

Budget Book

2024-25



Budget Book 2024-25

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Report to Cabinet

25 January 2024

By Cabinet Member for Finance and Resources

DECISION REQUIRED



Not Exempt

The 2024/25 Budget and the Medium-Term Financial Strategy to 2029/30

Executive Summary

This report sets out details of the proposed 2024/25 revenue and capital budgets following the receipt of the provisional financial settlement from Government on 18 December 2023.

The net budget requirement for 2024/25 at £14.5m is £0.8m higher than the £13.7m in 2023/24, reflecting sustained levels of high inflation in services, materials and utilities together with pressure from salary increases which has baked a high level of gross expenditure into the baseline. In these circumstances it is fortunate that the Council is not a borrowing authority and has kept high levels of reserves and thus is able to partially fund some of the rising costs with the interest from its investments. However, the Council is at risk from a reduction in both balances and interest rates.

The Council is also having to significantly increase fees and charges potentially affecting residents that are struggling with the cost of living. Council tax is also being increased by the maximum 2.99%, (£5.15) inclusive of the unparished areas, permitted by Government, but remains the lowest in Sussex. This is split into a 2% increase in the Horsham Council Tax (£3.34) and a 35% increase in the special charge (£9.69), owing to the fact that there are fewer households in the unparished area. The special charge is currently much lower than the average parish council precept.

A residual budget deficit, after Council tax and Business Rates grants, of £0.6m remains. The application of £0.6m from the one-off Funding Guarantee Grant in 2024/25 allows us to balance the budget in the short term and buys some time to make considered decisions. This grant has not been taken into Revenue in previous years, as it is considered temporary. More likely than not, it will be removed when the future funding for the sector is determined by Government. This builds further risk into the Medium-Term Financial Strategy should this happen.

In the meantime, the application of this temporary grant funding allows us to maintain really good quality services, voluntary grants and protecting all our non-statutory services, including for example, the work undertaken by our community services that is so greatly appreciated by our residents. It also permits new initiatives such as the People's budget.

The report sets out a Medium-Term Financial Strategy to 2029/30 using the latest information. The provisional one-year Settlement in December does not help us to plan through the economic uncertainty. Future Medium-Term Financial Strategy deficits of £3.7m reflect the pressures from a fall in interest rates on our Treasury investments, inflation, albeit now falling, as well as Government funding levelling off after 1 April 2026. There is a risk that some or all of the Business Rates grant is also taken away and the Council could face

a significant funding drop in 2026/27 in the context of Government saying there is no more money for the sector, that efficiencies must be made, and the sector has plenty of reserves.

In November 2023, Government announced the collection of domestic food waste will be required by 31 March 2026. An indicative capital allocation of £1.5m has been revealed but no detail on transitional or ongoing revenue funding. The Medium-Term Financial Strategy assumes implementation from Autumn 2025, with Government funding of £1.5m covering at most three-quarters of the initial capital costs. Some transitional and ongoing funding together with the £1.3m previously earmarked from the 2023/24 Funding Guarantee grant delays and partially reduces the £1.8m revenue impact until the latter part of the decade. We don't yet know though whether this additional funding will be offset by a loss of Government funding elsewhere.

We are also setting an ambitious £10.5m capital programme providing infrastructure and facilities for residents. In addition, although difficult to fully quantify at present, the initial work on the net zero action plan to date has identified a significant cost to achieving the aspirational target of the Council's direct carbon emissions being net zero. This key priority as well as the replacement of capital infrastructure and the reduction of carbon output of many Council-owned buildings shown indicatively in Appendix I, will be significant through to 2030. The impact of spending £10.7m on the Capitol Theatre is included within the projected Medium-Term Financial Strategy revenue and capital budgets, on the assumption that Councillors agree to the larger option. This is a separate item on the agenda.

Balancing future budgets will require a combination of three things. The continuing delivery of a programme to maximise efficiency and effectiveness primarily focused on digital transformation to restrict future cost increases. Secondly, the Council could generate more income by raising fees and charges and work in more financial return on investments in existing land and assets. However, commercial investment heightens the risk from prudential and treasury management code changes. Thirdly, the Council provides a large number of services to its residents in excess of statutory levels and reprioritising these could be required in order to tackle the projected future deficits. Plans will need to be worked on during 2024/25 to balance the 2025/26 budget without the use of reserves.

The report also sets out a series of prudential indicators that are a statutory requirement to demonstrate that the Council's capital programme is affordable, and prudent in the context of the Council's overall finances. The report also includes the Chief Finance Officer's statement on the robustness of reserves in Appendix G and on the resource consequences more generally in section 14.

Recommendations

Cabinet is recommended to propose the following for consideration by Council on 21 February 2024:

- i) That the level of Council Tax for 2024/25 increases from £166.94 by £3.34 (2%) to £170.28 at Band D.
- (ii) That the net revenue budget set out in Appendix A for 2024/25 of £14.538m is approved.
- (iii) That £0.6m of the £3.55m Funding Guarantee grant received in 2024/25 is used in Revenue to balance the budget, £0.55m to be used to fund up to £195 for working age and pension age claimants on Council Tax Support, with the remainder earmarked against potential overspend in 2024/25 and as a reserve to help resolve future budget deficits in the Medium-Term Financial Strategy.
- (iv) That Special Expenses of £456,865 set out in Appendix C and a Band D charge of £37.21 are agreed in respect of the unparished area for 2024/25.

- (v) That the capital programme for 2024/25 set out in Appendix D be approved and that the indicative capital budgets in the programme for future years be noted.
- (vi) That the projected future budgets on the revenue account in 2025/26 to 2029/30 are noted and the Medium-Term Financial Strategy continues to be reviewed and refined to ensure that decisions are taken in 2024 to set a balanced budget in 2025/26.
- (vii) That the Minimum Revenue Provision Statement set out in Appendix E is approved.
- (viii) That the Capital Strategy, Treasury Strategy, Investment Strategy and prudential indicators and limits for 2024/25 to 2027/28 set out in Appendix F are approved.
- (ix) To note the statement on the robustness of the level of reserves in Appendix G.
- (x) That the increases to fees and charges set out in Appendices H to H(iii) are approved.

Reasons for Recommendations

To meet the Council's statutory requirement to approve the budget and the prudential indicators before the start of a new financial year.

Background Papers:

- Update on the Council's financial position and Medium-Term Financial Strategy, Cabinet, 23 November 2023

Wards affected: All

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Appendices:

- A:** Revenue Budget 2024-25 including growth and savings
- B:** Grants to voluntary groups
- C:** Special charge summary
- D:** Capital expenditure programme
- E:** Minimum Revenue Provision
- F:** Capital Strategy including Prudential Indicators
- G:** Reserves
- H:** Schedule of increases in fees and charges
- H (i)** Schedule of increases in fees and charges in Environmental Health & Licensing
- H (ii)** Schedule of increases in fees and charges in Sussex Building Control
- H (iii)** Schedule of increases in fees and charges in Development Management
- I:** Medium and long-term indicative capital commitments

Background Information

1 Introduction and background

- 1.1 This report sets out the Council's budget requirement for 2024/25 for capital and revenue expenditure. The budget is reviewed in the context of the projected outturn for 2023/24, future years' projected budgets and reserves.
- 1.2 On 18 December 2023, Government put forward a one-year provisional settlement. Reviews of future funding including those from Business Rates are delayed until after the end of the current parliament, meaning councils remain unsure how the local government sector will be financed beyond 2026. It seems probable though that we will need to continue towards fiscal self-sufficiency as the amount of money available to district councils will continue to reduce over the medium-term as funding is diverted to fund budget pressures at County and Unitary Councils caused by the demands of social care.
- 1.3 Each year as the budget is set, unavoidable growth becomes apparent in the services. This is because of increased responsibilities from legislation, contractual obligations and inflationary pressures. The high levels of inflation, including salary inflation, have significantly increased this risk as they are now baked into the baseline. The Council is unable to set a balanced budget in 2024/25 despite the increase in fees and charges it is proposing and the high levels of income from the treasury management investments, without the use of the one-off Funding Guarantee Grant. Significant projected budget deficits from 2026/27 are caused by a fall in interest rates affecting Treasury Investment income, ongoing inflation and costs from the introduction of food-waste collection. Whilst there is uncertainty in the medium term, we need to start to consider how we will go about the closure of the future budget gaps, as it will be a case of how much, rather than if.
- 1.4 The Council is well into a major programme of digital transformation to meet the demands and expectations of our customers, funded from reserves, and this has made savings. But with only Planning and Regulatory Services left to significantly change, this will not deliver all the savings the Council needs to balance its budgets through the rest of the decade. Significant long-term costs also hang over the Council, which will need to be quantified and planned for, mainly around the cost of reaching net zero for carbon emissions and keeping our facilities, vehicles and equipment up to date. Options will include investing to generate income and potentially the future provision of non-statutory services.
- 1.5 The 2024/25 budget and resultant Council Tax level are set within the context of the Council Plan priorities, the financial strategy and to meet the Council's legal requirement to deliver a balanced budget. This report is updated for the latest information and knowledge available to the Council. The report also sets out the prudential indicators used to measure the affordability of the Council's capital programme.

2 Relevant Council policy

- 2.1 To deliver a balanced budget over the medium-term and to ensure the Council has sufficient funds to deliver its Council Plan.

3 Details

Strategic political, economic and regulatory outlook

- 3.1 The medium-term economic outlook will depend significantly on the health of the wider economy. High energy prices, the general cost of living increases and global events such as the wars in Ukraine and the Middle East impacting prices and world supply chains will all affect how households, businesses and asset prices respond over time, especially in recession. Both the demand for the Council's services and its income streams are affected by the general economic health of the district and the prevailing interest rate has a direct impact on interest receipts. Therefore, the uncertainty of the economic and regulatory outlook adds considerable risk to setting a precise financial strategy. Cost pressures from high utility costs, service and salary inflation are each significant risks. With this in mind, the assumptions within the budget and Medium-Term Financial Strategy are revisited in the sections below but remain very uncertain.

Finance Settlement 2024/25

- 3.2 Government announced a one-year provisional finance settlement for 2024/25 on 18 December 2023 that contained a 4.9% increase in core spending power compared to 2023/24 albeit assuming a maximum increase in Council Tax. Overall, this is as expected, albeit a real term cash reduction in spending power caused by inflation.
- 3.3 Government gave the Council £3.55m of Funding Guarantee grant. This is seen as a temporary funding grant. The recommendation in this report is to use £0.6m of the grant in Revenue to balance the budget, use £0.55m to support working age and pension age claimants on Council Tax Support with a payment up to £195, and earmark the remainder against potential overspend in 2024/25 and as a reserve to help resolve future budget deficits in the Medium-Term Financial Strategy.

Revenue Budget 2023/24

- 3.4 Budget holders have monitored income and expenditure against the 2023/24 budget throughout the year. The forecast at Month 8 is a £0.7k surplus. Inflationary costs, as well as another higher than budgeted £1,925 or 3.88% pay increase to all staff during the year is being mostly offset by an increase in investment income from higher interest rates and some vacancy savings. Any overspend will be met by drawing on reserves. There are also still three months to negotiate before the year-end outturn.

Update on the Medium-Term Financial Strategy projections

- 4.1 The Medium-Term Financial Strategy in Table 1 has been updated for the December 2023 provisional settlement for 2024/25 and other known information. Table 2 summarises the key forecast movements in net expenditure between years.

Table 1: interim MTFS Jan 2024

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000	£000	£000
Estimated net expenditure	13,513	14,539	16,220	17,480	18,140	19,250	19,650
<i>In year budget adjustments</i>	251	-	-	-	-	-	-
<i>Over / (underspend) [*forecast M8*]</i>	(254)*	-	-	-	-	-	-
Estimated net expenditure	13,510	14,539	16,220	17,480	18,140	19,250	19,650
Funding: Council Tax	(11,154)	(11,555)	(11,910)	(12,320)	(12,745)	(13,190)	(13,665)
Government revenue grants	(222)	(161)	(153)	-	-	-	-
Baseline Business Rates	(2,129)	(2,214)	(2,280)	(2,325)	(2,325)	(2,325)	(2,325)
Rural services grant	(11)	(12)	(12)	(10)	(10)	(10)	(10)
Use of Funding Guarantee grant	-	(597)	-	-	-	-	-
Total Funding	(13,517)	(14,539)	(14,355)	(14,655)	(15,080)	(15,525)	(16,000)
Net (Surplus) / Deficit rounded	(7)	0	1,865	2,825	3,060	3,725	3,650

Note: (income in brackets)

Table 2: summary of key operational cost and income changes - rounded

Summary of key operational cost and income changes							Assumptions						
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	
Net cost b/fwd	13,764	14,540	16,220	17,480	18,140	19,249							
Inflation	900	672	614	428	450	481	5.50%	3.50%	3.00%	2.00%	2.00%	2.00%	
Salaries [+ new posts]	2,050	889	787	538	548	557	4.50%	3.50%	3.00%	2.00%	2.00%	2.00%	
Salary catch up	350						£1,925 less 4.5%						
Investment income	-1,200	350	450	150	50	0	5% i.r.	4% i.r.	3.5% i.r.	3.5% i.r.	3.25% i.r.	3.25% i.r.	
General fee increases	-935	-634	-568	-394	-406	-418	5.50%	3.50%	3.00%	2.00%	2.00%	2.00%	
Garden waste	-190	-190	-190	-190	-190	-190	£5	£5	£5	£5	£5	£5	
Food waste				350	400			Govt fund Reserve	Impact less 'ongoing' funding				
Parking	-250	-50	-50	-50	-50	-50		£2 rural park discs each year					
Revs & Bens / Arb / Audit	400			-100									
Increased leisure costs				300	300					Contract renewal			
Carbon initiatives	100	100	100	100	100	100							
Gov't funding water neutrality	-250												
LA Housing Fund income	-200												
£11m Capitol Theatre impact	37	399	189	-357	0	0	Closure + loss of interest.			Re-open			
Other net income / costs - vario	-36	145	-72	-115	-93	-80							
Net cost predicted	14,540	16,220	17,480	18,140	19,249	19,650							
Annual increase	776	1,681	1,260	660	1,109	401							
Additional C-Tax increase	-345	-356	-368	-381	-394	-409	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	
To find	430	1,325	891	279	715	-8							

- 4.2 The assumptions underlying the current Medium-Term Financial Strategy projections are summarised in table 3 below and expanded upon in the paragraphs that follow:

Table 3: key budget assumptions used:

Area	Assumption
Inflation cost non-salaries	5.5% increase in 2024/25, falling to 2% by 2027/28. Risk that it remains higher.
Income	5.5% increases in fees and charges on average in 2024/25, falling to 2% by 2027/28.
Bank of England base rate	5.25% in 2024/25 falling to 3.25% by 2027/28.
Increase in salaries budget	Increase of 4.5% in 2024/25, falling to 2% by 2027/28.
Contribution to pension fund	No change. 18% which is baseline minimum. Pension Fund £75m asset at 31 March 2023.
Local Business Rates	Business Rates review triggering a re-base lining in 2026/27. No worse off until then, but then cash flat.
Increase in Council Tax	2.99% per year for future years across the period.
Increase in Band D equivalent dwellings	Significant impact of water neutrality dampening housing numbers. Less than 100 homes per year increasing to 500 per year by the end of the decade.
New Homes Bonus	One-off single payment of £0.5m ending in 2024-25.
Minimum reserve level	£6m – no change.
Food waste / garden waste	Food waste from Autumn 2025 at £1.8m p.a. cost. £1.5m capital funding. Some transitional revenue funding, earmarked reserve £1.3m and some ongoing funding delays and reduces the revenue impact to around £0.75m by 2028/29. Garden waste increasing by £5 each year.

