

DRAFT CORPORATE PLAN AND BUDGET FOR 2019/20

REPORT OF: HEAD OF CORPORATE RESOURCES
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Wards Affected: All
Key Decision: Yes
Report to: Cabinet
11th February 2019

Purpose of Report

1. To seek Cabinet's consideration of the draft Corporate Plan and Budget for 2019/20, taking account of the views expressed by the Scrutiny Committee for Leader, Resources and Economic Growth at its meeting on 16th January 2019. **Cabinet is asked to consider this report in conjunction with** Appendix 1, which is the relevant extract from the Scrutiny minutes.
2. This report also provides Cabinet with some updated information in relation to the Settlement Announcement. A verbal report of any late changes will also be given.

Summary

3. The provisional settlement announced for us on 13th December 2018 was in line with expectations given that we had signed up for the four-year deal in 2016. Revenue Support Grant was nil and other sundry lesser grants continued much as flagged. The New Homes Bonus scheme continues broadly as before.
4. As a result of this, the draft service and financial plans for 2019/20 considered by the Scrutiny Committee will not require any changes. This enables the Council to approve a balanced budget.

Recommendations

5. **Cabinet is requested to recommend the proposals for 2019/20 as set out in the report to the Scrutiny Committee and as amended by this report, to Council, specifically:**
 - (i) **The overall direction and service levels promoted within the draft Corporate Plan;**
 - (ii) **The financial outlook facing the Council;**
 - (iii) **The proposed increase in Council Tax;**
 - (iv) **The proposed placements in the Specific Reserves;**
 - (v) **The proposed Capital Programme; and**
 - (vi) **The service commentaries and supporting summary budget tables for each business unit.**

Background

6. The proposals set out in the draft Corporate Plan and Budget have been made using the same tried and tested approach as in previous years and are the result of a process of budget and service review which has covered all the Council's services.
7. The draft proposals were published for a period of consultation with all Members on 21st December 2018. The consultation period included a meeting of the Scrutiny Committee for Leader, Resources and Economic Growth on 16th January 2019 where the proposals were discussed in detail. This report takes account of the comments made by the Committee where the proposals presented were supported unanimously.

8. In contrast to last year, this year the draft Plan was prepared after the Provisional Settlement was announced which gave some certainty to the published figures. We were reassured to see that the negative Revenue Support Grant which would have cost us some £767k was eliminated from the settlement with the result that our RSG was simply zero for 2019/20.

Consideration of the Corporate Plan and Budget 2019/20 by the Scrutiny Committee for Leader, Resources and Economic Growth

9. The Scrutiny Committee were asked to consider three aspects of the Corporate Plan and Budget, that;
- Provides investment to support the Council's ambitious growth programme;
 - Invests in community services and facilities, and;
 - Protects key frontline services.
10. The draft minutes at Appendix 1, demonstrate the full and helpful discussion at the Scrutiny Committee with Members asking a wide range of detailed questions. These did not result in any changes to the proposals but were very helpful to officers and Portfolio Holders.

Changes to the draft Corporate Plan and Budget to be considered

11. There have been no changes to any figures within the Settlement since it was announced. The Final Settlement recently published, but not yet passed by Parliament, makes no amendments to any aspects of our financial situation.
12. The Medium Term Financial Plan therefore remains as previously published and is contained within Appendix 2.

Update on the Fair Funding Review

13. The review continues with a consultation paper to which all councils are invited to respond. Mid Sussex will work with the other Councils across West Sussex to respond collectively on the paper given there are many common factors that unite us. This is a relatively simple matter in essence but the detail requires some careful balancing; for example, it is proposed that no premium is given for rurality whilst at the same time, no premium is proposed for deprivation either. The extent to which one or both affects Shire Districts like Mid Sussex is to be assessed as part of our response.
14. The Cabinet Member for Finance and Performance will, naturally, agree any or all responses on behalf of this Council.

Capital Programme

15. The Capital Programme was supported as presented. However, we are earmarking funds from the 2018/19 budget underspend to finance the revenue costs of working up the Parks and Outdoor Spaces Capital Schemes around the district. This will enable preparatory work to commence before the end of the financial year.

Financial Implications

16. There are no financial implications other than those identified in this report.

Risk Management Implications

17. In the preparation of the draft corporate plan and budget, risks will have been assessed and those that can be mitigated will have a plan attached. It is not therefore considered that these proposals bring forward any significant risk.

Equality and Customer Service Implications

18. There are no such implications within this report.

Other Material Implications

19. There are no other material implications other than those already set out in this report.

Background Papers

None.

**Minutes of the meeting of the Scrutiny Committee for Leader,
Resources and Economic Growth on 16 January 2018
from 7:00 p.m. 8.16 p.m.**

Present:

Edward Belsey	Tony Dorey	Geoff Rawlinson*
Margaret Belsey	Jacqui Landriani	Peter Reed
Richard Cherry	Andrew Lea	Linda Stockwell
Rod Clarke	Gordon Marples	Colin Trumble
Ruth de Mierre	Norman Mockford*	Rex Whittaker
* Absent		

Also present : Cllr Thomas-Atkin and Cllr Norman Webster

Also present (as Cabinet Member): Cllr Garry Wall, Cllr Judy Llewellyn-Burke and Cllr Ash-Edwards.

1. SUBSTITUTES AT MEETINGS OF COMMITTEE – COUNCIL PROCEDURE RULE 4

None.

2. APOLOGIES

Apologies were received from Councillor Rawlinson and Councillor Mockford.

3. DECLARATIONS OF INTEREST

Councillor Andrew Lea declared that he is a West Sussex County Councillor.

