

DRAFT CORPORATE PLAN AND BUDGET FOR 2024/25

REPORT OF: DIRECTOR OF RESOURCES AND ORGANISATIONAL DEVELOPMENT
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Wards Affected: All
Key Decision: Yes
Report to: Council
28 February 2024

Purpose of Report

1. This report sets out the draft proposals for the Council's Corporate Plan and Budget 2024/25.

Recommendations

2. **Council is recommended to approve the draft Corporate Plan and Budget set out at Appendix A, and specifically approve:**
 - (a) **The Revenue Budget of £23,078,868 as detailed in Sections 2 and 3, noting the need to rely on the General Reserve as detailed in the MTFP.**
 - (b) **The Mid Sussex District Council element of the Council Tax be increased by 2.95% to £190.80, with no requirement to hold a local referendum in accordance with the Act.**
 - (c) **The Capital programme of £10,310,000 for 2024/25, as set out in section 5.**
 - (d) **Having considered Cabinet's budget proposals from their meeting of 5th February 2024, the Council Tax Resolutions as set out in section 7.**

Council is asked to note:

- (e) **The estimates for reserves and balances (see Section 4 for details) and the priority, as part of the sustainability of the financial robustness of the council, to increase reserves where possible.**
 - (f) **The summary Medium Term Financial Plan to 2027/28 (see Section 2 for details).**
 - (g) **That the estimated surplus on the Collection Fund for Council Tax totalling £2,118,000 for the year ended 31 March 2024, of which the Mid Sussex District Council share is £262,900 (see Section 6 for details) is noted.**
 - (h) **That the estimated deficit on the Collection Fund for Business Rates totalling £3,025,270 for the year ended 31 March 2023, of which the Mid Sussex District Council share is £1,210,110 (see Section 6 for details) is noted.**
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Background

3. The Council approves a Corporate Plan and Budget annually which sets out the Council's corporate priorities and associated spend in the following financial year. The draft proposals for 2024/25 are set out in Appendix A to this report. This includes draft strategic plans for services which propose activities for the coming year (set out at section 3 of the report). These are supported by a Medium-Term Financial Plan (MTFP) that presents the financial assumptions and makes recommendations to achieve a balanced budget position.
4. The draft Corporate Plan and Budget has been produced in extremely challenging times with significant financial and economic pressures both nationally and locally. This is coupled with ongoing uncertainty in local government finance across both the short and medium term.
5. While a balanced position for 2024/25 is presented, this relies on the use of the General Reserve. The draw on the General Reserve is considered to be of a reasonable level, however, this is only achieved when coupled with making difficult decisions around increasing fees and charges. To achieve overall Budget robustness, it is expected that New Homes Bonus and the remainder of the Treasury Management windfall will be available to top the reserve back up. The use of both Treasury Management windfall income and New Homes Bonus in this way is considered the most prudent approach, as they are not ongoing funding streams and therefore cannot be used to support the MTFP in a sustainable way.
6. It cannot be underestimated that there remain challenges ahead. The role of Council is to set a balanced budget in the coming year (2024/25). However, this budget sets out both a known structural gap in future years and a significant cliff edge should Business Rates Reform be implemented (the details and timing of which remain unknown). Returning to the structural gap, this can only be reduced by sustainable and ongoing income increases. Where our ability to raise Council Tax is capped significantly below inflation income such as fees and charges remain fundamental to ongoing service provision.
7. The MTFP within the draft Corporate Plan and Budget has now been updated for the Provisional Local Government Financial Settlement. However, this has not changed the principles outlined in the Corporate Plan and Budget.
8. Changes to the MTFP as a result of the Provisional Local Government Settlement announced on 18 December 2023 were as follows; a net increase to the Funding Guarantee and Services grant of £371k. In addition, New Homes Bonus will continue for one more year with a provisional allocation for the Council of £1.829m. In line with the reserves policy and in support of budget robustness it continues to be proposed that this will top up the General Reserve. These changes are updated in the draft Corporate Plan and Budget at Appendix A.
9. Further, on the 24th January an additional settlement proposal was added to the Provisional Local Government Settlement which resulted in an expected additional £196k funding for Mid Sussex, reducing the draw outlined above from £540k to £343k. It should continue to be noted that the overall draw on the reserve to balance the budget remains at £1.6m when aggregating this figure, the Treasury Management set aside, and the baseline Treasury Management contribution of £540k (which includes the property fund dividend). The final Settlement position is detailed at paragraph 15 and the impact set out in the MTFP (Appendix A, page 14).

Consideration by Members

10. The Council has a clear and robust process for Member scrutiny of the draft Corporate Plan and Budget. Its publication on 12 December 2023 marked the start of the six-week consultation period which ended on 24 January 2024. The Scrutiny Committee for People and Communities considered the draft Corporate Plan and Budget on 24th January and submitted recommendations to Cabinet, which met and recommended this Budget on 5 February 2024.
11. The Corporate Plan and Budget for 2024/25, is now submitted for approval by Council at its meeting on 28 February 2024. The Council must, by statute, approve a Budget by 11th March 2024. The final version will then be published on the Council's website.

Financial Implications

12. None other than those set out in this report and its appendices.

Risk Management Implications

13. The strategic risks associated with the delivery of the proposals within this Corporate Plan are considered in full as part of the Council's annual strategic risk management process, which identifies key risk areas along with contingency and mitigation plans to alleviate them. These will be reported to Audit Committee within the annual cycle.

Other Material Implications

14. None.

Sustainability Implications

15. None.

Appendices

Appendix A – Draft Corporate Plan and Budget 2024/25

Background Papers

None.