Interest rates and inflation

- 4.3 Energy prices and other costs soared during 2022 as the Consumer Price Index (CPI) inflation reached peaks of 11.1% in October 2022 and Retail Price Index (RPI) of 14.2% in the same month. The comparative inflation rates in December 2023 were down to 4.0% and 5.2%. Despite it being half now what it was in June 2023, economists predict that inflation will remain stubbornly higher than the Bank of England's target rate of 2% for some time to come.
- 4.4 Inflation increases our expenditure and that offsets the increases in Council Tax and charges. The impact of inflation on the Medium-Term Financial Strategy will be revisited regularly as the data is released by the Office of National Statistics. We estimate that inflation in 2024/25 will bake in nearly £1m of higher expenditure into the gross expenditure baseline.
- 4.5 The Bank of England base rate increased to 5.25% in August 2023, having been at 0.1% less than two years ago. It significantly increases the Council's income streams from investments with budgeted income of £3.6m during 2024/25, helping to offset a large proportion of the increased costs. Arlingclose Ltd, our financial investment advisors, are currently forecasting that interest rates have reached their peak at 5.25% and will fall to around 3.25% by the end of 2025/26 as the Monetary Policy

Committee will cut rates to stimulate the UK economy. The market implies the base rate will level out at about 3.25% by 2026/27. A bank rate fall to 3.25% will reduce our investment income by around £1m each year from current levels. This is a significant contribution to the Medium-Term Financial Strategy budget deficit in the latter years, as we are currently using the interest to fund our revenue expenditure.

Salaries

- 4.6 Local Government pay is negotiated nationally, and the Council has no direct influence on the settlement. A 4.5% increase was included in the 2023/24 budget as Government had indicated an expectation of limited public sector pay rises. However, the National Joint Council again awarded a minimum of £1,925 per person or 3.88% during 2023/24, with Chief Officers awarded a 3.5% increase. This was an 8.6% increase on the lowest grade, and an average of just over 5% across the Council. It has cost the Council £1.1m and only some savings from vacant posts have prevented an overspend against the budget. It does however add a significant budgetary pressure going forward.
- 4.7 Looking ahead, trade unions are still asking the local authority employers for above inflation percentage increases for all workers in 2024/25 to make up for the losses in real pay over the previous decade. Government is pushing for lower than inflation public sector pay increases to help reduce inflation. The 2024/25 budget includes another 4.5% increase, as well as £0.3m to catch up the 2023/24 salary budget gap, giving an overall increase of approximately £1.5m, less a small vacancy factor reflecting the difficulties we have had recruiting to some roles. Further ahead, the Medium-Term Financial Strategy models salary inflation coming down to 2% by 2027/28, but this still adds a further £3.3m to the cost base by the end of the decade. There is also a risk that salaries increase at a faster rate than this, especially if the National Pay Award continues to award a fixed sum to ensure the lowest spinal points remain above the National Minimum Wage, or inflation does not remain under control.

Pension Fund

- 4.8 The valuation of the Council's pension fund increased to a £75m asset at 31 March 2023. It is worth remembering though that the pension fund has spent more years in deficit than in surplus and the position can quickly decline, due to any further changes in actuary assumptions increasing the liabilities, as well volatility of asset values and the value of assets falling. Despite the uncertainty, and as it is in surplus, the actuary recommends continuing the employer pension contributions to the fund's minimum level of 18% per annum and revisiting the contributions position again at the next triennial valuation in 2025.

Council Tax

- 4.9 As part of their Core Spending Power funding calculations, Government expects local authorities to increase council tax by the maximum amount. The provisional settlement set the 2024/25 referendum threshold at the higher of 2.99% or £5 for district councils. Our council tax is the lowest in Sussex and is in the bottom quartile of all district councils nationally.
- 4.10 To help combat rising costs, the budget for 2024/25 includes a 2.99% (£5.15) increase in Council tax inclusive of the unparished area special charge, adding £340,000 to overall income. This is split into a 2% increase in the Horsham Council Tax (£3.34) and a 35% increase in the special charge (£9.69), owing to the fact that there are fewer households in the unparished area. The special charge is currently much lower than the average parish council precept.

- 4.11 As Government funding is predicted to stay flat across the medium-term, the Council will be increasingly reliant on self-funding through fees and charges and Council Tax as the main sources of income. Therefore, such an increase in Council tax each year is sensible to ensure that future levels of Council tax income are 'banked' as the present cap and referendum thresholds mean that periods beneath the threshold cannot be caught up. The Medium-Term Financial Strategy models an indicative 2.99% Council tax increase per year. This equates to approximately £5.46 each year for a band D equivalent and approximately £380,000 of income each year on average over the period.

Council tax support

- 4.12 The number of working people on council tax support in the district has an inverse relationship with band D equivalent dwellings in the council tax base, with more people on council tax support effectively reducing the Council tax base. There are approximately 3,100 working-age claimants and 2,250 pension-age claimants on Council tax support. The forecast for 2024/25 predicts it staying at that level, but a recession or worsening in the cost of living and could see those numbers start to rise once more, putting further pressure on the budgeted income.
- 4.13 During 2023/24, Government funded the first £25 (for both working and pension age claimants), with West Sussex County Council £25 and the Council £145 contributing to a scheme to reduce council tax bills by up to £195 for working age claimants on Council Tax Support. The claimant's liability was not credited beyond £0 if, following the application of Council Tax Support, the liability was less than £195. The Council's element was funded from the Funding Guarantee Grant in 2023/24.
- 4.14 The December Provisional Settlement did not indicate any further Government funding would be made available for 2024/25. West Sussex County Council too are unable to fund any part of the £195 scheme in 2024/25, as they are under a greater financial pressure to balance their budgets.
- 4.15 In December 2023, full Council agreed to continue to help support working age claimants on Council Tax Support to the same degree as last year, extending this support to pension-age claimants on Council Tax Support as well. Whilst the case load at 1 April 2024 cannot be exactly known now, an estimate based on the current case load would suggest that undertaking this £195 scheme on its own might cost the Council around £0.55m. This will be funded from the 2024/25 Funding Guarantee Grant.

Dwellings

- 4.16 In September 2021, the Council received a Position Statement from Natural England that concluded that the existing abstraction within the Sussex North Water Supply Zone is having an impact on the Arun Valley sites. It advised that development within this zone must not add to this impact. Therefore, as part of the decision-making process for each planning permission, an assessment of water neutrality is now needed for many of the applications. There is a significant risk from the impact of a water neutrality issue, dampening housing numbers over the medium term.
- 4.17 Only 381 have been added to the band D equivalent council tax base in 2024/25. Fewer still are predicted in 2025/26, with a slight uptick towards 500 by the end of the decade. This compares to 780 last year, which was already down from around 1,000 new dwellings that regularly happened in the past. Should water neutrality mitigation not be easily resolved and large planning applications fall away completely, this would worsen the Council's financial position in the medium-term over the figures shown in

our projections. Added to this, the housing industry is highly sensitive to economic factors, especially a recession.

The future of Business Rates

- 4.18 The Council currently retains around 5% or £2.2m of the £44m Business Rates collected in the district, which is based on a complex calculation involving target rates of collection set by Government. Local authorities can increase their Business Rate income by growing the Business Rate take in their area; conversely, if collections fall then local government bear an element of risk. The Councils of West Sussex County, Adur, Arun, Mid Sussex and Horsham are in the business rates pool in 2023/24 and will continue within this pool in 2024/25. The county will collectively retain and benefit from any growth in Business Rates above the baseline, sharing less of the reward with Government.
- 4.19 Some risk exists around outstanding rates appeals for which the Council would have to bear its share of lost revenue should those appeals prove successful. The Council had a provision of £0.9m for Business Rate appeals at 31 March 2023. The Valuation Office is tackling the backlog of appeals and they have reduced by £0.7m since 31 March 2022, but it will still take some time for all the appeals to fall away completely, prolonging the risk.
- 4.20 Many commentators are critical of the Business Rates system altogether, although no replacement scheme has yet been put forward. Government has recently announced complicated changes to de-couple the annual increase in standard multiplier (inflationary increase) and small multiplier (frozen). We are unsure exactly how this might affect the Council, if at all materially, in future Settlements, as proxy data has been used in the Settlement for this year. The Council expects that any changes to Business Rates will involve a re-baselining at a much higher level from 2026/27 onwards.

Future Government Funding

- 4.21 The one-year Provisional Settlement in December 2023 provides no clarity on the future of Government funding. Brexit, the pandemic and cost of living have changed the landscape since Government consulted on the Fair Funding Review of relative needs and resources and cost drivers and updating the current needs assessment formulae in 2018. That review attempted to weigh up a range of cost drivers such as population, rurality, deprivation, demand for social care, transport, waste disposal and fire and rescue service. The likelihood is that a further consultation period is needed, meaning any funding review won't be tackled until at least 2025/26.
- 4.22 Our projections at this point assume we retain all our sales, fees and charges alongside Council Tax as our two main funding streams in the medium-term. If previous changes are a guide, there may be some transitional arrangements, which will dampen the immediate effect of a funding review. The risk is that Government redistributes more radically or the transition period is immediate in order to redistribute funding as quickly as possible to those authorities that need it most. Government has continued to express views that Local Government's reserves are too high and should use them, rather than expect more Government funding in the future.
- 4.23 The Council's assumption is that any funding review will quickly remove temporary funding in the form of the Funding Guarantee Grant, but our Business Rates grant of £2.3m will remain largely intact. However the risk is that Government also

includes this in the funding review and that too could be reduced. The Council will revisit the assumptions should any consultation or funding review strategy be published and will feed this into a future Medium-Term Financial Strategy.

- 4.24 Horsham District Council also carries a risk that West Sussex County Council pass on some responsibilities and costs in areas such as housing and youth provision. The Council is monitoring the impact of other West Sussex County Council decisions on their remaining discretionary funding that may affect areas such as the housing services and social care. West Sussex County Council is working with district councils to mitigate the impact, but some moderate and gradual cost impacts are anticipated over the period. There is also a risk that our communities expect Horsham District Council to deliver certain areas of service delivery, such as youth services, as they are reduced by West Sussex County Council.

New Homes Bonus

- 4.25 The New Homes Bonus provides an incentive payment for local government to stimulate housing growth in their area. The calculation is based on Council Tax statistics submitted to Government each October. In two-tier local government areas this payment is currently split in the ratio 20% to county councils, 80% to district councils. New Homes Bonus is currently not ring-fenced and can be spent at the Council's discretion, and the Council currently feeds this in to the Environment and Infrastructure earmarked reserve.
- 4.26 The technical consultation paper for the Local Government Finance Settlement 2020-21 informed us of Government's intention to revise the New Homes Bonus scheme and explore a more effective way to incentivise housing growth. The provisional settlement in December 2023 provided a one-off single-year payment in 2024/25 of £0.525m, reflecting lower house numbers offset a little by a higher average payment per house. We no longer receive any legacy payments.
- 4.27 This phasing out denotes Government's intention to replace New Homes Bonus. It has survived despite the severe pruning in the last few years and it may well limp on under the guise of one-off allocations until the Business Rates and wider the sector funding are fully reviewed and re-distributed. However we are working on the assumption that 2024/25 will be the last payment. Due to this overhanging threat, the Council removed any revenue reliance on New Homes Bonus in 2018/19.

Food waste collection

- 4.28 On 21 October 2023 Government announced plans to mandate food waste collection by 31 March 2025 for commercial waste and 31 March 2026 for domestic waste. We have been working with consultants, Ricardo, on the options and estimated costs of domestic food waste collection. One hundred households in our district took part in a collections trial that included separate weekly food waste and Absorbent Hygiene Product collections. This included family households, single-occupancy homes and flats. It produced some useful data to help inform the options to consider when implementing food waste collections. The initial trial of 100 households has, for example, indicated that there is capacity within the standard 140 litre residual waste bin to collect this bin every three weeks once food waste is collected separately, as around 40% of residual waste, by tonnage, is food waste. We are liaising with other West Sussex councils to develop a strategy for collecting food waste.
- 4.29 The Government announcement emphasised the collection of residual waste every two weeks or less. The indicative cost is estimated to be £1.8m per annum to add the weekly collection of food waste to existing services of fortnightly collection of residual

waste, recycling and garden waste. A weekly opt-in absorbent hygiene product collection would be advisable if we introduced a three weekly residual collection service which would result in similar costs as the fortnightly waste collection option.

- 4.30 On 9 January 2024, the Council received a letter setting out the indicative capital allocation of £1.49m intended for the purchase of food bins (internal kitchen caddies, external kerbside caddies and communal bins) and food waste collection vehicles. The funding has been calculated by the Department for Environment Food & Rural Affairs in collaboration with the Waste Resources Action Programme (WRAP), modelled on central data with contextual and service variation such as housing stock type and how rural / urban an area is. Our initial view is that this is a reasonable allocation, but it is unlikely to cover more than three-quarter of our capital costs, currently estimated at £2.1m.
- 4.31 The annual revenue costs of running food waste collection are of more concern to us. The 9 January 2024 letter confirmed that some resource transitional funding will be provided from the 2024/25 financial year, although it did not indicate how much we might receive. The letter also made reference to ongoing revenue funding being provided to all waste collection authorities from 1 April 2026. The revenue funding is also likely to be based on a complex central formula and if anything like the capital funding formula, unlikely to be enough. In anticipation of the introduction of food waste in the latter years of the Medium-Term Financial Strategy, £1.3m from the 2023/24 Settlement was put aside in an earmarked reserve to help fund the first year of implementation.
- 4.32 Whilst the indication of some revenue funding for the collection of food waste is welcome, we don't yet know how much nor whether other funding we currently receive might be reduced to offset this. We will revisit and update our assumptions in the Medium-Term Financial Strategy as the detail and requirements emerge in due course. For now, our assumption is that any revenue funding from Government, together with the earmarked reserve, will delay and partially reduce the £1.8m per annum impact to around £0.75m by 2028/29.