4. MINUTES

The minutes of the meeting held on 14 November were agreed as a correct record and signed by the Chairman. The minutes of the Joint Scrutiny Meeting held on 18 December were tabled with two minor amendments which were agreed as a correct record and signed by the Chairman.

5. URGENT BUSINESS

None.

6. DRAFT CORPORATE PLAN AND BUDGET 2019/2020

The Cabinet Member for Finance and Performance was invited to provide an introduction to the report. She acknowledged the progress of the flagship activities over the past year and noted that the draft plan for 2019/20 allows for the progression of the Council's economic strategy.

The Chief Executive reminded Members that following scrutiny of the draft Service Plans and budget for 2019/20, the Cabinet would consider the plans and that ultimately Council would agree them and set the Council Tax at its meeting in February. She drew Members attention to two items of note – the Fair Funding Review 2018 which could have a profound effect on the budget, and the West Sussex County Council's budgetary reductions which could result in the Council incurring extra costs.

Discussion was held on the risks to the draft Corporate Plan and Budget. The Leader noted the Council's well embedded risk management arrangements. Assurance was provided

that the funding for disabled facilities grants is not affected by the proposed WSCC reductions as it is ring-fenced funding from central government. However it was acknowledged that WSCC's future funding to the Health and Wellbeing team was a concern.

Members commented on the Council owned sites identified for disposal and discussed the need to address homelessness with potential funds generated from their sale. The Deputy Leader confirmed that receipts generated by the disposal of land can be used to assist with housing, and a significant sum has already been invested in providing housing options. The Chief Executive noted that whilst the Council has forecasted a reduction in spend on Bed and Breakfast accommodation, it is a demand led service so it is not possible to guarantee that using the Council's own properties will lead to a reduction in spend on temporary accommodation, particularly in the light of the new Homelessness Reduction Act and ongoing welfare reform.

Information on rental income and asset protection was discussed. The Head of Corporate Resources confirmed that rental income is increasing and as an example; details of the site at Wicks is included in the medium term financial plan. In terms of other assets, assurance was provided by the Deputy Leader that the Orchards retail assets are protected, with careful investments being made to ensure a relevant and interesting mix of units are secured, with long leases being issued. A Strategic Plan for the Orchards is being developed, with options and supporting business case being brought forward in 2019/20.

The potential budgetary increase relating to waste and recycling was discussed. Members noted the reversion to the contracted fee for garden waste collection, and the effect of WSCC's savings programme relating to recycling credits. It was noted by the Chief Executive that there is considerable disquiet amongst affected Local Authorities regarding the payment mechanism for recycling credits and the Council is actively encouraging the development of a Countywide waste strategy.

The Members considered each service commentary and summary budget tables in section 3 of the report.

Clarity was sought on the status of the Community Infrastructure Levy (CIL). The Assistant Chief Executive confirmed that the Government consulted on it in summer 2018, issuing a further consultation and recommendations in December 2018. The Council has considered the recommendations and will defer a decision until new regulations are in place.

Significant spending on the Council's outdoor facilities was discussed, as well as leisure income. In terms of the 84 hectares of open space being transferred from Homes England to the Council, the ownership and costs required to maintain it will be borne by the Council but from commuted sums. It was noted by the Leader that the leisure facilities are discretionary services which the Council chose to invest in. A great deal of work has been put into managing the outsourcing of this effectively so that investment can continue. The Head of Corporate Resources also provided assurance to the committee that there is investment in the Corporate Estates and Facilities team, noting recruitment is underway for a new Business Unit Leader and new Estates Team Leader.

The committee noted the information provided on the investment in the Council's ICT infrastructure and the increase in capacity for the Customer Services team.

A Member expressed a wish for more extensive detail to be provided in the report as a whole, in order to scrutinise whether objectives have been met. The Cabinet Member for Finance and Performance noted that the Committee scrutinises performance indicators throughout the year and if Members feel these are insufficient, they can request more information at this stage.

Members discussed the Capital Programme. It was noted by the Chief Executive that the programme is added to through the year, and the project justifications contained in the report reflect projects in a position to commence.

The Head of Corporate Resources confirmed that any receipt from the sale of land at Hurst Farm would form part of the Capital Strategy presented to the Audit Committee in March 2019 and that the working figure for the ICT Suite refurbishment is for the fabric of the suite and not for technology upgrades.

He confirmed that there is no planned capital investment spend at the present time although this was subject to opportunities arising, and that the Capital Programme is not currently funded by a loan. The option of loan finance forms part of the options detailed on p.56 of the report.

The Chairman took Members to the recommendations contained in the report, which were agreed unanimously.

RESOLVED

The Committee:

Considered the proposals for 2019/20 set out in the appended report and agreed any comments or recommendations that it wishes to make to Cabinet on:

- (a) The financial outlook facing the Council;
- (b) The proposed increase in Council Tax;
- (c) The proposed placements in the Specific Reserves;
- (d) The proposed Capital Programme; and
- (e) The service commentaries and supporting summary budget tables for each business unit.

7. WORK PROGRAMME

Tom Clark, Solicitor to the Council introduced the report, highlighting the two items which will appear on the next agenda. It was clarified that the next meeting would be held on 12 March 2019.

The Chairman reminded members that a working group is being convened to determine the KPI's for the next Council year and encouraged Members to volunteer to participate. Five members of this Scrutiny Committee are required along with the Chairman of the other two Scrutiny Committees.

The Chairman took Members to the recommendation which was agreed unanimously.

RESOLVED

The Committee:

- (i) Agreed the Committee's Work Programme as set out at paragraph 5 of the report, noting the date of the next meeting will be 12 March 2019.

Chairman