

**County Council**  
**17 February 2023**

**Council Plan and Budget  
2023/24, Capital Strategy  
2023/24 to 2027/28 and  
Treasury Management  
Strategy Statement  
2023/24**

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## **Council Plan and Budget 2023/24**

### **Executive Summary**

The importance of the services provided by this Council to the residents, businesses and communities of West Sussex continues to be very evident, especially the crucial support provided for those in vulnerable situations. The Council is influencing and responding to a range of significant national policy developments which will have implications for the Council's services. Our ambitions are captured each year in a detailed Council Plan, which sets out what we propose to do and the specific targets we will use to judge how well we have performed during the year. The Council Plan, revenue budget and capital programme are fully integrated throughout the business planning process.

The business planning of the Council continues to be underpinned by a relentless focus on four priority outcomes, underpinned by a cross cutting theme of tackling climate change. The four priorities 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 integrated business and financial planning process has been running for two years - bringing together business planning, financial planning and risk management processes. It provides the framework for the County Council's decision making and planning to ensure the focus is on priority outcomes, making the best use of the resources available and enabling the Council to track delivery and value for money. This ensures that the implications of choices that need to be made in the face of changing national policy and operating environment, together with resource and demand challenges and other uncertainties, can all be considered together.

On considering its financial position, the County Council will always look to the medium term and the next three to five years. The medium term outlook has been challenging over the last 10 years and even more so the last couple of years with the pandemic, cost of living crisis and the impact of volatile economic conditions. Although the remainder of this budget report is largely focussed on the budget for 2023/24, it is set within the context of this medium and longer term challenge. For 2024/25 to 2026/27 there remains a budget gap of between £50m to £100m depending on the level of Council Tax increase in these years. Further details are set out in Section 6. Before the end of the current financial year, work will start on developing a longer-term approach to balancing the books that will continue to identify efficiencies but will also require a more structured approach that considers how services are provided and prioritised within the County Council's limited financial resources, using the Council Plan as the foundations to these discussions.

Despite overall reductions in government funding since 2009/10, the Council continues to make progress in delivering its ambitions on behalf of residents, while achieving this within the resources available.

The proposed budget for 2023/24 keeps within the 3% threshold for core Council Tax rises and uses the flexibility to raise a further 2% precept for Adult Social Care. Both

of these were announced in the Autumn Statement in November 2022 and confirmed in the Provisional Local Government Finance Settlement for 2023/24. Using these flexibilities provides the County Council with much needed certainty on funding for 2023/24 but also seals in this funding for future years at a time when the future for local government finance is undergoing considerable change and resourcing future plans remains challenging. The budget therefore proposes a 4.99% total increase in Council Tax for 2023/24.

The County Council continues to focus on the areas which will make the biggest difference to the lives of its residents and the future prosperity of the county – all within the context of the continuing low levels of public finances, growing demands and growing statutory responsibilities.

During 2023/24, the County Council is expected to spend £1,867m on day-to-day revenue services and £124.9m through capital investment into roads, highways, schools, operational estate and IT and digital infrastructure. After taking account of grants, fees and charges and other contributions, net revenue expenditure of £708.8m is proposed for 2023/24, an increase of £60.5m (9.3%) compared with 2022/23. The 2023/24 budget balances spending pressures such as pay and prices, costs arising from the National Living Wage and service pressures particularly in Adults' and Children's Social Care Services with the funding available from Council Tax, business rates, fees and charges and grants.

Engagement on the budget has been held with Members, key stakeholders and the wider community. Three members' briefings have been held during the year which have kept members informed about the developing budget. The final briefing held in January 2023 included full details of the proposed budget, including known budget pressures and savings proposals. Similar information was also presented at a Stakeholder Day on 27 January which provided an opportunity for all partners to provide feedback on the budget. Following publication of the budget for the Performance and Finance Scrutiny Committee, the budget proposals were communicated through the County Council's media channels.

Developing this budget has been extremely challenging, set within the context of great uncertainty from the ongoing cost of living crisis and economic conditions. The savings required to achieve a balanced budget for 2023/24, together with early savings plans for 2024/25, are set out in **Appendix 3** to **Annex 1**.

The Capital Strategy (**Annex 2(a)**) is presented alongside the budget report for approval by the County Council. It sets out a high-level, long-term overview of how capital expenditure and capital financing activity contribute to the Council's key priorities in Our Council Plan, together with details of the proposed five-year capital programme. The Capital Strategy includes the Council's Flexible Use of Capital Receipts Strategy. The Treasury Management Strategy Statement 2023/24 (**Annex 2(b)**) sets out our Treasury Management activity.

## **Section One: External Context**

- 1.1 The cost-of-living crisis, driven mostly by global inflationary pressures has dominated events during 2022. The continuing increase in energy prices is affecting the cost of general goods and services as well as causing a rise in inflation. Many households are likely to be facing financial hardship and may need council support. Also, less disposable income may result in changes to consumer behaviour which in turn impacts on local businesses and the local

economy. Over the last 12 months, Government has put in additional financial support through energy rebates, Cost of Living Payments and the Household Support Fund. It remains unclear how long this support will continue during 2023/24. However, such support may have created a dependency for some households, meaning that when these additional Government payments stop, more support will be required from County Council services, as well as those provided by the Borough and District councils.

- 1.2 Data from the 2021 Census shows that the West Sussex population increased by 9% between 2011-2021, to 882,700. This is a higher increase than for our neighbours: Brighton & Hove 1.4%, East Sussex 3.6%, Hampshire and Surrey 6.3%. The county has a higher proportion of over 65-year-olds than the national and regional averages, making up 23% of the population, up from 20% in 2010. Our population is currently forecast to grow to 924,000 by 2030, at 11.7% - a higher rate than England (9%) or the Southeast (7.6%). Over 65s will continue to see the highest growth rates. It is not yet clear how these changes in population numbers will impact on levels of government funding in the future despite having an impact on the demand for services.
- 1.3 This is all alongside the continuing supply and demand pressures caused by the conflict in Ukraine and continued impact of the Covid-19 pandemic around the world. Population growth and inflation places significant pressure on the County Council's finances, as well as on residents, businesses and the local economy.
- 1.4 The Government delivered a fiscal statement on 17 November, alongside the publication of the Office of Budget Responsibility (OBR) Economic and fiscal outlook. The OBR has indicated that the economy is now in recession and forecasts the economy will shrink by 1.4% in 2023 before bouncing back to growth in 2024. The inflation forecast is 9.4% for the remainder of this year and 7.4% for 2023. In December 2022, the Bank of England took the decision to increase the interest base rate from 3.0% to 3.5%; the highest level for 14 years as prices continue to increase. It is forecast that the base rate will gradually fall during 2024/25 to around 2.5%.
- 1.5 In response to the OBR forecast the Government set out a number of significant policy developments. These include:
  - That departmental spending will grow at 3.7% a year on average over the Spending Review period – with Departments expected to manage the pressures of higher inflation.
  - That for the years after the Spending Review period departmental resource spending will grow by 1% - which will be slower economic growth than predicted.
  - The Chancellor set new fiscal rules: underlying debt must fall as a percentage of GDP by the fifth year of a rolling five-year period and public sector borrowing, over the same period, must be below 3% of GDP.
  - A change to the Council Tax referendum threshold in 2023/24 and 2024/25 to allow a 2.99% increase from April 2023, and a further 2% precept for Adult Social Care (previously 1.99% increase with 1% additional for Adult Social Care). The level of Core Spending Power (CSP) assumes that local

authorities will increase Council Tax by the maximum allowed. For West Sussex County Council (WSCC) this is a 4.99% increase.

- A delay implementing the 'cap and means test' reform – as set out in the Adult Social Care White Paper - until October 2025. However, the additional funding already announced for implementation will remain with local authorities to help address current adult social care pressures.
  - £2.8bn will be made available to the adult social care system in 2023/24 and £4.7bn in 2024/25 to help support social care and discharge. This includes £1bn of new grant funding in 2023/24 and £1.7bn in 2024/25:
    - £1.3bn in 2023/24 and £1.9bn in 2024/25 (delayed reforms funding) will be distributed to local authorities through the Social Care Grant for adult and children's social care.
    - £600m will be distributed in 2023/24 and £1bn in 2024/25 through the Better Care Fund aimed at getting people out of hospital and into care settings in a timely way.
    - £400m in 2023/24 and £680m in 2024/25 will be distributed through a grant ringfenced for adult social care which will help support discharge.
  - Schools have been allocated an additional £2.3bn of which £400m is for Special Education Needs and Disabilities (SEND) school places.
- 1.6 November's Autumn Statement re-confirmed the Government's commitment to the Levelling Up White Paper which set expectations about a move towards County Deals for most counties by 2030. It also signalled a range of challenges which are likely to impact on West Sussex County Council as government's focus and funding is deliberately shifted away from the Southeast. Further devolution deals were announced with a mayoral devolution deal with Suffolk County Council and Norfolk County Council and further strengthening of the Cornwall deal. A devolution deal for the Northeast was also announced during the Christmas break.
- 1.7 Plans for low-tax low-regulation investment zones have been refocused on "catalysing a limited number of high-potential clusters". Existing bids, including those in West Sussex, will now not be taken forward.
- 1.8 Given the level of change in approach to growth policy at a national level, the County Council will continue to work with district and borough partners to develop and deliver an economic strategy that delivers growth in the County, building on existing collaboration through Growth Deals and pooled business rates. There will be continued collaboration at a pan-Sussex level on a number of economic issues where it makes sense to do so – notably on skills and the visitor economy, as well as more widely on transport and infrastructure through 'Transport for the South East'. This work will provide a sound basis for conversation with Government about a possible County Deal or other opportunities when the time is right.
- 1.9 Growing recruitment and retention challenges over recent years are expected to continue and may be further exacerbated by the wider job market conditions. Particular areas of pressure are for social workers, care workers and

occupational therapists; planners, property specialists, transport and development experts; and lawyers. A new way of working post pandemic, the cost of living pressures and a tighter job market means that there is significant competition in roles across services. This is having an impact on the County Council's ability to recruit and retain – this is expected to become even more challenging.

- 1.10 The Government has announced a review of Net Zero, chaired by Chris Skidmore MP which is focusing on ensuring that delivering the 2050 target does not unduly impact on businesses, consumers or economic growth. The review was published on 13 January 2023 and the County Council is currently considering the implications. COP27 took place in Egypt in November 2022, and the implications for local government are still to be understood. The County Council made its commitment to Net Zero by 2030 in April 2019 and plans are already underway – through the delivery and maintenance of infrastructure; the delivery of new homes and developments; and emergency plans to respond to more serious weather events, such as flooding and extreme hot weather events. The impact on the wider economy is also starting to show – salad and wine growing, tourism and emergence of new green businesses and jobs.
- 1.11 During 2023/24, the County Council will translate its Net Zero delivery plan into a detailed action plan which will need to be underpinned by a funding and investment strategy. Estimates will be prepared for meeting the commitment and the County Council will need to determine what is affordable within the context of the Council's medium term financial planning process going into 2024/25.
- 1.12 In November 2022, the Government announced that the Rt Hon Patricia Hewitt would lead an independent review of integrated care systems to review governance arrangements with the aim of reducing health disparities and improving outcomes. This is due to make recommendations to Government in March 2023.
- 1.13 The next General Election will need to be called no later than December 2024. In May 2023, there will be elections in all West Sussex Districts and Boroughs except Adur and the next County Council elections will take place in May 2025.
- 1.14 Many of the County Council's partners will also be facing significant changes over the coming year, especially in relation to demand and the cost of providing services. The biggest pressure for all boroughs and districts in the County is around homelessness and temporary accommodation, which can also impact indirectly on the demand for services provided by the County Council – more people requiring financial support with social care, more families accessing early help and prevention services being two examples.
- 1.15 The changing role of LEPs in the light of the Levelling Up White Paper and reduced funding are also important.
- 1.16 The challenging operating environment, together with a new Prime Minister, means that effective lobbying will continue to be important, working with local MPs, the Southeast 7, the County Councils Network, the LGA and others as relevant.

## **Section Two: Internal Context**

2.1 When the Council Plan was first agreed in early 2020, the major focus for West Sussex County Council was for a significant improvement challenge on a number of fronts. Two years on and there has been considerable progress but improvements continue:

- Children's Services are deep into delivery of the Children First programme, with significant progress demonstrated by the Government's decision in March 2022 not to require the Council to create a Trust as well as positive feedback from 6-monthly OFSTED monitoring visits. The next full inspection is expected in early 2023. The focus now is on embedding new practices through the Family Safeguarding Model and delivering the benefits that lead to better outcomes for families and reduced costs to the County Council.
- The Fire & Rescue Service has delivered its improvement programme and moved to a model of continuous improvement being embedded within service planning. The Community Risk Management Plan agreed in February 2022 confirms the service's future operating model and provides the framework for continuing improvement. It was welcomed that significant progress was shown in the most recent inspection report published in July 2022. A further inspection is expected in 2023.
- Adult Social Care is moving to deliver its improvement programme. The foundations of a new Strategy were agreed in February 2022 and significant plans are being progressed ahead of the Care Quality Commission (CQC) inspection regime being rolled out, anticipated in 2023.
- In parallel with service-specific improvements, the Council has transformed its governance arrangements, strengthened its partnership working and corporate capacity to deliver on business planning processes.

2.2 Currently, as well as delivering and embedding improvements, services are working to adapt to a range of potential Government policy and legislative changes over the coming years, notably:

- In adult social care, though the timing of the introduction of the proposed cap for self-funders has been delayed to October 2025, preparations still need to be made for implementation. The reports on the Fair Cost of Care exercise undertaken last year will be published in February 2023 and a request to prepare a Market Sustainability Plan is expected to remain in place.
- Through the Local Government Finance Settlement, the County Council will receive £2.9m to support early discharge of patients from hospitals and work in partnership with the NHS.
- Implementation of various White Papers impacting directly on Council services and on working with the NHS to embed the new Integrated Care Systems (ICS) – although Integrated Care Boards are being reviewed by Government.
- In children's services and education, the implementation of the plans set out in the SEND White Paper, the implementation of the skills reforms set out in the Skills for Jobs White Paper, as well as the Independent Review of



Children's Services Social Care and White Paper which is expected to be published.

- Implementation of the Fire & Rescue White Paper.
- Enacting separate food waste recycling, Biodiversity Net Gain, Nature Recovery Strategy and other requirements in the Environment Act 2021.
- The policy direction established in the Levelling Up White Paper being followed through in further policy and funding decisions and the move towards County Deals in all areas that want them by 2030. The Government re-confirmed its commitment in the November Autumn Statement.
- The anticipated significant adverse consequences for the County Council when the Funding Review is progressed – though this is now expected to be delayed for at least two years.

2.3 The County Council will also be delivering several major corporate change programmes in 2023/24:

- SmartCore which will move our finance, HR, payroll, procurement and contract management systems from SAP to Oracle, supporting greater self-service and automation.
- The Capita Support Services Outsource (SSO) contract has concluded and there are a number of business change programmes underway on IT, an integrated business services model and a review of customer contact and channels of engagement and services, including the website and intranet.
- Developing the County Council's Digital agenda which will focus on three main areas – digital, data and technology - with the aim of delivering digital improvements to services in order to make them accessible to all.
- The Smarter Working programme which will move the organisation to a post-pandemic model of hybrid working. This will prioritise business needs, while enabling more flexible working options to support recruitment, retention and staff wellbeing. It will also reduce emissions because of less commuting by staff, as well as creating opportunities to rationalise the County Council's operational office estate.

### **Our Council Plan**

2.4 The County Council's integrated business and financial planning cycle is based on a good understanding of the local evidence base, the national and local policy context, a comprehensive understanding of the financial position (revenue and capital) and the service challenges in meeting the needs of residents, businesses and communities.

2.5 'Our Council Plan 2021-2025' is attached at **Appendix 8** and is underpinned by the cross-cutting theme of tackling **climate change**. The plan sets out the four key priorities for the County Council:

- **Keeping people safe from vulnerable situations;**

- **A sustainable and prosperous economy;**
  - **Helping people and communities fulfil their potential; and**
  - **Making the best use of resources.**
- 2.6 These priorities have been used to inform how the County Council will allocate its resources to best effect in the 2023/24 budget. It is the basis for the review of the narrative in the Plan and key performance indicators and targets which will be used in the year to measure success.
- 2.7 Officers have collectively reviewed the Key Performance Indicators (KPIs) and targets and have refreshed what is being delivered for 2023/24. This refresh included considering feedback from scrutiny committees through the 2022/23 quarterly Performance and Resources Reports (PRR).
- 2.8 A revised Council Plan, which reflects the current context - the impact of cost-of-living pressures on residents, the continuing demand pressures that the County Council is facing, the long-term uncertainty around funding and reform, the investment the County Council is making in infrastructure and the work underway to strengthen and grow the West Sussex economy with partners, is attached at **Appendix 8** for approval. While the majority of KPIs remain appropriate, it is recommended that a number should be updated. The table within Appendix 8 sets out which KPIs are recommended to be changed.

### **Section Three: Budget 2023/24**

- 3.1 Developing a budget for 2023/24 that is balanced requires consideration of a number of different factors which are summarised here and set out in further detail through this report:
- Impact of macro-economic conditions – inflation and interest rates and the 2023/24 budget uses the latest forecasts from the Office for Budget Responsibility published in November 2022.
  - Government funding through the Local Government Finance Settlement.
  - Other potential income sources, including, forecast Council Tax and business rates collection and fees and charges.
  - Forecast increase in demand pressure.
  - Savings proposals which will include reducing costs and increasing income.

#### **Revenue Budget 2023/24 - Funding**

- 3.2 In 2023/24, the County Council is expecting to spend £1,867m on delivering services to the 882,700 residents and 37,400 businesses across the County. This spending will be funded through a number of different sources – Government grants, Council Tax, Business Rates, Fees, Charges and rental income. The breakdown is summarised in **Table 1**.

**Table 1 – Gross Income 2023/24**

<b>Income Source</b>	<b>£m</b>	<b>%</b>
Government Grants	228.2	12
Dedicated Schools Grant	775.8	42
Customer Receipts (fees and charges)	101.8	5

<b>Income Source</b>	<b>£m</b>	<b>%</b>
Council Tax	567.1	31
Business Rates	82.3	4
Other income	112.2	6
<b>Total</b>	<b>1,867.4</b>	<b>100</b>

## **Government Funding**

### Local Government Finance Settlement

- 3.3 Over recent years there have been changes to Local Government Funding. There has been a move away from multi-year settlements and Local Authorities have relied on one-year settlements published in December of each year which makes forward planning very difficult. Helpfully, in early December 2022, the Government published a policy paper on Government funding, which did provide some indication of the expected level of funding in 2023/24 and 2024/25. However, the County Council still had to wait until the publication of the Provisional Finance Settlement on 19 December, before there was more certainty around expected levels of funding.
- 3.4 The County Council's Core Spending Power was published as part of the provisional Local Government Finance Settlement. Core Spending Power is a measure of the resources available to local authorities to fund service delivery and is a combination of Government Funding and Council Tax income. The published Core Spending Power for West Sussex County Council in 2023/24 will be £743.6m. However, it is important to note that this is based upon the assumption that the County Council will increase Council Tax by the maximum amount allowed, as well as an assumption about the growth in tax base. Consequently, the actual Core Spending Power may be different because it will reflect local decision making.
- 3.5 Government Funding for 2023/24 as published in the provisional settlement on 19 December 2022 is subject to a 28-day consultation. At the time of publication of this report the final settlement had not been published but is expected imminently. Similar to previous years, there are not expected to be any further changes. In 2023/24 the County Council will receive an increase in Government funding of £21.6m as set out in **Table 2**. Much of this is to fund additional cost pressures within social care. Although this additional funding is welcomed, the longer-term position and uncertainty on Government funding remains challenging and the County Council will continue to lobby Government to recognise the need for long term sustainable funding for the sector.
- 3.6 Other key announcements outlined in the Autumn Statement and confirmed in the provisional settlement are:
- A maximum increase in Council Tax of 4.99% - a core increase of 2.99% and up to 2% for Adult Social Care Precept;
  - An average increase in Core Spending Power of 9.2% in cash terms, assuming all authorities levy the maximum precept allowed in 2023/24;

- Social Care reforms have been delayed until 2025/26 but the funding that Government had set aside has remained and been repurposed and will be paid through the Social Care Grant;
- Other Social Care Funding (Discharge to Assess and Market Sustainability and Improvement Plan);
- Continuation of Services Grant; and
- A further year added of the New Homes Bonus.

3.7 Key funding announcements for the County Council in the provisional settlement are set in **Table 2** (with 2022/23 figures shown for comparison).

**Table 2 - Key funding announcements**

<b>Item</b>	<b>2023/24 £'m</b>	<b>2022/23 £'m</b>	<b>Change £'m</b>
Settlement Funding Assessment (SFA) (excluding s31 grant)	82.3	79.3	3.0
Improved Better Care Fund	20.6	20.6	
Social Care Support Grant	42.1	25.8	16.3
Services Grant	3.1	5.5	-2.4
Market Sustainability and Fair Cost of Care (included within Adults Services portfolio budget)	7.7	2.2	5.5
New Homes Bonus	1.2	2.0	-0.8
<b>Total</b>	<b>157.0</b>	<b>135.4</b>	<b>21.6</b>

3.8 Alongside the Provisional Local Government Finance Settlement, the Government announced an additional £100m to support those already receiving support through Council Tax Reductions Schemes, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area. These monies will be allocated to the Districts and Boroughs and for West Sussex authorities total £1.1m.