The Environment, Infrastructure and reducing Carbon emissions

- 4.33 The Council is committed to tackling carbon emissions and on 24 September 2020, the Cabinet set an aspirational target for the Council's direct emissions to be net zero by 2030. The Council has earmarked a £14.7m Environment and Infrastructure reserve to support future service delivery of infrastructure to serve the needs of the district's residents, with additional emphasis on improving the environment and reducing carbon emissions as well.
- 4.34 The current Medium-Term Financial Strategy includes an indicative £0.1m revenue impact each year representing numerous anticipated smaller actions to improve our lower-level decarbonisation efforts through our climate action plan, and as we take a variety of steps to improve the natural environment. However, to get close to achieving the 2030 net zero target, and replace our aging infrastructure, we would need to address some significant and costly items over the remainder of the decade. Establishing an accurate estimate of the cost of decarbonisation across all the Council's residential, non-residential, operational and leased buildings is ongoing. A number of audits are already underway, although the true cost will only be known as work is completed, as each building is unique and might unveil hidden costs such as asbestos removal as things are uncovered during refurbishment. For Medium-Term

Financial Planning purposes, the cost of both the key infrastructure and environmental work is estimated at £34m as shown in Appendix I.

- 4.35 The expenditure is split into two unrefined categories. Some £20m might be considered more probable simply because we may have to do it, such as improving the carbon standing of our commercial investment portfolio to be able to continue to rent them out if Government requires landlords to achieve certain EPC type ratings, and replacement of our aging waste collection vehicles so that we can continue to collect the waste and recycling in the district. Some options though might come with a higher degree of choice, such as the refurbishment and decarbonisation of leisure centres where there is not a statutory requirement to deliver the services or meet certain standards in the short to medium term. Our leisure centres, for example, are operated by a contractor, so they are categorised as 'tier 3' emissions and therefore do not fall within the Council's 2030 net zero target, but they are a large emitter of carbon. There may be a desire to bring forward those works and these costs will be calculated as part of the preparation for the retendering of the leisure centres contract, which expires in 2027. The current estimate for this portion is around £12m. Approval of a £10.7m Capitol Theatre decarbonisation and refurbishment project is a separate item on this Cabinet agenda and the significant impact of this expenditure is already included in the revenue and capital budgets across the Medium-Term Financial Strategy on the assumption that this is approved.
- 4.36 Each decision though, in either category, to achieve net zero will considerably impact the Council's financial position in the medium and long term and will therefore need to be reviewed alongside the Council's decisions made in the revenue and capital budgets and the need to set a balanced budget, as is required by law, and which maintain sufficient reserve levels. These works in total far exceed the money in the earmarked reserve and any later in the period will either have to be funded from other general and / or capital reserves and / or from borrowing.
- 4.37 The revenue impact from spending £34m on top of the £5m to £6m standard annual capital programme and £10.7m on the Capitol Theatre, could be as much as £2m p.a. by the end of the period for loss of interest, borrowing costs and Minimum Revenue Provision. In addition, it is likely that some of the facilities would close for refurbishment which has not yet been factored into the Medium-Term Financial Strategy yet either, but will need to be factored into the decision making.

5 Draft Revenue Budget for 2024/25

- 5.1 The 2024/25 budget has been prepared following a detailed "Budget Challenge" with Heads of Service to secure revenue streams and manage expenditure. The challenge process is there to ensure that excessive budgeting is avoided, additional income is found and efficiency savings are made. It also ensures that adequate resourcing is provided to meet service delivery items.
- 5.2 The budget requirement is for £14.5m. The detail of the revenue budget is shown in **Appendix A**. This is £0.8m higher than 2023/24 after in year adjustments to the original budget that was set. A summary of the main items of growth and savings in the 2024/25 budget are shown in the same appendix.
- 5.3 The most significant items of growth include £2.4m salary growth from a projected 4.5% pay increase, increments and additional posts, higher fuel and utilities, supplier contract inflation and lower planning income due to the effects of water neutrality. Additionally, specific costs are being felt in Revenues and Benefits as recovered overpayments reduce as people struggle to make ends meet due to the higher cost of living, and the rise in numbers of Supported and Exempt Accommodation costs

which are properties that are capped for subsidy. Public Sector Auditor Appointments Ltd have set an external audit scale fee that is £0.1m higher in 2024/25. Other items of growth include a £0.1m 'People's budget' where, once consulted, the public will decide the areas of spend.

- 5.4 £1.3m investment income from higher interest rates, £0.25m of extra parking income, £0.25m of Government funding towards the costs of addressing water neutrality, £0.2m income from the twenty Local Authority Housing Fund properties to help support refugees, and £0.6m of other net income through general increases of fees and charges and commercial income streams, has helped to offset some of this growth. Notable fees and charges increases are set out in **Appendix H to H (iii)**. However, the one-off 2024/25 Funding Guarantee grant will be used to finance the remaining £0.6m so that a balanced budget can be set after C-tax and Business rate grant funding are taken into account.
- 5.5 The budget also includes £277,000 of grants available to the voluntary groups, the largest being £94,860 to the Citizen Advice Bureau in Horsham. A full list is included in **Appendix B**.

6 Special charge

- 6.1 Details of the Special Charge expenditure of £456,865 are included in **Appendix C**. The proposed the Special Charge for 2024/25 is set at £37.22 and is sufficient to fund the proposed Special Expenses. An early draft of the increase in the special charge was shared with the Neighbourhood Councils in December 2023.

7 Council Tax for 2024/25

2023/24 £000		2024/25 £000
13,513	Net expenditure	14,539
-	Contribution to / (from) general reserves	0
13,513		14,539
(11)	Rural grant	(12)
(139)	Revenue Support grant	(148)
(80)	Services grant	(13)
(824)	New homes bonus	(525)
824	<u>Less</u> contribution to Environment and Infrastructure reserve	525
(2,895)	Funding Guarantee Grant	(3,554)
2,895	<u>Less</u> contribution to earmarked reserve / Collection Fund	2,957
(2,129)	Business Rates retention scheme baseline	(2,214)

11,154 (337)	Expenditure to be financed from District Council Tax <u>Less</u> funding by Special Charge taxpayers	11,555 (457)
10,816	Expenditure to be funded from District Council Tax	11,098
64,792.5	Estimated band D equivalent properties	65,173.2
£166.94	Council Tax at band D	£170.28
£3.21	Cost per week at band D	£3.27

Table 4 – Council Tax for 2024/25. Minor rounding errors may apply.

8 Capital Budget

- 8.1 An £10.5m capital programme is proposed in 2024/25 which includes an element of completion of approved schemes from preceding years based on current M8 forecast, as well as investing further in infrastructure for the benefit of our residents, including home repair and disabled facility grants, and housing enabling grants. It also includes works that will help the environment, reducing the emissions of carbon by using LED lights in Horsham Park and other energy efficiency improvements. £1.5m will be spent on electric vehicles where practicable, or the refurbishment of existing vehicles where it isn't.
- 8.2 Twelve new schemes costing £1.4m are added to the programme, with an annual burden on revenue of £0.12m per year, the largest individual project being the £0.56m pathway, bin storage and visual improvements to an area in Blackhorse Way, Horsham.
- 8.3 The Capitol Theatre is a major project and the £10.7m will have a significant impact on the capital programme over the next couple of years, as well as a substantial negative impact on revenue across the whole of the Medium-Term Financial Strategy as the investment does not payback financially. Subject to Council approval of the project (separately on the agenda), the whole spend on this project has an indicative allocation scheduled from Quarter 4 in 2023/24, through to Quarter 3 of 2026/27.
- 8.4 The full draft capital programme for 2024/25 is in **Appendix D**. The new programme for 2024/25 is for approval by full Council. Aside from the three new major project identified in the plan (Capitol Theatre, Fiennes Court decarbonisation, Blackhorse Way) or previously approved projects that spread across future years, budgets for future years are included to indicate the scale of provision that may be required to maintain the life of the Council's assets and meet the aspirations in the Council Plan. The programming will be refined in 2024/25 as the preparatory work on this scheme is undertaken. The aim of this is to set as accurate and realistic capital budget programme as we can, bearing in mind we have significantly underspent optimistic programmes in the past yet we have to have the capital spend approval in place before we can commence the work. The revised programme will be monitored by Overview and Scrutiny Committee at the end of Quarter 1.
- 8.5 To ensure the sufficiency of reserves in future years, officers have updated the indicative list of infrastructure replacement and improvement needed over the next six years (Appendix I). It is imperative that officers work through this list and obtain detailed data to be able to make informed decisions and prioritise the projects. This list includes replacement of vehicles by 2030, as well as building improvements to help our carbon reduction plan. This might also include an upgrade of the leisure

centres such as at Billingshurst, Steyning and the Pavilions for which an estimated and indicative cost only has been provided but it will be significant.

Minimum Revenue Provision

- 8.6 The Council is required to set aside funds to repay the borrowing need each year through a revenue charge called the minimum revenue provision. The regulations require full Council to approve a statement of the provision in advance of each year and the statement is in **Appendix E**. No changes have been made.

Prudential Code and Capital Strategy

- 8.7 The Local Government Act 2003 requires the Council to have regard to the CIPFA Prudential Code and the Ministry of Housing, Communities and Local Government (MHCLG) guidance. These also cover the Council's commercial activities, notably commercial property. The objectives of the Prudential Code remain to ensure, within a clear framework, that the capital investment plans of local government authorities are affordable, prudent and sustainable, and that any investment management decisions are taken in accordance with good professional practice.
- 8.8 The Capital Strategy and the associated treasury and non-treasury investment strategies were considered by the Audit Committee on 6 December 2023. It gives a high-level picture of the Council's capital plans including financing and the overarching strategy of investment in traditional financial investments and non-treasury investments such as service loans and commercial property. The committee was asked to approve the preliminary Capital Strategy as the appropriate overall approach.
- 8.9 The final capital programme for 2024/25 has changed significantly compared with the version tabled at the Audit Committee on 6 December 2023 due to the inclusion of the £10.7m Capitol Theatre project, but the remainder remains substantially the same as seen by the Audit Committee. The Audit Committee was also asked to recommend that the Council approve the Treasury Management Strategy and Investment Strategy that fits in with the overarching Capital Strategy.
- 8.10 The final revised Capital Strategy and estimates to be adopted by the Council are set out in **Appendix F**. The Council are asked to adopt them as the final group of prudential indicators.
- 8.11 The major indicators are the projected financing of capital spend, the Capital Financial Requirement and projected debt. The Council's Capital Financial Requirement is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of Council's underlying borrowing need. The Capital Strategy also sets limits on external debt and sets the overarching arrangements for borrowing, treasury investments, investments for service purposes and investments in commercial property for financial return.

9 Reserves

- 9.1 The Council agreed in October 2012 on a minimum level of general reserves of £6m. This gives sufficient flexibility and headroom to deal with any issues that arise. Except for funding transformation, the Council's aim should be not to use general reserves for normal revenue spend. £0.25m each year is however envisaged for implementing transformation, initially mostly on the new system for Planning and Regulatory Services but then on implementing actions to help reduce cost pressures and generate income to reduce the need for reserves to be used to fund budget deficits.

- 9.2 The unaudited useable Reserves at 31 March 2023 contain £26.4m in the general fund reserve in addition to the £14.7m in the Environment and Infrastructure earmarked reserve. Whilst seemingly large, this should be seen in the context of committing to spend £10.7m on the Capitol Theatre, and the forecast budget gaps by 2029/30 which would cumulatively require £15m of the General Fund reserves to plug the deficits if no action is taken and still leave a £3.7m gap to fill each year after that too. It should also be seen in the context of the additional and significant decarbonisation and infrastructure replacement £34m costs set out in Appendix I. It is also important to remember that a high level of reserves helps generate significant revenue income from treasury management investments which are currently being used to fund revenue services.
- 9.3 Section 25 of the Local Government Act 2003 requires Chief Financial Officers (CFO) to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their precepts, and authorities are required to take the CFO's report into account when setting the Council Tax. This is contained **Appendix G**. It also sets out different scenarios and the impact they might have on reserves over the Medium-Term Financial Strategy. This includes the impact of a severe reduction in Government funding for example if Business Rates grant is also suddenly taken away that substantially worsens our financial position beyond that currently predicted.
- 9.4 Appendix G shows that relying on reserves to plug budget gaps over this period is not advisable. The high level of uncertainty over the future means there is no immediate need to rush to a decision now to take action to save £3.7m when setting the 2024/25 budget. However, if we do not take action during 2024 and formalise plans to close the future gaps when setting the 2025/26 budget, there will be a gap of around £1.9m gap to fill by 2025/26 if no action is taken. It is also therefore advisable not to spend extra money now without return today that may be needed in the future. It will only make the task of finding income and reducing expenditure on the Council's non-statutory services or quality cuts to its statutory services even greater in the future. It should be remembered too that larger schemes such as the potential for building homes on Council owned land which might have the greatest impact often take a considerable amount of elapsed time to the point income is generated or the savings are made, especially in the current restrictions under water neutrality.

10 Risks

- 10.1 The Medium-Term Financial Strategy takes a prudent but balanced view of the financial future, but continuing to take further action is also important to also help mitigate the risks that the Council faces over the medium-term. These risks are set out in summary below and include:
- interest rates fall more than anticipated.
 - becoming reliant on one-off funding grants
 - costs from utilities, inflation and salaries remain higher than anticipated.
 - income, especially parking income and from leisure centres, reduces as customers don't spend as much in a recession.
 - late delivery of transformation savings and income.
 - lower savings or income as proposed changes cannot be delivered to the size / scale envisaged.

- underestimation of the impact of the water neutrality issue on lower planning income and future Council Tax income growth.
- weakening national economic position/ low growth due to ongoing cost of living issues.
- impact of recession on income, council tax support numbers, ability of businesses to pay Business Rates and families to pay Council Tax.
- a new baseline for Business Rates and / or other changes to Business Rates.
- Ongoing Government funding for food waste collection is less than anticipated.
- funding review outcomes and / or further or steeper funding cuts / to help Government meet deficit reductions targets, including any impact on locally generated sales, fees and charges from any funding review.
- the impact of Ukrainian / Afghanistan refugees on the district increases and Government funding does not match the cost.
- legislation forcing local government to pick up additional responsibilities currently unknown.
- West Sussex County Council pass on higher levels of responsibilities and costs to us than anticipated.
- The cost of de-carbonisation is higher and / or harder than anticipated.

