unallocated General Reserve is to manage financial risk. The level of the council's General Reserve is estimated to be £8.225m at 31 March 2025. As shown at Section 4, Table 10.
52. Historically the General Reserve has held items already approved to fund the Capital Programme. It also holds funds held in perpetuity (see paragraph 57 below). For transparency and to facilitate financial resilience, it is proposed that a Capital Programme Reserve is set up and those earmarked funds are shown in Table 10 of section 4 as being transferred out of the General Reserve and into the new Capital Programme Reserve. This enables a clearer understanding of the General Reserve available.
53. It is proposed that the Capital Programme Reserve will also have £500k provided from Treasury Management windfall to help manage capital financial risk.
54. The council also holds working reserves to help manage financial risks of fluctuations in Business Rates and Council Tax income (which can result from appeals or collection rates).

## Capital Programme

55. All the projects in our programme are supported by existing or low risk projected funding. Therefore, the majority of the funding for the programme is already held in our reserves and balances. The ongoing high levels of inflation and the complex nature of the projects do, however, present some financial risk. Therefore, in addition to the specific funding from the general reserve, it is proposed that £500k is provided for Treasury Management windfall income to help manage this risk. The adequacy of this provision will be reviewed annually.

## **Conclusion**

56. The 2024/25 budget is balanced and in finalising the budget, consideration has been given to the risk of unforeseen issues arising during the year and ensuring that those risks can be managed. The council holds a number of reserves to manage financial risk. These include the unallocated general reserve, working reserves and a proposed capital programme reserve. These are available to cushion the impact of unexpected events and emergencies in year. In addition, a general contingency of £20k is held within the base revenue budget, which if unused will top up the General Reserve.
57. It is therefore the opinion of the S151 Officer that the draft budget for 2024/25 is based upon a sound financial strategy that will enable the council to deliver its proposed Corporate Plan successfully.
58. The reserves are considered adequate for 2024/25. However, consideration should be given to topping up the unallocated portion of the General Reserve given that; a large proportion is held in perpetuity. This is because sums held to make our General Reserve include contributions by third parties that in return enable the council to provide support for specific purposes e.g., the maintenance and improvement of Suitable Areas of Natural Greenspace (SANG). As such these funds are not entirely unallocated.
59. Further, inflation and homelessness continue to put pressure on authority budgets nationally and the MTFP is projecting a cliff edge created by Business Rate Reform. Therefore, the reserve policy has been updated with a considered level that the council should seek to achieve should opportunities arise.



# **MID SUSSEX**

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# **DISTRICT COUNCIL**

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## **SECTION 3**

### **REVENUE BUDGET AND SERVICE PLANS**

- **3a Summary of Revenue Budget 2024/25**
- **3b Service Budgets**



**CORPORATE PLAN AND BUDGET 2024/25**

**SECTION 3: REVENUE BUDGET AND SERVICE PLANS 2024/25**

60. A summary of the annual changes to budgets over the Medium Term is shown at Table 5.

**Table 5 - Updates to Revenue budgets in support of service plans**

	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000
Gross Expenditure	<b>66,825</b>			
Income*	(46,420)			
<b>Service Net Expenditure - Approved at Council 1.3.23 (plus added year)</b>	<b>20,405</b>	<b>21,042</b>	<b>21,776</b>	<b>22,563</b>
Pay Inflation	608	1,220	1,372	1,524
Inflation on contracts & services	331	28	(172)	(293)
<b>Inflation</b>	<b>939</b>	<b>1,248</b>	<b>1,200</b>	<b>1,231</b>
<b>Fees and charges</b>				
Parking	(492)	(590)	(590)	(590)
Other Fees and Charges	(284)	(284)	(284)	(284)
<b>Fees &amp; Charges</b>	<b>(776)</b>	<b>(874)</b>	<b>(874)</b>	<b>(874)</b>
<b>Specific Savings</b>	<b>(239)</b>	<b>(239)</b>	<b>(239)</b>	<b>(239)</b>
<b>Service Movements:</b>				
Job evaluation	90	128	153	179
Establishment, training and development	526	526	526	526
Net Business Rate increase	48	48	48	48
Leisure contract	212	212	212	212
Insurance and audit	110	110	110	110
Elections cost increases	100	100	100	100
Green spaces	400	400	400	400
Waste contract	364	365	365	365
Waste mobilisation and management	900	900	900	900
<b>Growth</b>	<b>2,750</b>	<b>2,789</b>	<b>2,814</b>	<b>2,840</b>
<b>Proposed Budget</b>	<b>23,079</b>	<b>23,966</b>	<b>24,677</b>	<b>25,521</b>

\* Comprising of £32.5m Central Government Grant to support benefit payments, £4.6m rents, £8.3m fees and charges (including non-discretionary), £1.0m leisure.