Specific Grants

3.9 Over and above the grants set out in **Table 2**, there are a number of service specific grants which are included in the individual portfolio budgets. A summary of all known specific government grants for 2023/24 are detailed in **Appendix 4**. For those not yet confirmed, it is assumed that the 2023/24 value will be similar to that in the current year.

Business Rates: Baseline Funding Allocation

3.10 Business Rates are set nationally. The value of business premises is determined by the Valuation Office and the Government set the multiplier which specifies the pence per pound paid in tax. For 2023/24, the multiplier has once again been frozen and remains at 51.2p and for smaller businesses 49.9p. The County Council will be fully compensated for any loss of income due to the multiplier being frozen, and this compensation is estimated at £14.0m in

2023/24. A final figure will be confirmed when estimates of the business rate base for 2023/24 are supplied by districts and boroughs.

- 3.11 In recognition of the uncertainty the business community is facing from the cost-of-living crisis and potential economic recession, the County's 2023/24 budget assumes there will be no growth in excess of the business rates baseline. Government has also undertaken a business rates revaluation which will come into effect from 1st April 2023 which adds further uncertainty to the level of business rates that will be achieved in 2023/24.
- 3.12 Any variation from the assumed income for business rates will be adjusted through the Council's contingency provision or one of the County Council's risk management reserves.

#### Business Rate Pooling

- 3.13 For 2023/24, the West Sussex authorities will once again operate as a pool for business rate purposes. The arrangement will include the County Council, Adur, Arun, Horsham and Mid Sussex District Councils. Based upon current modelling, the pool is expected to deliver around £5.5m for investment in projects but this will be subject to submission of final business rate forecasts from the districts and boroughs. The criteria and allocation of funds will be recommended by the Chief Executives Board and approved by the West Sussex Leaders.

#### Council Tax

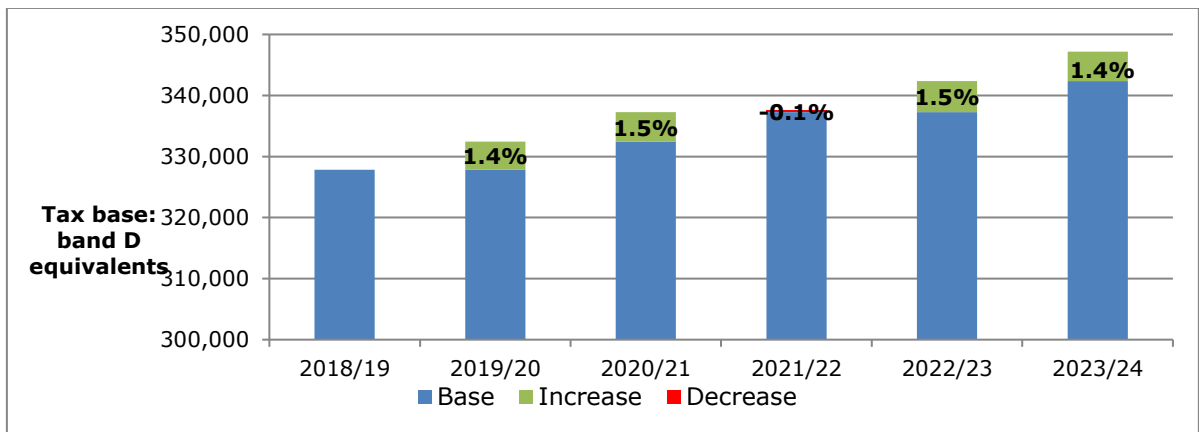
- 3.14 Income collected through Council Tax is determined by the level of the tax and the Council Tax base.
- 3.15 The budget is based upon an increase of 2.99% in the level of tax which is below the referendum threshold. In addition, there will be an additional 2% increase for the Adult Social Care precept, which will contribute towards meeting the demands for adult social care services.
- 3.16 The overall impact of the two elements is that the increase in the County Council's element of Council Tax will be 4.99%. The average Band D will increase from £1,555.74 to £1,633.41, an increase of £77.67. Full details of the increases by council tax band are set out in the recommendations at the end of this report. Council Tax levels for the Boroughs and Districts and the Police and Crime Commissioner will be agreed and published separately by these authorities.
- 3.17 An additional allocation of £0.4m is proposed to provide funding to support the continuation of the discretionary council tax hardship scheme across the West Sussex District and Boroughs Councils for 2023/24. The proposal is to offer up to £25.00 relief per working age household that claims relief under the working-age council tax reduction scheme offered by the District and Borough Councils. This is in addition to the Council Tax Support Fund of £100m announced by the Government on 19 December 2022 to support the most vulnerable households in England. This Government money will also be distributed to eligible households by the District and Borough Councils in the County. Together with the Government's scheme, this means that for 2023/24, a household that claims relief under the working age council tax reduction scheme offered by the Districts and Borough Councils could receive up to

£50.00 relief on their Council Tax bill. The estimated cost to the County Council is £0.4m and is to be funded by using the uncommitted balance of the 2021/22 Council Tax Support Grant which is held in the Covid-19 reserve.

West Sussex Local Tax Base 2023/24

3.18 The Council Tax base is the number of properties in Bands A to H in the County Council area expressed as an equivalent number of Band D units. This is provided by the Boroughs and Districts and based upon early estimates, a tax base growth of 1.4% has been assumed in the 2023/24 budget. The increase is similar to pre pandemic levels (as shown in Figure 1) and includes an adjustment in the tax base for Worthing Borough Council to reflect changes to their Local Council Tax Support Scheme which comes into effect on 1<sup>st</sup> April 2023.

**Figure 1: Change in the County Council’s tax base**



3.19 If the final figures show a rate lower than 1.4%, the Budget Management Reserve will be used to fund any difference to avoid sudden and late service reductions being required for 2023/24. The assumptions will then be reviewed during next year when the Medium-Term Financial Strategy (MTFS) is refreshed.

Collection Fund

3.20 District and borough councils operate a collection fund for both Council Tax and business rates, which they are responsible for collecting. The actual tax collected may be more or less than expected, meaning that a surplus or deficit must then be allocated to the responsible local authorities in the following year. The Local Authorities (Funds) (England) Regulations 1992 (as amended) require an annual projection of the balance on 31 March each year. This is because precepting authorities share surpluses / deficits and need to take account of these when setting the budget.

3.21 Due to the economic impact of the Covid-19 pandemic and the impact on employment and businesses, authorities faced significant deficit repayments on their collection funds relating to the financial year 2020/21.

3.22 In recognition of this, the then Secretary of State for MHCLG (now DLUHC), Robert Jenrick, announced that “the repayment of collection fund deficits arising in 2020/21, will be spread over the next three years rather than the

usual period of a year". For 2023/24, the final year of the deficit spread, the deferred deficit provision is £1.8m.

- 3.23 Following a review of the authority's reserves, a separate Business Rates and Collection Fund Smoothing Reserve was established in 2022/23. This will be used to manage collection fund balances for 2023/24 onwards, including the £1.8m for the final year of the deficit spread.

#### Fees and Charges

- 3.24 Income from fees and charges is around 5% of the County Council's total income. Many fees and charges are set by Government but there are also many for which the County Council has discretion over.
- 3.25 The Localism Act 2011 and Local Government Act set out the general legal framework regarding charging for services. As well as this, there are various other specific legal provisions and local policy objectives that determine which services are charged for and the level of the charge. The broad categories of the fees and charges can be also found in the Glossary of Terms within **Appendix 7**.
- 3.26 The County Council's policy is to increase discretionary fees and charges by the level of RPI in the previous September. For 2023/24 this is 12.6%. This is the financial planning assumption but all fees and charges are considered on a case by case basis.
- 3.27 The proposed changes are set out in **Appendix 7** but the main areas where the increase varies from the assumed 12.6% are as follows:
- School Service Level Agreement (SLA) Services – with the exception of a detailed review of costs associated with School Facilities Management Services which went live in 2022, most of the School SLA Services have been increased by 4% in 2023/24. Services understand the pressures on school budgets and their ability to purchase services and the driver for costs is largely staffing. Services will aim to ensure the cost of service provision is neutral.
  - Communities – Gypsy/Traveller Rents - this community are significantly and disproportionately impacted from the current energy prices due to the difficulties in insulating their domestic dwellings. It is proposed that the cost of rental plots at Council sites are only increased by around 5%.
  - Library Service Fines – the service continues to try and encourage the loan of books since the pandemic and therefore no increase is planned.
  - There are number of other proposed increases that are less than 12.6% so that services remain competitive.

#### **Revenue Budget 2023/24 - Expenditure**

- 3.28 A key part of developing the budget for 2023/24 is to consider the current in year financial position.
- 3.29 The September forecast outturn position for 2022/23 shows a £9.5m overspend, which will be managed through management actions and use of

revenue contingency. This overall position assumes that any in-year costs related to the Covid-19 pandemic will be fully funded from government grants received.

- 3.30 The main areas of pressure throughout 2022/23 have been increasing inflation, increase in the cost of adult lifelong services provision, the mix between internal and external placements for children, cost of children in need of secure or specialist placements, the rising numbers of children requiring high needs education and the delay in delivery of savings.
- 3.31 The position will remain under review for the remainder of the year. Some pressures will continue into 2023/24 and accordingly have been included in the budget.

Spending Pressures 2023/24

- 3.32 The budget for 2023/24 includes £18.1m for known spending pressures. Full details are set out in **Table 3** and also within the individual portfolio updates in Section 4.

**Table 3 – Service Specific Spending Pressures 2023/24**

<b>Spending Pressures</b>	<b>£'m</b>
Adults Services	13.7
Children and Young People	4.4
Community Support, Fire and Rescue	-
Environment and Climate Change	-
Finance and Property	1.0
Highways and Transport	0.1
Leader	-
Learning and Skills	1.6
Public Health and Wellbeing	-
Support Services and Economic Development	0.4
Non Service	(3.1)
<b>Total</b>	<b>18.1</b>

Pay and Prices

- 3.33 The additional budget for 2023/24 for pay and price increases is £51.9m, as shown in column 2 of **Appendix 2** and is based on the following:
- Pay budgets – the 2022/23 pay uplift for local government employees (NJC) was confirmed in November 2022 and provided for an uplift of £1,925 per



full time equivalent employee. Confirmation of pay awards for other local authority employees such as firefighters have yet to be agreed.

Furthermore, with the cost-of-living increase expected to remain high for 2023/24, planning for future years has been a challenge. The 2023/24 budget assumes a 4% pay award. If the final award exceeds this, any shortfall will need to be funded in year from contingency and will be addressed as part of the 2024/25 financial planning process.

- National Insurance – the 2022/23 budget reflected the employers’ cost of the 1.25% increase for the Health and Social Care levy. The government subsequently reversed the increase with effect from 1 November 2022. For 2023/24, the budgets have been adjusted accordingly to reflect the full year effect of this decision.
- Pension actuarial review – the tri-annual review of the West Sussex Pension Fund has been completed and reports that the fund continues to perform well and is currently valued at 125% (whole fund level, from 112% at 31 March 2019). Full details were reported to the Pensions Committee on 30 January 2023. The Pensions Committee have an objective to maintain relatively stable employer contribution rates and target a minimum contribution rate for long term employers of 18% of pay. As a result of the tri-annual review, the Fund Actuary is certifying a reduction in the County Council’s employer contributions of 1% per year over the next three years (to 18.7% for the year ending 31 March 2026). It is then anticipated that employer contributions will be maintained at 18%. This is resulting in an annual saving of £1.5m which is assumed within the 2023/24 revenue budget.
- Throughout 2022/23 inflation has continued to run high and the inflationary price pressures relating to contracts have been reported through the PRR. As a result, an additional £8.8m of current inflation pressures have been built into the base budget for 2023/24.
- While cost-of-living increases still continue, current OBR forecasts show inflation coming down in the second half of 2023. Inflation provision has been set at 5.5% to align with the OBR’s forecast for the 2023/24 financial year. However, for adult and children’s social care provider costs, there is an allowance for a 9% increase in recognition of the cost pressures in this area. A range of inflationary increases have also been included for high value contracts within the portfolio budgets, dependent on the specific indexing included within the contract.
- Uncertainty remains around the inflationary pressures and the impact this will have on the County Council and therefore corporate contingency will be held at £13.0m for 2023/24. Further details are set out in paragraph 5.27.
- An assumed 12.6% (September RPI) on areas of discretion for fees and charges income, as set out in paragraph 3.27.

### Savings

- 3.34 The budget for 2023/24 includes £9.6m of assumed new savings, as set out in full in **Appendix 3**. Additionally, £8.5m of savings (as reported in Q2 PRR) approved as part of the 2022/23 budget, have been re-profiled and now will be

delivered in full in 2023/24. Therefore, the total savings for 2023/24 will be £18.1m. Close monitoring will take place through the year and updates reported through the quarterly PRR. It is assumed at this stage that any slippage in the delivery of savings will be mitigated through alternatives within the relevant portfolio budgets, but in some circumstances, there may be a requirement for one off funding from the corporate contingency.

Budget Consultation and Engagement

- 3.35 The budget proposals were considered at an all-member briefing on 20 January 2023, by the Performance and Finance Scrutiny Committee on 25 January 2023 and by all key stakeholders (partners, voluntary sector, business representatives) at the event on 27 January 2023. In addition, following publication of the papers for Performance and Finance Scrutiny Committee on 17 January 2023, an update was posted on the County Council’s main media channels.
- 3.36 The feedback was considered by Cabinet in putting together the final budget for 2023/24. A summary of comments considered by the Cabinet is set out at **Annex 4**.

**Balanced Budget 2023/24**

- 3.37 Taking account of the pressures, budget reductions and other adjustments described above, in 2023/24, the Council will spend £1,867m on the day to day running of local services to deliver the priorities that are set out in the Council Plan. After specific government grants, fees and charges income and other contributions, net spending will be £708.8m. Details are summarised in **Table 4** and set out in full by Cabinet Portfolio in **Appendix 6**. The movements from the agreed 2022/23 budget are summarised in **Table 5**.

**Table 4 – Gross and Net Expenditure by Cabinet Portfolio**

<b>Cabinet Portfolio</b>	<b>Gross Expenditure £'m</b>	<b>Net Expenditure £'m</b>
Adults Services	434.7	242.7
Children and Young People	174.1	148.4
Community Support, Fire and Rescue	55.9	47.8
Environment and Climate Change	84.3	73.9
Finance and Property	35.8	28.0
Highways and Transport	79.7	47.3
Leader	3.2	3.0
Learning and Skills	883.4	34.5
Public Health and Wellbeing	23.0	-
Support Services and Economic Development	43.7	41.2
<b>Non Service</b>	<b>49.6</b>	<b>42.0</b>
<b>Total</b>	<b>1,867.4</b>	<b>708.8</b>

**Table 5 – Summary of Change in Net Budget**

<b>Change in Net Budget</b>	<b>£'m</b>
<b>Net Expenditure Budget 2022/23</b>	<b>648.3</b>
Pay and Price Inflation	51.9
Children's Social Care pressures	3.9
Other Children and Young People & Learning pressures	2.1
Adults pressures – demographic	7.2
Adults pressures – National Living Wage	6.5
Other Service pressures	1.5
Increase in corporate contingency (will now be £13m)	3.9
Additional investment into highways, roads, skills and economic development	5.0
Corporate Changes	(11.9)
<b>Total Budget Requirement 2023/24</b>	<b>718.4</b>
Council Tax (assuming 4.99% increase)	(567.1)
Settlement Funding Assessment/Business Rates	(97.1)
Social Care Funding	(42.1)
Other Grants	(4.3)
Collection fund deferred deficit	1.8
<b>Total Funding 2023/24</b>	<b>(708.8)</b>
<b>Budget Gap 2023/24</b>	<b>9.6</b>
New Savings Identified and Deliverable	9.6
<b>Budget gap</b>	<b>-</b>

- 3.38 The net revenue expenditure shown is based on the most up to date information at the time of writing this report and may be subject to change. This is because information is still awaited in some instances regarding funding and final figures from the Boroughs and Districts on tax bases for business rates and Council Tax. The Budget Management and Business Rates and Collection Fund Smoothing Reserve will be utilised to manage any final variations.
- 3.39 Spending next year also includes £124.9m of capital investment as part of a five-year capital programme that will invest over £747.2m in the County's highways, environment, schools and early years provision, buildings and IT and digital infrastructure. Further details are set out in the individual portfolio sections that follow in Section 4 and the Capital Strategy in **Annex 2(a)**.

#### **Section Four: Revenue Budget Proposals for 2023/24 By Cabinet Member Portfolio**

##### **Changes to Portfolio and Non-Portfolio Budgets**

- 4.1 The proposed changes to the budget for 2023/24 are explained by Cabinet Portfolio in the following paragraphs. These changes include additional budget to meet changing pressures of £21.2m (service specific pressures), pay and price changes of £51.9m (detailed in paragraph 3.33 above) and balancing the budget activities of £9.6m which consists of reducing costs and increasing income.

## Adults Services

- 4.2 The Adults Services budget for 2023/24 allows for gross expenditure of **£434.7m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£242.7m**. Around 95% of this relates to the cost of funding the social care needs of approximately 8,500 residents who meet the national eligibility criteria in the Care Act.
- 4.3 The budget has been prepared against a background of significant service-related risks:
- **Demography.** A growing population and rising complexity of needs are increasing demand for adult social care as well as making it more expensive to meet care needs. This applies equally to working age customers with disabilities as to older people and on both of these groups the County Council spends around £150m. During the last five years these pressures have translated into annual increases in cost that have averaged approximately 1.5% more than the inflationary uplifts paid to providers.
  - **National Living Wage (NLW).** Pay is the largest element of care providers' costs and so the National Living Wage (NLW) creates an immediate knock-on implication for the County Council. For 2023/24 the hourly rate will rise by 9.7% to £10.42 per hour. Whilst specific funding is not provided to local authorities to meet this cost, the frailty of the care market in West Sussex leaves the County Council with little alternative than to pay providers a level of increase greater than a standard inflationary uplift. This is a risk that has led the NLW to be recognised as a budget pressure every year since it was introduced in 2016/17. Despite the allocation of those resources, competition from sectors such as retail and hospitality means that demand for workforce is unlikely to become any less intense.
  - **Market-related factors.** The care market in West Sussex remains in a challenging position. Providers are needing to manage the impact of high inflation and significant workforce constraints as well as the on-going effects of Covid-19. At the same time, levels of demand continue to be high. This is mainly because of a relatively buoyant self-funder market, which makes the County Council a minority purchaser of care in West Sussex. The pressure this produces is now being exacerbated by Government's drive for rapid hospital discharges. The outcome is an increasing mismatch between demand and supply and on a like-for-like basis higher prices are having to be paid for care packages. Although an average increase in rates of 8% was agreed for 2022/23, the combination of market factors and the NLW means the County Council will be providing the equivalent of a 9% uplift for 2023/24. Use of this will be subject to a Cabinet Member decision in the spring 2023. This will give an opportunity for increases to be targeted in line with the County Council's strategic commissioning priorities and to address market expectations created by the cost of care exercise mandated by Government, where the direction given was 'to genuinely increase fee rates appropriate to local circumstances'.
  - **Savings.** The 2022/23 Adults budget was based on an expectation that £15.8m of savings would be delivered. The catalyst for these was the Adults Social Care Strategy (2022-25), which was approved by Cabinet in

February 2022 and its ambition to promote independence and person-centred care as enablers of improved care outcomes for people.

- Social care reform. The Government has announced a delay in its proposed reforms of adult social care until 2025. Much of the funding that had been set aside for the cost of this is being made 'available to local authorities to help meet the current pressures in social care'. This is being channelled through three mechanisms: the Social Care Grant, Discharge Funding and Adult Social Care Market Sustainability and Improvement Funding. The second and third of these grants will come directly into the Adults budget to deliver Government's expectations of 'tangible improvements in adult social care services'. These have been defined as addressing 'discharges delays, social care waiting times, low fee rates, and workforce pressures'. In total the two grants will be worth £10.6m, of which £2.2m is continuation of funding received in 2022/23. Spending will be planned within the limits of Government guidance and alongside the growth that the County Council will be allocating to the Adults budget. Government recognises that adult social care needs more funding and these resources are welcome. However, they fall significantly short of the increases for which groups like the Local Government Association and the Association of Directors of Adult Social Services have called for. In addition, use of the Adult Social Care Relative Needs Formula as the distribution mechanism disadvantages most of the South East, because it is heavily influenced by measures of deprivation rather than the factors which drive cost pressure in this area of the country.
- 4.4 These issues are not unique to West Sussex and all local authorities with social care responsibilities are facing similar challenges. For 2023/24 the County Council's response is to allocate additional resources to the Adults' budget to fund these pressures:
- i. Demography - £7.8m
  - ii. National Living Wage - £6.5m
  - iii. Inflation - £14.1m
- 4.5 The additional provision for these pressures means that there is a 12% increase in the budget. The County Council is proposing to utilise its freedom to raise an Adult Social Care precept of 2% to help pay for that increase.
- 4.6 The Adult Social Care Strategy was agreed in February 2022 and in 2023/24 there is likely to be a requirement for additional one-off investment to deliver the Adult Social Care Improvement Programme and support delivery of the savings. Any such pressure will be considered in year.
- 4.7 After allowing for other changes, the actual growth in the budget becomes £26.8m. This includes a new saving of £0.6m. The key explanations for that change are summarised in **Table 6**. Adult Social Care will also be delivering £7.6m of existing savings re-phased from 2022/23 (as reported in Q2 PRR).