11 Next steps

11.1 The Council meeting on 21 February 2024 will set the Council Tax for 2024/25.

12 Views of the Policy Development Advisory Group and outcome of consultations

12.1 The proposed budget, Medium-Term Financial Strategy and assumptions and capital programme were considered by the Finance and Resources Policy Development and Advisory Group at its meeting on 15 January 2024.

12.2 The proposed budget and Medium-Term Financial Strategy will be considered at the Overview & Scrutiny Committee meeting on 22 January 2024. The Committee's views will be orally reported to Cabinet at their meeting.

12.3 A financial update and updated Medium-Term Financial Plan was reported to Cabinet and Council in late 2023, which allowed all Members the opportunity to discuss and review the financial situation in advance of the 2024/25 budget setting process. The Leader, Deputy and Cabinet Members were also briefed on the proposed 2024/25 budgets in January 2023.

12.4 The Chief Executive, Directors and the Head of Finance and Performance and all Heads of Service have been extensively involved in preparing the Budget and Medium-Term Financial Strategy and are fully supportive of its contents. The Monitoring Officer has also been consulted during the preparation of the document for legal probity.

13 Other courses of action considered but rejected

13.1 Making cuts to popular non-statutory services such as parks and countryside, planning enforcement and cultural and leisure services was considered. This was rejected because the scale of the proposed deficits in the future is uncertain and the Council is able to set a balanced budget in 2024/25 using the one-off Funding Guarantee grant.

14 Resource consequences

- 14.1 The high level of inflation on expenditure and salaries has increased the net revenue costs of the Council by £0.8m despite increase in treasury management investment income from rising interest rates. Reliance on the interest income puts the Council at significant risk of a fall in interest rates or a reduction in balances from spending them.
- 14.2 Workforce numbers have increased slightly as the Council strives to maintain the high level of statutory and non-statutory services it provides and deliver projects. Use of the one-off Funding Guarantee grant in 2024/25 masks the revenue gap. Approval of the £10.7m Capitol Theatre Project puts considerable strain on the Council's revenue position going forward. Specific actions to address the current and future financial gaps are not detailed in this report. Whilst less of an issue for 2024/25 due to the receipt of one-off Government funding, this is a concern and must be addressed during 2024 so that a balanced budget can be set in 2025/26, especially if that Settlement does not contain any Funding Guarantee grant. A plan must also be developed for future years too that sits alongside the administration's annual ambitions under the Council Plan.
- 14.3 The Chief Finance Officer's view is that the Council needs to maintain financial discipline, both now and in the future, and not spend more than is affordable. Additional spending now without financial return or extra income and / or savings to compensate will only sharpen the need for deeper cuts or much higher fees and charges increases later. It may also limit the scope in the future for capital projects that produce social rather than financial returns. The CFO therefore advises that existing resources are reshaped, rather than added to. This is especially relevant when considering the significant longer-term infrastructure expenditure and de-carbonisation 2030 net zero commitments.

15 Legal consequences

- 15.1 The Council Tax in England and Wales is provided for and governed by the provisions of the Local Government Finance Act 1992. Within this Act, the Council is designated as a "Billing Authority", responsible for the billing, collection and enforcement of Council Tax. The Council is required under the Local Government Finance Act 1992 to produce a 'balanced budget'.
- 15.2 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their Council about the robustness of estimates and the adequacy of reserves when determining their precepts, and local government authorities are required to take the Chief Financial Officer's report into account when setting the Council Tax. This report is shown in Appendix G.
- 15.3 This report also sets out the Council's Medium-Term Financial Strategy. The Director of Resources has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.

16 Risk assessment

- 16.1 The Council's reliance on Government controlled funding and balancing the Medium-Term Financial Strategy is captured on the Corporate Risk Register at CRR01. This is regularly reviewed and updated and is monitored at Audit Committee.

17 Procurement implications

- 17.1 There are no procurement implications arising from this report.

18 Equalities and Human Rights implications / Public Sector Equality Duty

- 18.1 The Equality Act 2010 includes a public sector equality duty which requires local government authorities when exercising functions to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act and to advance equality of opportunity and foster good relations between those who share a “protected characteristic and those who do not share that protected characteristic”. When a Budget proposal has implications for people covered by the Equality Act 2010, the Council must take account of the Equality Duty and any particular impact on the protected group. There are no equality implications in regards to this proposed budget but changes needed to balance the budget beyond 2025/26 will need further consideration.

19 Environmental implications

- 19.1 A number of environmental implications are included in the main body of the report where additional money is included in the budget for spending on improving the environment and decarbonisation. There are no proposed cuts to services that impact the environment. Some non-electric vehicles are being renewed in the fleet replacement capital programme, although the Council is trying to re-furbish existing vehicles and buy second hand, until technology enables the transition to a suitable alternative.

20 Other considerations

- 20.1 There are no other considerations to take into account at this stage of developing the Medium-Term Financial Strategy.

Budget Addendum: Government Funding changes following receipt of the Final Settlement.

The Final Settlement allocation was published on 5 February 2024. The Settlement increased our funding in three places, with Government providing extra funding to councils in the face of funding pressures so councils are able to continue to provide vital services for their communities. £2k was added to the Rural Services delivery grant, an additional £1k in the services grant and a £173k increase in the Funding Guarantee. This results in a minimum 4% (previously 3%) increase in the Core Spending Power for local authorities, before taking any local decisions on council tax. The three changes are highlighted below.

2023/24		2024/25
£000		£000
13,513	Net expenditure	14,539
-	Contribution to / (from) general reserves	-
13,513		14,539
(12)	Rural grant	(14)
(139)	Revenue Support Grant	(148)
(83)	<u>Less</u> service grant / Council tax support grant	(14)
(824)	New homes bonus	(525)
824	<u>Less</u> contribution to Environment and Infrastructure reserve	525
(2,891)	Funding Guarantee	(3,727)
2,895	<u>Less</u> contribution to earmarked reserve	3,133
(2,129)	Business Rates retention scheme baseline	(2,214)
11,154	Expenditure to be financed from District Council Tax	11,555
(337)	<u>Less</u> funding by Special Charge taxpayers	(457)
10,816	Expenditure to be funded from District Council Tax	11,098
64,792.5	Estimated band D equivalent properties	65,173.2
£166.94	Council Tax at band D	£170.28
£3.21	Cost per week at band D	£3.27

Table 3 – Council Tax for 2024/25. Minor rounding errors may apply.

Note: (income shown in brackets).

Report to Council

Wednesday, 21 February 2024

By the Cabinet Member for Finance and Resources

DECISION REQUIRED



Not Exempt

Council Tax Resolution 2024/25

Executive Summary

This report seeks approval to the formal 2024/25 Council Tax resolution, setting out the Council Tax to be levied in each parish and for each property band. It is proposed to increase the District-wide Council Tax by £3.34 from £166.94 to £170.28 and to set the Special Charge in the unparished area at £37.21. Precepts from West Sussex County Council, West Sussex Police and Crime Commissioner and parishes have been received and form part of the overall Council Tax.

Note that West Sussex County Council will only formally approve the County's Council Tax precept at their Council meeting on 16 February 2024.

Recommendations

The Council is recommended to resolve:

1. The Council Tax Base 2024/25 be noted and set
 - a. for the whole Council area as 65,173.2 (Item T in the formula in section 31B of the Local Government Finance Act 1992, as amended (the "Act") and
 - b. for dwellings in those parts of its area to which as Parish Precept or Special Expenses relates as shown below:

Parish	2024/25 tax base
Amberley	338.1
Ashington	1,175.5
Ashurst	147.1
Billingshurst	4,538.9
Bramber	412.8
Broadbridge Heath	2,334.8
Coldwaltham	478.7
Colgate	2,026.1
Cowfold	869.5
Henfield	2,725.9
Itchingfield	782.7
Lower Beeding	554.4
North Horsham	8,874.3
Nuthurst	1,096.2
Parham	129.6
Pulborough	2,609.4
Rudgwick	1,449.5
Rusper	1,011.5
Shermanbury	317.7
Shipley	642.8
Slinfold	984.2
Southwater	4,842.8
Steyning	2,568.4
Storrington & Sullington	3,349.3
Thakeham	1,172.4
Upper Beeding	1,442.5
Warnham	1,007.2
Washington	1,118.7
West Chiltington	2,216.4
West Grinstead	1,306.0
Wiston	101.0
Woodmancote	271.6
Horsham Town	12,277.2
Total	65,173.2

2. That the Council Tax requirement for the Council's own purposes for 2024/25 (excluding Special Expenses and Parish precepts) is set at £170.28

2. That the following amounts be calculated for the year 2024/25 in accordance with Sections 31 to 37 (excluding sections 32 and 33 which are applicable to Wales only) of the Act:
 - (a) £103,979,552 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

- (b) £88,009,092 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £15,970,460 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (d) £245.05 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £4,872,520 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
- (f) £170.28 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

(g)					
Parish	Precept Amount £	Council Tax at Band D			Total £
		Parish Precept / Special charge for Unparished Area £		Basic Amount of District Council Tax £	
Amberley	36,539.00	108.07		170.28	278.35
Ashington	108,133.00	91.99		170.28	262.27
Ashurst	14,100.00	95.85		170.28	266.13
Billingshurst	513,010.00	113.03		170.28	283.31
Bramber	37,564.64	91.00		170.28	261.28
Broadbridge Heath	175,172.00	75.03		170.28	245.31
Coldwaltham	18,026.50	37.66		170.28	207.94
Colgate	34,160.00	16.86		170.28	187.14
Cowfold	75,276.00	86.57		170.28	256.85
Henfield	348,685.00	127.92		170.28	298.19
Itchingfield	63,000.00	80.49		170.28	250.77
Lower Beeding	38,990.00	70.33		170.28	240.61
North Horsham	380,247.00	42.85		170.28	213.13
Nuthurst	57,516.00	52.47		170.28	222.75
Parham	5,823.00	44.93		170.28	215.21
Pulborough	292,460.00	112.08		170.28	282.36
Rudgwick	115,960.00	80.00		170.28	250.28
Rusper	49,000.00	48.44		170.28	218.72
Shermanbury	26,325.00	82.86		170.28	253.14
Shipley	37,821.32	58.84		170.28	229.12
Slinfold	66,220.00	67.28		170.28	237.56
Southwater	512,424.00	105.81		170.28	276.09
Steyning	404,325.00	157.42		170.28	327.70
Storrington & Sullington	299,905.70	89.54		170.28	259.82
Thakeham	74,532.00	63.57		170.28	233.85
Upper Beeding	233,625.00	161.96		170.28	332.24
Warnham	92,755.72	92.09		170.28	262.37
Washington	44,877.28	40.12		170.28	210.39
West Chiltington	159,009.00	71.74		170.28	242.02
West Grinstead	79,600.00	60.95		170.28	231.23
Wiston	4,156.00	41.15		170.28	211.43
Woodmancote	16,416.64	60.44		170.28	230.72
Horsham Town - Special charge	456,865.00	37.21		170.28	207.49

being the amounts given by adding to the amount at (f) above the amounts of the special items relating to the dwellings in those parts of the Council's area mentioned above, calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

4. To note that the County Council have proposed precepts and the Sussex Police and Crime Commissioner has notified precepts to the Council in accordance with Section 40 of the Act for each category of dwellings in the Council's area as indicated in the table below:

Band Authority	A	B	C	D	E	F	G	H
West Sussex County Council	1,143.30	1,333.85	1,524.40	1,714.95	2,096.05	2,477.15	2,858.25	3,429.90

Band Authority	A	B	C	D	E	F	G	H
Sussex Police and Crime Commissioner	168.61	196.71	224.81	252.91	309.11	365.31	421.52	505.82

The Horsham District Figures are shown below:-

Band Authority	A	B	C	D	E	F	G	H
Horsham District Council	113.52	132.44	151.36	170.28	208.12	245.96	283.80	340.56

5. That, having calculated the aggregate in each case of the amounts at 3 and 4 above the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2024/25 for each part of its area and for each of the categories of dwellings:

BAND	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Amberley	1,497.48	1,747.06	1,996.63	2,246.21	2,745.37	3,244.52	3,743.69	4,492.42
Ashington	1,486.76	1,734.55	1,982.34	2,230.13	2,725.71	3,221.29	3,716.88	4,460.26
Ashurst	1,489.33	1,737.55	1,985.77	2,233.99	2,730.43	3,226.87	3,723.33	4,467.99
Billingshurst	1,500.78	1,750.91	2,001.04	2,251.17	2,751.42	3,251.68	3,751.95	4,502.33
Bramber	1,486.10	1,733.78	1,981.46	2,229.14	2,724.50	3,219.86	3,715.24	4,458.28
Broadbridge Heath	1,475.45	1,721.35	1,967.26	2,213.17	2,704.98	3,196.79	3,688.61	4,426.33
Coldwaltham	1,450.53	1,692.29	1,934.04	2,175.80	2,659.31	3,142.81	3,626.33	4,351.59
Colgate	1,436.67	1,676.11	1,915.56	2,155.00	2,633.89	3,112.77	3,591.67	4,310.00
Cowfold	1,483.15	1,730.34	1,977.52	2,224.71	2,719.09	3,213.47	3,707.86	4,449.43
Henfield	1,510.71	1,762.49	2,014.27	2,266.06	2,769.62	3,273.19	3,776.76	4,532.11
Itchingfield	1,479.09	1,725.60	1,972.12	2,218.63	2,711.66	3,204.68	3,697.72	4,437.26
Lower Beeding	1,472.32	1,717.70	1,963.08	2,208.47	2,699.24	3,190.01	3,680.78	4,416.94
North Horsham	1,454.00	1,696.33	1,938.66	2,180.99	2,665.65	3,150.31	3,634.98	4,361.98
Nuthurst	1,460.41	1,703.81	1,947.21	2,190.61	2,677.41	3,164.21	3,651.02	4,381.22
Parham	1,455.38	1,697.95	1,940.51	2,183.07	2,668.20	3,153.32	3,638.45	4,366.14
Pulborough	1,500.15	1,750.17	2,000.20	2,250.22	2,750.27	3,250.31	3,750.37	4,500.44
Rudgwick	1,478.76	1,725.22	1,971.68	2,218.14	2,711.06	3,203.98	3,696.90	4,436.28
Rusper	1,457.73	1,700.68	1,943.63	2,186.58	2,672.49	3,158.39	3,644.31	4,373.17
Shermanbury	1,480.67	1,727.45	1,974.22	2,221.00	2,714.55	3,208.11	3,701.67	4,442.00
Shipley	1,464.66	1,708.76	1,952.87	2,196.98	2,685.19	3,173.41	3,661.63	4,393.96
Slinfold	1,470.29	1,715.33	1,960.38	2,205.42	2,695.51	3,185.61	3,675.71	4,410.85
Southwater	1,495.97	1,745.30	1,994.62	2,243.95	2,742.61	3,241.26	3,739.92	4,487.90
Steyning	1,530.38	1,785.44	2,040.50	2,295.56	2,805.69	3,315.81	3,825.94	4,591.13
Storrington & Sullington	1,485.13	1,732.64	1,980.16	2,227.68	2,722.72	3,217.76	3,712.81	4,455.37
Thakeham	1,467.81	1,712.45	1,957.08	2,201.71	2,690.98	3,180.25	3,669.52	4,403.42
Upper Beeding	1,533.40	1,788.97	2,044.53	2,300.10	2,811.23	3,322.36	3,833.50	4,600.20
Warnham	1,486.83	1,734.63	1,982.43	2,230.23	2,725.84	3,221.44	3,717.06	4,460.47
Washington	1,452.17	1,694.20	1,936.23	2,178.26	2,662.31	3,146.36	3,630.43	4,356.51
West Chiltington	1,473.26	1,718.80	1,964.34	2,209.88	2,700.96	3,192.05	3,683.14	4,419.76
West Grinstead	1,466.06	1,710.41	1,954.75	2,199.09	2,687.77	3,176.46	3,665.15	4,398.18
Wiston	1,452.86	1,695.00	1,937.15	2,179.29	2,663.57	3,147.86	3,632.15	4,358.58
Woodmancote	1,465.73	1,710.01	1,954.30	2,198.58	2,687.16	3,175.73	3,664.31	4,397.17
Horsham Town - Special charge	1,450.24	1,691.94	1,933.65	2,175.35	2,658.76	3,142.17	3,625.59	4,350.70

6. To note that the Council's basic amount of Council Tax for 2024/25 is not excessive in accordance with principles approved under Section 52ZB of the Act.