61. The proposed Service Budgets 2024/25 are shown in Table 6 below, which is the total of all net revenue expenditure for the services the council provides.

**Table 6 – Summary of Revenue Budget 2024/25**

	2023/24	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25
Services	Current budget	Base Budget Approved MTFS March 2023	Adjustments (i)	Growth (ii)	Inflation	Fees & Charges	Savings (iii)	Revised Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Deputy Chief Executive	2,842	2,854	700	163	239	(17)	-	<b>3,939</b>
People & Commercial Services	8,893	8,710	71	1,001	1,141	(750)	(184)	<b>9,989</b>
Resources & Organisational Development	8,085	8,841	(771)	1,586	(441)	(9)	(55)	<b>9,151</b>
	<b>19,820</b>	<b>20,405</b>	<b>-</b>	<b>2,750</b>	<b>939</b>	<b>(776)</b>	<b>(239)</b>	<b>23,079</b>

**Notes:**

- i) Adjustments relate to housekeeping and administrative changes to align with service delivery or for clarity. This includes where services have moved (for example Community engagement into the Communities directorate) or to ensure that wherever possible core costs are reflected into the service to which they deliver against. These are hoped to add to the transparency of monitoring in year as well. This includes a number of reduced costs that have offset the previously identified public realm savings.
- ii) The main growth areas relate to a £900k new burden for waste and contract changes as well as some establishment uplift.
- iii) Specific savings comprise of rent reviews, parking income recovery post-pandemic and changes to Members' responsibilities.

62. Budgets for 2024/25 for each Directorate are shown on the following pages.

## Section 3B – Deputy Chief Executive

- Planning and Sustainable Economy
- Communities

### Planning and Sustainable Economy

63. In line with government requirements the council is progressing the review of the District Plan. The council is proud to have taken this opportunity to include new or to strengthen policies on Climate Change; Sustainable Design and Construction; Biodiversity Net Gain; and Nature Recovery, as well as allocating housing sites to meet identified need up to 2039. Subject to Council approval it is anticipated that the Plan will be submitted to the Planning Inspectorate by Spring / Summer 2024 for examination and adopted by Autumn 2024.
64. During the preparation of the Plan, we held considerable engagement with the community, Town and Parish Councils, infrastructure providers, adjoining local authorities and the development industry. In response to the feedback from the community, we are planning to invest in a role to oversee the collection and delivery of S106 infrastructure contributions to support our partners, in particular the NHS, County and Town and Parish Councils, to deliver the necessary infrastructure to support growth.
65. An important milestone was achieved in 2023 when Horsted Keynes became the final Parish to adopt a Neighbourhood Plan.
66. Whilst 2023/24 saw a decline in the number of planning applications by 19% (to the end of November), the adoption of the Sites DPD has resulted in a number of larger allocated sites being determined. The continued commitment to plan-making and the positive determination of planning applications ensured that the first challenge to the Council's five-year housing land supply since the adoption of the District Plan in 2018 (at Albourne) was dismissed and the council's housing land supply position was confirmed.
67. The excellent performance of the council has also enabled the delivery of over 200 new affordable homes across the district, up to the end of November 2023.
68. 2023/24 has also shown a very strong performance in terms of appeals and, up to December 2023, the independent Planning Inspectorate supported 94% of the council's decisions and dismissed 33 appeals.
69. In Autumn 2023 the council reported delivery of the first year of the Sustainable Economy Strategy (SES) and Action Plan 2022-2025. The notable achievements in 2023/24 are:
- Supporting our local businesses with digital skills training, workplace health programmes and Micro Business Grants to 45 local businesses.
  - Completing 14km of new and improved cycleways in Burgess Hill.
  - Enabling home improvements in some of the district's least energy-efficient properties, through the Green Home Grant Fund.
  - Delivering electric car charge points in council car parks.
70. Looking forward to 2024/25, ongoing delivery of the Action Plan will include:
- Implementation of our Social Value and Sustainability Charter, to bring greater benefit from the council's contracts and procurement of goods and services to our local communities.
  - Delivering the council's net zero programme by further reducing the council's own carbon emissions.
  - Progressing achievement of a Carbon Literate Organisation.
71. Opportunity Mid Sussex, the council's inward investment platform, continues to raise the profile of the district as a place to work, invest and develop. We continue to support our businesses through training, direct financial support and supporting business to business networking.
72. The Burgess Hill Programme, including Brookleigh, continues to be delivered:
- The major road infrastructure is due to be completed in Spring 2024. Work on the final

phases will commence in 2024.

- i. The Reserved Matters application for the Centre for Outdoor Sport will be determined in early 2024.
- j. Delivery of the Hub, including 10 small units for growing local businesses, has continued at pace, and will come onto the market in Spring 2024.

73. Gatwick Airport Ltd continues to progress its plan to expand the airport through a Development Consent Order. The council submitted representations in October 2023 and will continue to work hard during 2024/25 to secure the best outcome for Mid Sussex residents.