**Table 6 – Adults Services Budget Changes**

Item	£'m
Growth for the effect of population change and rising complexity of needs	7.8
Increase for Pay and price	14.1

<b>Item</b>	<b>£'m</b>
Increase for the National Living Wage	6.5
Use of the Improved Better Care Fund	(0.6)
Savings	(0.6)
Transfers between portfolios	(0.4)
<b>Net change</b>	<b>26.8</b>

### **Children and Young People**

- 4.8 A key element of the Council's budget provides for children and families who are vulnerable and for who the County Council has statutory duties to support. The Children and Young People's budget for 2023/24 allows for gross expenditure of **£174.1m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£148.4m**, an increase in the budget of **£9.0m** when compared to 2022/23. Around 92% of this is spent on responsibilities relating to children's social care, including the cost of the staffing teams. The remaining 8% is spent on early help services, children's mental health services (in partnership with Health) and services designed to reduce youth offending. As at end of December 2022, around 2,130 families are currently being supported by Early Help, along with around 5,400 children and young people being supported via Social Care.
- 4.9 The budget has been set on the assumption of an improved outcome from the Ofsted full re-inspection of Children's Services which is estimated to take place before the end of the 2022/23 financial year. The improvement work within the service has now become largely business as usual. Given the need for continued improvement this may need to be reviewed following the completion of the next full inspection of the service.
- 4.10 The number of children we care for reached a peak in December 2020 and although volumes reduced during 2021/22, they appear to have now plateaued at a level higher than prior to the Covid-19 pandemic (882 as at the end of December 2022). This higher number more accurately reflects the number of children that the Council cares for in that the current number is at the expected rate per ten thousand population for an authority this size and in line with statistical neighbours. Although numbers are now stable, there has been an increase in the proportion of children with complex needs meaning that both the mix of placement types and the individual cost of placements have led to cost pressures on the budgets during 2022/23. In addition, a number of young people have required unique care and support arrangements to be put in place, mostly in settings which are at a high individual cost. The latter issue is almost certainly a result of the Covid-19 pandemic and the impact that the pandemic response has had on children and young people's emotional wellbeing and mental health.
- 4.11 The service has put a range of actions in place to target a reduction in the proportion of children we care for who are placed in external residential care arrangements, which is expected to result in cost reductions from 2024/25 onwards. However, the success of this plan will be subject to sufficient availability of other placement types, most notably foster care. Given the national picture of a reducing number of fostering households, there is a risk

that this target may be missed but the service is improving the efficiency and capacity of our own fostering placements as a mitigation. Demand modelling based on reasonable assumptions taking account of these aspects has been undertaken and results in the £3.9m of additional budget for 2023/24 which is expected to be ongoing but also up to around £10m may be required for short term budget pressures to provide sufficient time for corrective actions to impact on the level of spend. These short term pressures will be funded as they materialise through use of corporate contingency or reserves. The placement budgets will remain very volatile and subject to external factors beyond the Council's control but they remain under close scrutiny and mitigating actions will be considered where possible.

- 4.12 As part of the service improvement journey, children's social care is on track to implement the new Family Safeguarding model of practice. The aim of this model is to take a more holistic approach to issues within families at an earlier point, hence preventing situations escalating to the point where statutory interventions may be required. The model includes the commissioning of specialist staff who work with the adults in the family to address issues around substance misuse, domestic violence and mental health. An additional £1.4m has been added to the budget in 2023/24 in order to afford the cost of these specialist workers. The Family Safeguarding model is expected to reduce the number of young children under the age of 12 entering care, and consequently savings are expected to be delivered from 2023/24 onwards. For 2023/24 the savings are expected to be £0.8m.
- 4.13 As referenced in 4.11, the internal fostering service has undergone a significant redesign during 2022/23. The aim of this redesign is to increase the proportion of children placed with internal foster carers and reduce the proportion placed with independent fostering agencies. Some additional staffing capacity has been required to manage the expected increased number of in-house foster carers and additional budget of £0.3m has been included for 2023/24. Placements made with independent fostering agencies are significantly more expensive than the Council's own in-house foster placements so the redesign is supporting savings to be delivered. For 2023/24 the amount of these savings is expected to be £0.3m.
- 4.14 In terms of risks for the Children's budget in 2023/24, other than those already outlined in relation to placements, there are a number of further issues to highlight.
- The Government response to the Independent Review of Children's Social Care has not yet been published. The Review included a number of recommendations which, if accepted, may require legislative changes and some which may have a financial impact. These are not known at this stage and therefore not reflected within the 2023/24 budget.
  - Some pressure on non-placement budgets within the Family Safeguarding and Children's Disability teams has emerged in 2022/23. However, it is difficult to judge whether this is likely to be ongoing or increase in future years. Given the current cost of living crisis it is possible that there will be an increase in the number of families requiring Early Help and/or financial assistance under section 17 of the Children Act 1989. This budget does not currently include any funding for these potential pressures which are as yet unknown and therefore there is a risk of a budget pressure in the future.

- 4.15 Planned savings of £2.9m are included to balance the County Council’s overall budget, as described in **Appendix 3**.
- 4.16 The key explanations of changes in the 2023/24 budget for the portfolio are shown in **Table 7**.

**Table 7 – Children and Young People Budget Changes**

<b>Item</b>	<b>£’m</b>
Demand growth – Children We Care For	3.9
Fostering redesign	0.3
Family Safeguarding commissioned specialists	1.4
Pause of Brick Kiln project until 2024/25	(0.4)
Temporary funding received in 2022/23 for Children First improvement programme	(0.8)
Pay and price rise allowances and adjustments	7.2
Transfers between portfolios	0.3
Savings	(2.9)
<b>Net change</b>	<b>9.0</b>

- 4.17 The capital programme includes £5.4m of investment for the Children and Young People portfolio in 2023/24. This focuses on improving the sufficiency of accommodation for children we care for, as well as improving the environment in which other critical services for children and families are delivered. Further details are set out in the Capital Strategy in **Annex 2(a)**.

**Community Support, Fire and Rescue**

- 4.18 The Community Support, Fire and Rescue budget allows for gross expenditure of **£55.9m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£47.8m**.
- 4.19 The Communities Directorate delivers support across a wide range of national refugee resettlement programmes including the primary United Kingdom Resettlement Scheme (UKRS), dedicated programmes to support those who have left Afghanistan following the Taliban taking control and is participating in newer schemes such as that for Hong Kong nationals and Chagossians. Most of these schemes are based on an individual tariff model where grant funds follow the individual over a fixed time period during which they receive comprehensive support.
- 4.20 A significant focus remains on supporting West Sussex sponsors and guests participating in the Homes for Ukraine Scheme which opened for visa applications on 18<sup>th</sup> March 2022. To meet the capacity demands of this scheme, a dedicated Ukraine Support Team, funded from Government grant, has been established to provide a wide range of practical support for Ukrainians arriving in the county and to Sponsors who are hosting guests.



- 4.21 Services include, community based support, case worker support, financial support (including processing of thank you payments for Sponsors) and accommodation pathway support including for those who have experienced a placement breakdown. The scheme requires a raft of pre-arrival activity to be completed and then the delivery of a comprehensive wraparound support programme including access to education and English language provision. The County Council has also received Government grant to establish a welcome desk at Gatwick Airport to assist any Ukrainians arriving in the Country via this route. Working closely with Border force and Gatwick Airport Operations Team an immediate support offer has been in place since 19<sup>th</sup> March 2022 with assistance ranging from providing food vouchers, advising of free travel arrangements in place and arranging for short term hotel accommodation.
- 4.22 The County Council invested a further £1.3m in 2022/23 to deliver the Community Risk Management Plan, which continues to fund improvements that have been assessed across all foreseeable fire and rescue related risks that could affect the community. Resources have been identified to deliver the six key proposals that have been consulted on with stakeholders over the autumn between 2022-26.
- 4.23 Priorities and projects undertaken in 2022/23 are now in implementation phase and these include Day Crewing Enhancements which will increase the number of immediate response weekend daytime appliances available by 50% (from eight to twelve) and improve emergency response times in Mid Sussex, Worthing and Adur. Our response to unwanted Fire Signals/False alarms will also change, as whilst firefighters are responding to false alarms, they are not available for other emergencies. Responding to these false alarms wastes essential resources, potentially puts lives at risk, and disrupts other activities, such as community fire safety work.
- 4.24 During 2023/24 the Council will:
- Review and Assess Emergency Response Standards;
  - Enhance specialist capability and assets - the majority of the incidents responded to can be adequately resolved through the deployment of personnel with the required skills and the equipment available on frontline fire engines. The overall aim is to future proof specialist capability aligned to known and future risks; and
  - Commence work on the emergency response performance and Retained Improvement plan to support a future operating model.
- 4.25 Planned savings of £0.7m are included to balance the County Council's overall budget, as described in **Appendix 3**. The key explanations of changes in the 2023/24 budget for the portfolio are shown in **Table 8**.

**Table 8 – Community Support, Fire and Rescue Budget Changes**

<b>Item</b>	<b>£'m</b>
Reversal of one-off funding for Fire and Rescue Training	(0.1)
Transfer of Coroner's Office from Sussex Police	0.1
Savings	(0.7)

Item	£'m
Pay and Price allowance	3.3
Transfer between portfolios	0.1
<b>Net change</b>	<b>2.7</b>

- 4.26 The capital programme includes £9.1m of investment in 2023/24 for the Community Support, Fire and Rescue portfolio. This includes completion of the Live Training Centre and Horsham Fire Station and Fire and Rescue Service equipment to ensure emergency response needs are met. Further details are set out in the Capital Strategy in **Annex 2(a)**.

### **Environment and Climate Change**

- 4.27 The Environment and Climate Change budget allows for gross expenditure of **£84.3m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£73.9m**. Working with customers and partners, the Waste Management team will continue their work to reduce waste going to landfill through education aimed at changing customer behaviour, as well as the use of alternative disposal routes such as the Refuse Derived Fuel (RDF) contract and separate food waste collections. Over £66m of the net revenue budget is dedicated to supporting waste disposal and recycling infrastructure.

#### Climate and Sustainability

- 4.28 During 2023/24 the Council will aim to complete a comprehensive WSCC-wide Climate Change Strategy delivery plan to achieve carbon neutrality from 2030 and put into place measures to secure resilience to climate change in the long term. This will cover all departments across the County Council and will be structured in two phases of three years (with a review point in 2027) and will be integrated into the corporate business planning and medium term financial process for 2024/25.
- 4.29 Early in 2023 the aim is to launch the first phase of substantial multi-site corporate estate decarbonisation programme along with the completion of decarbonisation studies examining the schools estate. This will be followed by the launch of an Education Climate Change Initiative. A feasibility study will be completed to determine the most practical options to undertake carbon sequestration to offset residual emissions from 2030 while optimising biodiversity net gain, nature protection and working in harmony with stakeholders across West Sussex.
- 4.30 The Climate Change Strategy envisages the adaptation of WSCC service delivery and the County Council will therefore be rolling out a programme to decarbonise WSCC contracted delivery and supply chains by incorporating climate change considerations into service design, commissioning and procurement as well as examining how the County Council works with existing suppliers to improve their environmental performance. An NHS collaboration will be agreed and coordinated across public facing services to generate public health benefits from tackling climate change at a community level. Through all these measures, the County Council will be rising to the challenge of delivering the Climate Change Strategy.

Energy

- 4.31 The occupation of County Council buildings is currently broadly in line with the 2021/22 occupation. Gas and electric rates have risen sharply across Europe in the last year due to a combination of factors including the conflict in Ukraine which has added a considerable premium to market prices. The forward-buying strategy mitigated to an extent the impact of the 2022/23 increases, however as the value of the commodities continues to increase, a hedging strategy cannot completely protect the Council from these rises into 2023/24.
- 4.32 The increases in wholesale market prices for electricity has conversely benefitted the County Council and there has been an increase in the amount of income received from the investments that were made into solar installations. The current expectation is that income from existing installations will offset any market fluctuations in the prices paid in 2023/24.
- 4.33 The Council continues to invest in new energy projects through the capital programme and the 2023/24 budget reflects additional income being generated from the Halewick Lane battery storage system which is being constructed in 2022/23.

Waste

- 4.34 Waste Services continue to work with its contractors to understand the impact that several Government Strategies will have on the service including:
- Extended Producer Responsibility;
  - Deposit Return Scheme;
  - Consistency in collections including separate food waste;
  - Monitoring, Reporting & Verification (MRV) for Emissions Trading Scheme; and
  - Emissions Trading Scheme (ETS).
- 4.35 The largest issue facing the waste services budget in the short term is the high inflation rates that are being experienced across the two main contracts which are driven by reference to the Retail Price Index (RPI). The 2022/23 budget was based on an expected RPI rate of 5% but the actual rate at the point of indexation in February 2022 saw an uplift of 8.2% - this added an additional £1.7m to the cost of the services. The current forecast for 2023/24 is that RPI will continue to rise beyond the February Indexation date for the contracts and therefore the budget for 2023/24 has had an inflationary uplift of 13.8%.
- 4.36 Planned savings of £1.6m are included to balance the County Council's overall budget, as described in **Appendix 3**. The key explanations of changes in the 2023/24 budget for the portfolio are shown in **Table 9**.

**Table 9 – Environment and Climate Changes Budget Changes**

<b>Item</b>	<b>£'m</b>
Pay and Price allowance	10.1
Transfer between portfolios	3.3
Savings	(1.6)
<b>Net change</b>	<b>11.8</b>

- 4.37 The capital programme includes £12.2m of investment in 2023/24 for the Environment and Climate Change portfolio. This provides the means to invest in green technology to reduce the County Councils carbon footprint and be part of the commitment to be carbon neutral by 2030 targeting investment in low-carbon upgrade options for routine maintenance and planned projects. Further details are set out in the Capital Strategy in **Annex 2(a)**.

### **Finance and Property**

- 4.38 The Finance and Property budget allows for gross expenditure of **£35.8m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£28.0m**. The budget relates to delivery of the Finance and Procurement functions (£9.2m) but also funds capital planning and projects, asset management and the estates teams, as well as various corporate items such as insurance and precept payments levied by external bodies.
- 4.39 The portfolio holds the budget for payments to outside organisations where we are required to meet the levy or Precept requested of us under the relevant legislation. The net expenditure on the precepts and levies are as set out below:
- Apprenticeship Levy: £0.8m;
  - Sussex Sea Fisheries Levy: £0.4m;
  - Flood Defence Levy: £0.4m;
  - Chichester Harbour Precept: £0.2m; and
  - Littlehampton Harbour Board Precept: £0.2m.
- 4.40 The impact of Covid-19 has brought about new working practices across the County Council. There is now a strong move to establish these more flexible ways of working on a permanent basis. This means that the County Council is unlikely to need all the administration assets that are currently held. A review of the operational assets is underway to understand which need to be retained for future use and which will be surplus to operational requirement. The County Council will then look to dispose of any surplus assets or, where it is more applicable, will try to maximise their use by looking creatively at how they may be used to support economic growth (e.g. sharing space in our buildings with other organisations, such as start-ups). For all retained assets, the County Council must consider ways to reduce overall energy consumption to contribute towards the ambition of a net carbon zero organisation by 2030.
- 4.41 In order to take further advantage of these opportunities, the County Council continues to explore innovative ways to work with the private sector to increase the yield obtained from surplus assets and 2021/22 saw the creation of the Joint Venture (JV) with a long term partner to take forward, and benefit from, the development opportunities that are available by developing these sites with a partner, rather than simply selling the land to a developer. Work has commenced with the JV partner to develop the medium-term plan and it is expected that the benefits of this approach will begin to be seen from 2023/24.
- 4.42 Planned savings of £0.6m are included to balance the County Council's overall budget, as described in **Appendix 3**. The key explanations of changes in the 2023/24 budget for the portfolio are shown in **Table 10**.

**Table 10 – Finance and Property Budget Changes**

<b>Item</b>	<b>£m</b>
Additional Contribution to the Insurance Fund	1.0
Pay and Price allowance	1.1
Savings	(0.6)
Transfer between portfolios	1.4
<b>Net change</b>	<b>2.9</b>

- 4.43 The capital programme includes £7.4m of investment in 2023/24 for Finance and Property. The capital programme provides the means to invest in major development projects as well as tactical site improvement works to optimise usage and future options. Further details are set out in the Capital Strategy in **Annex 2(a)**.

### **Highways and Transport**

- 4.44 The Highways and Transport budget allows for gross expenditure of **£79.7m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£47.3m**. This budget maintains and delivers highways and other infrastructure which businesses and local communities need to support economic growth and allows our customers to access services across the County. The County Council will maintain, improve and, where appropriate, expand the highways network for the benefit of all residents and visitors to West Sussex.
- 4.45 The surge in demand for electricity following the recovery from the Covid-19 pandemic combined with the significant impact to energy markets from the war in Ukraine has led to a substantial increase in electricity prices for street lighting and highways electricity. Purchasing through the LASER consortium has mitigated the worst of the market extremes; however, prices look set to increase by around 75% compared to last year, leading to a projected overspend of £4.1m against the 2022/23 budget. A further £1.0m has been added within 2023/24 meaning a total of £5.1m inflationary pressure has been included as part of the overall £10.6m price and pay allowance in next year's budget.
- 4.46 The street lighting LED conversion programme, which is planned to start during 2023/24, would provide a degree of mitigation against the cost pressure by reducing energy consumption. The variation to the PFI contract has yet to be finalised and agreed, but it is possible that some financial benefit could be delivered in year.
- 4.47 Following the launch of the Bus Back Better bus strategy for England in March 2021 the County Council and local bus operators have agreed to enter into an Enhanced Partnership. The Partnership will deliver the West Sussex Bus Services Improvement Plan (BSIP) that outlines its ambitions to assist post pandemic recovery and thereafter improved bus services for West Sussex.
- 4.48 The BSIP was submitted to the DfT and revenue grant funding of £5.4m for the period 2022-25 has been secured of which £2.6m has been included within the 2023/24 budget. It is expected that this funding will deliver:

- Reduced bus fares for young people;
- Support to bus services;
- Marketing to promote the use of bus services; and
- Passenger Information at bus stops.

- 4.49 The English National Concessionary Travel Scheme (ENCTS) entails WSCC reimbursing local bus operators some of the fares that would have been paid should the scheme not have been introduced.
- 4.50 A bus network review is being undertaken by the Council with the Enhanced Bus Partnership as part of talks on the delivery of the BSIP. Whilst the outlook for the numbers of journeys in 2023/24 is uncertain, based on the latest ridership data, the number has been returning towards pre pandemic levels albeit very slowly. The Council is running a number of campaigns to improve use of the services although it is too soon for any meaningful improvements to become apparent.
- 4.51 The current budget is based on pre pandemic passenger numbers. However, the 2023/24 budget includes savings of £1m as a result of what is believed now to be the ongoing reduction in passenger numbers.
- 4.52 The New Roads & Street Works Act 1991 (NRSWA), as amended by the Transport Act 2000 and the Traffic Management Act 2004 (TMA), contains provision for Highway Authorities to operate Lane Rental Schemes that involve charging Promoters of street and road works for the time their works occupy the highway network. It is anticipated that a Lane Rental Scheme, which will enable the County Council to charge for occupation of the most traffic sensitive streets at traffic sensitive times, will encourage the planning of works outside of these times and lead to reduced delays for road users.
- 4.53 The cost of operating the scheme may be recovered from the lane rental charge income generated. Surplus income will be ring-fenced for re-investment into highway network improvements, which are intended to reduce the disruption or other adverse effects arising as a result of street works.
- 4.54 The County Council continues to review the charges made to highway users in order to ensure full recovery of costs and continue to explore ways of utilising funding available to ensure delivery of core services. The service continues to invest in feasibility studies, enabling the Council to develop sound project proposals for submission for additional funding to improve infrastructure.
- 4.55 Planned savings of £2.2m are included to balance the County Council’s overall budget, as described in **Appendix 3**. The key explanations of changes in the 2023/24 budget for the portfolio are shown in **Table 11**.

**Table 11 – Highways and Transport Budget Changes**

<b>Item</b>	<b>£'m</b>
Pay and Price allowance	10.6
Savings	(2.2)
Other service changes	0.1
Transfer between portfolios	(2.5)
<b>Net change</b>	<b>6.0</b>

4.56 The capital programme includes £48.2m of investment for Highways and Transport in 2023/24 reflecting the importance of the infrastructure for economic growth. To support the commitment to highways, over the life of the capital programme the Council are continuing to invest in highways maintenance. In addition, £4.5m revenue spending on highways maintenance including for flooding and drainage is budgeted for under the non-portfolio budget. Further details of the Capital Strategy can be found in **Annex 2(a)**.

**Leader**

- 4.57 The Leader budget allows for gross expenditure of **£3.2m** but after sales, fees and charges and other income net expenditure is **£3.0m**.
- 4.58 This budget supports the costs of economic growth and feasibility support for the One Public Estate programme and the Chief Executive’s Office. The Chief Executive’s office supports the delivery of council priorities by providing capacity and advice on communications and engagement, performance management and business planning, including ownership of the overall development of the Council Plan.
- 4.59 The Economic Growth Team works with internal and external partners to enable and deliver initiatives that champion and support the local economy, as set out in the West Sussex County Council Economy Plan (2020-2024). The Economy Plan is key to achieving Our Council Plan priority for a sustainable and prosperous economy. The team works in collaboration with key partners and stakeholders including the District and Borough Councils, the South Downs National Park Authority, further and higher education institutions, the C2C LEP and business representative organisations.
- 4.60 The Economy Plan prioritises activities to support local enterprises to grow and revive; to enable an employment and skills recovery; to stimulate the take up of digital technologies for businesses and residents; to support the visitor economy to revive and grow; and opportunities to embed climate change and the environment within the economy recovery. The Plan also recognises and responds to the spatial economies in the County: rural, coastal and Gatwick Diamond. In 2023/24, the County Council has set aside £0.5m within the non-portfolio budget which is earmarked for investment into skills and economic development and to increase capacity to drive forward key projects and programmes in this area.
- 4.61 The key explanations of the changes for the 2023/24 budget for the portfolio are shown in **Table 12**.

