
Performance and Finance Scrutiny Committee

31 January 2022

Our Council Plan and Budget 2022/23

Report by Director of Law and Assurance

Summary

The draft budget for 2022/23 is presented to the Committee for preview and endorsement ahead of agreement and approval of the Budget at Cabinet on 1 February 2022 and County Council on 18 February 2022. The attached report is presented by the Director of Finance and Support Services. Any issues or concerns raised by the Committee will be considered by the Cabinet ahead of approval at County Council.

Focus for scrutiny

The Committee should consider the detail included within the attached report and appendices presented by the Director of Finance and Support Services in order to agree any comments or issues it wishes the Cabinet to take into account when it considers the draft Revenue Budget 2022/23, draft Capital Strategy 2022/23 to 2026/27 and draft Treasury Management Strategy Statement for 2022/23.

Key areas for scrutiny include:-

- That Our Council Plan remains relevant and appropriate and continues to prioritise the outcomes we want to achieve for the people in West Sussex;
- Ensuring that the budget presented, including the additional investment to meet demand and other pressures and the proposed savings, are realistic and enable the achievement of the priorities and objectives agreed in Our Council Plan;
- Ensuring that the level of reserves held ensures the County Council remains financially resilient;
- That the change to Council Tax is justified and appropriate to meet the needs of the residents of West Sussex;
- That the Capital Programme and Strategy meet the anticipated future needs of the County Council;
- That the Treasury Management Strategy ensures financial risks are minimised, security of capital is ensured and that the borrowing needs of the capital programme are met within the authorised borrowing limit and the efficient management of funds;
- That the proposed changes to fees and charges:-
 - meet the objectives of cost recovery or meet other financial or policy objectives,
 - are reasonable and meet the needs and priorities of the Council, and
 - that the impact of changes have been considered, with any unintended consequences, and mitigations to address these, identified.

The Chairman will summarise the output of the debate for consideration by the Committee.

Details

The ambitions of the County Council are detailed in Our Council Plan which covers what the Council will do and the specific targets that will be used to judge performance during the year. The Council Plan, revenue budget and capital programme are now fully integrated through the business planning process.

Business planning continues to be underpinned by a focus on the four priority outcomes (with a cross cutting theme of tackling climate change), which are;

- keeping people safe in vulnerable situations,
- a sustainable and prosperous economy,
- helping people and communities fulfil their potential and
- making best use of resources.

The business planning process matches available resources with the delivery of priority outcomes so that there is a focus on setting a budget which will have most effect for the people of West Sussex. Amendments to the Our Council Plan and Key Performance Indicators are included in Appendix 8, attached.

The draft Revenue Budget for 2022/23, the draft Capital Strategy 2022/23 to 2026/27 and the draft Treasury Management Strategy Statement 2022/23 are set out in Appendix A, attached. The Committee is asked to review the reports, provide any comments for consideration at the Cabinet meeting to be held on 1 February 2022 and endorse the budget being presented. The Committee should focus on ensuring that the budget presented is realistic and enables the achievement of the priorities and objectives agreed in Our Council Plan.

The level of uncertainty around the on-going Covid pandemic, Government funding, inflation, Brexit and staff shortages in key occupations continues to provide a number of financial challenges for 2022/23 and beyond. The impacts have been felt both locally and nationally, making this year's budget setting process challenging.

The net revenue expenditure proposed within the report is £648.3m which is an increase from 2021/22 of £23.5m (3.8%). This reflects spending pressures such as, pay and prices, costs arising from the National Living Wage and the pressures faced in Adults' and Children's Social Care Services.

The total value of schemes in the 2022/23 – 2026/27 capital programme is £755.7m. A borrowing requirement of £44m is required to finance the Council's capital expenditure plans in 2022/23.

The report proposes a Council Tax increase of 2.99%, 1.99% for General Fund services and 1% Adult Social Care precept.

Further background and context to this item for scrutiny are set out in the attached reports (listed below), including resource, risk, equality and legal implications.

Comments from the 26 January 2022 Member Day session on the budget are also presented for the committee to consider, Appendix B, to follow.

Tony Kershaw

Director of Law and Assurance

Contact Officer

Susanne Sanger, Senior Adviser (Democratic Services), 033 022 22550

Appendices

- Appendix A – Our Council Plan and Budget 2022/23
 - Annex 1 - Budget Pack:
 - Appendix 1 – Summary of Revenue Budget and Precept 2022/23
 - Appendix 2 – Analysis of Changes
 - Appendix 3 – Balancing the Budget
 - Appendix 4 – Grants Towards Specific Services
 - Appendix 5 – Reserves
 - Appendix 6 – Detailed Portfolio Pages
 - Appendix 7 – Fees and Charges
 - Appendix 8 – Our Council Plan and Key Performance Indicators
 - Annex 2(a) – Capital Strategy 2022/23-2026/27
 - Annex 2(b) - Treasury Management Strategy Statement 2022/23
 - Annex 2(c) – Prudential Indicators 2022/23 to 2026/27
 - Annex 3 – Equality Impact Assessment
- Appendix B – summary of comments from the Member Development session held on 26 January 2022 for the committee to consider (to follow)

Background papers

None