## Communities

74. 2023/24 has seen a new focus on Community Development, bringing together several grant programmes. The criteria for awarding community grants have been refocused, offering additional support to those projects and communities less able to help themselves with a new emphasis on projects meeting the UN Sustainability Goals.

75. The Play Days offered to children in the district increased this year with the largest attendance and most events ever held by the council. In 2023/24, 6 events were held in half term holidays, 3 in the Easter holidays and 10 across the district during the summer holidays. In addition, 3 Skatefest events were held for older children.

76. Mid Sussex Wellbeing Service is commissioned by Public Health until March 2027 to deliver the county-wide Prevention and Wellbeing Programme. In 2022/23 the service delivered 1850 interventions. In 2023/24 (to November) the service delivered 1281 interventions. The work focuses on smoking cessation, alcohol reduction and health checks.

77. The cost-of-living crisis continues to impact our residents and businesses. The Mid Sussex Partnership (MSP) provides strategic leadership, bringing agencies together to address these issues. During 2023/24, with our partners, the Partnership was reviewed to provide a new focus on community development, to support those most in need in our community. The Partnership carries out its work through three sub-groups; Community Safety, the Local Community Network (focusing on health and wellbeing), and the Community Resilience Group which following the review, will become the Community Development Group, with a new focus on community development.

78. The Local Community Network (LCN) works closely with the Integrated Care Board for Sussex. Key highlights for 2023/24 included:

- k. extension of the group Pan West Sussex, chaired by the NHS to give a wider focus on health needs.
- l. Screening days for pre-diabetes and blood pressure across the district.
- m. A Wellbeing Live event brought together key health partners and the voluntary sector.

79. In 2024/25 the Partnership will develop a health service signposting directory for Mid Sussex.

80. In 2023/24 the MSP's Community Safety Subgroup secured additional funding from the Home Office's Safer Streets Fund to fund the changes required in CCTV provision in Mid Sussex. Key highlights during the year included engaging with local people for ASB Awareness Week and Hate Crime Awareness Week.

81. The Community Development Subgroup will oversee the Ukraine Support Fund as well as the delivery of the council's UK Shared Prosperity Fund Investment Plan, which will see £1m inward investment over the coming three years.

82. Whilst Mid Sussex is a safe place to live, the council continues to work closely with partners to address anti-social behaviour. In 2023/24 (to November) 235 incidents of anti-social behaviour were reported, compared to 300 cases in 2022/23. The council's Public Spaces Protection Order (PSPO) to tackle car cruising in Burgess Hill was expanded in 2023 to include two additional areas in Burgess Hill and East Grinstead. A crime reporting application known as 'DISC' has been rolled out to support businesses in our three towns to tackle shoplifting and anti-social behaviour.

83. In 2024/25 Sussex Police will no longer monitor CCTV in Sussex through their dedicated CCTV unit. Instead, cameras are changing to digital and Wi-Fi technology so they can be viewed at any police office. This change means the responsibility and ownership of CCTV cameras comes to the council. During 2023/24, the council has been working with Sussex Police to put the new arrangements in place.
84. In 2023/24, the council is forecast to award 120 Disabled Facilities Grants to residents, to enable them to stay in their homes so they can continue to live independently. The funding to do this work has increased from £1.13m in 2022/23 to £1.22m in 2023/24. Each year, the council works hard to spend every penny of the grant provided to improve the living conditions of those most in need in the district.
85. 2023/24 saw an increase in the number of complaints received from tenants about the condition of their homes. The council will continue to work with all landlords to ensure housing standards in the district meet expectations, particularly concerning reducing damp and mould in homes.
86. During 2023/24 (up to December 2023) the council received 4,579 requests for environmental health services, an increase of 10% from last year. The council recognises that businesses are facing significant challenges due to the economic climate and continues to work hard to support them through the provision of advice while taking a pragmatic and risk-based approach to enforcement. In 2023/24 there has been an 8.5% increase in the number of food businesses operating in the district compared to pre-pandemic levels. Combined with declining levels of food hygiene standards in businesses post-pandemic, this has resulted in an increase in the number of inspections and follow-up enforcement actions. Up to December, 396 businesses were found to be non-compliant on inspection, compared with 286 in 2022/23, an increase of 38%. In 2022/23, 46 food businesses significantly failed an inspection. During 2023/24 (to December) this increased by 41% to 65.
87. The council continues to improve the taxi service in the district. In 2023/24, mandatory Safeguarding Awareness and Disability Awareness Training was introduced for all licensed taxi drivers. During 2024/25, CCTV will be introduced in taxis, to provide a safer environment for both the driver and customer.
88. To meet increasing demand, we are investing in our service. During 2024/25 we are introducing an apprenticeship scheme to grow our own future Environmental Health Officers.