**Table 12 – Leader Budget Changes**

<b>Item</b>	<b>£’m</b>
Pay and Price allowance	0.1
<b>Net change</b>	<b>0.1</b>

**Learning and Skills**

4.62 The Learning and Skills budget for 2023/24 allows for gross expenditure of **£883.4m** but after sales, fees and charges, service specific government grant and other income net expenditure is **£34.5m**. This includes the Dedicated

Schools Grant which is £775.8m and is passported directly to schools. Further details are set out in paragraph 4.80.

- 4.63 Funded from Council resources, the Home to School transport budget continues to come under pressure as a result of the continuing rise in SEND placements and higher contractual costs from a continuing shortage of external taxi drivers and the increased wage costs of escorts. For 2023/24, £1.4m has been added to the budget to meet this continued growth and pressures.
- 4.64 The Department for Education (DfE) has announced that local authorities will no longer be able to provide the role of Appropriate Body for Early Career Teachers from September 2023. As the County Council can no longer provide this training, there will be a loss of income, creating a budget pressure of £0.1m.
- 4.65 The Young Carers service delivers the local authority’s statutory duty to identify, assess and provide support to young carers under the age of 18. The team works across the county to deliver the service to 2,400 families and young carers. Currently, the team is struggling to meet the growing demand, with a number of families currently awaiting allocation. An additional £0.1m has therefore been added to the budget to increase the capacity of the team and therefore enable the service to meet statutory demand and further develop weekly support groups and activity days during the school holidays.
- 4.66 Planned savings of £0.3m are included to balance the County Council’s overall budget, as described in **Appendix 3**.
- 4.67 The key explanations of the changes for the 2023/24 budget for the portfolio are shown in **Table 13**.

**Table 13 – Learning and Skills Budget Changes**

<b>Item</b>	<b>£’m</b>
Home to School Transport to meet the increasing number of High Needs pupils and living wage pressures	1.4
Early Career Teachers traded service	0.1
Young Carers Service	0.1
Transfer between portfolios	0.5
Pay and price allowance	3.7
Savings	(0.3)
<b>Net change</b>	<b>5.5</b>

**Public Health and Wellbeing**

- 4.68 The Public Health budget is funded by the Public Health Grant (PHG). This is a ring-fenced grant which requires the County Council to spend in line with the Public Health Outcomes Framework. A grant announcement for 2023/24 is still awaited, so the budget is currently based on the same level of resources as for 2022/23. The uncertainty of the grant for next year and future years makes long-term planning challenging, particularly in an environment where inflation is high. Nevertheless, once confirmed, it will allow a plan to be finalised, which will also take into account the residual grant underspend carried forward from



previous years. Assuming the 2023/24 allocation is within expectations, this should present an opportunity for some additional investment in spending aimed at improving public health outcomes.

- 4.69 In line with the Public Health outcomes and framework, the PHG is used to fund the Healthy Child Programme and is also used to contribute to a range of different services across Communities, Fire and Rescue, Highways and Transport, Support Services and Economic Development portfolios. The funds are therefore transferred to the relevant portfolios and the remaining element contributes to the £23.0m of expenditure which is incurred through the Public Health portfolio.

### **Support Services and Economic Development**

- 4.70 The Support Services and Economy budget allows for gross expenditure of **£43.7m** but after sales, fees and charges, service specific government grant and other income net expenditure is **£41.2m**.
- 4.71 The majority of this budget relates to support service functions, including IT, digital and customer contact.
- 4.72 The County Council continues to review and benchmark its support services to others to identify opportunities for improvements to ensure they provide the support required by frontline services in the most appropriate and efficient manner.
- 4.73 In October 2022, the Capita contract for the provision of support services ended and these are now provided through a range of different operating models – a mixture of insourced and outsourced services. The County Council is currently reviewing all such services to develop the right target operating models to secure the best value solution. Where that value is better achieved by delivering the services in-house the Council will continue to provide the services directly but will also explore external market opportunities where appropriate. It is expected that these changes will be cost neutral with further savings achieved in the future as the support service model is developed.
- 4.74 The Council continues to invest in the Smartcore project with the implementation of Oracle Fusion, the new Enterprise Resource Planning (ERP) platform, which supports the Council with its HR, payroll, procurement and finance processes. Replacing the current system will support the delivery of the automation and improved efficiency of existing business processes. It will enable the Council's workforce to work more effectively and efficiently, not least by supporting staff to undertake more tasks via self-service.
- 4.75 Legal Services continue to see pressure from the level of childcare cases and the need to use external counsel to address the backlog arising from the pandemic. The budget for 2023/24 includes £0.4m additional funding to address the use of external resource with the expectation that as internal expertise is developed savings in the delivery of support to childcare protection cases can be realised.
- 4.76 The move to a more hybrid and digital way of working is expected to continue to deliver benefits in the cost of support services and for 2023/24 there are cost savings expected from reduced postage and stationery and savings in

Democratic Services through a reduction in the budget for Members and meetings.

- 4.77 Planned savings of £0.7m are included to balance the County Council’s overall budget, as described in **Appendix 3**.
- 4.78 The key explanations of the changes for the 2023/24 budget for the portfolio are shown in **Table 14**.

**Table 14 – Support Services and Economic Development Budget Changes**

<b>Item</b>	<b>£’m</b>
Additional Legal Services resource to address Childcare cases	0.4
Pay and price allowance	1.8
Savings	(0.7)
Transfer between portfolios	(1.8)
<b>Net change</b>	<b>(0.3)</b>

**Corporate/Non-Portfolio**

- 4.79 There are a number of other changes to the budget which are outside of the Cabinet portfolio budgets in the previous paragraphs. These are shown in **Table 15**.

**Table 15 – Non-Portfolio Budget Changes**

<b>Item</b>	<b>£’m</b>
Transfers to and from earmarked reserves (net)	(2.9)
Decrease in Revenue Contribution to Capital Programme	(6.4)
Increase in the capital financing costs	0.8
Additional net investment income as a result of interest rate rises	(3.5)
Additional one-off investment in Council priorities for highways maintenance, drainage and flooding and skills and economic development	5.0
Increase in general corporate contingency (See paragraph 5.27)	3.9
Transfers between portfolios	(0.9)
<b>Net change</b>	<b>(4.0)</b>

**Dedicated Schools Grant**

- 4.80 The Dedicated Schools Grant (DSG) settlement has increased by **£50.6m** (7.0%) to **£775.8m**. In addition to this the council has also received an additional **£19.4m** (3.4%) through the Mainstream Schools Additional Grant, as part of the £2.3bn announced nationally in the 2022 Autumn Statement for additional school funding in 2023/24. These monies are intended to help the mainstream schools sector respond to the various pressures that they are currently seeing in overall costs. The school level allocations of this additional £19.4m are still to be announced.
- 4.81 The Schools DSG block allocations for next year have been published, and West Sussex schools are set to gain by £33.1m (6.0%). Of this, £8.2m relates to pupil growth, £15.7m to the rolling in of the Supplementary Grant funding

received by schools in 2022/23 and the remaining £9.2m equates to a 4.3% increase in disadvantaged pupil rates and a 2.4% increase in most of the other national funding formula unit rates. However, there are 39 schools who are on the funding floor and therefore will only see a 0.5% increase in their per pupil funding. For the 81 schools who benefit from the protection of the Minimum per Pupil Funding levels, their rates are set to rise to £4,405 for primary schools and to £5,715 for secondary schools.

- 4.82 The Central School Services DSG block is made up of two separate funding streams; one for the ongoing responsibilities of the Local Authority and the second for historic commitments. Although the former is set to increase by £0.2m (6.5%), the latter is remaining unchanged.
- 4.83 A 20% funding reduction of £0.6m was originally included in the County Council's indicative 2023/24 historic commitments allocation which was published in July 2022. However, the DfE also announced that they would continue to protect any local authority from having a reduction that takes their total historic commitments funding below the total value of their ongoing prudential borrowing and termination of employment costs. This is in recognition of the long lead-in times required for such costs to unwind. Following a successful application in November 2022 for funding protection next year, the 2023/24 allocation was re-instated to its 2022/23 level when the final historic commitments allocation was announced in December 2022.
- 4.84 During 2022 the DfE undertook a consultation on reforms to the Early Years National Funding Formulae (EYNFF). The consultation sought views on proposals to update the underlying data which distributes funding for 3 and 4 year-olds, and the parallel 2 year-old formula. It also proposed reforms to create a fairer distribution of maintained nursery school (MNS) supplementary funding. The government response to the consultation was published in December 2022 alongside the new funding rates for next year.
- 4.85 Following the changes set out in the consultation response, the Early Years DSG block is set to increase by £5.5m (10.5%) in 2023/24. Of this, £2.2m relates to an increase in pupil numbers in nursery settings over the last year. The remaining additional funding is due to an increase in the hourly funding rates of 57 pence for 2-year-olds and 26 pence for 3 and 4-year-olds (£2.9m), increased funding to our 4 maintained nursery schools (£0.3m), and additional Pupil Premium and Disability Access Funding (£0.1m). This allocation is provisional and will be updated in July 2023 for the January 2023 census count.
- 4.86 Funding pressures affecting the High Needs Block within the DSG have continued to grow since the implementation of the Children and Families Act 2014. This has increased requests for:
- Education Health and Care Needs Assessments (EHCNAs);
  - pre-16 specialist placements (special schools, Special Support Centres (SSCs) and Independent and Non-Maintained Special Schools (INMSS));
  - post-16 High Needs placements in special schools, colleges of Further Education or Independent Specialist Providers (ISP); and

- personal budgets and exceptional needs expenditure to meet very complex needs.
- 4.87 High Needs DSG funding from the Department for Education increased by £12.6m (12.6%) in 2022/23 and is set to rise by a further £11.8m (10.5%) in 2023/24. This includes an additional £4.9m which has been received following the announcement of additional school funding in the 2022 Autumn Statement. These funding increases are welcome but are not enough to meet the increasing costs of providing for the number of children with education health and care plans (EHCPs).
- 4.88 Back in March 2015 there were 3,423 children and young people with EHCPs, and since that time those numbers have risen to 6,510 in March 2022 – an increase of 3,087 (90.2%). So far this year numbers have continued to rise in line with last year – increasing by a further 327 as at the end of December 2022 (compared to 280 at the same stage last year). Overall EHCP numbers are expected to continue to rise sharply.
- 4.89 The County Council’s DSG reserve went into deficit for the first time at the end of 2019/20 and has grown each year since. At the end of 2021/22 this deficit stood at £25.5m, and with continuing pressure on the high needs budget this deficit is expected to reach £42.6m by the end of the current financial year. The Policy Paper published in advance of the provisional Local Government Finance Settlement confirmed that the statutory override for this deficit to remain off the County Council’s balance sheet will continue for a further three years. However, with increasing pressures in this area within West Sussex and across the country means there remains much uncertainty and financial risk beyond 2025/26.
- 4.90 West Sussex County Council is part of the next tranche of the Delivering Better Value initiative by the DfE. Delivering Better Value (DBV) is defined by the Department for Education (DfE) as “a programme working to identify and implement local and national opportunities to improve the outcomes for children and young people with SEND” and is designed to deliver the following support:
- Short term help – to identify sustainable changes in each local authority that can drive high quality outcomes and provide support in building an evidence-based grant application to assist with the implementation of these changes; and
  - Informing longer term reform – build an objective evidence base across a third of the sector which can be used to inform future policy and reform, share best practice and inform future national programmes of similar scale and intent.
- 4.91 In addition to this, and in order to make the step change required to recover from the increasing deficit in the High Needs DSG Block, capital investment is also required to continue making adaptations in mainstream schools to accommodate a wider variety of needs and to increase the number of specialist school places within the county. This will enhance the choices for children with special educational needs. Further details of the Capital Strategy can be found in **Annex 2(a)**.

## Section Five: Risk Management

- 5.1 Although the overall position for 2023/24 is showing a balanced budget, there are a number of inherent risks for next year and subsequent years. The budget has been set based on the best known information on the likely cost and demand for services for 2023/24.

### Cost of Living and Economic Conditions

- 5.2 There have been challenging circumstances this year that impact on next year's budget - the cost of living crisis, labour shortages in key occupations, increasing service demand and continued uncertainty around future years funding. These present significant levels of uncertainty and potential financial risk and instability.
- 5.3 The Office of Budget Responsibility (OBR) has indicated that the economy is in recession and will shrink in 2023 before bouncing back to growth in 2024. With unemployment also expected to rise in 2024, the challenging economic circumstances and continuing high inflation could adversely impact the income derived from both Council Tax and Business Rates.
- 5.4 The cost of living crisis has had a significant impact on County Council budgets throughout 2022/23 through the cost of delivering services and the inflation rate being well in excess of the estimates made in February 2022 when the budget was set. For 2023/24, a total of £51.9m has been set aside for pay and price inflation. Service budgets include an allowance for discretionary inflation which is predicted to be at an average of 5.5% over the twelve months and pay inflation is assumed at 4%. However, if inflation continues to run at elevated levels it may put further pressure on both service and pay budgets.
- 5.5 It is also possible that some council services will see an increase in demand during 2023/24 due to the increased cost of living pressures faced by residents. It is expected that funding for additional demand pressures will need to be managed within current resources.

### COVID-19

- 5.6 Specific Covid-19 grant funding from the government has been used since March 2020 to cover additional costs and reduced income generation caused by the pandemic.
- 5.7 This year, we have seen the impact of the pandemic continuing to affect council services which has led to a continuation of some support including the Community Hub, health and prevention initiatives, additional social care requirements and continued working with schools and colleges on targeted mental health support for children and young people.
- 5.8 Some areas of income generation and footfall have remained lower than pre-pandemic levels including on-street parking and residents accessing library facilities. However, it is unknown whether 2022/23 will prove to be the 'new normal' or whether the pandemic and other economic impacts will continue to affect the situation. The longer term impacts of the pandemic and corresponding cost implications remain uncertain and therefore have not been built into the budget. Although some grant has been carried forward to 2023/24, if the on-going impact continues into 2023/24, there will likely be a

need to fund these pressures through Council resources (i.e. Contingency or Reserves).

#### Social Care

- 5.9 The budget is built on estimates around demographic growth and any deviation from these estimates could present a risk in demand pressures and therefore additional costs.
- 5.10 The latest census figures show that the county has a higher proportion of over 65-year-olds than the national and regional averages and therefore future demand of social care from increasing population needing support may create pressures.
- 5.11 The adult social care market remains in a fragile state because of the impact of Covid-19, the National Living Wage increase and the challenge of recruiting and retaining staff.
- 5.12 The social care reforms in adults have been confirmed as delayed for two years but if they are implemented in 2025, it is not known whether additional funding will be available. Financial Plans currently assume that the cost of implementing the reforms will not add any further pressure on the Council's financial position.
- 5.13 Within children's social care, the number of families requiring support continues to be volatile and it is possible there will be an increase in number requiring help or financial assistance in light of the cost of living crisis. Pressure on non-placement budgets within the Family Safeguarding and Children's Disability teams has become apparent in 2022/23 but it not known whether this will continue or even increase. Therefore, no provision is included in the budget.

#### Government Funding

- 5.14 The County Council welcomes the provisional Local Government Settlement for 2023/24 and the indicative funding for 2024/25 that was published as part of the Policy Paper on 12 December 2022. However, beyond 2024/25 there remains much uncertainty. The Fair Funding Review and business rates baseline reset have been further delayed. It is expected that implementation of the these will result in a significant reduction in funding, estimated to be up to £30m. This is not yet built into medium term financial plans.

#### Delivering Change

- 5.15 The budget position for 2023/24 includes £9.6m savings for the year but in addition assumes £8.5m of savings from 2022/23 that have not been delivered in year. The 2023/24 budget assumes that these savings are delivered in full. Any delays in the changes needed to deliver savings will create a pressure in year.
- 5.16 Although a balanced budget has been set for 2023/24, there remains a significant financial challenge in the longer term and a budget gap of between £50m and £100m from 2024/25. Work will start on addressing this before the end of the current financial year and although there will always be a need for value for money and efficiency type savings, closing a budget gap of this scale will require a deeper consideration of services provided and how they are provided. Further details on the MTFs are set out in Section 6.

- 5.17 The County Council has and continues to invest in Improvement Plans for Children's Services and Fire and Rescue Services.
- 5.18 In July 2022, Her Majesty Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) published their much-anticipated second full round of inspection results. The report highlighted the marked improvement in the Fire and Rescue Service since the first formal inspection in 2018 but noted there was still more work to do. This inspection has resulted in the completion of the Fire and Rescue Improvement Plan but the service is still focused on further areas of improvement. It should be noted that the agreed on-going financial investment of £2.1m per year remains within the 2023/24 Fire and Rescue budget allocation to fund the embedded Improvement Plan.
- 5.19 An Ofsted visit in September 2022 focused on the quality of social work practice to support and protect vulnerable children and young people and the effectiveness of child-in-need and child protection. Inspectors reported that there were improvements in the service but more work needed to increase the pace of progress. The Children First Practice Improvement Plan continues at pace with an on-going financial investment of £5.4m per year within the 2023/24 budget allocation.

#### Changes in Government Legislation

- 5.20 The Government response to the Independent Review of Children's Social Care has not yet been published. The Review included a number of recommendations which, if accepted, may require legislative changes – the potential financial impact of which is not currently known and therefore not reflected in this budget.
- 5.21 Changes in legislation or accounting policies in the future may have a financial impact for the County Council. Any developments will be closely monitored.
- 5.22 Dedicated Schools Grant (DSG) Deficit – the DSG statutory override, which has required local authorities to separate DSG deficits from local authority reserves has been extended to 2025/26. However, after this point, there is no solution and the funding of the historical DSG deficit and the ongoing shortfall may fall to the Council. The deficit is expected to stand at £42.6m at the end of 2022/23 and the current assumption is that the deficit will continue to grow by around £22m next year.
- 5.23 The high degree of uncertainty surrounding any potential impacts from inflation and increasing service pressures means the County Council will continue to keep the MTFS under review with scenario planning to understand the best and worst case scenarios.

#### **Reserves and Contingency**

- 5.24 Risks and uncertainties make planning for next year quite challenging and any change in assumptions underpinning the budget can have an impact on the in-year financial position. Scenario planning allows us to consider the impact and is part of the Council's approach to medium term financial planning. In the next medium term financial strategy, the forecast budget gap for future years will be updated using a range of worse and best-case scenarios.

- 5.25 The nature of risks and uncertainties means it is therefore important that the Council takes a prudent approach to assumptions in both next year's budget and medium-term financial plans to hold sufficient levels of contingency funding within the budget for dealing with unforeseen circumstances in the short term. Levels of reserves provide a safety net in the event of more significant negative impacts on Council funding in the medium term.

### **Contingency**

- 5.26 In 2022/23 the County Council increased its contingency to £9.2m to acknowledge the uncertainty that continued around the pandemic, the Cost of Living Crisis and high levels of inflation. The Council anticipates having to use its full contingency provision in 2022/23 which is largely needed to fund spending pressures within children's social care and inflationary pressures. The latest position was set out in the Quarter 2 PRR that was presented to Public Cabinet on 29 November 2022.
- 5.27 For 2023/24, detailed work has taken place to anticipate and model budget pressures expected in the year. Where these can be quantified, the budget provision has been built into service budgets but a corporate contingency is held to manage unforeseen pressures. Given the ongoing level of uncertainty in 2023/24, particularly around social care costs and impact of economic conditions, the County Council is taking a prudent approach and increasing its contingency levels to £13.0m. Any use of contingency will be subject to approval by the Director of Finance and Support Services and will be reported in year to Cabinet through the quarterly PRR. The level of contingency held from 2024/25 will remain under review as part of future budget setting rounds.
- 5.28 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their budget and level of Council Tax. The report therefore includes the advice of the Director of Finance and Support Services as Section 151 Officer as set out in section 9.
- 5.29 Under the 2003 Act above, the Section 151 Officer has to be satisfied that the level of the General Fund working balance is adequate.
- 5.30 It is critical in the current climate that WSCC maintain the required level of reserves to manage unforeseen events and manage risks facing the authority. The Director of Finance and Support Services has reviewed all earmarked reserves (monies set aside for a specific purpose). Details of the latest estimated position and the forecast for the next year is set out in **Table 16**.
- 5.31 Reserves are not used for balancing the budget but are for one off investment or spend and to ensure that there is financial provision set aside to meet known future one-off commitments or liabilities. They are also held as a means of ensuring financial resilience against unknown events and risks, known as general reserves. In the context of the current circumstances of a significant period of change and financial challenges, it is critical that WSCC continues to maintain an appropriate level of both earmarked and general reserves, recognising that by definition these reserves can only be used once.
- 5.32 The Medium Term Financial Strategy is a key tool in ensuring that reserves are maintained at an appropriate level. Whilst the use of specific reserves can be



appropriate to support the delivery of services, other reserves will need to be replenished to maintain effective financial resilience and risk management. The one-off nature of reserves and their purpose consequently serves to demonstrate the importance of revenue budgets being sustainable rather than depending upon the use of reserves. The County Council's reserves fall into four categories.