Horsham District Council Tax Band D, inclusive of the special charge, as reported to Government.

2023/24	2024/25	Council Tax increase
£172.14	£177.29	£5.15 (or 2.99%)

As the billing Authority the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2024/25 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Act.

7. To approve a change in the Council Tax discount policies which have been updated to include:
- Horsham District Council has determined that from 2024/25, Council Tax payable in respect of long-term empty properties over 1 year will be 100% of Council Tax due, plus an additional premium of 100% of Council Tax due.
 - Horsham District Council has also determined that from 2025/26, Council Tax payable in respect of second homes will be 100% of Council Tax due, plus an additional premium of 100% of Council Tax due.

Reasons for Recommendations

To meet the Council's statutory requirement to set a Council Tax.

Background Papers	Report to Cabinet 25 January 2024
Consultation	Public consultation on increasing Council Tax premiums on long-term empty homes and second homes. 5 December 2023 to 5 January 2024
Wards Affected	All
Contact	Dominic Bradley, Director of Resources dominic.bradley@horsham.gov.uk Samantha Wilson, Head of Finance and Performance Samantha.wilson@horsham.gov.uk

Background Information

1 Introduction

- 1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2024/25.

Background / actions taken to date

- 1.2 The Cabinet met on 25 January 2024 and received a report from the Cabinet Member for Finance and Resources and the Director of Resources on the 2024/25 Budget and the Medium-Term Financial Strategy. The report was accepted and recommendations made to Council to agree the revenue and capital budgets for 2024/25 and the Special Expenses for the unparished area. The recommendation was to increase the District-wide Council Tax by £3.34 from £166.94 to £170.28 and set the Special Charge on the unparished area at £37.21. The changes to the Council Tax premiums were also discussed.

2 Statutory and Policy Background

- 2.1 The statutory requirements for the Council Tax resolution are contained in the Local Government Finance Act 1992 as amended by the Localism Act 2011. The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 require that immediately after any vote is taken at a budget decision meeting of an authority there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

3 Details

- 3.1 Precept requirements have been received from all the parishes within the district and from West Sussex County Council and the Sussex Police and Crime Commissioner. These figures, together with the proposed District tax and Special Charge are incorporated in the detailed tables included in the Council Tax resolution.
- 3.2 The Council Tax discount policies are summarised below:
- Horsham District Council will not award any discount period on empty and unfurnished homes; 100% council tax will be payable.
 - Horsham District Council will not award any discretionary discount for vacant property; 100% council tax will be payable.
 - Horsham District Council has determined that Council Tax payable in respect of long-term empty properties over 1 year will be 100% of Council Tax due, plus an additional premium of 100% of Council Tax due.
 - Horsham District Council has determined that Council Tax payable in respect of long-term empty properties over 10 years will be 100% of Council Tax due, plus an additional premium of 200% of Council Tax due.
 - Horsham District Council will not award a Council Tax discount on second homes; 100% council tax will be payable.

- 3.3 Furthermore, Horsham District Council has determined that from 2025/26 Council Tax payable in respect of second homes will be 100% of Council Tax due, plus an additional premium of 100% of Council Tax due.

4 Other courses of action considered but rejected

- 4.1 The Council is legally required to set a Council Tax. No other course of action has been considered.

5 Resource consequences

- 5.1 The financial consequences of the proposed budget have been included in the report to Cabinet. The staffing consequences of the proposed budget have been included in the report to Cabinet.

6 Legal consequences

- 6.1 The legal consequences have been detailed in the body of this report.
- 6.2 Otherwise, the Council Tax in England and Wales is provided for and governed broadly by the provisions of the Local Government Finance Act 1992, as amended by the Localism Act 2011. Within the Act, the Council is designated as a “Billing Authority”, responsible for the billing, collection and enforcement of Council Tax.

7 Risk assessment

- 7.1 The Council’s reliance on central government-controlled funding and balancing the Medium-Term Financial Strategy is captured on the Corporate Risk Register at CRR01. This is regularly reviewed and updated and is monitored at every Audit Committee meeting.

8 Equalities and Human Rights implications / Public Sector Equality Duty

- 8.1 The Equality Act 2010 includes a public sector equality duty which requires Councils when exercising functions to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act and to advance equality of opportunity and foster good relations between those who share a “protected characteristic and those who do not share that protected characteristic”. When a Budget proposal has implications for people covered by the Equality Act 2010, the Council must take account of the Equality Duty and any particular impact on the protected group. An Equality Impact Assessment was undertaken for the changes to the Council Tax premiums. There are no equality implications in regards to this proposed budget.

9 Environmental implications

- 9.1 There are no environmental consequences from these decisions.

10 Other considerations

- 10.1 There are no other considerations arising from these decisions.

1. **Capital Expenditure and Financing:** The Council is asked to approve the projected capital expenditure and financing below. It includes the capital programme in this report and estimates of capital spend that may become necessary in the medium term. It is one of the required prudential indicators. Capital spend is broken down between assets that directly provide services and those giving rise to investment income that supports the budget. A draft version of this indicator was considered by the Audit Committee on 6 December 2023. This final version follows the financing strategy of the draft albeit with re-profiling of the capital programme and an assumption that the £10.7m investment in the Capitol Theatre will be approved by Council.

£millions	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Capital Service Spend	4.3	14.6	12.6*	10.8	13.7
Capital Investments	0.9	0.2	0.1	0.1	0.1
Financed by:					
External resources	2.7	4.9	3.3	2.3	5.8
Internal Resources	2.5	9.9	7.0	8.6	8.0
Debt	0.0	0.0	2.4*	0.0	0.0
Total Financing	5.2	14.8	12.7	10.9	13.8

*Spend and debt have £2.4m added due to lease accounting change which does not represent cash expenditure

2. The term ‘Debt’ used above does not automatically lead to external borrowing as the Council can use funds it holds in reserves and working capital which is usually termed ‘internal borrowing’. Over time all debt whether it be internal or external borrowing must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). The current planned MRP payments are as follows:

£millions	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
MRP	0.9	0.9	1.2*	1.2	1.2

*The increase in 2024/25 is lease accounting change without which the value would not increase

3. The Council’s cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and any capital receipts used to replace debt. The CFR is expected to reduce over the period as no new unfinanced spend is projected and the annual MRP amounts reduce the CFR. The Council’s estimated CFR is as follows:

£millions	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget

CFR	32.7	31.8	33.0	31.8	30.7
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4. **Asset disposals:** Capital assets may be sold and the proceeds, known as capital receipts, spent on new assets. Repayments of capital grants, loans and investments also generate capital receipts. Projected capital receipts are:

£millions	2022/23 actual	2023/24 forecast	2024/25 estimate	2025/26 estimate	2026/27 estimate
Asset sales	0.4	0.4	0.4	0.4	0.4
Loans repaid	0.3	0.0	0.0	0.0	0.0
TOTAL	0.7	0.4	0.4	0.4	0.4

Treasury Management

5. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the inherent risks. It covers both borrowing and investing and their respective control frameworks.
6. **Borrowing strategy** The Council has no plans to borrow but could find itself in a position which calls for some borrowing. In that circumstance the main objectives when borrowing would be to achieve a low but certain cost of finance while retaining flexibility.
7. **Debt compared to CFR:** (Projected levels of the Council's total outstanding debt) are shown below, compared with the Capital Financing Requirement. Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from the table the Council expects to comply with this in the medium term. The Council is relying on 'internal borrowing' i.e. using reserves and other cash resources that it holds rather than borrow from external sources, which is considered to be sustainable in the medium term.

£millions	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Debt (incl. leases)	0	0	2.4*	2.1*	1.9*
CFR	32.7	31.8	33.0	31.8	30.7

*Debt is again purely due to accounting change and not actual unfinanced spend

8. **The affordable borrowing limit:** Irrespective of plans to borrow or not the Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit. Although no borrowing is planned, limits are set in case a need develops.

£millions	2023/24 limit	2024/25 limit	2025/26 limit	2026/27 limit
Authorised limit – borrowing	15	15	15	15
Authorised limit – leases	6	6	6	6
Authorised limit – total external debt	21	21	21	21
Operational boundary – borrowing	0	0	0	0
Operational boundary – leases	0	0	0	0
Operational boundary – total external debt	0	0	0	0

9. **Treasury investments:** The Council prioritises security and liquidity over yield, minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice. The future longer term investments in the table below are strategic pooled funds that the council intends to hold for the longer term although they can be sold if required. The projections show cash balances at year-end, which is a cash low point, remaining above £40m until 2026/27.

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 estimate	31.3.2026 estimate	31.3.2027 estimate
Near-term investments	33	27	23	19	17
Longer-term investments	42	42	41	37	27
TOTAL	75	69	64	56	44

10. **Treasury investment governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Resources and staff, who must act in line with the Treasury Management Strategy as approved by full Council following scrutiny and recommendation by the Audit Committee. The Audit Committee also receives a quarterly report and is responsible for scrutinising treasury management.
11. **Treasury investment in detail:** The more detailed Treasury Management Strategy was recommended by the Audit Committee on 6th December 2023 to be approved by full Council. It covers a series of limits, benchmarks and indicators that form a risk management framework.

Service and Commercial Investment Strategy

12. **Investments other than the traditional treasury:** This section concerns investments other than the traditional treasury instruments. The main categories covered are loans to or shares in other bodies to provide services on behalf of the Council and property investments where the income earned supports services.
13. **Investment for service purposes:** The Council can make investments to assist local public services, including making loans to local service providers and buying shares and making loans to any Council subsidiaries that provide services. Overall limits are set at £4m on the total exposure to loans for service purposes and £0.5m exposure permitted for shares being held. These limits were recommended by the Audit Committee on 6th December 2023 for adoption by full Council.
14. **Investment for service purposes - Governance:** Decisions on service investments are made by the full Council after the relevant Head of Service has submitted a comprehensive analysis in consultation with the Director of Resources and must meet the criteria and limits. Most loans and shares are capital expenditure and will therefore also have to be approved as part of the capital programme in the Budget report or by full Council.
15. **Commercial activities:** To support its services the Council invests in commercial property. Commercial property investments were valued at £58m on 31st March 2023 and they provide a net return after direct costs of 6.4%.
16. **Risks of commercial property:** The Council recognises the higher risk on commercial investment compared with treasury investments. The principal risk exposures include individual vacancies, falls in market value, and economic factors. Individual property risks are monitored and managed by the Head of Property. In order that commercial investments remain proportionate to the financial capacity of the Council, this strategy sets an overall maximum investment limit at £70m. Should income not meet expectations the Council holds at least £6m of general reserves to cover any shortfall in the short term while the Head of Property & Facilities reviews the performance of the portfolio.
17. **Commercial property - governance:** Decisions on new commercial investments are made by the Cabinet after recommendation from the Policy Development Advisory Group for Finance & Resources and Local Economy & Place. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.
18. **Net income from commercial and service investments to net revenue stream:** the latest iteration of the CIPFA Code requires the reporting of a

prudential indicator that shows the proportion that commercial and service net income forms of the whole Council's net revenue stream.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Total net income from service and commercial investments	£3.7m	£3.5m	£3.8m	£3.8m	£3.8m
Proportion of net revenue stream	29%	26%	27%	26%	27%

19. **Other liabilities:** The Council also has liabilities that it must seek to risk manage which this strategy covers. The Council has set aside £0.9m to cover risks of Business Rates Appeals. The Council is also at risk of having to pay for historic insurance claims but has not put aside any money because there is no reasonable assessment of the amount required.
20. **Other liabilities - governance:** Decisions on incurring new discretionary liabilities are taken by the relevant Director whose directorate budget would cover the crystallisation of a liability. These would be discussed at the quarterly corporate risk management meeting and final decisions as to recognition taken by the Director of Resources. New liabilities exceeding £1m are reported to full Council for approval or notification as appropriate. Further details on historic liabilities are in note 18 of the 2022/23 statement of accounts.
21. The more detailed strategy on the non-treasury investments was included in the Investment strategy incorporated in the Capital Strategy report that was recommended by Audit Committee on 6th December 2023 to be approved by the Council. That report includes detailed limits and indicators designed to demonstrate a prudent risk management approach.
22. **Revenue Budget Implications:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants. As the Council does not borrow the financing costs are purely the MRP which is stable as no new unfinanced spend is envisaged.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Financing costs (£m)	0.9	0.9	1.2*	1.2*	1.2*
Proportion of net revenue stream	7%	7%	8%	8%	8%

*The increase in 2024/25 is the one-off effect of the IFRS16 lease accounting change

23. **Sustainability of the capital programme and financing:** Due to the long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 40 years into the future. The Director of Resources is satisfied that the proposed capital programme is prudent, affordable and sustainable because the net budget demand on the Council and the risks in the programme have been reviewed and fall within the Council's tolerances.