**Table 7– Deputy Chief Executive Revenue Budget 2023/24**

Deputy Chief Executive	2023/24	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25
Services	Current budget	Base Budget Approved MTFS March 2023	Adjustments	Growth	Inflation	Fees & Charges	Savings/ Income	Revised Budget
	£'000		£'000	£'000	£'000	£'000	£'000	£'000
<b>Planning &amp; Sustainable Economy</b>								
Development Management	277	283	(15)	(3)	76	-	-	341
Planning Policy	511	513	60	100	32	-	-	705
Housing Enabling	149	149	-	(2)	10	-	-	157
Economic Development & Sustainability	585	585	35	(6)	29	-	-	643
	<b>1,522</b>	<b>1,530</b>	<b>80</b>	<b>89</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>1,846</b>
<b>Communities</b>								
Environmental Health	844	846	151	4	49	(17)	-	1,033
Community Services	236	37	-	72	22	-	-	331
Partnerships	240	241	469	(2)	21	-	-	729
	<b>1,320</b>	<b>1,324</b>	<b>620</b>	<b>74</b>	<b>92</b>	<b>(17)</b>	<b>-</b>	<b>2,093</b>
<b>Total Deputy Chief Executive</b>	<b>2,842</b>	<b>2,854</b>	<b>700</b>	<b>163</b>	<b>239</b>	<b>(17)</b>	<b>-</b>	<b>3,939</b>

## **Director of People and Commercial Services**

- **Digital and People Services**
- **Commercial Services and Contracts**

### **Customer Services**

89. The priority for Customer Services is to act as a focal point for customers to the council. This coming year the council will continue to work across services to continue to review practices and technology to improve efficiency and effectiveness for customers.
90. The continuing development priority will be streamlining the customer experience. This will simplify how customers access services; offering more choices for residents to interact with services in the ways that they prefer. This includes ensuring the council addresses issues with digital exclusion and committing to leaving no resident behind.

### **Digital and Technology**

91. Building on the successful restructure of digital services in 2019/20, Digital and Technology will continue to focus on supporting services as they plan service redesign. This will ensure that digital technologies and approaches needed to achieve further efficiencies and enhance the customer experience are value for money. This will involve continuing to look at the skills and development required within the digital service and the council as a whole.
92. The service will use the learning from the previous year, continuing to develop core technology such as O365, and preparing for incoming technology upgrades such as Windows 11. We will continue to strengthen the council's resilience and security by migrating key technology to the cloud. This will also enable improved integration between systems, and digitising processes for increased efficiency. The service will also investigate the further use of AI technologies in simplifying repetitive tasks so that teams can increase their capacity to use their expertise in their service areas.
93. Cyber-security and digital risk management are nationally important issues and high service priority for local authorities. The council will continue its work with the National Cyber Security Centre to help the council identify and mitigate cyber threats. The cyber security landscape presents an ever-changing and evolving challenge. Work will continue with colleagues in Organisational Development and Democratic Services to provide training and development to complement our ever-developing set of technologies and techniques used in the fight against cybercrime.

### **Revenues and Benefits**

94. The forthcoming year will be as challenging as recent years with demand for the service continuing to be high. Among other government support schemes, the service has administered the Energy Bills Support Schemes / Alternative Fuels Payment energy scheme, paying £129,200 to households not on mains electricity or gas supplies. We will need to continue to respond quickly to new government support schemes. This means we will maintain our flexible approach to pivoting resources towards this need and increase service resilience, so it is able to respond effectively.
95. We will continue to invest in new technology and service redesign, focusing on improving the customer journey and our self-service offerings. We will continue with our ambition to ensure we provide the maximum possible support to residents and deal with debt by the most effective means available to us.

### **Housing Options**

96. Over the last year Housing Options continued to work hard to reduce the number of residents in Temporary Accommodation. By continuing to streamline processes and focus on prevention work, we are preparing for another challenging year as we continue to support national schemes, assist residents experiencing the current cost of living challenges, and work with the challenging rental market. The work of the service included reducing rough sleeping to zero from June to October and

launching an outreach surgery for those needing Temporary Accommodation and to provide homeless prevention advice and support.

97. The upcoming focus will be on working to meet the need being presented nationally around the various asylum cohorts and refugee resettlement schemes that the council has an obligation to support, which will add considerable pressure to the service and its resources.
98. The service will add additional resources and develop prevention strategies to ensure we can tackle rising homelessness caused by domestic violence, which is now the leading cause of homelessness in our district. Homelessness prevention and our work with rough sleepers will also continue to be service priorities with various service activities targeted in these areas.
99. We will continue our outreach work to help capitalise on opportunities for early intervention. This will continue to increase prevention and use specific accommodation to meet the needs of rough sleepers and families to assist people in finding employment and help them find alternative accommodation. We will continue to review technologies and working practices to identify opportunities for improvements. We will review our Allocations Policy to ensure it meets the current and future needs of the council's residents.