**Table 16 – Summary of Reserves 2022 to 2024**

<b>Reserves</b>	<b>Opening Balance 1 April 2022 £'m</b>	<b>Forecast Balance 31 March 2023 £'m</b>	<b>Forecast Balance 31 March 2024 £'m</b>
<b>Earmarked revenue reserves</b>			
Contractual Commitments	57.0	55.0	52.2
Risk and uncertainties	74.6	87.8	72.9
Service Specific	52.5	38.9	40.0
Government grants	19.3	8.7	8.7
Schools Balances	27.7	27.6	27.6
<b>Total revenue usable reserves</b>	<b>231.1</b>	<b>218.0</b>	<b>201.4</b>
General Fund	20.3	20.3	36.3
Capital	26.0	1.4	1.4
<b>Total</b>	<b>277.4</b>	<b>239.7</b>	<b>239.1</b>

### **Contractual Commitments**

- 5.33 These reserves have been created to provide financing of long-term financial arrangements for PFI schemes and Waste Disposal.
- 5.34 The PFI reserves hold the surplus of government credits and other sources of finance over unitary charge payments and other expenditure in the early years of the respective contracts to meet future expenditure over the life of the PFI arrangements.
- 5.35 The Waste Materials Resource Management is an investment fund to meet the 25-year Materials Resource Management Contract (MRMC) for the treatment and disposal of waste.

### **Risk and Uncertainties Based Reserves**

- 5.36 The risks facing the council in 2023/24 onwards are set out earlier in this section and the reserves have been reviewed to reflect these. The main change for this group of reserves relates to social care. The Adult Social Care Reforms have now been deferred until 2025 but there are significant ongoing risks for both adults and children's social care as set out in this report. Therefore, the reserve established to support the social care reforms has been re-purposed and the Social Care Sustainability Reserve has been increased to £10m.
- 5.37 Those reserves within this category with a balance greater than £5.0m are set out in this report. There is some planned use in 2023/24 and full details are set out in **Appendix 5**.

**Table 17 – Reserves to Manage Risks and Uncertainties**

<b>Portfolio</b>	<b>Opening Balance 1 April 2022 £'m</b>	<b>Forecast Balance 31 March 2023 £'m</b>	<b>Forecast Balance 31 March 2024 £'m</b>
Adult Social Care Reform Risk	5.0	20.0	0.0
Budget Management Reserve	61.6	40.4	42.3
Business Rates & Collection Fund Smoothing Reserve	0.5	10.4	8.6
Insurance Reserve	3.3	7.8	7.8
Interest Smoothing Account	2.8	2.8	2.8
Schools Sickness & Maternity Insurance	1.4	1.4	1.4
Social Care Sustainability Reserve	0.0	5.0	10.0
<b>Total</b>	<b>74.6</b>	<b>87.8</b>	<b>72.9</b>

- 5.38 The Budget Management Reserve is used to provide a stable platform for financial planning as the MTF5 is developed and is the first call on the County Council's resources to deal with any unforeseen in-year expenditure if the revenue contingency budget of £13.0m is insufficient. The forecast balance on the reserve as of 1 April 2023 is £40.4m. The movements are shown in **Appendix 5** and those of significance includes £15m **from** Adult Social Care Reform Risk reserve and £16m moved **to** the General Fund. Due to the nature of this reserve, it is difficult to predict the use of the reserve during 2023/24. The reserve provides a safety net against the non or late delivery of savings in 2023/24, any legislative or accounting changes and any unforeseen overspending which may occur during the year. The economic picture remains uncertain with inflation and pay levels and this reserve will also be used to fund any increase over and above what has been budgeted.
- 5.39 The Social Care Sustainability Reserve is set up to manage specific risks across adults and children's social care services and to ensure the services remain financially sustainable into the long-term. The implementation of the Adult Social Care Strategy and the need for strategic commissioning and market re-shaping and supporting providers to evolve to deliver priorities will require investment. The mix of placements and increasing residential placements within children's social care remain volatile and it is difficult to predict the level of budget required. The reserve will therefore be required to support both services during this period.
- 5.40 Insurance is set up to fund potential insurance claims against the Council and the Interest Smoothing Reserve to manage the risk on interest rate fluctuations.
- 5.41 The Business Rates and Collection Fund Reserve is to mitigate the fluctuations in collection fund surpluses and deficits in any given year for both Business Rates and Council Tax.

### Service Specific Earmarked reserves

- 5.42 These reserves are set up for a particular purpose and for managing risks and uncertainties relating to a specific service. It is expected that these reserves will be spent over the medium term.
- 5.43 Details of those reserves with a balance greater than £5m is set out in **Table 18** of this report. Full details are set out in the below table and in **Appendix 5**.

**Table 18 – Service Specific Earmarked reserves**

<b>Service Specific Earmarked reserves</b>	<b>Opening Balance 1 April 2022 £'m</b>	<b>Forecast balance 31 March 2023 £'m</b>	<b>Forecast balance 31 March 2024 £'m</b>
Ash Dieback	1.2	0.9	0.9
Business Infrastructure	0.3	0.2	0.0
Business Rates Pilot Fund	17.4	12.7	12.2
Contracts Reserve	0.4	0.4	0.0
Economic Growth	2.0	1.6	1.5
Elections	0.0	0.2	0.4
Fire Inspection Improvements	0.1	0.0	0.0
Highways Commuted Sums	5.2	7.8	8.3
Highways On-Street Parking	1.4	0.6	0.6
Inflation Contingency Reserve	5.0	0.0	0.0
Infrastructure Works Feasibility	1.9	2.0	3.5
Investment Property Sinking Fund	0.2	0.3	0.4
Miscellaneous Service Carry Forwards	1.3	0.1	0.1
One Public Estate	0.2	0.1	0.1
Service Transformation Fund	13.3	9.7	9.7
Statutory Duties Reserve	2.2	2.2	2.2
Street Works Permit Scheme	0.4	0.1	0.1
	<b>52.5</b>	<b>38.9</b>	<b>40.0</b>

- 5.44 The business rates pilot scheme holds the gains arising from the 75% local retention pilot scheme in 2019/20. The fund will be invested jointly by the County Council and its billing authorities on project work with economic benefit. The income is initially recognised in the county's accounts as the lead authority for the business rates pilot.
- 5.45 Highways commuted sums are contributions received from developers in respect of future maintenance costs of non-standard highways infrastructure.
- 5.46 The Service Transformation Fund is currently forecast to have a balance of £9.7m by 31 March 2023. The reserve has been set up to support the council with transforming and re-designing services. Funds will be drawn down to the

revenue budget during the year as required and approved by the Director of Finance and Support Services. During 2023/24 planned use for this fund is:

- Better Use of Technology within Children Services through a new recording system to ensure a coherent and connected view of an individual child through system consolidation and integration.
- Implementing smarter ways of working following the pandemic.
- Early years property - project costs relating to the overall reduction in required buildings following the completion of the Early Years redesign project.
- Delivering Adult Social Care Priorities - professional support services to resource a programme of works to oversee the delivery of the commitments within Our Council Plan, the Adult Social Care Strategy and Commissioning Review. It may also be used for any further investment in the County Council’s Improvement Programmes for 2023/24 and beyond.

5.47 An alternative source of funding for these transformational activities could be capital receipts, in line with the Flexible Use of Capital Receipts Strategy as set out in the Capital Strategy in **Annex 2(a)**. The application of this strategy would depend on the level of capital receipts which the County Council is able to secure.

**Government Grants**

5.48 These reserves have been set up from ringfenced Government grants that have been received but not fully spent. The most significant grant is Covid-19 grant. It is expected that this reserve will be used by 31 March 2024 but spending is still to be agreed.

**Table 19 – Reserves for Government Grants**

	<b>Opening Balance 1 April 2022 £'m</b>	<b>Forecast balance 31 March 2023 £'m</b>	<b>Forecast balance 31 March 2024 £'m</b>
Covid-19 Fund	16.0	7.9	7.9
Social Care Support Grant 2018/19	0.5	0.0	0.0
Unapplied Revenue Grants	2.8	0.8	0.8
	<b>19.3</b>	<b>8.7</b>	<b>8.7</b>

5.49 Any drawdowns from the reserve will be reported in the quarterly PRR. Given the County Council is facing such a challenging financial future, it will therefore be crucial that reserves, both general and earmarked, continue to be managed in the medium term in a way that gives due regard to the need to set a legally balanced budget. The next update on the Medium-Term Financial Position in summer 2023 will include a full five-year forecast of the County Council’s reserves.

### Schools Balances

- 5.50 School balances are held on behalf of schools and for specific use by each individual school. Although the overall position is a positive balance, there are individual schools who have a deficit balance.

### General Fund Reserve (Working Balance)

- 5.51 The general fund reserve is used to mitigate the risks of unexpected events or emergencies.
- 5.52 The appropriate level of reserve is based upon an assessment of known key financial risks facing the authority and the impacts they would have on the Council's overall spending if they were to materialise. The general fund reserve balance is projected to stand at £20.3m at the end of the 2022/23 financial year. Following a review, the Director of Finance and Support Services as Section 151 Officer has considered the adequacy of the general fund reserve based on risks and uncertainty and proposes that an appropriate balance for the Council to manage these risks is approximately 5% of the net revenue budget. The General Fund balance has therefore been increased by £16.0m to £36.3m.

### Section Six: The Medium Term Financial Position - 2023/24 to 2026/27

- 6.1 Although a balanced budget is proposed for 2023/24, there remains significant uncertainty in the medium term. The assumptions for 2024/25 onwards are based on best estimates of Government funding, demographic growth and budget pressures and the latest forecast of economic conditions. The medium-term financial position in **Table 20** excludes any impact from the fair funding formula changes and any of the other policy changes Government may introduce in the future. All of these may have the impact of significantly increasing the budget gap further but the scale remains unknown at this stage. A summary of the key assumptions is set out in **Table 21**.
- 6.2 The work to address this longer-term challenge will commence before the end of the current financial year to enable longer term strategic planning to be developed that will align the Council's limited resources with the priorities in the Council Plan, including the commitment to achieve net carbon zero by 2030 which will be an integral part of the Council's financial planning process and decision making.

**Table 20 – Medium-Term Financial Position**

	2023/24 £'m	2024/25 £'m	2025/26 £'m	2026/27 £'m	Total £'m
Council Tax (4.99% for 2023/24, 0% thereafter)	567.1	573.9	580.8	587.8	
Settlement Funding Assessment / Business Rates	97.1	102.8	102.8	102.8	
Social Care Funding	42.1	48.4	48.4	48.4	
New Homes Bonus	1.2				

	<b>2023/24</b> <b>£'m</b>	<b>2024/25</b> <b>£'m</b>	<b>2025/26</b> <b>£'m</b>	<b>2026/27</b> <b>£'m</b>	<b>Total</b> <b>£'m</b>
Services Grant	3.1	3.1			
Collection fund	(1.8)				
<b>Total funding</b>	<b>708.8</b>	<b>728.2</b>	<b>732.0</b>	<b>739.0</b>	
Opening expenditure	648.3	708.8	728.2	732.0	
Inflation	51.9	36.1	13.9	15.8	
Service pressures	21.2	21.2	38.5	15.3	
Investment into highways and skills and economic development	5.0	(5.0)			
Other corporate changes	(8.1)	0.5	4.0	2.2	
<b>Total Forecast Expenditure</b>	<b>718.4</b>	<b>761.6</b>	<b>784.6</b>	<b>765.3</b>	
Budget gap before savings	9.6	33.4	52.6	26.3	121.9
Proposed Savings (See <b>Appendix 3</b> )	(9.6)	(8.2)			(17.8)
<b>Budget gap net of savings</b>	<b>-</b>	<b>25.2</b>	<b>52.6</b>	<b>26.3</b>	<b>104.1</b>

- 6.3 The referendum thresholds for 2024/25 have been published by Government and Councils can increase general Council Tax by 2.99% and a further 2% for the Adult Social Care Precept for those Councils who have social care responsibilities. It is expected that the referendum thresholds for 2025/26 onwards will fall back to 1.99% for general Council Tax and the Adult Social Care Precept will not continue.
- 6.4 If the full level of Council Tax increase is taken for the three years from 2024/25, this would reduce the budget gap to £52.8m over the same period. However, the level of Council Tax increase each year remains a decision for full County Council and will be taken in February. Every 1% increase in Council Tax generates on average £5.7m of additional income.

**Table 21 – Key Assumptions**

<b>Key Assumption</b>	<b>Financial Implications</b>
Fair Funding Review	Due to the uncertainty around the implementation date of the Fair Funding Reform, the MTFS has yet to factor in any pressures that may result from the changes to the distribution methodology. The risk to the MTFS and the budget gap is outlined in paragraph 5.14.
Settlement Funding Assessment/Business Rates/s31 compensation	For 2024/25 an increase in line with the OBR forecast for CPI has been assumed. Thereafter the funding is rolled forward and maintained at the 2024/25 level.

Key Assumption	Financial Implications
Council Tax	Currently based on 0%. Decision will be agreed annually at County Council in February.
Collection Fund	Any future deficits will be funded through the Business Rates and Collection Fund Smoothing Reserve.
Taxbase	That the number of households will grow by 1.2% for 2024/25 onwards.
Social Care Funding Grant	That this base funding will be maintained at the 2023/24 level of £25.8m and in addition the returned Reform Funding will be increased in 2024/25 to £22.5m and maintained at this level for the period of the MTFS.
Social Care Reforms	Should the reforms be implemented in 2025/26, it has been assumed that this will add further pressure to the County Council's financial position. Currently, unfunded reform pressures of £22.5m have been built in for 2025/26.
Services Grant	That this grant will continue at the 2023/24 level of £3.1m for 2024/25 only.
New Homes Bonus	No continuation beyond 2023/24.
Pay Inflation	Assumes pay inflation of 3% for 2024/25 and 2% thereafter.
Price Inflation	Inflation for 2024/25 onwards is assumed in line with the November OBR forecasts.

## Section Seven: Treasury Management Strategy

- 7.1 The areas of Treasury Management and Prudential Borrowing are integral to consideration of the Council's Budget and also need to be considered so that Members can assess that capital investment plans are prudent, affordable and sustainable. The Treasury Management Strategy for 2023/24 and details for Prudential Borrowing including the Prudential Indicators are set out in a separate report at **Annex 2(b)** and **Annex 2 (c)**.

## Section Eight: Capital Programme

- 8.1 The Capital Strategy has been reviewed and is set out in **Annex 2(a)**. This provides a framework for the allocation of resources to fund capital projects. The Council's ability to prudentially borrow to fund future capital schemes is limited by the budgetary pressures which the Council continues to face. Information regarding the revenue implications of prudential borrowing is provided in the separate Treasury Management Strategy. The financing costs of delivering the Capital Programme in 2023/24 is expected to be £30.4m and has been reflected within the 2023/24 revenue budget set out in this report. The

County Council will ensure that capital spending plans are affordable, prudent and sustainable.

- 8.2 The Capital Programme for the period 2023/24 to 2027/28 is included with the Capital Strategy in **Annex 2(a)** and reflects the outcome of the review of the existing capital programme and also the 2022/23 monitoring position. The latest 2022/23 position is included in the Q2 PRR which was reported to Public Cabinet on 29 November.
- 8.3 The total capital programme for 2023/24 is £124.9m and details are reflected in the service narrative sections of this report (See Section 4 onwards). It is also summarised in **Table 22** by Cabinet Portfolio and in full in **Annex 2(a)**.



**Table 22 – Capital Expenditure**

2022/23 £'m	Capital Programme (Expenditure)	2023/24 £'m	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	Subsequent £'m	Total £'m
0.1	Adults Services	0.0	0.9	1.0	0.3	0.0	0.0	2.2
1.3	Children and Young People	5.4	3.8	1.2	1.7	0.1	0.0	12.2
10.3	Community Support Fire and Rescue	9.1	7.3	10.2	5.6	3.9	0.0	36.1
5.6	Environment and Climate Change	12.2	23.8	27.5	25.5	7.6	0.0	96.6
8.6	Finance and Property	7.4	27.6	29.1	19.7	30.1	0.0	113.9
48.5	Highways and Transport	48.2	54.3	49.8	33.7	26.3	33.2	245.5
7.1	Leader	2.7	2.0	2.9	4.7	5.0	0.0	17.3
37.0	Learning and Skills	34.1	41.9	58.3	29.5	29.4	0.0	193.2
12.1	Support Services and Economic Development	5.8	12.8	8.0	2.2	1.4	0.0	30.2
<b>130.5</b>	<b>Total Capital Programme</b>	<b>124.9</b>	<b>174.4</b>	<b>188.0</b>	<b>122.9</b>	<b>103.8</b>	<b>33.2</b>	<b>747.2</b>

8.4 The final funding of the Capital Programme is determined at the end of each financial year to fund the programme in year in the most cost-effective way and in line with the Capital Strategy but **Table 23** summarises the indicative funding sources of the programme for the period 2023/24 to 2027/28.

**Table 23 – Capital Financing**

<b>2022/23 £'m</b>	<b>Financing</b>	<b>2023/24 £'m</b>	<b>2024/25 £'m</b>	<b>2025/26 £'m</b>	<b>2026/27 £'m</b>	<b>2027/28 £'m</b>	<b>Subsequent £'m</b>	<b>Total £'m</b>
9.0	Capital Receipts	8.0	5.0	1.0	6.5	1.0	0.0	21.5
9.0	External Contributions including S106	6.5	8.9	23.7	19.2	4.0	33.2	95.5
9.5	Ringfenced Government Grant	23.6	7.1	10.5	10.2	7.0	0.0	58.4
57.0	Non-Ringfenced Government Grant	45.1	22.7	22.3	21.9	21.6	0.0	133.6
2.3	Revenue Contributions to Capital Outlay	0.5	1.5	1.5	3.0	0.5	0.0	7.0
0.7	Revenue Contribution to Capital Outlay – Business Rates Pilot	0.6	5.3	5.6	1.0	0.3	0.0	12.8
34.5	Core Borrowing	28.1	101.2	101.8	50.4	56.2	0.0	337.7
8.5	Economic Development Borrowing	12.5	22.7	21.6	10.7	13.2	0.0	80.7
<b>130.5</b>	<b>Total Programme</b>	<b>124.9</b>	<b>174.4</b>	<b>188.0</b>	<b>122.9</b>	<b>103.8</b>	<b>33.2</b>	<b>747.2</b>

## **Section Nine: Robustness of Estimates, Adequacy of Reserves and the Management of Risk**

- 9.1 Section 25 of the Local Government Act 2003 requires each Chief Financial Officer to report to their authority about the robustness of estimates and the adequacy of reserves when determining their budget and level of Council Tax. Each authority is required to consider their Chief Financial Officer's report when setting the level of Council Tax. The Director of Finance and Support Services has provided the following assurance:

### **2022/23 Financial Position**

- 9.2 The current year has been particularly challenging. The County Council was slowly starting to recover from the pandemic but the whole country has been impacted by the Cost of Living Crisis and volatile economic conditions. The exceptionally high levels of inflation have directly impacted on the cost of delivering services. The pressures within social care continue and the cost of delivering the capital programme, as a result of rising inflation, has been evident. The quarter 2 PRR predicted a year end overspend of £9.5m. This can be funded through the contingency provision, but mitigations have also been required. The situation will be closely monitored for the remainder of the year. The quarter 3 position will be reported to Public Cabinet in March 2023.

### **2023/24 Budget**

- 9.3 All in year pressures in 2022/23 have been reviewed to consider any which are ongoing and therefore need to be considered as part of the 2023/24 budget setting process. There are £21.2m of service pressures in 2023/24 which have been built into service budgets.
- 9.4 These estimates are based on the best information available, including a number of assumptions. However, with the ongoing level of uncertainty, a prudent approach has been taken with the corporate contingency provision. This has been increased to £13.0m to manage and fund the risks set out in Section 5, plus any unforeseen pressures that might materialise in year.
- 9.5 The savings for 2023/24 total £9.6m and a further £8.5m for the delivery of previous year's savings that have been re-phased to 2023/24. These savings have been assessed as robust, with reliable plans supporting them. Close monitoring on the delivery of these savings will take place in the year and reported through the PRR.

### **Reserves**

- 9.6 As at the end of the last financial year the Council held a general reserves balance of £20.3m. This represented approximately 3% of the Council's net expenditure.
- 9.7 Based on the information contained within this report and the paragraphs above, the Section 151 officer's judgement is that the increase in general reserves to £36.3m reflects the period of financial uncertainty and is considered adequate and prudent.
- 9.8 Beyond the General Reserve set out in paragraph 9.7, the current level of other reserves is adequate and prudent and are an important part of the Council's

financial strategy. They are held to create long term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong financial standing and resilience. Total earmarked reserves are forecast to be at £218.0m by March 2023, excluding the General Fund. However, some of these are already committed and some are ring fenced for specific purposes, such as school balances.

### **CIPFA Financial Resilience Index**

- 9.9 The 2022 Financial Resilience index for local authorities was published in February 2022 and is based on the 2020/21 financial data. The index applies 15 measures, including areas such as reserves, flexibility with budget and reliance on different funding sources. It compares the outcome for each authority to neighbouring or similar authorities. It does not translate these 15 measures into any 'overall assessment' or make specific comment on the results but gives a benchmark for comparisons.
- 9.10 Covid-19 has had an impact on the 2022 resilience index and should therefore be viewed in the context of this having been a transitional year. However, the 2022 index does show that the County Council had good financial resilience in terms of a reasonable level of overall reserves (earmarked and general reserves).

### **CIPFA Financial Management Code**

- 9.11 In relation to the annual budget setting process and this annual budget report, the County Council is fully compliant with the CIPFA Financial Management Code - Objective J (West Sussex complies with its statutory obligations in respect of the budget setting process) and Objective K (the budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves). Details are as set out in paragraph 9.1 to 9.10.