24. **Knowledge and Skills:** The Council employs professionally qualified and experienced staff to support capital expenditure, borrowing and investment decisions. The Director of Resources and S151 Officer is a qualified accountant with 15 years' experience and the Head of Property is a member of RICS with 35 years' of experience in commercial property. The Council will also support other staff training. The Council also employs Arlingclose Limited as treasury management adviser and for any other category of significant specialist investment would use consultants with knowledge of the relevant sector.

Appendix A - 2024/25 budget by service and variance analysis

2023/24 Net Expenditure Budget £000's	Service	Income £000's	Expenditure £000's	2024/25 Net Expenditure Budget £000's
702	CORPORATE MANAGEMENT	(1)	743	742
375	COMMUNICATIONS	(15)	423	408
1,058	REVS & BENS ADMIN	(800)	2,158	1,358
70	POLICY & PERFORMANCE	0	85	85
414	ENVIRONMENTAL STRATEGY	(124)	555	431
1,942	LEGAL & DEMOCRATIC	(173)	2,433	2,260
949	FINANCE ACCOUNTANCY	0	942	942
(800)	FINANCE CORPORATE	(3,626)	1,326	(2,300)
1,977	TECHNOLOGY	(50)	2,129	2,079
621	HUMAN RESOURCES & ORG DEVELOPMENT	0	695	695
(3,426)	PARKING SERVICES	(6,132)	2,540	(3,591)
381	CUSTOMER SERVICES	0	424	424
286	LEISURE & CULTURE	0	382	382
198	MUSEUMS	(27)	239	211
397	CAPITOL	(1,754)	2,154	400
(487)	LEISURE SERVICES	(881)	436	(445)
1,560	PARKS & COUNTRYSIDE	(414)	2,257	1,843
3,588	STREET SCENE & FLEET	(235)	4,253	4,019
1,139	WASTE & RECYCLING	(4,647)	5,745	1,097
1,110	ENVIRONMENTAL HEALTH / LICENSING	(833)	2,080	1,247
641	HOUSING	(2,647)	3,039	392
876	COMMUNITY SERVICES	(1,376)	2,333	957
(55)	BUILDING CONTROL	(833)	883	51
221	DEVELOPMENT	(1,970)	2,433	462
1,522	STRATEGIC PLANNING	(480)	2,134	1,654
1,109	PROPERTY & FACILITIES	0	1,244	1,244
(3,724)	INVESTMENT PROPERTIES	(4,262)	489	(3,772)
1,092	OPERATIONAL PROPERTIES	(99)	1,329	1,231
291	ECONOMIC DEVELOPMENT	(655)	<u>1,128</u>	<u>473</u>
14,029	TOTAL OPERATIONAL BUDGET	(32,032)	47,011	14,979
(250)	BENEFIT PAYMENTS	(21,900)	21,550	(350)
13,779	TOTAL	53,932	68,561	14,629
(73)	LESS CAPITALISED SALARIES	(90)	0	(90)
13,706	TOTAL	54,022	68,561	14,539

Budget variance analysed by group (DIR) 2025

Department Description	Cost Centre	Cost Centre Description	2023/24 Net	Budget	2024/25 Net	Income	Staffing	Premises	Supplies & Services	Transport	Other
			Expenditure Budget	Variance	Expenditure Budget						
Directorate: 1											
Group: 100											
CHIEF EXECUTIVE OFFICE	1020	CHIEF EXECUTIVE	176,986	5,960	182,946	0	5,960	0	0	0	0
CHIEF EXECUTIVE OFFICE	1494	CORPORATE SUPPORT	130,080	11,770	141,850	0	11,770	0	0	0	0
CHIEF EXECUTIVE OFFICE	1014	CORPORATE & DEMOCRATIC CORE	133,000	100,000	233,000	0	0	0	100,000	0	0
CHIEF EXECUTIVE OFFICE	1015	CDC-DEMOCRATIC REPRESENTATION	465,285	22,010	487,295	0	0	0	22,010	0	0
Sub Total			905,351	139,740	1,045,091	0	17,730	0	122,010	0	0
Directorate: 3											
Group: 300											
DIR RESOURCES	1265	RESOURCES DIRECTOR	138,760	9,210	147,970	0	9,210	0	0	0	0
DIR RESOURCES	1245	HOUSING BENEFIT GRANT	(250,000)	(100,000)	(350,000)	(50,000)	0	0	(50,000)	0	0
DIR RESOURCES	1264	REVENUES & BENEFITS HDC	(292,000)	60,000	(232,000)	60,000	0	0	0	0	0
DIR RESOURCES	1592	REVENUES & BENEFITS CONTRACT	1,350,000	240,000	1,590,000	40,000	0	0	0	0	200,000
Sub Total			946,760	209,210	1,155,970	50,000	9,210	0	(50,000)	0	200,000
Group: 321											
PERFORMANCE AND PROJECT	1241	POLICY & PERFORMANCE (STRAT PLAN)	70,452	14,365	84,817	0	1,440	0	12,975	(50)	0
Sub Total			70,452	14,365	84,817	0	1,440	0	12,975	(50)	0
Group: 330											
LEGAL & DEMOCRATIC	1097	LEGAL SERVICES	960,237	43,043	1,003,280	(35,000)	74,348	0	3,695	0	0
LEGAL & DEMOCRATIC	1001	ELECTORAL REGISTRATION	81,220	15,850	97,070	(1,000)	0	0	16,850	0	0
LEGAL & DEMOCRATIC	1002	LOCAL COUNCIL ELECTIONS	20,000	60,000	80,000	180,000	0	0	(120,000)	0	0
LEGAL & DEMOCRATIC	1003	NEIGHBOURHOOD COUNCIL EXPENSES	26,000	0	26,000	0	0	0	0	0	0
LEGAL & DEMOCRATIC	1098	DEMOCRATIC SERVICES	255,835	77,638	333,473	0	75,738	0	1,900	0	0
Sub Total			1,343,292	196,531	1,539,823	144,000	150,086	0	(97,555)	0	0
Group: 340											
FINANCE	1017	UNAPPORTIONABLE OVERHEADS	91,000	0	91,000	0	0	0	0	0	0
FINANCE	1249	INTEREST ON CAPITAL RECEIPTS	(2,420,750)	(1,238,000)	(3,658,750)	(1,238,000)	0	0	0	0	0
FINANCE	1253	GENERAL FUND APPROPRIATNS A/C	917,000	(3,000)	914,000	0	0	0	0	0	(3,000)
FINANCE	1257	GENERAL EXPENSES-FINANCE	180,372	(872)	179,500	16,628	7,500	0	(25,000)	0	0
FINANCE	1258	INTERNAL AUDIT	148,000	9,000	157,000	0	0	0	0	0	9,000
FINANCE	1262	PROCUREMENT	72,100	11,400	83,500	0	0	0	0	0	11,400
FINANCE	1267	CENTRAL EXPENSES	212,310	(278,640)	(66,330)	0	(297,200)	0	18,560	0	0
FINANCE	1259	ACCOUNTANCY	612,954	52,074	665,028	0	49,579	0	2,495	0	0
FINANCE	1260	FINANCE SUPPORT SERVICES	335,873	(58,705)	277,168	0	(23,755)	0	50	0	(35,000)
Sub Total			148,859	(1,506,743)	(1,357,884)	(1,221,372)	(263,876)	0	(3,895)	0	(17,600)
Group: 351											
TECHNOLOGY	1101	IT PROJECTS	160,550	(21,100)	139,450	(21,100)	0	0	0	0	0
TECHNOLOGY	1102	ICT	1,547,389	171,515	1,718,904	0	146,515	0	25,000	0	0
TECHNOLOGY	1105	CENTRAL TELEPHONES - OPERATIONAL COSTS	165,000	(53,000)	112,000	0	0	0	(53,000)	0	0
TECHNOLOGY	1106	MOBILE PHONES	35,000	3,000	38,000	0	0	0	3,000	0	0
TECHNOLOGY	1108	PHOTOCOPIER/PRINTERS	34,000	0	34,000	0	0	0	0	0	0
TECHNOLOGY	1384	GIS / SPACIAL PLANNING	5,000	0	5,000	0	0	0	0	0	0
TECHNOLOGY	1641	IT SECURITY	30,124	1,397	31,521	99,000	2,397	0	(100,000)	0	0
TECHNOLOGY	1018	COMMUNICATION & CONSULTATION	321,548	36,395	357,943	0	36,395	0	0	0	0
TECHNOLOGY	1506	RESIDENTS MAGAZINE	53,000	(3,000)	50,000	0	0	0	(3,000)	0	0
Sub Total			2,351,611	135,207	2,486,818	77,900	185,307	0	(128,000)	0	0
Group: 360											
HUMAN RESOURCES & ORG DE 1019		HR & OD	556,675	71,323	627,998	0	46,273	0	25,050	0	0
HUMAN RESOURCES & ORG DE 1013		EMERGENCY PLANNING	64,815	1,896	66,711	0	2,696	0	(800)	0	0
Sub Total			621,490	73,219	694,709	0	48,969	0	24,250	0	0

Department Description	Cost Centre	Cost Centre Description	2023/24 Net		2024/25 Net	Income	Staffing	Premises	Supplies & Services	Transport	Other
			Expenditure Budget	Budget Variance	Expenditure Budget						
Group: 370											
PARKING SERVICES	1154	BRAMBER - RURAL CAR PARK	2,189	(340)	1,849	0	0	(340)	0	0	0
PARKING SERVICES	1156	PARTRIDGE GREEN - RURAL CAR PARK	998	33	1,031	0	0	33	0	0	0
PARKING SERVICES	1177	HOP OAST PARK & RIDE	57,881	(5,036)	52,844	0	0	2,244	(7,280)	0	0
PARKING SERVICES	1201	SHOPMOBILITY	0	0	0	0	0	0	0	0	0
PARKING SERVICES	1545	CAR PARKS	606,790	27,036	633,826	0	27,036	0	0	0	0
PARKING SERVICES	1202	HORSHAM ON STREET PARKING SCHE	(143,840)	(5,000)	(148,840)	0	0	0	(5,000)	0	0
PARKING SERVICES	1277	LAPE - RUNNING COSTS	63,847	85,846	149,693	0	85,846	0	0	0	0
PARKING SERVICES	1162	SWAN WALK MSCP	(913,224)	(62,721)	(975,945)	(21,600)	0	(42,771)	1,650	0	0
PARKING SERVICES	1163	THE FORUM MSCP	(324,915)	(37,189)	(362,104)	(64,900)	0	26,291	1,420	0	0
PARKING SERVICES	1164	PIRIES PLACE MSCP	(1,179,854)	(61,688)	(1,241,542)	(74,900)	0	10,432	2,780	0	0
PARKING SERVICES	1165	DENNE ROAD CAR PARK	(257,453)	390	(257,063)	(3,000)	0	3,390	0	0	0
PARKING SERVICES	1167	PAVILIONS CAR PARK	(345,410)	14,625	(330,785)	23,000	0	(8,375)	0	0	0
PARKING SERVICES	1168	NEW STREET CAR PARK	(10,517)	420	(10,098)	0	0	420	0	0	0
PARKING SERVICES	1169	DUKES SQUARE CAR PARK	(41,254)	(2,480)	(43,734)	(2,500)	0	20	0	0	0
PARKING SERVICES	1170	HORSHAM LIBRARY CAR PARK	(25,016)	22	(24,994)	0	0	22	0	0	0
PARKING SERVICES	1171	NORTH PARADE CAR PARK	(66,378)	7,036	(59,342)	0	0	5,756	1,280	0	0
PARKING SERVICES	1172	NORTH STREET CAR PARK	(134,619)	(16,807)	(151,426)	(16,500)	0	(307)	0	0	0
PARKING SERVICES	1173	BT EXCHANGE CAR PARK	(63,762)	(145)	(63,907)	7,000	0	(7,145)	0	0	0
PARKING SERVICES	1174	TALBOT LANE CAR PARK	(10,161)	10,301	140	2,000	0	8,301	0	0	0
PARKING SERVICES	1284	HORSHAM HOSPITAL CAR PARK	(39,000)	0	(39,000)	0	0	0	0	0	0
PARKING SERVICES	1451	JUBILEE CAR PARK	(102,576)	4,548	(98,028)	0	0	4,548	0	0	0
PARKING SERVICES	1600	PARK VIEW CAR PARK	(5,590)	(140)	(5,730)	0	0	(140)	0	0	0
PARKING SERVICES	1148	BILLINGSHURST - RURAL CAR PARK	(26,098)	(7,246)	(33,344)	(5,300)	0	(1,946)	0	0	0
PARKING SERVICES	1149	STEYNING - RURAL CAR PARK	(43,785)	(9,696)	(53,481)	(2,800)	0	(6,896)	0	0	0
PARKING SERVICES	1150	STORRINGTON - RURAL CAR PARK	(39,985)	(21,548)	(61,533)	(12,000)	0	(9,548)	0	0	0
PARKING SERVICES	1151	HENFIELD - RURAL CAR PARK	(26,153)	(11,646)	(37,799)	(10,500)	0	(1,146)	0	0	0
PARKING SERVICES	1152	PULBOROUGH - RURAL CAR PARK	(11,312)	(45)	(11,357)	0	0	(45)	0	0	0
PARKING SERVICES	1153	SOUTHWATER COUNTRY PARK - RURAL CAR PARK	(116,500)	8,500	(108,000)	5,000	0	0	3,500	0	0
PARKING SERVICES	1155	COWFOLD - RURAL CAR PARK	1,647	(405)	1,242	0	0	(405)	0	0	0
PARKING SERVICES	1157	UPPER BEEDING - RURAL CAR PARK	1,442	(171)	1,271	0	0	(171)	0	0	0
PARKING SERVICES	1158	WARNHAM - RURAL CAR PARK	340	22	362	0	0	22	0	0	0
PARKING SERVICES	1159	ROFFEY - RURAL CAR PARK	(9,260)	(3,476)	(12,736)	0	0	(3,476)	0	0	0
PARKING SERVICES	1160	RUDGWICK - RURAL CAR PARK	130	0	130	0	0	0	0	0	0
PARKING SERVICES	1161	OTHER RURAL CAR PARKS	(224,252)	(78,544)	(302,796)	(75,000)	0	4,456	(8,000)	0	0
Sub Total			(3,425,650)	(165,544)	(3,591,196)	(252,000)	112,882	(16,776)	(9,650)	0	0
Group: 390											
CUSTOMER SERVICES	1540	CUSTOMER SERVICE CENTRE	381,385	42,260	423,645	0	32,260	0	10,000	0	0
Sub Total			381,385	42,260	423,645	0	32,260	0	10,000	0	0
Sub Total			2,438,199	(1,001,495)	1,436,702	(1,201,472)	276,278	(16,776)	(241,875)	(50)	182,400
Directorate: 5											
Group: 500											
DIR OF COMMUNITY SERVICES	1080	DIRECTOR OF COMMUNITY SERVICES	112,650	9,210	121,860	0	9,210	0	0	0	0
Sub Total			112,650	9,210	121,860	0	9,210	0	0	0	0
Group: 501											
DIR OF COMMUNITY SERVICES	1633	WILDER HORSHAM	121,410	(20,000)	101,410	0	0	0	(20,000)	0	0
DIR OF COMMUNITY SERVICES	1644	CLIMATE CHANGE PANEL	40,000	20,000	60,000	0	0	0	20,000	0	0
DIR OF COMMUNITY SERVICES	1647	ENVIRONMENTAL STRATEGY	253,018	16,799	269,817	0	16,799	0	0	0	0
DIR OF COMMUNITY SERVICES	1648	COMMUNITY CLIMATE FUND	0	0	0	0	0	0	0	0	0
Sub Total			414,428	16,799	431,227	0	16,799	0	0	0	0
Group: 510											
LEISURE & CULTURE	1534	HEAD OF LEISURE & CULTURE	85,844	(3,616)	82,228	0	(3,616)	0	0	0	0
LEISURE & CULTURE	1605	EVENTS	200,000	100,000	300,000	0	7,117	0	92,883	0	0
LEISURE & CULTURE	1068	HORSHAM MUSEUM & VISITOR INFO. CENTRE	198,325	13,171	211,496	5,000	14,599	922	(7,350)	0	0
LEISURE & CULTURE	1026	CAPITOL BAR & CAFE	(65,618)	(26,861)	(92,479)	(40,000)	13,139	0	0	0	0
LEISURE & CULTURE	1066	THE CAPITOL	389,547	24,714	414,260	(150,000)	65,330	41,924	67,460	0	0
LEISURE & CULTURE	1067	DRILL HALL (ARTS CENTRE USE)	64,224	2,149	66,373	35,000	4,474	17,725	(55,050)	0	0
LEISURE & CULTURE	1082	BARN	6,562	2,606	9,168	(10,000)	0	12,806	0	0	0
LEISURE & CULTURE	1434	DRILL HALL SUPERVISOR'S FLAT	2,183	232	2,415	0	0	232	0	0	0

