

**Minutes of a meeting of Cabinet
held on Monday, 13th September, 2021
from 4.00 pm - 4.35 pm**

Present: J Ash-Edwards (Chair)
J Llewellyn-Burke (Vice-Chair)

J Belsey
R de Mierre

S Hillier
R Salisbury

N Webster

Also Present: Councillors Bates, A Bennett, Eves, Gibson and Hatton.

1. ROLL CALL AND VIRTUAL MEETING EXPLANATION.

The Leader conducted the roll call to confirm the Members present.

Tom Clark, Head of Regulatory Services advised that The Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012 permit remote attendance at Cabinet meetings provided they are live streamed to allow for public access.

2. TO RECEIVE DECLARATIONS OF INTEREST FROM MEMBERS IN RESPECT OF ANY MATTER ON THE AGENDA.

None.

3. TO RECEIVE APOLOGIES FOR ABSENCE.

No apologies were received as all Members were present.

4. TO CONFIRM MINUTES OF THE PREVIOUS MEETING HELD ON 26 JULY 2021.

The minutes of the meeting held on 26 July 2021 were agreed as a correct record and electronically signed by the Leader.

5. TO CONSIDER ANY ITEMS THAT THE LEADER AGREES TO TAKE AS URGENT BUSINESS.

None.

6. BUDGET MANAGEMENT 2021/22 – PROGRESS REPORT APRIL TO JULY 2021

Peter Stuart, Head of Corporate Resources introduced the report. He highlighted that the details of the MHCLG Income Compensation Scheme were received on Friday. The scheme will only cover the first three months of the financial year and cover 75% of lost income. Provisional figures indicate the council could possibly receive £386,000, thereby changing the forecast overspend to a potential £100K

underspend. It was noted that this was only a forecast and would not include any consequences of any further lockdowns on the economy. The income from car parking and development management are showing reduction a of 30% and 20% to pre-Covid levels and with no quick signs of a recovery may present a pressure for future years.

The Deputy Leader welcomed the details of the MHCLG Income Compensation Scheme and advised it is difficult to determine when the income of the leisure centres and town centres income would improve as they have been affected by the pandemic. She highlighted the progress of capital grants, transfer of funds to reserves and continuation of some strategic projects to maintain the prosperity of Mid Sussex.

In response to a query from the Cabinet Member for Customer Services on payment of the management fee by Places Leisure, the Head of Corporate Resources advised the compensation scheme would only assist with lost income for the first three months of this year and would be the end of this support for the leisure industry. The Council is still supporting Places Leisure with some of their unforeseen costs but that does not include the management fee. The Council does want the contract honoured as soon as possible as the management fee is an essential part of the Council's income. He was hopeful that they could soon pay the contracted sum.

The Cabinet Member for Environment and Service Delivery confirmed that Places Leisure had reinstated many classes, visitor numbers have improved, and exercise is important for peoples' mental and physical health.

As there were no further questions the Leader took the Members to the recommendation which was agreed unanimously.

RESOLVED

That Cabinet recommend to Council for approval:

- (i) that £50,000 grant income received to fund the Burgess Hill Station project be transferred to Specific Reserves as detailed in paragraph 29;
- (ii) that £445 grant income relating to New Burdens funding for Council Tax data submissions be transferred to Specific Reserve as detailed in paragraph 30;
- (iii) that £14,000 be reallocated to the Planning Performance Agreement Specific as detailed in paragraph 31;
- (iv) that £100,000 be transferred to the Gatwick DCO Specific Reserve as detailed in paragraph 32;
- (v) the variations to the Capital Programme contained in paragraph 39 in accordance with the Council's Financial Procedure rule B3.

To note:

- (vi) the remainder of the report.

7. SERVICE AND FINANCIAL PLANNING – GUIDELINES FOR 2022/23

Peter Stuart, Head of Corporate Resources introduced the report. He highlighted that the format of the report was no different as it sets out the task for next year, 2023/24 and the following years but that there were many factors that will affect the Council's ability to set a balanced budget. He indicated that central government would not provide the same level of Covid financial assistance next year.

There was no evidence but a reset for NNDR and the fair funding review were thought unlikely for 2022/23 and it is expected they will be delayed by one year. Reduced levels of is still forecast for 2022/23 and 2023/24.

However green waste is a strong market and a popular service, and a continuing increase in income is expected. The income streams from car parking, development management and Places Leisure are uncertain. There will be an imbalance once the level of pay awards are finalised, meaning that revenue and costs diverge in 2023/24 when any reset of NNDR takes place. NNDR revenue raised from areas of high growth like Mid Sussex will be redistributed to other lower growth areas.

He noted that the New Homes Bonus Scheme may continue for another year along with a legacy payment. The pension fund contributions for Mid Sussex are uncertain and can be spread over 20 years but Places Leisure may have to spread any pension deficit over a shorter period. The increase costs of social care and National Insurance rates for employers will affect the council as contractors may pass the increased cost on.

He highlighted appendices 1 and 2 which show the level of support from general reserve required to balance the budget. Appendix 2 includes figures for damping. He confirmed work was needed on the medium-term financial plan to prepare for 2023/24 onwards.

The Leader noted the challenges ahead to put the council in a strong financial position whilst still delivering services to the community and confirmed other councils have the same issues.

The Cabinet Member for Community highlighted that Council Tax makes up only 35% of the Council's income. The council should continue to deliver their statutory responsibilities but maintain a degree of flexibility to make changes quickly when necessary.

The Cabinet Member for Economic Growth noted the prudent history of the council and queried whether the council would have to provide a free garden waste collection service.

The Head of Corporate Resources noted the good income of £1.6m annually from garden waste which he hoped would continue unless there were changes to central government policies.

In response to queries from the Deputy Leader and Cabinet Member for Customer Service the Head of Corporate Resources advised the Government can only change NNDR and other grants and contributions, Mid Sussex did not receive Revenue Support Grant. Mid Sussex were fortunate to have a good level of reserves, and the Government sometimes provide details of settlement figures very late in the year. Councils that have no reserves can obtain capitalisation directions from the Government and sell assets to support their revenue budget.

As there were no further questions the Leader took the Members to the recommendations which were agreed unanimously.

RESOLVED

That Cabinet:

- (i) endorsed the guidelines set out within this report and use these principles in preparing the 2022/23 Corporate Plan and Budget;
- (ii) in the light of the severe financial challenges, noted the need to increase Council tax levels by the maximum permissible level, without needing a referendum.

The meeting finished at 4.35 pm

Chairman