### **Conclusion**

- 9.12 The Director of Finance and Support Services therefore comments that:
- I am satisfied that the budget calculations are robust and that the budget is both sound and prudent in that it takes account of liabilities and financial risks, but in particular it assumes that the Council will not rely on withdrawals from reserves to meet recurrent revenue commitments.
  - I consider that current levels of unallocated reserves remain adequate. In setting the level of general reserves and balances, account has been taken of the key financial assumptions underpinning the budget, the level of earmarked reserves and provisions, and the risks facing the Council over the medium-term. Financial Plans assume that over the planning period the Council is forecast to maintain a target General Fund reserve of £36.3m.

### **Section Ten: Precept and Council Tax**

- 10.1 The 2023/24 Council Tax base is 347,199.83 Band D equivalents and is set out across the district and borough councils in **Table 24** below. The table also shows the sums due under precepts from the respective authorities.

**Table 24 – Tax Base and Precept 2023/24**

<b>District/Borough Council</b>	<b>Tax base</b>	<b>Precept £</b>
Adur	21,937.30	35,832,605.19
Arun	64,159.00	104,797,952.19
Chichester	56,330.10	92,010,148.64
Crawley	35,952.70	58,725,499.71
Horsham	64,792.00	105,831,900.72
Mid Sussex	64,664.10	105,622,987.58
Worthing	39,364.63	64,298,580.29
<b>Total</b>	<b>347,199.83</b>	<b>567,119,674.32</b>

- 10.2 The impact of a 2.99% increase in Council Tax for General Fund purposes and a further 2% for Adults' Social Care, considered in the budget proposals outlined in the previous paragraphs, imply a precept requirement of £567.120m and a Band D Council Tax level of £1,633.41.
- 10.3 The budget embodies the core principles of living within our means, protecting the vulnerable and reducing administration costs.

### **Section Eleven: Equality Act Considerations**

- 11.1 The County Council formulates its budget proposals having regard to the duties under the Equality Act 2010 and the likely impact on those with protected characteristics, as set out in the Equality and Inclusion Policy.
- 11.2 In the assessment of individual proposals and in the overall assessment of its plans for savings or changes across portfolios, the County Council must have regard to the considerations required by the public sector equality duty. This will ensure that all decisions that will be finally taken include an understanding of the likely impact upon persons with protected characteristics and the steps that are planned to mitigate any adverse impact. **Appendix 3** sets out any requirement for an Equality Impact Assessment as part of the decision on the individual proposals.
- 11.3 The budget approval does not constitute a final decision about what the County Council's service priorities and service budget commitments will be. Specific executive decisions will be taken by the relevant portfolio holders and directors; and shall be made based on a clear understanding of what the potential impacts of doing one thing rather than another will be for the residents of West Sussex and will include all relevant advice on implications and risks for consideration. It will be open to directors and Cabinet Members at the time of taking those decisions to choose to spend more on one activity and less on another or, where necessary, to go back to County Council and invite it to reconsider the allocations to different service budgets within the overall County Council budget that has been set.
- 11.4 An overarching account of the approach to Equality Impact Assessment has been carried out and is set out at **Annex 3**.

## **Section Twelve: Other Issues**

### **Human Resources Implications**

- 12.1 The proposals specified within the budget will have a potential impact for staff in specific areas. The detail of this impact may change as plans develop over the coming months. Full consultation has and will continue to occur when needed and will be carried out in line with HR policies and procedures as part of the design approval and implementation of individual proposals.

### **Legal Implications**

- 12.2 The County Council has a legal obligation to deliver a balanced budget within a prescribed timeframe each year. This is part of the set of legal obligations within the Local Government and Finance Acts 1992 and 2003 which also describe the factors and financial considerations which must, in law, inform the calculation of the budget and any Council Tax precept. The Chief Financial Officer has a responsibility to give formal notice to the County Council if those provisions are at risk of not being adhered to. Ultimately the Secretary of State has powers of intervention in local authorities which fail to meet their fiduciary duty. This report outlines how the budget will be balanced with £9.6m of savings. Despite the challenge of reduced government funding, the Council continue to invest in priority areas to deliver the aims of the Council Plan to benefit our residents.
- 12.3 The budget presented is for one year, with significant uncertainty about the picture ahead. Beyond 2023/24 the Council face a significant gap between the funding currently expected and the cost of providing services as well as the undefined impacts of reforms. The proposals set out in this report put the Council in the best position to manage this situation and maintain support to residents, particularly the most vulnerable children and adults, as well as providing opportunities for one-off investment to deliver priorities and reduce future demand where possible.

### **Lobbying**

- 12.4 The County Council's lobbying endeavours will be critical over the coming year as the Government reviews the way local authorities are funded. The additional funding announced in the 2023/24 provisional Local Government Finance Settlement was welcomed but the County Council will need to ensure the Government understands the challenges ahead, particularly the pressures over the medium term relating to the costs of adults social care reform and the continued and growing deficit in the high needs dedicated schools grant. The County Council will continue to work with local, regional and national partners, including West Sussex MPs, SE7, County Council Network and the LGA, to highlight the needs of West Sussex and to press for fair and sustainable allocation of funding that enables the Council to continue to meet the needs of residents, businesses and communities - especially to achieve a strong recovery from the economic disruption brought by the pandemic and reducing the need for County Council support and services in future.

## Recommended

That, taking account of the priorities contained in the Council Plan, the Medium Term Financial Strategy and the Provisional Local Government Finance Settlement and noting the Director of Finance and Support Services' assessment of the robustness of estimates and adequacy of reserves as required by Section 25 of the Local Government Act 2003 (Section 9), the following recommendations be approved:

- (1) The Council Plan and KPIs for 2023/24 (as set out in paragraph 2.4 and **Appendix 8**).
- (2) The net revenue budget requirement in 2023/24 of **£708.803m** (as set out in paragraph 3.37 and **Appendix 1**).
- (3) An increase in Council Tax in 2023/24 of 4.99% comprising 2.0% in the precept for the costs for Adults' Social Care and 2.99% for General Fund services.
- (4) The increase in fees and charges as set out in **Appendix 7**.
- (5) The five year capital programme of **£747.247m** over the period 2023/24 to 2027/28, of which **£124.883m** is expected to be spent in 2023/24.
- (6) The overall indicative budget envelopes as set out in **Appendix 1**.
- (7) An allocation of £0.4m be made available from the Covid-19 reserve to provide funding to support the continuation of the council tax hardship schemes across the West Sussex districts and boroughs for 2023/24 (as set out in paragraph 3.17).
- (8) The following amounts be approved for the financial year 2023/24 in accordance with Section 42A of the Local Government Finance Act 1992:
  - (a) That the Council Tax requirement for 2023/24 is £567.120m.
  - (b) The Council Tax base for the year 2023/24 is the aggregate amount calculated of Band D equivalents by the billing authorities to which the County Council issues precepts totalling 347,199.83.
  - (c) The amount of Council Tax being the council tax requirement at 4(a) above divided by the council tax base at 4(b) above, shall be £1,633.41 to the nearest penny for Band D.
  - (d) The amount of Council Tax payable for dwellings listed in a particular valuation band, calculated in accordance with the proportion set out in Section 5(1) of the Act, shall be as follows:

<b>Band</b>	<b>2023/24 Council Tax £</b>	<b>2022/23 Council Tax £</b>	<b>Increase £</b>	<b>Increase %</b>
A	1,088.94	1,037.16	51.78	4.99
B	1,270.43	1,210.02	60.41	4.99
C	1,451.92	1,382.88	69.04	4.99
D	1,633.41	1,555.74	77.67	4.99

<b>Band</b>	<b>2023/24 Council Tax £</b>	<b>2022/23 Council Tax £</b>	<b>Increase £</b>	<b>Increase %</b>
E	1,996.39	1,901.46	94.93	4.99
F	2,359.37	2,247.18	112.19	4.99
G	2,722.35	2,592.90	129.45	4.99
H	3,266.82	3,111.48	155.34	4.99

- (e) That the district and borough councils be requested to make payments totalling £567.120m to West Sussex County Council of sums due under precepts calculated in proportion to their Council Tax Band D equivalents as set out in section 10 of the report.
- (9) The Medium Term Financial Position for period 2024/25 to 2026/27 as set out in Section 6.
- (10) The total Schools Budget of **£775.8m** through the Dedicated Schools Grant to meet the County Council’s statutory requirement on schools funding as set out in Section 4.
- (11) The delegation to the Director of Finance and Support Services (as Section 151 Officer) of authority to make changes to the report on net revenue expenditure or to the precepts required:
- as a result of a change in the Council Tax base notified by the district and borough councils;
  - arising from updated information from the district and borough councils to the Council Tax collection funds and business rates forecast and collection funds; or
  - arising from any funding announcements from central government, including through the final Local Government Finance Settlement for 2023/24.
- All such changes of funding (positive or negative) to be applied through the appropriate reserve.
- (12) These ancillary financial management provisions:
- (a) The Capital Strategy for the period 2023/24 to 2027/28, as set out in **Annex 2(a)**.
  - (b) The policy for making a prudent level of revenue provision for the repayment of debt as set out in Annex 2 (a) Appendix B.
  - (c) The Flexible Use of Capital Receipts Strategy for 2022/23 and 2023/24 as set out within the Capital Strategy, **Annex 2(a), section 8**.
  - (d) The Treasury Management Strategy Statement 2023/24, as set out in **Annex 2(b)**.
  - (e) The Prudential Indicators, as set out in **Annex 2(c)**.



- (f) The importance of effective lobbying with local, regional and national partners to ensure the Government understands the needs of West Sussex residents, businesses and communities.

**Jeremy Hunt**

Cabinet Member for Finance and Property

**Contacts:**

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**Annex 1 - Appendices**

- Appendix 1 – Summary of Revenue Budget and Precept 2023/24
- Appendix 2 – Analysis of Changes
- Appendix 3 – Balancing the Budget
- Appendix 4 – Grants Towards Specific Services
- Appendix 5 – Reserves
- Appendix 6 – Detailed Portfolio Budgets
- Appendix 7 – Fees and Charges
- Appendix 8 – Our Council Plan and Amended KPIs

**Annex 2(a) - Capital Strategy 2023/24 to 2027/28**

- Appendix A – Capital Programme Portfolio Pages
- Appendix B – MRP Statement 2023/24
- Appendix C – Illustrative External Debt
- Appendix D – Graphical illustration of Debt Projections to 2073
- Appendix E – Flexible use of capital receipts 2022/23
- Appendix F – Flexible use of capital receipts 2023/24

**Annex 2(b) – Treasury Management Strategy Statement 2023/24**

- Appendix A – West Sussex County Council – Treasury Portfolio
- Appendix B – Economic and Interest Rate Forecast (Link Asset Services)

**Annex 2(c) – Prudential Indicators 2023/24 to 2027/28**

**Annex 3 – Equality Impact Assessment**

**Annex 4 – Summary of comments considered by the Cabinet**

**Background Papers:**

None

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**SUMMARY OF REVENUE BUDGET AND PRECEPT 2023/24**

Total Net Expenditure 2022/23			Total Net Expenditure 2023/24	
Amount	Amount per Council Taxpayer (Band D equivalent)	SERVICE	Amount	Amount per Council Taxpayer (Band D equivalent)
£000	£		£000	£
215,876	630.52	Adults Services	242,653	698.89
139,318	406.92	Children and Young People	148,363	427.31
45,110	131.76	Community Support, Fire and Rescue	47,768	137.58
62,078	181.31	Environment and Climate Change	73,867	212.75
25,131	73.40	Finance and Property	28,058	80.81
41,372	120.84	Highways and Transport	47,345	136.36
2,892	8.45	Leader	3,016	8.69
29,056	84.87	Learning and Skills	34,526	99.44
0	0.00	Public Health and Wellbeing	0	0.00
41,487	121.17	Support Services and Economic Development	41,170	118.58
<b>602,320</b>	<b>1,759.24</b>	<b>SERVICE TOTALS</b>	<b>666,766</b>	<b>1,920.41</b>
29,669	86.66	Capital Financing Costs	30,449	87.70
2,255	6.59	Revenue Contribution to Capital Outlay - County Council	532	1.53
4,614	13.48	Revenue Contribution to Capital Outlay - Business Rates Pilot	590	1.70
-2,970	-8.68	Investment Income	-6,962	-20.05
9,156	26.74	Corporate Contingency <sup>1</sup>	13,008	37.47
0	0.00	Additional Investment into Highways, Roads, Skills and Economic Development <sup>2</sup>	5,000	14.40
7,912	23.11	Transfers to/from (-) Earmarked Reserves - County Council	10	0.03
-4,614	-13.48	Transfers to/from (-) Earmarked Reserves - Business Rates Pilot	-590	-1.70
<b>46,022</b>	<b>134.42</b>	<b>NON-SERVICE TOTALS</b>	<b>42,037</b>	<b>121.08</b>
<b>648,342</b>	<b>1,893.66</b>	<b>NET EXPENDITURE</b>	<b>708,803</b>	<b>2,041.49</b>
-87,264	-254.88	Business Rates Retention Scheme	-97,084	-279.62
-1,959	-5.72	New Homes Bonus Grant	-1,200	-3.46
-25,827	-75.43	Social Care Support Grant	-42,138	-121.37
-5,464	-15.96	Services Grant	-3,079	-8.87
4,818	14.07	Collection Fund Surplus (-) / Deficit	1,818	5.24
<b>532,646</b>	<b>1,555.74</b>	<b>PRECEPT</b>	<b>567,120</b>	<b>1,633.41</b>
	<b>2.99%</b>	Increase in Council Tax Band D on Previous Year		<b>4.99%</b>
<b>342,375.00</b>		Council Tax Band D Equivalents	<b>347,199.83</b>	

<sup>1</sup> Corporate Contingency to manage demand pressures, fluctuations in economic conditions and unforeseen spend that is not included in service budgets, see paragraphs 5.26 and 5.27 in main report.

<sup>2</sup> The County Council will be putting an additional one-off £4.5m into highways maintenance and repairs, including flooding and drainage, and £0.5m into skills and economic development. Details on the spending are still being developed and will be monitored and reported through the Performance and Resources Report in year.

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**ANALYSIS OF CHANGES**

<b>PORTFOLIO</b>	<b>Budget 2022/23</b>	Pay and Prices	Committed and Service Changes	Balancing the Budget (Appendix 3)	<b>Total Change in Spending (col 2+3+4) <sup>1</sup></b>	Transfers between Portfolios	<b>Overall Change in Spending (col 5+6)</b>	<b>Budget 2023/24 (col 1+7)</b>
	<b>column 1</b>	column 2	column 3	column 4	<b>column 5</b>	column 6	<b>column 7</b>	<b>column 8</b>
	<b>£000</b>	£000	£000	£000	<b>£000</b>	£000	<b>£000</b>	<b>£000</b>
Adults Services	<b>215,876</b>	14,071	13,694	-600	<b>27,165</b>	-388	<b>26,777</b>	<b>242,653</b>
Children and Young People	<b>139,318</b>	7,202	4,426	-2,920	<b>8,708</b>	337	<b>9,045</b>	<b>148,363</b>
Community Support, Fire and Rescue	<b>45,110</b>	3,316	-50	-670	<b>2,596</b>	62	<b>2,658</b>	<b>47,768</b>
Environment and Climate Change	<b>62,078</b>	10,086	0	-1,572	<b>8,514</b>	3,275	<b>11,789</b>	<b>73,867</b>
Finance and Property	<b>25,131</b>	1,100	1,016	-586	<b>1,530</b>	1,397	<b>2,927</b>	<b>28,058</b>
Highways and Transport	<b>41,372</b>	10,576	100	-2,173	<b>8,503</b>	-2,530	<b>5,973</b>	<b>47,345</b>
Leader	<b>2,892</b>	85	0	-18	<b>67</b>	57	<b>124</b>	<b>3,016</b>
Learning and Skills	<b>29,056</b>	3,724	1,614	-353	<b>4,985</b>	485	<b>5,470</b>	<b>34,526</b>
Public Health and Wellbeing	<b>0</b>	0	0	0	<b>0</b>	0	<b>0</b>	<b>0</b>
Support Services and Economic Development	<b>41,487</b>	1,756	408	-708	<b>1,456</b>	-1,773	<b>-317</b>	<b>41,170</b>
<b>SERVICE TOTALS</b>	<b>602,320</b>	<b>51,916</b>	<b>21,208</b>	<b>-9,600</b>	<b>63,524</b>	<b>922</b>	<b>64,446</b>	<b>666,766</b>
Capital Financing Costs	<b>29,669</b>		780		<b>780</b>		<b>780</b>	<b>30,449</b>
Revenue Contribution to Capital Outlay - County Council	<b>2,255</b>		-1,723		<b>-1,723</b>		<b>-1,723</b>	<b>532</b>
Revenue Contribution to Capital Outlay - Business Rates Pilot	<b>4,614</b>		-4,614		<b>-4,614</b>	590	<b>-4,024</b>	<b>590</b>
Investment Income	<b>-2,970</b>		-3,500		<b>-3,500</b>	-492	<b>-3,992</b>	<b>-6,962</b>
Corporate Contingency	<b>9,156</b>		3,852		<b>3,852</b>		<b>3,852</b>	<b>13,008</b>
Additional Investment into Highways, Roads, Skills and Economic Development	<b>0</b>		5,000		<b>5,000</b>		<b>5,000</b>	<b>5,000</b>
Transfers to/from (-) Earmarked Reserves - County Council	<b>7,912</b>		-7,472		<b>-7,472</b>	-430	<b>-7,902</b>	<b>10</b>
Transfers to/from (-) Earmarked Reserves - Business Rates Pilot	<b>-4,614</b>		4,614		<b>4,614</b>	-590	<b>4,024</b>	<b>-590</b>
<b>NON-SERVICE TOTALS</b>	<b>46,022</b>	<b>0</b>	<b>-3,063</b>	<b>0</b>	<b>-3,063</b>	<b>-922</b>	<b>-3,985</b>	<b>42,037</b>
<b>NET EXPENDITURE</b>	<b>648,342</b>	<b>51,916</b>	<b>18,145</b>	<b>-9,600</b>	<b>60,461</b>	<b>0</b>	<b>60,461</b>	<b>708,803</b>

<sup>1</sup> The effective change in spending is shown in greater detail in each portfolio section. This represents changes that will either be borne directly by the council taxpayer or via general financing grants from central government.

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**BALANCING THE BUDGET**

Portfolio	Savings / Increased income			Description	Responsible Officer	Equality Impact Assessment Action
	2023/24 £000	2024/25 £000	Total £000			
<b>Adults Services</b>						
Community Care Savings		2,500	2,500	This reflects the full year effect of the saving agreed as part of the 2022/23 budget setting process whereby all care packages (excluding older people requiring residential and nursing care) would be reviewed using a strength-based approach and to take account of revised policy and practice guidance.	Director of Adults and Health	Review as part of implementation plan
Delivery of Public Health outcomes through Adult Social Care Services	500		500	Use of the Public Health Grant to fund eligible spend to deliver Public Health Outcomes.	Director of Adults and Health	Not considered to be required
Avila House	100		100	Avila House is a proposed extra care housing scheme in Worthing for younger adults. It is expected that this will enable people to receive care in a more appropriate setting, reducing the reliance on residential provision which delivers better outcomes for the individual and reduces costs.	Director of Adults and Health	At decision point
<b>Sub-total</b>	<b>600</b>	<b>2,500</b>	<b>3,100</b>			
<b>Children and Young People</b>						
Under 16 year old step down to fostering	150		150	This was a saving previously agreed as part of the 2022/23 budget process and is from the continuation of activity to step down children and young people appropriately from residential care to fostering.	Director of Children, Young People and Learning	Not considered to be required
Family Safeguarding model	840	1,140	1,980	The Family Safeguarding model will improve the main statutory provision of Children's Social Care. Through implementing this new model of practice, savings are expected to arise through a reduction in demand for statutory services which will result in social work teams reducing as demand falls. Reductions in the number of children entering care are also expected, leading to savings against placement budgets.	Director of Children, Young People and Learning	Review as part of implementation plan
Fostering redesign	280	630	910	The fostering redesign is expected to increase the market share of the Council-provided foster care placements compared to those provided externally which are more expensive. Other initiatives include the employment and training of specialist carers to prevent more complex children from requiring residential care, as well as increasing the support available to foster carers to help prevent foster care placements from breaking down. Keeping children in foster care rather than residential delivers better outcomes and is more cost effective.	Director of Children, Young People and Learning	Review as part of implementation plan
In-house residential phase 2		42	42	Phase 2 of the in-house residential redesign includes the provision of one additional bed. Once the additional staffing costs are taken into account, the net saving shown is against the cost of purchasing an externally provided residential placement.	Director of Children, Young People and Learning	Review as part of implementation plan
Savings arising from disability service recommissioning	50		50	Savings arising from changes to the disability register service for children with disabilities, which is now delivered by the County Council's library service.	Director of Children, Young People and Learning	Not considered to be required
Supporting Families Grant	150		150	The Supporting Families Grant allocation by Government has been increased and therefore increases staffing resources that can be funded through the grant.	Director of Children, Young People and Learning	Not considered to be required
Review of child psychology services	500		500	Current arrangements for the provision of child psychology services are being reviewed. It is anticipated that this will result in the delivery of a more cost effective model going forward.	Director of Children, Young People and Learning	Not considered to be required
Review costs of Integrated Front Door including Multi Agency Safeguarding Hub		500	500	The structure and processes of the Integrated Front Door and Multi Agency Safeguarding Hub, in the context of the Family Safeguarding Model, will be reviewed during 2023/24 with a view to delivering savings from 2024/25.	Director of Children, Young People and Learning	Review as part of implementation plan

