

## DRAFT CORPORATE PLAN AND BUDGET FOR 2020/21

REPORT OF: HEAD OF CORPORATE RESOURCES  
Contact Officer: Peter Stuart, Head of Corporate Resources  
Email: [peter.stuart@midsussex.gov.uk](mailto:peter.stuart@midsussex.gov.uk) Tel: 01444 477315  
Wards Affected: All  
Key Decision: Yes  
Report to: Cabinet  
10<sup>th</sup> February 2020

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### Purpose of Report

1. To seek Cabinet's consideration of the draft Corporate Plan and Budget for 2020/21, taking account of the views expressed by the Scrutiny Committee for Leader, Finance and Performance at its meeting on 15<sup>th</sup> January 2020. **Cabinet is asked to consider this report in conjunction with** Appendix 1, which is the relevant extract from the Scrutiny minutes.
2. The meeting also provides the opportunity to update Cabinet with any new information in relation to the Settlement Announcement. A verbal report of any late changes will be given.

### Summary

3. The provisional settlement announced for us on 20<sup>th</sup> December 2019 was in line with expectations and was possibly slightly better. Revenue Support Grant was nil and other sundry lesser grants continued much as flagged. The New Homes Bonus scheme continues for one more year but with a reduced financial impact.
4. As a result of this, the draft service and financial plans for 2020/21 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 2020/21 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 20<sup>th</sup> December 2019. The consultation period included a meeting of the Scrutiny Committee for Leader, Finance and Performance on 15<sup>th</sup> January 2020 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 again eliminated from the settlement with the result that our RSG was simply zero for 2020/21.

### **Consideration of the Corporate Plan and Budget 2020/21 by the Scrutiny Committee for Leader, Finance and Performance**

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 significant changes to any figures within the Settlement since it was announced. There have been some minor changes to grants such as Housing Benefit Administration Grant but these are readily accommodated. The Medium Term Financial Plan therefore remains the same (bar minor changes) as previously published and is contained within Appendix 2.
12. The Final Settlement is expected to be published by mid-February but is not forecast to make any amendments to any aspects of our financial situation.

### **Capital Programme**

13. The Capital Programme was supported as presented. In common with previous years we are anticipating bringing forward new capital schemes as we proceed through the year and the schemes get worked up into projects that are capable of ready delivery.

### **Financial Implications**

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

### **Risk Management Implications**

15. 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**

16. There are no such implications within this report.

**Other Material Implications**

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

**Background Papers**

None

## **Extract of Draft Minutes of Scrutiny Committee for Leader, Finance and Performance on 15th January 2020**

The Leader was invited to provide an overview of the budget. He advised the Committee Members that the meeting provided an opportunity to scrutinise the Corporate Plan and Budget for 2020/21. He noted that following the scrutiny of the draft Service Plans and Budget, the Cabinet would consider them and then Council would consider them at its meeting in early March. He commented on changes to the funding regime for local government.

The Chief Executive explained to the Committee how papers could be used to enable the Scrutiny Committee to consider all aspects of the draft budget and service plans 2020/1.

Members discussed Government Funding, the Full Fibre network for Burgess Hill, and staffing levels. The Chief Executive advised that when the report was written the provisional local government settlement was not known. However, since the General Election it had been announced and the draft budget did not require amendments in the light of it. The Head of Corporate resources noted that it was predicted that no revenue support would be received, which was correct but the system may change for 2021/22. The Head of Digital and Customer Service provided details on the Council's employees.

Information was sought on insurance, rental income, sale of assets, the future predicted deficit and The Orchards. The Head of Corporate Resources confirmed that due to collective procurement with other local authorities insurance costs had reduced. He advised that changes in rents were reported on an individual bases as no regular increments were built in. The Chief Executive commented that the budget predicted a deficit in year 2; however some factors may change and noted that the Fair Funding review would be material. Some councils like Mid Sussex may not fair very well and money may be diverted to other local authorities with children and adult responsibilities. She noted that receipts from the sale of assets were not accounted for until they were received. The Leader confirmed that a study was underway to assess options to improve The Orchards to generate more income and reflect the changing needs of Mid Sussex residents. He noted the 8% increase in footfall at The Orchards in the last quarter.