## **Commercial Services and Contracts**

### Contracts and Services

100. The '1-2-3' food waste collection trial launched in September 2022/23 and has been a huge success. Nearly 400 tonnes of food waste were collected in the first 12 months, giving rise to a recycling rate of over 60% in the trial areas. The service is also extremely popular with residents, with a participation rate of over 90%. Following the Government's announcement in October 2023 of 'Simpler recycling' we will work with partners across the county to prepare for a full rollout of food waste by March 2026.
101. We have also continued with the delivery of our Parks Improvement Programme. Detailed design work for the first three sites has continued over the past 12 months, and work will be starting on the ground in 2024/25.
102. During 2023 further consultation and detailed design work took place for the new Centre for Outdoor Sport, in readiness for construction to start in early 2024. This s106-funded project will deliver a range of new sports and recreation facilities for the district and is a key part of the council's wider Strategic Vision for its parks, open spaces, and sports facilities.
103. Despite an ongoing improvement in attendance and membership numbers following the pandemic, the council's leisure centres have continued to present a significant financial challenge for the council. Work with Places Leisure will continue into 2024/25 to optimise leisure centre use and further improve their performance.
104. The council continues to manage how its car parks support the economic and social activity within towns and villages. The Parking Strategy sets out this work and includes the ongoing review of appropriate tariff and management regimes, and the implementation of the Car Park Investment Strategy. This work will continue into 2024/25 with the aim of delivering a high-quality, modern, and cost-effective service that is responsive to customer needs and better able to support the vitality of the district's towns and villages.

### Estates Services and Building Control

105. A key piece of work for the Estates Services and Building Control team in 2024/25 is the development of a Corporate Property Asset Management Strategy to ensure all property decisions are informed by an agreed strategic direction and based on a robust and sustainable financial strategy.



106. Alongside this, work will continue to develop outline business cases and feasibility studies for the redevelopment of and investment in key sites within the district, to provide affordable housing and employment opportunities, and to improve the asset portfolio.
107. The team will continue to support the Burgess Hill Town Centre development and management of the Orchards Shopping Centre in Haywards Heath.
108. The team will also continue to support the Housing Enabling Team with the delivery of the Temporary Housing Accommodation Strategy and will support the delivery of the Parking Strategy and the Parks Improvement Programme.

**Table 8 – People and Commercial Services Revenue Budget 2023/24**

Services	2023/24	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25
	Current Budget	Base Budget Approved MTFS March 2023	Adjustments	Growth	Inflation	Fees & Charges	Savings/ Income	Revised Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Commercial Services &amp; Contracts</b>								
Cleansing Services	4,531	4,174	117	364	703	(228)	-	5,130
Landscapes	2,175	2,178	(18)	425	75	-	-	2,660
Parking Services	(1,156)	(1,156)	-	(6)	3	(492)	(114)	(1,765)
Leisure	(917)	(917)	3	212	11	(30)	-	(721)
Facilities	1,776	1,776	(21)	40	77	-	-	1,872
Estates	(3,096)	(2,944)	(23)	(21)	(120)	-	(70)	(3,178)
Building Control	143	147	-	1	24	-	-	172
	<b>3,456</b>	<b>3,258</b>	<b>58</b>	<b>1,015</b>	<b>773</b>	<b>(750)</b>	<b>(184)</b>	<b>4,170</b>
<b>Digital &amp; People Services</b>								
Revenues & Benefits	1,822	1,832	(13)	(13)	179	-	-	1,985
Housing Options	1,557	1,558	96	(1)	79	-	-	1,732
Customer Services	367	369	(5)	-	32	-	-	396
Digital and Technology Services	1,691	1,693	(65)	-	78	-	-	1,706
	<b>5,437</b>	<b>5,452</b>	<b>13</b>	<b>(14)</b>	<b>368</b>	<b>-</b>	<b>-</b>	<b>5,819</b>
<b>Total People &amp; Commercial Services</b>	<b>8,893</b>	<b>8,710</b>	<b>71</b>	<b>1,001</b>	<b>1,141</b>	<b>(750)</b>	<b>(184)</b>	<b>9,989</b>

## Resources and Organisational Development

- **Corporate Resources**
- **Governance**
- **Human Resources, Organisational Development and Communication**