Department Description	Cost Centre	Cost Centre Description	2023/24 Net		2024/25 Net		Income	Staffing	Premises	Supplies &		
			Expenditure	Budget Variance	Expenditure	Budget Variance				Services	Transport	Other
HOUSING	1235	HOUSING STRATEGY & ENABLING	113,000	(88,000)	25,000	0	0	0	0	(88,000)	0	0
HOUSING	1547	HOUSING SERVICES	482,065	(149,844)	332,221	2,883	47,012	0	0	(179,739)	0	(20,000)
HOUSING	1232	BED AND BREAKFAST ACCOMMODATN	243,000	253,750	496,750	(130,000)	0	0	0	383,750	0	0
HOUSING	1233	STRAWBERRY FIELD	25,303	(12,925)	12,378	0	0	(12,945)	0	20	0	0
HOUSING	1509	TENANTS TEMPORARY ACCOMMODATION	(261,878)	(70,737)	(332,615)	(70,595)	0	0	(1,282)	1,140	0	0
HOUSING	1581	60 PARK STREET, HORSHAM	(16,940)	40	(16,900)	0	0	0	0	40	0	0
HOUSING	1626	COPNALL COURT	16,025	0	16,025	0	0	0	0	0	0	0
HOUSING	1640	PRIVATE SECTOR LEASING	10,000	0	10,000	(5,000)	0	4,000	0	1,000	0	0
HOUSING	1646	SAXON WEALD PROPERTIES	(3,000)	25,000	22,000	(16,000)	0	41,000	0	0	0	0
HOUSING	1650	LAHF Homes	0	(220,000)	(220,000)	(240,000)	0	20,000	0	0	0	0
HOUSING	1475	LETTINGS	33,917	13,356	47,273	0	13,356	0	0	0	0	0
HOUSING	1005	CRIME PREVENTION-CCTV	50,856	57	50,913	0	0	57	0	0	0	0
HOUSING	1006	COMMUNITY WARDENS - ASHINGTON	0	0	0	(4,494)	4,494	0	0	0	0	0
HOUSING	1007	COMMUNITY WARDENS - STEYNING	0	0	0	(6,279)	6,279	0	0	0	0	0
HOUSING	1275	COMMUNITY SAFETY	124,218	66,306	190,524	0	66,306	0	0	0	0	0
HOUSING	1595	SAFEGUARDING	7,750	0	7,750	0	0	0	0	0	0	0
HOUSING	1596	TRANSIT SITES	25,000	0	25,000	0	0	0	0	0	0	0
HOUSING	1599	COMMUNITY WARDENS- PULBOROUGH	0	0	0	(7,277)	7,277	0	0	0	0	0
HOUSING	1615	COMMUNITY WARDENS - STORRINGTON	0	0	0	(3,816)	3,816	0	0	0	0	0
HOUSING	1616	COMMUNITY WARDENS - BILLINGSHURST	0	0	0	(6,279)	6,279	0	0	0	0	0
HOUSING	1617	COMMUNITY WARDENS - HORSHAM TOWN	86,535	6,354	92,889	0	6,354	0	0	0	0	0
HOUSING	1618	COMMUNITY WARDENS - SOUTHWATER	0	(5,111)	(5,111)	(7,638)	2,527	0	0	0	0	0
HOUSING	1012	VOLUNTARY SECTOR GRANTS AND SLA'S	245,489	0	245,489	0	0	0	0	0	0	0
HOUSING	1044	COMMUNITY DEVELOPMENT	337,834	(3,305)	334,529	0	(3,305)	0	0	0	0	0
HOUSING	1045	COMMUNITY INTERVENTIONS	18,080	0	18,080	0	0	0	0	0	0	0
HOUSING	1643	REFUGEE SUPPORT	(50,000)	0	(50,000)	0	0	0	0	0	0	0
HOUSING	1369	HEALTH & WELL BEING HUB	48,944	(52,574)	(3,630)	(91,926)	40,452	(1,100)	0	0	0	0
HOUSING	1551	HEALTHY WEIGHT PROJECT	0	0	0	(3,000)	0	0	3,000	0	0	0
HOUSING	1554	FALLS PREVENTION PROJECT	0	0	0	33,000	0	0	0	(33,000)	0	0
HOUSING	1556	ALCOHOL ADVICE PROJECT	0	(15,999)	(15,999)	0	(13,861)	0	0	(2,138)	0	0
HOUSING	1627	HEALTH CHECKS	0	0	0	(1,500)	0	0	0	1,500	0	0
HOUSING	1634	HEALTH AND WELLBEING PROJECTS	(23,000)	25,500	2,500	7,900	0	16,600	0	1,000	0	0
HOUSING	1652	HEAD OF HEALTH AND WELLBEING	0	59,913	59,913	0	59,913	0	0	0	0	0
HOUSING	1573	GYM REFERRALS	3,650	0	3,650	0	0	0	0	0	0	0
HOUSING	1642	HEALTHY WALKS	870	0	870	0	0	0	0	0	0	0
Sub Total			1,517,718	(168,219)	1,349,499	(550,021)	246,899	66,330	88,573	0	(20,000)	
Sub Total			9,835,849	822,002	10,657,850	(1,235,015)	1,474,958	339,347	143,732	94,980	4,000	
Directorate: 7												
Group: 700												
DIRECTOR OF PLACE	1559	DIRECTOR OF PLACE	143,401	4,234	147,635	0	4,234	0	0	0	0	0
Sub Total			143,401	4,234	147,635	0	4,234	0	0	0	0	0
Group: 710												
BUILDING CONTROL	1086	BUILDING CONTROL	(54,841)	105,594	50,753	50,000	60,524	0	(4,930)	0	0	0
Sub Total			(54,841)	105,594	50,753	50,000	60,524	0	(4,930)	0	0	0
Group: 720												
DEVELOPMENT	1084	DEVELOPMENT CONTROL & ENFRMNT	(301,542)	123,131	(178,411)	(28,333)	93,086	0	58,378	0	0	0
DEVELOPMENT	1089	LAND CHARGES	(130,865)	74,455	(56,410)	68,000	6,895	0	(440)	0	0	0
DEVELOPMENT	1536	PLANNING SUPPORT STAFF	339,917	17,893	357,810	0	17,893	0	0	0	0	0
DEVELOPMENT	1537	ENFORCEMENT	313,690	25,676	339,366	0	25,676	0	0	0	0	0
Sub Total			221,200	241,155	462,355	39,667	143,550	0	57,938	0	0	0
Group: 730												
STRATEGIC PLANNING	1144	LAND DRAINAGE	(10,450)	32,750	22,300	13,250	0	19,500	0	0	0	0
STRATEGIC PLANNING	1197	ENVIRONMENTAL MANAGEMENT	2,482	11,082	13,564	0	0	11,082	0	0	0	0
STRATEGIC PLANNING	1528	NEIGHBOURHOOD PLANNING	(59,950)	(10,000)	(69,950)	0	0	0	(10,000)	0	0	0
STRATEGIC PLANNING	1538	STRATEGIC PLANNING	1,589,607	(122,226)	1,467,381	0	96,474	0	(218,700)	0	0	0
STRATEGIC PLANNING	1654	WATER NEUTRALITY	0	82,136	82,136	(286,500)	73,636	0	295,000	0	0	0
STRATEGIC PLANNING	1656	GRADUATE TRAINING	0	138,090	138,090	0	138,090	0	0	0	0	0
Sub Total			1,521,689	131,832	1,653,521	(273,250)	308,200	30,582	66,300	0	0	0

Department Description	Cost Centre	Cost Centre Description	2023/24 Net	Budget	2024/25 Net	Income	Staffing	Premises	Supplies & Services	Transport	Other
			Expenditure Budget	Variance	Expenditure Budget						
Group: 750											
PROPERTY & FACILITIES	1199	FEASIBILITY STUDIES	80,000	(34,400)	45,600	0	0	0	(34,400)	0	0
PROPERTY & FACILITIES	1542	PROPERTY & FACILITIES DEPARTMENT	451,668	172,259	623,927	700	114,939	0	56,620	0	0
PROPERTY & FACILITIES	1563	PARKSIDE	577,270	(2,767)	574,503	0	0	(2,847)	80	0	0
PROPERTY & FACILITIES	1076	TOWN HALL	(80,020)	(70)	(80,090)	(290)	0	0	220	0	0
PROPERTY & FACILITIES	1111	SWAN WALK RENTS	(165,670)	70,000	(95,670)	70,000	0	0	0	0	0
PROPERTY & FACILITIES	1113	EAST MEWS	(10,041)	25	(10,016)	(80)	0	55	50	0	0
PROPERTY & FACILITIES	1114	1 & 3 STANS WAY	(30,000)	10	(29,990)	(30)	0	0	40	0	0
PROPERTY & FACILITIES	1115	BLATCHFORD CLOSE INDUSTRIAL ESTATE	(215,160)	(11,412)	(226,572)	(15,960)	0	15,238	(10,690)	0	0
PROPERTY & FACILITIES	1116	HENFIELD INDUSTRIAL ESTATE	(40,000)	30	(39,970)	0	0	0	30	0	0
PROPERTY & FACILITIES	1117	OAKHURST BUSINESS PARK - PHASE 1	(402,281)	(15,719)	(418,000)	(6,349)	0	0	(9,370)	0	0
PROPERTY & FACILITIES	1122	SOUTHWATER MEDICAL CENTRE	(134,706)	(235)	(134,941)	0	0	(505)	270	0	0
PROPERTY & FACILITIES	1206	FORUM CAFE (ESQUIRES)	(30,885)	1,160	(29,725)	(60)	0	1,180	40	0	0
PROPERTY & FACILITIES	1220	PARK HOUSE	0	0	0	0	0	0	0	0	0
PROPERTY & FACILITIES	1283	LINTOT SQ, SERV ACCT	7,016	220	7,236	0	0	220	0	0	0
PROPERTY & FACILITIES	1339	LINTOT SQ, RENT ACCT	(480,730)	(22,460)	(503,190)	(22,000)	0	0	(460)	0	0
PROPERTY & FACILITIES	1344	STEYNING HEALTH CENTRE	(325,880)	(3,720)	(329,600)	(4,580)	0	0	860	0	0
PROPERTY & FACILITIES	1350	OAKHURST BUSINESS PARK - PHASE 2	(239,361)	(29,821)	(269,182)	(30,460)	0	249	390	0	0
PROPERTY & FACILITIES	1470	OAKHURST BUS PK-PH 3	(124,793)	(32,741)	(157,534)	(33,200)	0	159	300	0	0
PROPERTY & FACILITIES	1495	WESTHOPE LODGE	(45,960)	(20)	(45,980)	(4,413)	0	4,283	110	0	0
PROPERTY & FACILITIES	1503	OAKHURST BUSINESS PARK-PHASE 4	(155,160)	(9,145)	(164,305)	(10,000)	0	545	310	0	0
PROPERTY & FACILITIES	1504	OAKHURST PH 1-4 SERVICE CHG	0	0	0	(5,000)	0	0	5,000	0	0
PROPERTY & FACILITIES	1531	NEW STREET SHOPPING PARADE	(58,152)	(432)	(58,584)	(300)	0	(262)	130	0	0
PROPERTY & FACILITIES	1532	NEEDLES SHOPPING PARADE	(24,452)	59	(24,393)	(30)	0	49	40	0	0
PROPERTY & FACILITIES	1533	ARUN HOUSE, HURST ROAD	(55,020)	(105,060)	(160,080)	(100,370)	0	0	(4,690)	0	0
PROPERTY & FACILITIES	1560	MILLSTREAM SURGERY - STORRINGTON	(54,780)	(26,570)	(81,350)	(26,690)	0	0	120	0	0
PROPERTY & FACILITIES	1565	STABLE BLOCK CAFE (KAYA)	(44,667)	3,094	(41,573)	(10,014)	0	13,038	70	0	0
PROPERTY & FACILITIES	1576	28 CARFAX, HORSHAM	(19,510)	0	(19,510)	(20)	0	0	20	0	0
PROPERTY & FACILITIES	1577	16 EAST STREET, HORSHAM	(35,020)	(20)	(35,040)	(70)	0	0	50	0	0
PROPERTY & FACILITIES	1579	LAND AT REDKILN WAY, HORSHAM - LOCKYEAR	(23,980)	0	(23,980)	0	0	0	0	0	0
PROPERTY & FACILITIES	1593	PARK HOUSE	(64,274)	(4,407)	(68,681)	(19,692)	0	12,765	2,520	0	0
PROPERTY & FACILITIES	1594	THE GRANARY	(10,742)	162	(10,580)	(1,521)	0	1,653	30	0	0
PROPERTY & FACILITIES	1601	7 WEST STREET, HORSHAM	(35,545)	(49,615)	(85,160)	(49,855)	0	0	240	0	0
PROPERTY & FACILITIES	1603	THE REC	(49,980)	39,711	(10,269)	37,060	0	1,891	760	0	0
PROPERTY & FACILITIES	1612	THE FORUM - HDC	(741,815)	178,177	(563,638)	168,170	0	8,787	1,220	0	0
PROPERTY & FACILITIES	1622	54 & 56 HIGH STREET - BILLINGSHURST	(32,020)	(13,010)	(45,030)	(13,140)	0	0	130	0	0
PROPERTY & FACILITIES	1653	37 BISHOPRIC	0	(17,000)	(17,000)	(20,000)	0	3,000	0	0	0
PROPERTY & FACILITIES	1655	BLATCHFORD CLOSE IND. EST. SERVICE CHARGES	0	0	0	(14,000)	0	0	14,000	0	0
PROPERTY & FACILITIES	1093	BUS SHELTERS	7,067	7,101	14,168	0	0	7,101	0	0	0
PROPERTY & FACILITIES	1112	CHRISTMAS DECORATIONS	22,000	545	22,545	0	0	545	0	0	0
PROPERTY & FACILITIES	1135	PUBLIC CONVENIENCES	41,214	(11,290)	29,924	100	0	(7,978)	(3,412)	0	0
PROPERTY & FACILITIES	1147	FOOTWAYS & AMENITY LIGHTING	2,340	154	2,494	3,822	0	(3,668)	0	0	0
PROPERTY & FACILITIES	1166	LONDON ROAD CAR PARK	9,619	8,962	18,581	0	0	8,962	0	0	0
PROPERTY & FACILITIES	1195	ENERGY MANAGEMENT	120,000	0	120,000	0	0	0	0	0	0
PROPERTY & FACILITIES	1196	PUBLIC SEATS	20,300	1,109	21,409	0	0	1,109	0	0	0
PROPERTY & FACILITIES	1198	TOWN CENTRE MANAGEMENT & MAINT	46,110	(36,103)	10,007	50,000	0	(86,103)	0	0	0
PROPERTY & FACILITIES	1200	STREET NAMING & NUMBERING	(5,100)	0	(5,100)	5,000	0	0	(5,000)	0	0
PROPERTY & FACILITIES	1203	BUS STATION	28,036	(4,586)	23,450	1,332	0	(7,218)	1,300	0	0
PROPERTY & FACILITIES	1205	FORUM (EXCL CAFE)	142	25,742	25,884	10,730	0	15,012	0	0	0
PROPERTY & FACILITIES	1366	TOWN CENTRE WATER FEATURES	10,912	6,386	17,298	0	0	6,386	0	0	0
PROPERTY & FACILITIES	1118	COMMERCIAL & DOMESTIC PROPS	787,000	118,424	905,424	5,350	0	112,934	140	0	0
PROPERTY & FACILITIES	1119	SMALL DOLE CARAVAN SITE	4,468	17,377	21,845	0	0	19,367	(1,990)	0	0
PROPERTY & FACILITIES	1121	DUKE SQUARE (TA CENTRE)	3,772	(1,662)	2,110	(7,200)	0	1,620	3,918	0	0
PROPERTY & FACILITIES	1207	FORUM FLATS	(230)	230	0	(2,795)	0	1,995	1,030	0	0
PROPERTY & FACILITIES	1218	OLD BARN/PUMP ALLEY	10,312	5,631	15,943	0	0	5,631	0	0	0
PROPERTY & FACILITIES	1353	TOWN CENTRE STORE	205	146	351	0	0	146	0	0	0
PROPERTY & FACILITIES	1367	NEEDLES FARM CENTRE	885	(1,571)	(686)	(3,760)	0	2,059	130	0	0
PROPERTY & FACILITIES	1580	29 BARTTELOT ROAD, HORSHAM	(13,440)	(8)	(13,448)	(5,048)	0	5,000	40	0	0
PROPERTY & FACILITIES	1602	FORMER HORSHAM AMBULANCE STATION	(3,743)	2,203	(1,540)	(3,830)	0	5,923	110	0	0
Sub Total			(1,522,781)	225,073	(1,297,708)	(58,493)	114,939	148,321	20,306	0	0
Group: 760											
ECONOMIC DEVELOPMENT	1645	UK SHARED PROSPERITY FUND	(173,545)	173,545	0	(253,455)	0	0	427,000	0	0
ECONOMIC DEVELOPMENT	1072	BUSINESS SUPPORT (ED)	500	(500)	0	0	0	(500)	0	0	0
ECONOMIC DEVELOPMENT	1186	LOCAL PRODUCE MARKET	(9,450)	(7,690)	(17,140)	(10,000)	0	2,310	0	0	0