**BALANCING THE BUDGET**

Portfolio	Savings / Increased income			Description	Responsible Officer	Equality Impact Assessment Action
	2023/24 £000	2024/25 £000	Total £000			
Improved financial governance across non-placement expenditure	300		300	A review of financial governance across non-placement expenditure is expected to deliver a reduction in expenditure from 2023/24 onwards.	Director of Children, Young People and Learning	Not considered to be required
Staffing costs	650		650	Staffing budgets within the portfolio currently assume a vacancy factor of 5% but over the last few years, this has averaged 6% across the organisation and therefore the budget for 2023/24 will be reduced accordingly.	Director of Children, Young People and Learning	Not considered to be required
<b>Sub-total</b>	<b>2,920</b>	<b>2,312</b>	<b>5,232</b>			
<b>Community Support, Fire and Rescue</b>						
Resilience and Emergency Team structural review	100		100	Review of the Resilience & Emergency Team function and how it supports the County Council. This will include comparisons with other authorities to identify best practice and delivery of the function in a most efficient manner.	Chief Fire Officer	Review as part of implementation plan
Prevention and Protection - Review of risk reduction areas		150	150	Review to look at efficiencies between the two service areas.	Chief Fire Officer	Review as part of implementation plan
Optimise use of Grants	200		200	A review of the costs incurred by the County Council which have been identified as eligible spend that should be funded through grants.	Director of Place Services	Not considered likely to be required
Staffing costs	370		370	Staffing budgets within the portfolio currently assume a vacancy factor of 5% but over the last few years, this has averaged 6% across the organisation and therefore the budget for 2023/24 will be reduced accordingly.	Director of Place Services	Not considered likely to be required
<b>Sub-total</b>	<b>670</b>	<b>150</b>	<b>820</b>			
<b>Environment and Climate Change</b>						
Recyclate Income	800		800	Income from the sale of recyclates increased in line with levels seen in 2021/22 and first quarter of 2022/23.	Director of Place Services	Not required
Solar and Battery Investments	500	1,000	1,500	Income achieved from the sale of energy from proposed Solar and Battery Investments included in the 2023/24 capital programme.	Director of Place Services	Not required
Additional Energy Generation	200		200	Additional Energy Generation income from the existing solar and battery installations as a result of increased wholesale prices.	Director of Place Services	Not required
Renew RDF Contract		1,000	1,000	Renew contract with an extended contract term and provisions to provide loose RDF in addition to the current baled solution.	Director of Place Services	Not required
Staffing costs	72		72	Staffing budgets within the portfolio currently assume a vacancy factor of 5% but over the last few years, this has averaged 6% across the organisation and therefore the budget for 2023/24 will be reduced accordingly.	Director of Place Services	Not considered likely to be required
<b>Sub-total</b>	<b>1,572</b>	<b>2,000</b>	<b>3,572</b>			
<b>Finance and Property</b>						
Reduction in the operational estate costs of the Early Help Service	100		100	Delivery of savings from the cost of properties vacated as part of the Early Help Project.	Director of Place Services	Not required
Rationalisation of the Operational Office Estate	80		80	The review completed to date of the operational estate has identified properties that can be released as part of known changes in service delivery.	Director of Place Services	Not required
Property Joint Venture - staff costs	200	0	200	Staff supporting the JV and Edes Estates in 2023/24 will be recharged accordingly and therefore reducing costs to the General Fund.	Director of Place Services	Not required
Future Smarter Working Arrangements	50	220	270	Reduced estate running costs as a result of the move to hybrid working post pandemic.	Director of Place Services	Not considered likely to be required
Staffing costs	156		156	Staffing budgets within the portfolio currently assume a vacancy factor of 5% but over the last few years, this has averaged 6% across the organisation and therefore the budget for 2023/24 will be reduced accordingly.	Director of Place Services	Not considered likely to be required
<b>Sub-total</b>	<b>586</b>	<b>220</b>	<b>806</b>			



**BALANCING THE BUDGET**

Portfolio	Savings / Increased income			Description	Responsible Officer	Equality Impact Assessment Action
	2023/24 £000	2024/25 £000	Total £000			
<b>Highways and Transport</b>						
Highways Street Works income generation	400		400	Income target increased to reflect current levels of Highways Street Works income.	Director of Place Services	Not required
Lane rental		200	200	Savings through improvement and innovation delivered by the scheme.	Director of Place Services	Not required
Street works enforcement	100	100	200	Income target increased to reflect additional net income from improved street works enforcement.	Director of Place Services	Not required
Additional parking restrictions	50	50	100	Additional income through the introduction of additional parking restrictions - estimates based on implementation of schemes at Manor Royal, Horsham / Burgess Hill Review and Shoreham.	Director of Place Services	Review as part of implementation plan
Street lighting LED conversion	500	200	700	Energy savings as a result of the proposed works to convert existing street lighting to LED lighting.	Director of Place Services	Review as part of implementation plan
Concessionary fares	1,000		1,000	Concessionary fares reduction in usage - assumed unlikely that demand will return to pre-pandemic levels.	Director of Place Services	Review as part of implementation plan
Staffing costs	123		123	Staffing budgets within the portfolio currently assume a vacancy factor of 5% but over the last few years, this has averaged 6% across the organisation and therefore the budget for 2023/24 will be reduced accordingly.	Director of Place Services	Not considered likely to be required
<b>Sub-total</b>	<b>2,173</b>	<b>550</b>	<b>2,723</b>			
<b>Leader</b>						
Staffing costs	18		18	Staffing budgets within the portfolio currently assume a vacancy factor of 5% but over the last few years, this has averaged 6% across the organisation and therefore the budget for 2023/24 will be reduced accordingly.	Chief Executive	Not considered likely to be required
<b>Sub-total</b>	<b>18</b>	<b>0</b>	<b>18</b>			
<b>Learning and Skills</b>						
Historic teacher pension payments	150	50	200	Historic teacher pension payments which are funded through the General Fund have been in decline over the last 3 years. The expected savings shown are based on 2021/22 outturn levels plus assumed continued decline at the levels seen over recent years.	Director of Children, Young People and Learning	Not considered likely to be required
Application of Head of Virtual School Government grant	80		80	There is now more certainty over the Government grant received for the Head of Virtual School and it will be assumed within the base budget to fund eligible costs.	Director of Children, Young People and Learning	Not considered likely to be required
Increased vacancy assumption in School Crossing Patrol service	50		50	Reduction in budget to reflect the number of posts within the service that have been vacant for a long period of time and are no longer required.	Director of Children, Young People and Learning	Review as part of implementation plan
Staffing costs	73		73	Staffing budgets within the portfolio currently assume a vacancy factor of 5% but over the last few years, this has averaged 6% across the organisation and therefore the budget for 2023/24 will be reduced accordingly.	Director of Children, Young People and Learning	Not considered likely to be required
<b>Sub-total</b>	<b>353</b>	<b>50</b>	<b>403</b>			
<b>Support Services and Economic Development</b>						
Public Health - use of uncommitted PHG	38		38	The Help at Home contract was decommissioned in July 2021. The savings will be used to contribute towards other eligible public health spend within the Support Services and Economic Development portfolio.	Director of Public Health	Not considered likely to be required
Democratic Services Budgets	140		140	This saving includes the removal of vacant posts and a reduction in the Members and meetings budget (e.g. for allowances, catering, travel). This assumes virtual working remains at current levels.	Director of Law and Assurance	Not required
Digital Customer Service Function		400	400	Savings arising from the move to a digital platform leading to savings in the cost of direct customer interactions.	Director of Place Services	Review as part of implementation plan

**BALANCING THE BUDGET**

Portfolio	Savings / Increased income			Description	Responsible Officer	Equality Impact Assessment Action
	2023/24 £000	2024/25 £000	Total £000			
Reduction in postage and stationary budgets	200		200	A saving in postage and stationary costs to reflect greater use of electronic channels of communication and new ways of working / engaging with residents.	Director of Finance and Support Services	Not required
Staffing - deletion of vacant posts	120		120	Removal of vacant posts. Project resources now provided on a project by project basis.	Director of Human Resources and Organisational Development	Not required
Staffing costs	210		210	Staffing budgets within the portfolio currently assume a vacancy factor of 5% but over the last few years, this has averaged 6% across the organisation and therefore the budget for 2023/24 will be reduced accordingly.	Director of Human Resources and Organisational Development	Not considered likely to be required
<b>Sub-total</b>	<b>708</b>	<b>400</b>	<b>1,108</b>			
<b>Total</b>	<b>9,600</b>	<b>8,182</b>	<b>17,782</b>			

Portfolio Summary	2023/24 £000	2024/25 £000	Total £000
Adults Services	600	2,500	3,100
Children and Young People	2,920	2,312	5,232
Community Support, Fire and Rescue	670	150	820
Environment and Climate Change	1,572	2,000	3,572
Finance and Property	586	220	806
Highways and Transport	2,173	550	2,723
Leader	18	0	18
Learning and Skills	353	50	403
Support Services and Economic Development	708	400	1,108
<b>Total</b>	<b>9,600</b>	<b>8,182</b>	<b>17,782</b>

**GRANTS TOWARDS SPECIFIC SERVICES**

Portfolio and Grant	2022/23 Budget	2023/24 Budget	Change from 2022/23 Budget	
<b>Specific Government Grants <sup>1</sup></b>	£000	£000	£000	%
<b>Adults Services</b>				
Adult Social Care Market Sustainability and Improvement Fund	2,230	7,700	5,470	245.3
Independent Living Fund	4,309	0	-4,309	-100.0
Local Reform and Community Voices	158	158	0	0.0
Social Care in Prison	49	49	0	0.0
Syrian Vulnerable Persons Resettlement Scheme	376	0	-376	-100.0
Domestic Abuse	0	1,500	1,500	N/A
Public Health	300	300	0	0.0
Improved Better Care Fund	20,012	20,512	500	2.5
Social Care Grant	0	4,309	4,309	N/A
Adult Social Care Discharge Fund	0	2,900	2,900	N/A
War Pensions Scheme Disregard	136	135	-1	-0.7
	<b>27,570</b>	<b>37,563</b>	<b>9,993</b>	<b>36.2</b>
<b>Children and Young People</b>				
Child Asylum Seekers	2,691	4,150	1,459	54.2
Adoption Support Fund	300	300	0	0.0
Asylum - Leaving Care	3,082	2,630	-452	-14.7
Public Health	12,822	12,565	-257	-2.0
Think Family	1,190	2,174	984	82.7
Staying Put	359	372	13	3.6
Youth Justice Good Practice	563	678	115	20.4
Reducing Parental Conflict Workforce Development	9	66	57	633.3
Family Safeguarding Implementation	1,936	0	-1,936	-100.0
Improved Better Care Fund	100	100	0	0.0
Teaching Partnership	0	70	70	N/A
Extending Personal Advisor Offer (Care Leavers)	144	144	0	0.0
	<b>23,196</b>	<b>23,249</b>	<b>53</b>	<b>0.2</b>
<b>Community Support, Fire and Rescue</b>				
Public Health	832	832	0	0.0
Syrian Vulnerable Persons Resettlement Scheme	0	439	439	N/A
Afghan Relocations and Assistance Policy	0	132	132	N/A
Afghanistan Resettlement Grant	0	215	215	N/A
Ukraine Response	0	266	266	N/A
Fire Revenue	2,140	2,140	0	0.0
	<b>2,972</b>	<b>4,024</b>	<b>1,052</b>	<b>35.4</b>
<b>Environment and Climate Change</b>				
Waste PFI	2,124	2,124	0	0.0
	<b>2,124</b>	<b>2,124</b>	<b>0</b>	<b>0.0</b>
<b>Finance and Property</b>				
Inshore Fisheries and Conservation Support	148	148	0	0.0
	<b>148</b>	<b>148</b>	<b>0</b>	<b>0.0</b>
<b>Highways and Transport</b>				
Street Lighting PFI	6,069	6,069	0	0.0
Bus Service Operators	436	436	0	0.0
Bus Service Improvement Plan (BSIP)	0	2,560	2,560	N/A
Public Health	50	50	0	0.0
	<b>6,555</b>	<b>9,115</b>	<b>2,560</b>	<b>39.1</b>

**GRANTS TOWARDS SPECIFIC SERVICES**

Portfolio and Grant	2022/23 Budget	2023/24 Budget	Change from 2022/23 Budget	
<b>Specific Government Grants <sup>1</sup></b>	£000	£000	£000	%
<b><i>Learning and Skills</i></b>				
Virtual School Head Role Extension - Looked after Children	134	214	80	59.7
Dedicated Schools	725,189	775,817	50,628	7.0
DSG Supplementary Grant	15,548	0	-15,548	-100.0
Mainstream Schools Additional Grant 16-19 Sixth Form	0	19,367	19,367	N/A
Pupil Premium	11,220	10,829	-391	-3.5
Crawley Schools PFI	13,448	14,313	865	6.4
Extended Rights to Free Travel	4,532	4,532	0	0.0
Higher Education Funding Council for England	635	742	107	16.9
PE & Sports	95	82	-13	-13.7
Universal Free School Meals	3,288	3,231	-57	-1.7
Skills Funding Agency	6,661	6,559	-102	-1.5
Moderation and Phonics Key Stage 2	3,006	3,020	14	0.5
Recovery Premium	27	27	0	0.0
School Led Tutoring	821	820	-1	-0.1
European Structural and Investment Fund Grant	1,219	1,219	0	0.0
Multiply - Adult Numeracy	0	141	141	N/A
Holiday Activities and Food Programme	0	1,287	1,287	N/A
School Improvement Monitoring and Brokerage	1,746	1,746	0	0.0
	357	0	-357	-100.0
	<b>787,926</b>	<b>843,946</b>	<b>56,020</b>	<b>7.1</b>
<b><i>Public Health and Wellbeing</i></b>				
Public Health	19,952	21,161	1,209	6.1
Rough Sleeping Drug and Alcohol Treatment	0	640	640	N/A
Improved Better Care Fund	500	0	-500	-100.0
Local Reform and Community Voices	316	316	0	0.0
	<b>20,768</b>	<b>22,117</b>	<b>1,349</b>	<b>6.5</b>
<b><i>Support Services and Economic Development</i></b>				
Public Health	1,298	1,336	38	2.9
	<b>1,298</b>	<b>1,336</b>	<b>38</b>	<b>2.9</b>
<b>TOTAL SPECIFIC GOVERNMENT GRANTS</b>	<b>872,557</b>	<b>943,622</b>	<b>71,065</b>	<b>8.1</b>
<sup>1</sup> Where final grant confirmations are outstanding, provisional 2023/24 allocations have been budgeted				
Memo: Other Non-Service and Financing Grants	2022/23 Budget	2023/24 Budget	Change from 2022/23 Budget	
	£000	£000	£000	%
Business Rate Retention Scheme	87,264	97,084	9,820	11.3
New Homes Bonus Grant	1,959	1,200	-759	-38.7
Services Grant	5,464	3,079	-2,385	-43.6
Social Care Support Grant	25,827	42,138	16,311	63.2
<b>TOTAL OTHER NON-SERVICE AND FINANCING GRANTS</b>	<b>120,514</b>	<b>143,501</b>	<b>22,987</b>	<b>19.1</b>

## RESERVES

Reserve	Balance at 31 March 2022 £000	Projected Balance at 31 March 2023 £000	Projected Balance at 31 March 2024 £000	Description
<b>Reserves to Fund Contractual Commitments</b>				
Crawley Schools PFI	-176	-176	-176	Holds the surplus of government credits and other sources of finance over unitary charge payments and other expenditure in the early years of the respective contracts, to meet future expenditure over the life of the PFI arrangements. This equalises the costs to the taxpayer of building and maintaining the facilities over the duration of the contracts, and is underpinned by detailed financial models to ensure that the scheme remains solvent throughout its duration.
Recycling & Waste PFI	-10,362	-10,198	-10,034	
Street Lighting PFI	-22,953	-22,546	-21,457	
Waste Materials Resource Management	-23,497	-22,097	-20,497	An investment fund to meet the 25-year Materials Resource Management Contract (MRMC) for the treatment and disposal of waste, including the development of appropriate facilities and will be fully utilised over the life of the contract due to end in 2033.
<b>Total Reserves to Fund Contractual Commitments</b>	<b>-56,988</b>	<b>-55,017</b>	<b>-52,164</b>	
<b>Reserves to Manage Risk and Uncertainties</b>				
Adult Social Care Reform Risk	-4,963	-19,963	0	This reserve was established in 2020/21 to support the implementation of the Social Care reforms due for implementation in October 2023. It was announced in the 2022 Autumn Statement that these reforms would be delayed until 2025. Financial plans assume that these social care reforms will be fully funded through Government grant but this assumption will remain under review in the approach to 2025. This reserve has now been re-purposed to manage the current pressures and risks within social care as detailed in the budget report.
Budget Management	-61,657	-40,367	-42,305	This reserve is held to guard against uncertainty and volatility over future Local Government funding as well as guarding against the risk of slippage and re-phasing of savings and unforeseen service pressures. The reduction reflects the increase in the General Fund reserve.
Business Rates & Collection Fund Smoothing Reserve	-460	-10,460	-8,642	To cover the council's share of any potential liability following successful business rates appeals. This reserve was increased in 2022/23 to be used to manage short term fluctuations in business rates income which can fluctuate as a result of factors outside of the Council's control, such as economic conditions or Government valuations. The reserve will also be used for any short term fluctuations in Council Tax income from changes in the tax base or collection rates.
Insurance Reserve	-3,329	-7,829	-7,829	Held in respect of the Authority's self-funding insurance scheme, and provides for the risk of unknown future claims (i.e. in excess of the known claims as provided for in the insurance provision). Projected balances will be subject to change as part of outturn to fund additional claims arising during the year, but this cannot be forecasted with accuracy and so no movement has been budgeted.
Interest Smoothing Account	-2,778	-2,778	-2,778	Held to meet temporary shortfalls arising from fluctuations in interest rates, such as a reduction in investment returns or increased costs of borrowing.
Schools Sickness & Maternity Insurance	-1,403	-1,403	-1,403	Holds the accumulated surplus on the Sickness and Maternity Insurance Scheme operated by the Authority for its maintained schools.
Social Care Sustainability Reserve	0	-5,028	-10,000	The 2023/24 budget includes additional budget within both children's and adult social care for demographic and market pressures based on the best information available. However, these two services remain volatile and are subject to uncertainty. This reserve is therefore held to manage pressures and risks associated with social care (adults and children's) as detailed in the budget report. Although there is no budgeted planned use in 2023/24, the pressures around placements within Children's social care and the market fragility, and increasing numbers in adult social care means some draw down is expected.
<b>Total Reserves to Manage Risk and Uncertainties</b>	<b>-74,590</b>	<b>-87,828</b>	<b>-72,957</b>	

**RESERVES**

Reserve	Balance at 31 March 2022 £000	Projected Balance at 31 March 2023 £000	Projected Balance at 31 March 2024 £000	Description
<b>Service Specific Earmarked Reserves <sup>1</sup></b>				
Ash Dieback	-1,200	-900	-900	Held to mitigate against budgetary pressures arising from the need to accelerate critical tree felling work during 2021/22. Although there is no planned use in 2023/24, there may be a call on this reserve. It is expected to be fully spent over the medium term.
Business Rates Pilot Fund	-17,380	-12,766	-12,176	This reserve holds the gains arising from the 75% local retention pilot scheme in 2019/20. The fund will be invested jointly by the County Council and its billing authorities on project work with economic benefit, but the income is initially recognised in the County's accounts as the lead authority for the Pilot.
Business Infrastructure	-312	-200	0	Intended to pump-prime local economic developments, through developing the broadband network, facilitating new business start-ups, and financing internal infrastructure improvements using local contractors where appropriate. This no longer needs to be held as a separate reserve and the balance of £200,000 has been transferred into the budget management reserve.
Contracts Reserve	-349	-349	0	Provides for potential claims arising from the settlement of contractual arrangements. This no longer needs to be held as a separate reserve and the balance of £349,000 has been transferred into the budget management reserve.
Economic Growth	-1,984	-1,572	-1,539	This reserve holds the monies to support the delivery of the Economic Growth Plan 2018-2023, including the progression of the economic priorities within the Coast to Capital Local Enterprise Partnership.
Elections	0	-200	-400	The County Council elections are held every four years - the next is planned in 2025. Each year there is a revenue contribution from the base budget which will be used to finance administrative costs in an election year.
Fire Inspection Improvements	-107	0	0	Held for the Fire Service to fund the Fire Service Improvement Plan following the recommendations raised by the inspection by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) in 2019.
Highways Commuted Sums	-5,165	-7,757	-8,250	This reserve holds contributions received from developers in respect of future maintenance costs of non-standard highways infrastructure.
Highways On-Street Parking	-1,397	-597	-597	The income generated from on street parking can only be used to fund eligible on street parking developments and transport network expenditure. Any surplus income is held within this reserve for future expenditure or to manage future income shortfalls.
Inflation Contingency Reserve	-4,969	0	0	Amount set aside to mitigate anticipated inflationary pressures in 22/23.
Infrastructure Works Feasibility	-1,930	-1,953	-3,476	This reserve is used to fund revenue costs for feasibility works to support the development of the Council's capital programme - i.e. costs that cannot be capitalised. There is no planned use in 2023/24 but the £1,523,000 increase is from the base budget.
Investment Property Sinking Fund	-200	-300	-400	This reserve is held to meet one off expenses associated with the maintenance of the Council's commercial investment property portfolio. There is no planned use in 2023/24 but the £100,000 increase is from the base budget.
Miscellaneous Service Carry Forwards	-1,311	-57	-57	Unspent budget in a year can be carried forward in exceptional cases and by agreement with the Director of Finance and Support Services. The underspends must be individually immaterial and where there is evidence that the carry forward has plans to be spent in future years.
One Public Estate	-247	-110	-110	Reserve established to hold the balance of Government grant funding received to develop plans for rationalising the public estate together with partners including District Councils, Health and Sussex Police.
Service Transformation Fund	-13,346	-9,760	-9,760	This reserve is held to meet the costs of major organisational changes or service re-designs. It is used to fund short-term costs in order to deliver on-going savings, and as a source of investment to finance improvements to services so that they become more efficient and provide better outcomes. There is no planned use in 2023/24 but as set out in the budget report, the County Council is facing a significant financial challenge over the medium term and delivering cost reductions of that scale will require changes in the way services are delivered.
Statutory Duties Reserve	-2,246	-2,182	-2,182	Holds funding to meet statutory obligations over and above that which the Authority has made provision for.
Street Works Permit Scheme	-390	-122	-122	The income generated through Street Works Permits can only be used to fund eligible expenditure. Any surplus income is held within this reserve to support the delivery of eligible schemes in line with legislation.
<b>Total Service Specific Earmarked Reserves <sup>1</sup></b>	<b>-52,533</b>	<b>-38,825</b>	<b>-39,969</b>	

<sup>1</sup> These reserves are set up for a particular purpose and for managing risks and uncertainties relating to a specific service. There is planned use in 2023/24 and amounts will become known in year. It is expected that these reserves will be spent over the medium term.