### HR, Organisational Development and Communication

109. We will this year roll out a graduate scheme and a comprehensive approach to supporting and developing new and existing staff through our apprenticeship scheme. This approach to investment and development of staff, and of growing our own talent in those hard to recruit areas is a crucial part of our workforce planning strategy.
110. It is expected that the agency and consultant costs will reduce in 2024/25 following changes to our approach to recruitment and in particular a targeted approach to hard to recruit roles. We will continue throughout the year to use the expertise in our HR & OD team to focus on developing and retaining the right staff in this highly competitive market.
111. We will, by April 2024 through the rollout of our Job Evaluation Scheme, become a Real Living Wage employer for all our directly employed staff. More broadly the Job Evaluation scheme enables all employees to have their roles benchmarked and evaluated as part of our ongoing commitment to staff.
112. The council continues to focus on developing its communications with a digital first approach and therefore delivering more continuous and immediate communication of priorities, including a focus on engaging with partners and providing shorter, more regular social media focused content.
113. Additionally, the communications approach will continue to build on engaging on specific topics to a deeper and more detailed level, such as the Clair Hall engagement, the work being prepared to communicate the District Plan, the focus on Cost of Living and the changes to Community Grants.
114. Similar campaign-based work is planned for next year with key focuses on sustainability, economic development, climate, wellbeing and leisure investment. The council will also build on its campaign to build its resident newsletter and engagement hub sign ups, alongside supporting local town and parish magazines for non-digital communications.

### Corporate Resources

115. The Service will continue to support business operations, finance, and governance arrangements in line with CIPFA Policy and relevant legislation. Looking to develop its offer to the wider business as part of embedding a business partnering approach and exploring the development opportunities within available technology and resources.

Specific work will include;

- a) A continuation of work to develop the planning and reporting of the Capital Programme and its strategy. This will include looking to best estimates of spend against planned delivery to ensure we have a multiyear view of the substantial programme being delivered. This will aid robust financial management. The service will also support the scoping and governance of the council's major projects and will continue to promote good practice.
- b) Work will be undertaken to develop risk management and broader governance in support of the S151 Annual Governance Statement and legislative requirements.
- c) In 2024/25 the finance function will be focusing on developing a strategic business partnering approach in the support provided to the broader organisation and the delivery of services and projects. Together with business-as-usual activities including in-year monitoring, the annual audit, and the budget setting process. The service will ensure the safe and effective management of the council's finances supported by Internal Audit, Audit, and Treasury Management.

- d) Local Land Charges, Planning and Building Control Support continue to have a responsibility to ensure accurate Land Charges data is maintained and exported to Land Registry daily via a fully digitised system. The Land Charges Team will continue to provide detailed answers to the CON29 form elements of official searches.

### Centrally Held

116. In addition to service budgets there are a number of other budgets held centrally where the cost is passported through our accounts, are contributions to reserves to meet future needs or pending allocation to specific services:
- Housing benefits are administered through our accounts, but are funded in full by government, however, there can be a cost or income depending on how well the council administered the scheme.
  - Drainage Levies are levied through Council Tax, the council passing the levy directly to the appropriate Internal Drainage Board.
  - A contingency for the year and has been kept low for the last few years. In effect, we accurately balance the budget by appropriately varying this figure by small amounts, and for 2024/25 it is proposed to remain at £20k.
117. Contributions to reserves include:
- a. A contribution to a new Waste Service reserve to manage both mid-year contract agreements and the cost of infrastructure investment needed to deal with the introduction of the National Waste Plan.
  - b. A contribution to funding the next iteration of the Development Plan.
  - c. A contribution for funding Organisational development and efficiency initiatives.
  - d. Other budgets such as set aside for pay awards and inflation will appear as centrally held until allocated to services.

### **Governance**

#### Legal Services

118. The legal team supports the Monitoring Officer function, ensuring that decisions made by all parts of the council are legally robust and bearing statutory responsibility for the legal governance of the council. This includes providing legal advice across all the council's functions and, where advice cannot be sourced in-house, working with external solicitors and/or Counsel.
119. The team also provides support in all transactional matters for the council, carries out prosecutions, and conducts civil proceedings on behalf of the council to ensure effective enforcement of the council's powers and defence of its legal rights.
120. The team will continue to focus on these business-as-usual activities in 2024/25, in particular in providing support for the council's priority projects.
121. The Legal Team has retained its Lexcel accreditation, which is a quality mark for excellence in Legal Practice, Management and Client Care.

#### Democratic Services

122. The service delivered Local Government Elections in May 2023 in a legislative context which saw the introduction of Voter ID. The service is adapting to further legislative changes, including changes to postal and proxy voting rules. The service is now preparing for delivery of the Police and Crime Commissioner election in May 2024.
123. The service is maintaining readiness for a United Kingdom Parliamentary General Election, which seems likely to occur in 2024 in which for the first time the council will also carry out count activities for constituencies which fall partially outside the district (East Grinstead and Uckfield).