Members discussed the long term investment strategy in playgrounds, the Full Fibre network and areas of Mid Sussex currently benefiting from projects. The Assistant Chief Executive noted that 6 key parks had been identified for investment and that Council has commissioned a study to develop a 5 to 10 year strategy, for investment in the future. She confirmed some improvements had already been completed. The Chief Executive advised that the scrutiny committees will receive reports on the priority projects progress and noted that most were long term projects. The Head of Digital and Customer Service confirmed the extensive works required on ROI and regulated matters by Government funded projects. The Leader advised that the current development in Burgess Hill is supported by central government and emphasised that there is no prioritisation of investments in settlements in the District, as they all have different needs.

The provision of Gypsy and Travellers (G&T) and the recent problems with Electric Charging Points were discussed. The Assistant Chief Executive advised that the Council is required to meet the housing needs of all sectors of the community. The District Plan provides a policy framework.

The Chief Executive advised that section two highlighted the main changes in the draft budget for 2020/1 compared to the current year.

Members discussed staffing, job evaluation and gender pay gaps. The Chief Executive advised that resourcing staff is always a challenge with the highly competitive jobs market and the ambitious programme of projects. She noted that six teams are being restructured and invested in to ensure they have the right roles in place to deliver projects. The Head of Corporate Resources confirmed that job evaluation is a recurring cost and inflation of 2% on pay was a standard assumption used by other West Sussex authorities. The Head of Digital and Customer Service confirmed that the Annual Report on Equalities was being prepared.

West Sussex housing related support services, waste services and the audit were discussed. The Chief Executive outlined the impact of savings made by WSCC on recycling credits and supported housing, which had the impact of increasing this Council's costs directly. She advised that the Waste Collection Service is changing with a pilot food waste service starting shortly. The Head of Corporate Resources outlined the impact of changing requirements on the Council's external auditors.

Members discussed mitigation for climate change and tree planting schemes. The Leader highlighted the sustainability action plan. He noted the high maintenance costs of new trees and confirmed that any tree planting must be sustainable and compatible with the Council's landscape assessment. The Committee were advised that this district is a heavily wooded area, with 50,000 trees in the Council's ownership.

The Assistant Chief Executive introduced section three, a summary of the highlights of the past year and the anticipated focus for the coming year. She noted the continued demand for affordable housing and the provision of temporary accommodation. She noted that the Council had not owned any housing since 1990 until 2019.

The supply of affordable housing, cashless parking and sports provision for the Northern Arc development were discussed. The Assistant Chief Executive confirmed that the supply of affordable housing is linked to the housing market, and the Council can predict the supply as long as private housing is delivered by the market. Members were advised that cash and cashless parking payments were accepted in all Council car parks. The sports provision for the Northern Arc is a longer term priority project and the Council will work with consultants and Sports England.

The Head of Corporate Resources highlighted the new Council Tax Support Scheme, the new cloud based financial management system which was working well, and the project to install more vehicle charging points across the District. He advised that the Council should modernise to make more Council Services available online with smartphones.

The Head of Digital and Customer Service noted the continued efficiency savings and benefits of new software systems, new apprenticeship roles within the Council for those starting work and to reskill existing staff. The Solicitor highlighted the work of the Legal Team with planning applications and the work of the Democratic Services Team with the upcoming Referendum and Election in 2020. He noted that the digitisation of Land Charges was almost complete, and future increased work by Environmental Health in the private sector housing enforcement.

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

Members asked a number of questions and they were answered by officers. The Solicitor confirmed that HMOs are now any property of at least 5 occupants, previously they were properties with a minimum of 3 storeys and 5 occupants. The Assistant Chief Executive confirmed the current situation with CIL and reminded Members that the Council had commissioned an external assessment of recent changes to CIL. The report would advise the Council how to proceed.

In section four discussions were held on disabled grants, planned borrowing and the funding of projects from reserves.

Members commented on the use of consultants, the Burgess Hill Growth Project and Section 106 funding. The Chief Executive noted that the Council utilises consultants when particular expertise is required and is not available within the council structure or if extra capacity is required to deliver projects quickly, she added that the use of consultants is kept under review. The Committee were advised that progress of the Burgess Hill Growth project would be reported in a number of ways, reports to scrutiny committees, complimented by workshops.

The Chairman thanked the Members for the robust discussion and officers for their work.

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

## **RESOLVED**

The Committee:

Considered the proposals for 2020/21 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.