

**Minutes of a meeting of Cabinet
held on Monday, 26th September, 2022
from 4.00 pm - 4.38 pm**

Present: J Ash-Edwards (Chair)

J Belsey
R Cromie

R de Mierre
S Hillier

R Salisbury
N Webster

Also Present: Councillors Bates and Dabell

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

None.

2. TO RECEIVE APOLOGIES FOR ABSENCE.

None.

3. TO CONFIRM MINUTES OF THE PREVIOUS MEETING HELD ON 18 JULY 2022.

The minutes of the meeting held on 18 July 2022 were agreed as a correct record and signed by the Leader.

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

None.

5. BUDGET MANAGEMENT 2022/23 - PROGRESS REPORT APRIL TO JULY 2022.

Stephen Fitzgerald, Interim Head of Corporate Resources introduced the report which set out the progress on the Revenue Budget, Capital Programme and Revenue Projects and Treasury Management for 2022/23. He noted that there was substantial change to the favourable position reported at the last meeting due to inflation, rise in energy prices and cost of living pressures and a small pressure on the staffing budget. He highlighted that in some areas revenue had increased because of local economic recovery, treasury management activity was £900,000 above target. The criteria for counter party lending and been tightened by the audit committee. An anticipated total over-spend of £762,000 was reported and most local authorities were in similar positions.

The Leader thanked the Interim Head of Corporate Resources for the report, noted the inflationary challenges across the economy for the Council. The positive impact of the treasury management activity would assist with the increased costs and noted that projects are progressing that will benefit the residents of the District.

The Cabinet Member for Planning expressed concern with the use of the Consumer Price Index (CPI) as it is not relevant to council activities. The Interim Head of

Corporate Resources advised the CPI is used as a general indicator by the Government when contracts are reviewed but local judgement is applied.

The Cabinet Member for Leisure and Parking welcomed the comprehensive report, noted the increase in revenue from parking charges. In response to queries the Interim Head of Corporate Resources advised the Local Authority Property Fund is used by many local authorities for deposits, which has recently underperformed but is good for medium to long term deposits. If the fund continues to underperform, it will be reviewed by the treasury management advisors, LINK. A response in writing will be provided to the Member's query on write offs and credit notes on The Orchards retail rents.

The Cabinet Member for Community noted the progress on the Burgess Hill Place and Connectivity programme which will help rurally based business and attract more businesses to the district, additional funds had been allocated for housing adaptations and although the Council is resilient, care must be taken in the current economic climate.

The Deputy Leader noted the cost-of-living pressures, the Council should not be complacent and ensure it delivers best value for money. He highlighted ongoing projects in landscape and leisure, improvements to the parks and the Centre for Outdoor Sport which will help many families.

The Cabinet Member for Economic Growth and Net Zero concurred with the other Members' comments, he noted the Council had a good financial base but expressed concern that the times ahead may be tough.

The Leader noted that no Member wished to speak further and moved to vote on the recommendations which were agreed unanimously.

RESOLVED

Cabinet recommended to Council:

- (i) that £150,000 grant income from WSCC in respect of a payment for Ukraine Support be transferred to Specific Reserve as detailed in paragraph 27;
- (ii) that £20,000 grant income relating to Neighbourhood Planning be transferred to Specific Reserve as detailed in paragraph 28;
- (iii) that £445 grant income for new burdens relating to Council Tax Submissions be transferred to Specific Reserve as detailed in paragraph 29;
- (iv) that £16,335 grant income relating to Housing Benefit Award Accuracy Initiative be transferred to Specific Reserves as detailed in paragraph 30;
- (v) that £62,857 grant income from WSCC relating to Employment Projects Coordinator be transferred to Specific Reserve as detailed in paragraph 31;
- (iii) the variations to the Capital Programme contained in paragraph 35 in accordance with the Council's Financial Procedure rule B3.

To note:

- (iv) the remainder of the report.

6. SERVICE AND FINANCIAL PLANNING - GUIDELINES FOR 2023-24.

Stephen Fitzgerald, Interim Head of Corporate Resources introduced the report to set out the Corporate Plan and budget for 23/24. He highlighted that it was uncertain if the two-year settlement proposed by Michael Gove MP would go ahead as Simon Clarke MP was now the Secretary of State for Levelling Up Housing and Communities. He confirmed a favourable position with a small budget gap for 2023/24 which may change due to economic factors and when Government policy is known; this gap will gradually increase in future years. The forecast of the financial position of the Council is better than some other local authorities. He noted the recommendation to increase Council Tax by the maximum permitted without a referendum and proposed a review of the current reserves to see if they are still relevant or if they could be aggregated.

The Leader thanked the Interim Head of Corporate Resources for his report.

The Cabinet Member for Leisure and Parking supported the increase in Council Tax which was less than the rate of inflation and the usage of the Leisure Centres had increased to 77% of the pre pandemic level.

The Cabinet Member for Community noted that the Council must keep budgets under regular review. He also supported the increase in Council Tax and noted that the Council must ensure services are delivered as efficiently as possible. He also supported a review of the reserves and requested details on the impact of the £5 increase in Council Tax on the budgeting process. The Interim Head of Corporate Resources advised he will provide a Council Tax reckoner to show the effect of each additional £1 up to £5, it will give an indication of what the extra Council Tax will buy. He stated that the Council's element of the overall Council Tax is small when compared to the total precepts of the other authorities.

The Leader highlighted paragraph 39 of the report which stated that for every £1 Council Tax uncollected the Council loses £64,116 a year.

The Deputy Leader noted the pressures on the budget, an increase was necessary to ensure the Council continues to provide the same level of services and the forecast budget gap was not an uncommon trend; it has been seen in the past. He expressed concern for the level of confidence of this year's budget. The Interim Head of Corporate Resources advised the leisure contract was under regular review by the Management Team, if required a further report will be brought to Cabinet. The best projections are made and if required the plan will be adjusted before setting the budget in February.

The Cabinet Member for Economic Growth and Net Zero highlighted that along with inflationary pressure increases the increase would impact the most vulnerable residents but noted the Council does much to support the most vulnerable, as much as possible.

The Cabinet Member for Housing and Customer Service advised that additional information on the Council Tax increase and impact on the budget would be useful. The Council will have to make future difficult choices, must balance the budget, and have responsible governance.

The Cabinet Member for Community stated the £5 increase will not impact some residents but to others it will be much greater who may need continued support.

The Leader reiterated that the Council Tax Support Scheme will continue to support residents who are vulnerable or on lower incomes. The financial outlook is challenging and will change during the year; the Council must continue to be prudent with public money and deliver and improve services in the community. The Council has a good track record in challenging times, and it would be responsible approve the recommendations within the report.

The Leader noted that no Member wished to speak further and moved to vote on the recommendations which were agreed unanimously.

RESOLVED

Cabinet resolved to:

- (i) Endorse the guidelines set out within this report and use these principles in preparing the 2023/24 Corporate Plan and Budget
- (ii) Note the need to increase Council tax levels by the maximum permissible level, without needing a referendum
- (iii) Instruct officers to undertake a detailed review of reserves and revenue balances

The meeting finished at 4.38 pm

Chairman