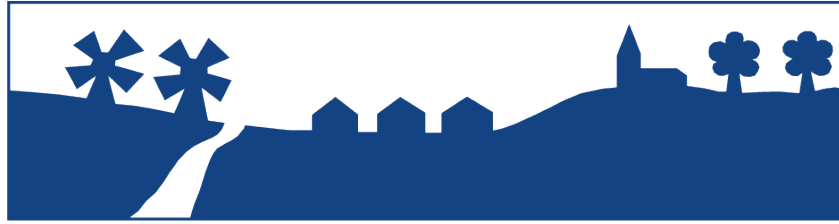
124. The team continues to help to deliver a comprehensive induction training program for Members of the council. Much was offered in the early part of the municipal cycle, though a quality learning and development experience for all will continue throughout 2024/5.
125. The team continues to support and facilitate the business of the council and the Chairman's civic events, and external recruitment for Panel members, with the appointment of Remuneration Panel members and Independent Persons either in train or occurring shortly.

**Table 9 – Corporate Resources and Organisational Development Revenue Budget 2023/24**

	2023/24	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25
Services	Current budget	Base Budget Approved MTFs March 2023	Adjustments	Growth	Inflation	Fees & Charges	Savings/Income	Revised Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Governance</b>								
Democratic Services	1,005	1,005	-	54	24	-	(55)	1,028
Legal	306	308	132	236	42	-	-	718
	<b>1,311</b>	<b>1,313</b>	<b>132</b>	<b>290</b>	<b>66</b>	<b>-</b>	<b>(55)</b>	<b>1,746</b>
<b>Organisational Development</b>								
Human Resources & Organisational Development	584	584	120	140	38	-	-	882
Communications, PR & Community Engagement*	727	727	(469)	-	15	-	-	273
	<b>1,311</b>	<b>1,311</b>	<b>(349)</b>	<b>140</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>1,155</b>
<b>Corporate Resources</b>								
Finance	750	752	90	43	54	-	-	939
Land Charges, Planning & Building Control	343	345	6	(1)	37	(9)	-	378
PMO	189	190	87	1	22	-	-	300
Corporate Finance	1,782	1,721	153	105	116	-	-	2,095
Strategic Core**	1,603	1,626	(890)	18	(2)	-	-	752
Centrally Held	796	1,583	-	990	(787)	-	-	1,786
	<b>5,463</b>	<b>6,217</b>	<b>(554)</b>	<b>1,156</b>	<b>(560)</b>	<b>(9)</b>	<b>-</b>	<b>6,250</b>
<b>Total Resources &amp; Organisational Development</b>	<b>8,085</b>	<b>8,841</b>	<b>(771)</b>	<b>1,586</b>	<b>(441)</b>	<b>(9)</b>	<b>(55)</b>	<b>9,151</b>

\*Community engagement now sits within the Communities budget under the Deputy Chief Executive.

\*\* This reflects a movement of core costs to the direct service they support



**MID SUSSEX**  
**DISTRICT COUNCIL**

**SECTION 4**

**RESERVES POLICY AND SUMMARY OF  
USABLE RESERVES AND OTHER BALANCES**

## CORPORATE PLAN AND BUDGET 2024/25

### SECTION 4: USABLE RESERVES AND OTHER BALANCES

126. Reserves play a crucial role in good public financial management. They enable investment in support of the councils' services and objectives while also providing financial resilience against unexpected events. The reserves strategy and policy ensure effective oversight regarding the level and use of reserves.
127. There are fundamentally 3 categories of reserve; earmarked – those which are set aside for a specific purpose; ringfenced - received for a specific purpose; unallocated – to manage financial risk.
128. Our Reserves and the underpinning Reserves Policy have been reviewed ensuring that they are reflective of the council's strategic agenda and the current financial risks and issues the council faces through the medium term. It is crucial to bear in mind that the reserves are the only source of financing to which the council has access to fund risks and one-off pressures over a number of years. If the council minimises the level of reserves too significantly there is a risk that in future, the ability to properly manage unforeseen or one-off costs will be significantly impaired. Further it is important to note that the use of reserves is not a sustainable solution as reserves can only be spent once. With the opportunity for creating new reserves being increasingly limited with high inflation and housing demand putting pressure on budgets, and one-year settlements give no surety of future funding streams.
129. The policy on reserves and balances has regard to Local Authority Accounting Panel (LAAP) Bulletin 99 "Local Authority Reserves and Balances", issued in July 2014 whereby in reviewing the Medium-Term Financial Plan and preparing annual budgets, the council will consider the establishment and maintenance of reserves. The nature and level of reserves will be determined formally by the council, informed by the judgement and advice of the S151 Officer.
130. Details of the council's reserves and balances are set out in Table 10, which shows reserves held at 1 April 2023 were £63.7m and with the estimated planned use, the expectation is that £37.4m will be held by 31 March 2028.
131. The conclusion of the S151 Officers Robustness statement resolves that given the ongoing financial uncertainties and unprecedented levels of inflation, increasing reserve levels, where possible, continues to be a priority.