Department Description	Cost Centre	Cost Centre Description	2023/24 Net		2024/25 Net		Income	Staffing	Premises	Supplies & Services	Transport	Other
			Expenditure Budget	Variance	Expenditure Budget	Budget						
ECONOMIC DEVELOPMENT	1123	ECONOMIC DEVELOPMENT & PROMOTN	413,559	16,634	430,193	0	15,724	910	0	0	0	0
ECONOMIC DEVELOPMENT	1639	ED GRANT PROJECTS	45,000	0	45,000	(150,000)	0	0	150,000	0	0	0
ECONOMIC DEVELOPMENT	1073	VISITOR ECONOMY	14,800	0	14,800	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT	1619	J2W - JOURNEY TO WORK	0	0	0	36,351	(36,351)	0	0	0	0	0
Sub Total			290,864	181,989	472,853	(377,104)	(20,627)	2,720	577,000	0	0	0
Sub Total			599,532	889,877	1,489,409	(619,180)	610,820	181,623	716,614	0	0	0
TOTAL			13,778,931	850,124	14,629,052	(3,055,667)	2,379,786	504,194	740,481	94,930	186,400	186,400
		LESS CAPITALISED SALARIES	(72,880)	(17,440)	(90,320)		(17,440)					
GRAND TOTAL			13,706,051	832,684	14,538,732	(3,055,667)	2,362,346	504,194	740,481	94,930	186,400	186,400

Description	Forecast 23/24	Budget 24/25	Forecast 25/26	Forecast 26/27	Forecast 27/28
100318 - 96 ACT-DISABLED FACILITY GRANT	1,372,495	1,250,000	1,250,000	1,250,000	1,250,000
100319 - ACT-HOME REPAIR ASSIST. GRANT	60,000	60,000	60,000	60,000	60,000
100322 - HOUSING ENABLING GRANTS	0	594,000	500,000	1,000,000	1,000,000
100396 - VEHICLES - NEW - (Normal Replacement programme)	1,616,698	1,544,000	2,525,000	960,000	1,940,000
100438 - CORPORATE PROVISION - ASSET ENHANCEMENT	65,000	100,000	100,000	100,000	100,000
100447 - COMMERCIAL ESTATES - GENERAL	65,000	100,000	100,000	100,000	100,000
100512 - BILLINGSHURST CAR PARK DEVELOPMENT	0	0	164,580	0	0
100513 - ALBION WAY CONNECTIVITY - WORTHING ROAD	0	147,223	0	0	0
100522 - ROFFEY RECREATION GROUND REGENERATION PROJECT	79,547	2,587	0	0	0
100523 - HORSHAM SKATE PARK	1,950	6,701	0	0	0
100530 - HORSHAM DISTRICT EXPERIENCE APP & WEBSITE	0	0	0	0	0
100532 - BILLINGSHURST BYPASS REC PATH IMPROVEMENTS	0	0	0	0	0
100538 - STORRINGTON MILL LANE - RURAL CAR PARK IMPROVEMENTS	3,997	0	0	0	0
100541 - LOCAL CYCLING AND WALKING INFRASTRUCTURE	0	18,507	0	0	0
100542 - PUBLIC SPACE CCTV CAMERA REPLACEMENT PROGRAMME	52,485	0	0	0	0
100543 - HIGHWOOD COMMUNITY CENTRE	10,000	10,000	880,000	1,000,000	1,000,000
100548 - EQUITY FUNDING - PROPERTY DEV CO	0	0	0	0	0
100550 - RURAL CAR PARK - Pulborough Lower Street CP	0	0	0	0	0
100553 - PUBLIC REALM PROJECTS - TOWN CENTRE VISION	28,354	0	0	0	0
100555 - RIVERSIDE WALK BOARDWALK - BEN'S ACRE	30,000	0	0	0	0
100557 - FORUM PIAZZA AND FOUNTAIN UPGRADE	0	0	0	0	0
100558 - MILLSTREAM EXTENSION	100,096	0	0	0	0
100559 - LOANS - PROPERTY DEV CO	0	0	0	0	0
100561 - BIN WEIGHING TECH & EQUIPMENT	30,000	0	0	0	0
100563 - EV CHARGING POINTS	15,000	0	0	0	0
100565 - S106 / CIL INFRASTRUCTURE SPEND	575,000	500,000	500,000	500,000	500,000
100571 - PARK BARN - ENERGY EFFICIENCY IMPROVEMENTS	4,444	0	0	0	0
100573 - SWAN WALK - REPLACE TOP DECK MEMBRANE	559,113	0	0	0	0
100574 - HOUSING NET CARBON RESIDUAL PORTFOLIO - HOUSE FOR DECANT	129,087	80,000	0	0	0
100575 - HOUSING NET CARBON ZERO (3 HOUSES PER YEAR + 1)	50,000	150,000	150,000	50,000	50,000
100576 - GRANARY - UPGRADE WINDOWS TO IMPROVE ENERGY EFFICIENCY	10,000	0	0	0	0
100577 - ARUN HOUSE - PREPARE FOR FUTURE USE	97,311	0	0	0	0
100578 - OAKHURST - SUB STATION UPGRADE TO GIVE POWER HEADROOM	0	200,000	0	0	0
100579 - BLATCHFORD IND ESTATE - IMPROVE DRAINAGE & ENERGY ISSUES	62,400	0	0	0	0
100580 - HORSHAM PARK POND - BEACH & FENCE	64,586	1,696	0	0	0
100581 - CAPITAL - LED LIGHTING (TO IMPROVE ENERGY EFFICIENCY)	193,893	0	0	0	0
100582 - HOLBROOK EAST PLAY IMPROVEMENTS (NORTH HORSHAM PLAY)	8,300	70,075	0	0	0
100584 - BENNETTS ROAD FOOTBALL PITCH DRAINAGE IMPROVEMENTS	20,000	0	0	0	0
100586 - RURAL CAR PARK IMPROV - STORRINGTON LIBRARY NORTH ST	0	0	0	0	0
100587 - RURAL CAR PARK IMPROV - STEYNING NEWMANS GARDENS	0	280,090	0	0	0
100588 - PUBLIC REALM STRATEGY STAGE 2 - DESIGN DEVELOPMENT DELIVERY	220,000	1,550,000	585,000	103,000	0
100589 - HORSHAM TOWN CENTRE CYCLING STUDY	930	0	0	0	0
100590 - INITIATIVES TO IMPROVE LOCAL BUSINESSES	238,545	187,683	0	0	0
100591 - FORUM FOUNTAIN UPGRADE	0	120,000	0	0	0
100592 - BURTON COURT BIN STORE	73,000	0	0	0	0
100593 - RURAL CAR PARK IMPROV - BILLINGSHURST LIBRARY & SIX BELLS	0	175,000	0	0	0
100594 - ENERGY EFFICIENCY IMPROVEMENTS	50,000	100,000	0	0	0
100595 - FIRE DOORS TEMP ACCOMMODATION	0	20,000	0	0	0
100596 - LIGHTING RURAL CAR PARKS	120,000	0	0	0	0
Approved Budget 23/24 - Swan walk pedestrian crossing upgrade	0	50,000	0	0	0
100597 - NORTH HORSHAM NEIGHBOURHOOD PLAY AREA IMPROVEMENTS	24,657	122,000	3,000	0	0
100598 - RURAL PLAY AREA IMPROVEMENTS	25,000	93,000	2,000	0	0
100599 - WARNHAM NATURE RESERVE CAFE IMPROVEMENTS	10,000	0	0	0	0
100600 - BENNETTS FIELD IMPROVEMENTS	625	41,228	0	0	0
100601 - SITE SECURITY MEASURES	20,000	20,000	0	0	0
100602 - HILLS FARM CEMETERY EXTENSION	229,125	5,875	0	0	0
100603 - RURAL ENGLAND PROSPERITY FUND	217,750	653,250	0	0	0
100604 - PARKSIDE IMPROVEMENTS	25,000	250,000	0	0	0
Approved Budget 23/24 - Park Track	0	300,000	0	0	0
100605 - ANPR REPLACEMENT	80,000	0	0	1	1
100607 - LAHF - Local Authority Housing Fund	5,736,000	0	0	0	2
100608 - LAHF 2 - Local Authority Housing Fund 2	1,780,000	0	0	0	3
100609 - BRAMBER BROOKS	396,116	0	0	0	4
100610 - 37 THE BISHOPRIC	675,000	100,000	0	0	5
100611 - QUEEN'S STREET INFRASTRUCTURE IMPROVEMENTS	70,000	0	0	0	6
NEW 24/25 - WOODPECKER BOARDWALK		35,000	0	0	7
NEW 24/25 - BBH FOOTBALL PITCH FENCING		20,000			
NEW 24/25 - REFURBISHMENT OF PARK WAY AIR QUALITY MONITORING STATION		49,900			
NEW 24/25 - VEHICLE FOR ADDITIONAL DOG BIN ROUND		75,000			
NEW 24/25 - BLACKHORSE WAY IMPROVEMENT SCHEME		281,174	281,174		
NEW 24/25 - HAMPERS LANE CIVIL WORKS		50,000			
NEW 24/25 - SOUTHWATER TOILET BLOCK		40,000			
NEW 24/25 - BEESON HOUSE ROOF REPLACEMENT		65,000			
NEW 24/25 - FIENNES COURT DECARBONISATION		125,000	125,000		
NEW 24/25 - HORSHAM PARK LED LIGHTING		75,000			
NEW 24/25 - SWAN WALK PROJECTS CONTRIBUTION		150,000			
NEW 24/25 - TANBRIDGE WALK BRIDGE LIGHTING		12,000			
NEW 24/25 - CAPITOL REFURB* (Subject to decision)	270,000	660,000	5,088,000	4,718,000	
	15,566,504	10,540,989	12,313,754	9,841,001	6,000,028