#### Reserves Policy and Strategy

132. Any one-off funding, such as New Homes Bonus, and treasury management windfall above that planned in the MTFP or that required to support service in year pressures, be used to top up the General Reserve.
133. The authority should aim to hold a General Reserve of between £11.5m and £17.2m, equivalent of 6-9 months of net revenue budget.
134. The council classifies its Usable Reserves as follows:
- a) **General Reserve:** The unallocated element of this reserve is held to manage financial risks if they cannot be managed via other mitigations. It is best practice to hold such a balance to assist in delivering services over the medium term providing for a contingency to cushion the impact of unexpected events and emergencies. It also includes amounts of funds held in perpetuity.
  - b) **Earmarked Specific Reserve:** This contains both ringfenced (specific grants and contributions) and earmarked (where a decision has been made) funds that are held to meet known or anticipated future one-off requirements, facilitating transformation and service management. In addition, it includes working reserves that are held to manage future financial

- risk and uncertainty.
- c) **Capital Receipts Reserve:** This is required by statute and represents the capital receipts from the sale of assets that are available to finance future capital expenditure.
- d) **Capital Programme Reserve:** This represents amounts set aside from revenue resources to fund future capital expenditure and mitigate the financial risk of the capital programme.

135. This council also holds other balances as follows:

- a) **Capital Grants & Contributions receipts in advance:** This comprises capital grants and S106s contributions from developers. These sums are restricted to being spent only in accordance with the agreement concluded with the developer or by the grant determination.

## Management of Reserves

136. Council, as part of agreeing the budget, will agree the policy and strategy for reserves on the advice of the S151 Officer. The use of reserves will be approved by Management Team and reported to Cabinet as part of the monitoring process.
137. The S151 Officer will monitor the drawdown of specific reserves in accordance with the agreed policy and use of those reserves, and keep Members advised.

**Table 10: Reserves and Balances - November 2023**

Reserves	Note	Balance 31/03/23 £'000	Balance 31/03/24 £'000	Balance 31/03/25 £'000	Balance 31/03/26 £'000	Balance 31/03/27 £'000
<b>General Reserve:</b>						
Unallocated	1	6,810	4,275	4,275	4,275	4,275
Treasury Management windfall to support MTFP		715	715	0	0	0
Treasury Management received Q2 less proposed use			52	52	52	52
Use of General Reserve to balance 2024/25				(540)	(540)	(540)
Held in Perpetuity	2	4,834	4,809	4,809	4,809	4,809
<b>Total General Reserve:</b>		<b>12,359</b>	<b>9,851*</b>	<b>8,596</b>	<b>8,596</b>	<b>8,596</b>
<b>Specific Reserves:</b>						
Earmarked to support new burdens or to support specific service delivery	3	12,459	9,164	8,352	6,119	3,978
Working reserves held to manage risk	4	7,553	4,777	3,700	3,623	3,546
<b>Total Specific Reserve:</b>		<b>20,012</b>	<b>13,941</b>	<b>12,052</b>	<b>9,742</b>	<b>7,524</b>
<b>Total Revenue Reserves</b>		<b>32,371</b>	<b>23,740</b>	<b>21,507</b>	<b>19,17</b>	<b>16,979</b>
<b>Total Capital Receipts Reserve</b>	5	5,122	1,848	1,759	1,670	1,591
<b>Total Capital Programme Reserve</b>	6	0	1,380	786	648	648
<b>Total Reserves</b>		<b>37,493</b>	<b>27,019</b>	<b>23,192</b>	<b>20,655</b>	<b>18,359</b>
<b>Balances</b>						
<b>Total S106 &amp; Capital Grants Contributions</b>	7	<b>26,218</b>	<b>27,764</b>	<b>20,232</b>	<b>19,442</b>	<b>19,442</b>
<b>Total Reserves and Balances</b>		<b>63,711</b>	<b>54,783</b>	<b>43,423</b>	<b>40,097</b>	<b>37,801</b>

\*Excludes any 2024/25 New Homes Bonus or surplus Treasury Management windfall achieved in the second half of 2023/24

**Notes:**

1. Total available to manage financial risk and protect service delivery It does not include surplus interest receipts forecast for the period, and New Homes Bonus monies. There is no provision for future budget gaps.
2. Includes amounts set aside for SANG investment fund in perpetuity and amounts received from developers in respect of land adoptions in lieu of maintenance.
3. Provided to support new burdens or funds previously agreed by council to support agreed specific service delivery.
4. Working reserves held to manage risk. Corporate Equalisation Funds mainly includes the Rate Retention Scheme Reserve (£6,727k @31 March 2023) and Benefits Equalisation Reserve (£771k @31 March 2023)
5. Accumulated proceeds from asset disposals can only be spent on capital investment.
6. Reserve held for financing elements of the current capital programme and its financial risk.
7. This comprises third party contributions, capital grants and S106s contributions from developers. These sums are restricted to being spent only in accordance with the agreement.

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