**RESERVES**

<b>Reserve</b>	<b>Balance at 31 March 2022 £000</b>	<b>Projected Balance at 31 March 2023 £000</b>	<b>Projected Balance at 31 March 2024 £000</b>	<b>Description</b>
<b>Reserves for Government Grants</b>				
Covid-19 Fund	-15,976	-7,903	-7,903	Holds the unspent balance of unringfenced monies allocated by central government to support local authorities with pressures arising from the coronavirus pandemic. This is expected to be fully spent by 2024.
Social Care Support Grant 2018/19	-499	0	0	Holds the balance of monies allocated to the Council in the 2018/19 Local Government Finance Settlement to support the provision of adult social care.
Unapplied Revenue Grants	-2,805	-807	-807	Represents the unspent balance on revenue grants which are received for specific purposes but where there are no outstanding conditions on the grant which could require its repayment. The grant has therefore been recognised in full in the revenue accounts, but the unapplied balance is held in a reserve to fund future expenditure plans relevant to the purpose of the grant.
<b>Total Reserves for Government Grants</b>	<b>-19,280</b>	<b>-8,710</b>	<b>-8,710</b>	
<b>TOTAL EARMARKED RESERVES (EXCLUDING SCHOOLS)</b>				
	<b>-203,391</b>	<b>-190,380</b>	<b>-173,800</b>	
School Balances	-27,740	-27,575	-27,575	The School Balances reserve holds balances on behalf of schools.
<b>TOTAL EARMARKED RESERVES (INCLUDING SCHOOLS)</b>				
	<b>-231,131</b>	<b>-217,955</b>	<b>-201,375</b>	
General Fund	-20,286	-20,286	-36,286	The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment. The County Council is facing a period of financial uncertainty over the medium term and therefore the level of working balance held has been increased to 5% of gross expenditure which is expected to be a prudent level.
<b>Capital</b>				
Capital Receipts Reserve	-4,789	0	0	Holds the balance of receipts generated through the disposal of assets which have yet to be applied to finance spend via the capital programme.
Capital Grants Unapplied	-21,229	-1,444	-1,444	Holds the unspent balance on capital grants which are received for specific purposes where there are no outstanding conditions on the grant.
<b>Total Capital Reserves</b>	<b>-26,018</b>	<b>-1,444</b>	<b>-1,444</b>	
<b>TOTAL USABLE RESERVES</b>				
	<b>-277,435</b>	<b>-239,685</b>	<b>-239,105</b>	

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## ADULTS SERVICES

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
£000	£000	£000	£000	£000	£000	%
<b>Older People</b>						
<i>Commissioned Costs</i>						
<b>13,607</b>	33,006	-14,575	0	-892	<b>17,539</b>	28.9%
<b>30,126</b>	79,718	-24,224	-491	-24,172	<b>30,831</b>	2.3%
<b>23,982</b>	48,685	-11,099	-1,957	-3,524	<b>32,105</b>	33.9%
<b>6,144</b>	7,104	-1,439	-61	-256	<b>5,348</b>	-13.0%
<i>Other Costs</i>						
<b>1,693</b>	2,061	-51	0	0	<b>2,010</b>	18.7%
<b>12,255</b>	20,310	-35	-7,269	-238	<b>12,768</b>	4.2%
<b>87,807</b>	190,884	-51,423	-9,778	-29,082	<b>100,601</b>	14.6%
<b>Physical and Sensory Impairment</b>						
<i>Commissioned Costs</i>						
<b>1,487</b>	1,615	-318	0	0	<b>1,297</b>	-12.8%
<b>4,946</b>	5,655	-589	0	0	<b>5,066</b>	2.4%
<b>6,298</b>	8,363	-750	0	0	<b>7,613</b>	20.9%
<b>7,248</b>	9,300	-878	-33	-1,175	<b>7,214</b>	-0.5%
<b>671</b>	673	0	0	0	<b>673</b>	0.3%
<b>20,650</b>	25,606	-2,535	-33	-1,175	<b>21,863</b>	5.9%
<b>Learning Disabilities</b>						
<b>1,174</b>	1,549	-140	0	0	<b>1,409</b>	20.0%
<b>42,724</b>	51,352	-3,660	0	-876	<b>46,816</b>	9.6%
<b>34,475</b>	52,006	-4,256	-213	-4,091	<b>43,446</b>	26.0%
<b>9,119</b>	10,649	-1,152	0	0	<b>9,497</b>	4.1%
<b>0</b>	1,315	0	-1,315	0	<b>0</b>	N/A
<i>In-House Day and Residential Care</i>						
<b>10,986</b>	11,463	0	0	0	<b>11,463</b>	4.3%
<b>3,884</b>	3,722	0	0	0	<b>3,722</b>	-4.2%
<i>Other Costs</i>						
<b>3,491</b>	3,899	0	0	0	<b>3,899</b>	11.7%
<b>-20,221</b>	0	0	-23,472	0	<b>-23,472</b>	16.1%
<b>85,632</b>	135,955	-9,208	-25,000	-4,967	<b>96,780</b>	13.0%

## ADULTS SERVICES

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
£000	£000	£000	£000	£000	£000	%
<b>Working Age Mental Health</b>						
<i>Commissioned Costs</i>						
<b>2,599</b>	2,730	-42	0	0	<b>2,688</b>	3.4%
<b>9,754</b>	12,484	-348	-971	0	<b>11,165</b>	14.5%
<b>7,222</b>	6,391	-359	0	0	<b>6,032</b>	-16.5%
<b>1,069</b>	1,817	-87	0	0	<b>1,730</b>	61.8%
<b>-20,644</b>	0	0	-21,615	0	<b>-21,615</b>	4.7%
<i>Other Costs</i>						
<b>1,381</b>	4,132	0	-2,618	0	<b>1,514</b>	9.6%
<b>9,832</b>	10,373	0	0	0	<b>10,373</b>	5.5%
<b>11,213</b>	37,927	-836	-25,204	0	<b>11,887</b>	6.0%
<b>Assistive Equipment and Technology</b>						
<b>0</b>	10,770	0	-10,770	0	<b>0</b>	N/A
<b>0</b>	1,172	0	-1,172	0	<b>0</b>	N/A
<b>0</b>	11,942	0	-11,942	0	<b>0</b>	N/A
<b>Universal Services</b>						
<b>0</b>	3,743	0	-3,743	0	<b>0</b>	N/A
<b>0</b>	7,006	0	-7,006	0	<b>0</b>	N/A
<b>0</b>	1,080	-1,080	0	0	<b>0</b>	N/A
<b>1,922</b>	5,351	0	-3,429	0	<b>1,922</b>	0.0%
<b>0</b>	810	0	-810	0	<b>0</b>	N/A
<b>1,922</b>	17,990	-1,080	-14,988	0	<b>1,922</b>	0.0%

## ADULTS SERVICES

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
£000	£000	£000	£000	£000	£000	%
<b>Other Responsibilities</b>						
<b>1,356</b>	1,874	0	0	-158	<b>1,716</b>	26.5%
<b>102</b>	105	0	0	0	<b>105</b>	2.9%
<b>2,441</b>	2,867	0	-369	0	<b>2,498</b>	2.3%
<b>904</b>	1,638	0	-453	-211	<b>974</b>	7.7%
<b>2,619</b>	4,455	0	-1,113	-170	<b>3,172</b>	21.1%
<b>289</b>	454	-162	0	0	<b>292</b>	1.0%
<b>941</b>	2,993	0	-350	-1,800	<b>843</b>	-10.4%
<b>8,652</b>	14,386	-162	-2,285	-2,339	<b>9,600</b>	11.0%
<b>215,876</b>	<b>434,690</b>	<b>-65,244</b>	<b>-89,230</b>	<b>-37,563</b>	<b>242,653</b>	<b>12.4%</b>
<b>PORTFOLIO TOTAL</b>						

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Annex1App6

**ADULTS SERVICES**

**CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £26.777m or 12.4%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		14,071	6.5
<b>Committed and Service Changes</b>			
Adults demand pressures	7,800		
National Living Wage	6,500		
Funding from the Improved Better Care Fund	<u>-606</u>		
		13,694	6.3
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-600	-0.3
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		<u>-388</u>	<u>-0.2</u>
<b>TOTAL CHANGE IN SPENDING</b>		<b><u>26,777</u></b>	<b><u>12.4</u></b>

## CHILDREN AND YOUNG PEOPLE

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
£000	£000	£000	£000	£000	£000	%
<b>Services for Children with Disabilities</b>						
<b>7,095</b>	In House Residential & Fostercare	7,375	0	0	0	3.9%
<b>6,081</b>	Externally Commissioned Residential & Fostercare	6,414	0	0	0	5.5%
<b>1,249</b>	Disability Short Breaks	1,214	0	0	0	-2.8%
<b>4,047</b>	Direct Payments	4,412	0	0	0	9.0%
<b>567</b>	Client Expenditure	1,390	0	-589	0	41.3%
<b>3,839</b>	Staffing	3,284	0	0	0	-14.5%
<b>Services for Children without Disabilities</b>						
<b>7,764</b>	In House Residential & Fostercare	8,015	0	0	0	3.2%
<b>30,620</b>	Externally Commissioned Residential & Fostercare	35,836	0	0	0	17.0%
<b>6,386</b>	Adoption & Special Guardianship	7,301	0	0	-300	9.6%
<b>956</b>	Client Expenditure	993	0	0	0	3.9%
<b>1,144</b>	Family Contact Service	1,262	0	0	0	10.3%
<b>17,910</b>	Staffing	20,156	0	-1,062	-100	6.1%
<b>Services for Asylum Seekers</b>						
<b>293</b>	In House Residential & Fostercare	231	0	0	0	-21.2%
<b>4,657</b>	Externally Commissioned Residential & Fostercare	6,101	0	0	0	31.0%
<b>402</b>	Client Expenditure	502	0	0	0	24.9%
<b>479</b>	Staffing	725	0	0	0	51.4%
<b>-5,773</b>	Asylum Grant	0	0	0	-6,780	17.4%
<b>Services for Care Leavers</b>						
<b>5,447</b>	Accommodation & Support	5,813	0	0	-372	-0.1%
<b>1,603</b>	Staffing	1,855	0	0	-144	6.7%

## CHILDREN AND YOUNG PEOPLE

### REVENUE BUDGET 2023/24

<b>Net Expenditure 2022/23</b>	<b>Gross Expenditure 2023/24</b>	<b>Sales, Fees and Charges 2023/24</b>	<b>Other Income 2023/24</b>	<b>Specific Government Grants 2023/24</b>	<b>Net Expenditure 2023/24</b>	<b>Net Expenditure Change from 2022/23</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
<b>Family Safeguarding</b>						
<b>15,941</b>	Staffing	17,092	0	0	0	<b>17,092</b> 7.2%
<b>0</b>	Commissioned Services	1,400	0	0	0	<b>1,400</b> N/A
<b>1,862</b>	Client Expenditure	2,751	0	0	0	<b>2,751</b> 47.7%
<b>Early Help &amp; Prevention</b>						
<b>6,598</b>	Early Help	11,120	0	0	-4,036	<b>7,084</b> 7.4%
<b>0</b>	Healthy Child Programme	10,769	0	0	-10,769	<b>0</b> N/A
<b>1,834</b>	Intentionally Homeless	2,074	0	-120	0	<b>1,954</b> 6.5%
<b>5,160</b>	<b>Safeguarding, Quality and Practice</b>	5,929	0	-241	-70	<b>5,618</b> 8.9%
<b>887</b>	<b>Youth Offending Service</b>	1,892	0	-261	-678	<b>953</b> 7.4%
<b>Child and Adolescent Mental Health Services</b>						
<b>1,289</b>	Services	1,546	0	-251	0	<b>1,295</b> 0.5%
<b>10,981</b>	<b>Management &amp; Business Support</b>	6,684	0	0	0	<b>6,684</b> -39.1%
<b>139,318</b>	<b>PORTFOLIO TOTAL</b>	<b>174,136</b>	<b>0</b>	<b>-2,524</b>	<b>-23,249</b>	<b>148,363</b> 6.5%

## CHILDREN AND YOUNG PEOPLE

### CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £9.045m or 6.5%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		7,202	5.2
<b>Committed and Service Changes</b>			
Children's Improvement Fund - reversal of prior year temporary funding	-505		
Children's Programme Management Office - reversal of prior year temporary funding	-260		
Increased demand for Children We Care For	3,900		
Family Safeguarding Commissioned Services	1,400		
Fostering Service Review	265		
In house Residential strategy - project pause until 2024/25	-374		
		4,426	3.2
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-2,920	-2.1
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		337	0.2
<b>TOTAL CHANGE IN SPENDING</b>		<b>9,045</b>	<b>6.5</b>

## COMMUNITY SUPPORT, FIRE AND RESCUE

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
£000	£000	£000	£000	£000	£000	%
<b>Fire &amp; Rescue</b>						
Strategic Leadership, Governance and Assurance						
<b>2,279</b>	5,677	-298	0	-2,140	<b>3,239</b>	42.1%
<b>3,588</b>	3,282	0	0	0	<b>3,282</b>	-8.5%
<b>2,623</b>	2,794	0	0	0	<b>2,794</b>	6.5%
<b>864</b>	1,406	0	0	-477	<b>929</b>	7.5%
<b>1,864</b>	1,958	0	0	0	<b>1,958</b>	5.0%
<b>402</b>	405	0	0	0	<b>405</b>	0.7%
<b>19,625</b>	20,408	0	0	0	<b>20,408</b>	4.0%
<b>994</b>	911	0	0	0	<b>911</b>	-8.4%
<b>32,239</b>	36,841	-298	0	-2,617	<b>33,926</b>	5.2%
<b>Information and Regulatory Services</b>						
<b>7,447</b>	8,836	-552	-66	-105	<b>8,113</b>	8.9%
<b>807</b>	979	-126	0	0	<b>853</b>	5.7%
Registration of Births, Deaths and Marriages						
<b>-921</b>	1,628	-2,357	-78	0	<b>-807</b>	-12.4%
<b>7,333</b>	11,443	-3,035	-144	-105	<b>8,159</b>	11.3%
<b>Communities</b>						
<b>2,267</b>	1,000	0	0	-250	<b>750</b>	-66.9%
<b>0</b>	1,052	0	0	-1,052	<b>0</b>	N/A
Refugee & Resettlement Grants						
<b>219</b>	2,220	-416	-105	0	<b>1,699</b>	675.8%
Community Safety and Wellbeing						
<b>1,560</b>	1,779	0	-60	0	<b>1,719</b>	10.2%
Coroners						
<b>81</b>	89	0	0	0	<b>89</b>	9.9%
Edes House						
<b>28</b>	0	0	0	0	<b>0</b>	-100.0%
Enforcement						
<b>1,383</b>	1,480	-41	-13	0	<b>1,426</b>	3.1%
Trading Standards						
<b>5,538</b>	7,620	-457	-178	-1,302	<b>5,683</b>	2.6%
<b>45,110</b>	<b>55,904</b>	<b>-3,790</b>	<b>-322</b>	<b>-4,024</b>	<b>47,768</b>	<b>5.9%</b>
<b>PORTFOLIO TOTAL</b>						



**COMMUNITY SUPPORT, FIRE AND RESCUE**

**CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £2.658m or 5.9%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		3,316	7.4
<b>Committed and Service Changes</b>			
Coroners transfer from Sussex Police	100		
Fire & Rescue Service Integrated Risk Management Plan pressures - training (one off in 2022/23 only)	<u>-150</u>		
		-50	-0.1
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-670	-1.5
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		<u>62</u>	<u>0.1</u>
<b>TOTAL CHANGE IN SPENDING</b>		<b><u>2,658</u></b>	<b><u>5.9</u></b>

## ENVIRONMENT AND CLIMATE CHANGE

### REVENUE BUDGET 2023/24

<b>Net Expenditure 2022/23</b>	<b>£000</b>	Gross Expenditure 2023/24	£000	Sales, Fees and Charges 2023/24	£000	Other Income 2023/24	£000	Specific Government Grants 2023/24	£000	<b>Net Expenditure 2023/24</b>	<b>£000</b>	Net Expenditure Change from 2022/23	%
<b>Environment and Public Protection</b>													
<b>3,278</b>		5,573		-2,439		-225		0		<b>2,909</b>		-11.3%	
<b>18,553</b>		27,916		-3,625		-837		-2,124		<b>21,330</b>		15.0%	
<b>38,489</b>		44,864		-250		-74		0		<b>44,540</b>		15.7%	
<b>1,115</b>		1,247		0		0		0		<b>1,247</b>		11.8%	
<b>61,435</b>		79,600		-6,314		-1,136		-2,124		<b>70,026</b>		14.0%	
<b>Other Responsibilities</b>													
Countryside Services (Including Public													
<b>1,470</b>		1,723		-48		-67		0		<b>1,608</b>		9.4%	
<b>-827</b>		2,931		-689		-9		0		<b>2,233</b>		370.0%	
<b>62,078</b>		<b>84,254</b>		<b>-7,051</b>		<b>-1,212</b>		<b>-2,124</b>		<b>73,867</b>		<b>19.0%</b>	
<b>PORTFOLIO TOTAL</b>													

## ENVIRONMENT AND CLIMATE CHANGE

### CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £11.789m or 19%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		10,086	16.2
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-1,572	-2.5
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		3,275	5.3
<b>TOTAL CHANGE IN SPENDING</b>		<b>11,789</b>	<b>19.0</b>

## FINANCE AND PROPERTY

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	£000	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
		£000	£000	£000	£000	£000	%
<b>Finance</b>							
<b>4,988</b>	Finance	7,209	-573	-487	0	<b>6,149</b>	23.3%
<b>628</b>	Internal Audit	653	0	0	0	<b>653</b>	4.0%
	Strategic Procurement and Contract						
<b>1,717</b>	Management	2,576	-208	0	0	<b>2,368</b>	37.9%
<b>1,299</b>	Intelligence and Performance	1,339	0	0	0	<b>1,339</b>	3.1%
<b>1,883</b>	Levies and Precepts	2,131	0	0	-148	<b>1,983</b>	5.3%
<b>352</b>	Fees and Other Payments	414	0	-49	0	<b>365</b>	3.7%
<b>40</b>	Council Tax Hardship Fund	40	0	0	0	<b>40</b>	0.0%
<b>127</b>	Insurance	1,241	0	0	0	<b>1,241</b>	877.2%
<b>11,034</b>		<b>15,603</b>	<b>-781</b>	<b>-536</b>	<b>-148</b>	<b>14,138</b>	28.1%
<b>82</b>	Catering Service	212	0	-123	0	<b>89</b>	8.5%
<b>8,071</b>	Facilities Management	8,887	-320	-185	0	<b>8,382</b>	3.9%
<b>5,944</b>	Capital and Infrastructure (Property)	11,072	-3,793	-1,630	0	<b>5,649</b>	-5.0%
<b>0</b>	Edes Estates	0	0	-200	0	<b>-200</b>	N/A
<b>25,131</b>	<b>PORTFOLIO TOTAL</b>	<b>35,774</b>	<b>-4,894</b>	<b>-2,674</b>	<b>-148</b>	<b>28,058</b>	<b>11.6%</b>

**FINANCE AND PROPERTY**

**CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £2.927m or 11.6%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		1,100	4.4
<b>Committed and Service Changes</b>			
Contribution to Insurance Fund	1,000		
Increase in Commercial Rental Income - Churchill Court, Crawley	-34		
Withdrawal from Centenary House, Durrington	-50		
Increased External Audit Fees	100		
		1,016	4.0
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-586	-2.3
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		1,397	5.6
<b>TOTAL CHANGE IN SPENDING</b>		<b>2,927</b>	<b>11.6</b>

## HIGHWAYS AND TRANSPORT

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	£000	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
		£000	£000	£000	£000	£000	%
<b>Highways</b>							
3,500		6,778	-4,906	-1,267	0	605	-82.7%
12,885		15,855	0	0	0	15,855	23.1%
1,555		1,635	0	0	0	1,635	5.1%
0		4,000	-4,000	0	0	0	N/A
0		2,200	-2,200	0	0	0	N/A
9,834		21,867	0	-139	-6,069	15,659	59.2%
<b>27,774</b>		<b>52,335</b>	<b>-11,106</b>	<b>-1,406</b>	<b>-6,069</b>	<b>33,754</b>	<b>21.5%</b>
<b>Transport</b>							
11,062		11,749	0	-515	-19	11,215	1.4%
1,273		2,522	0	-872	-355	1,295	1.7%
0		2,560	0	0	-2,560	0	N/A
1,449		2,752	-574	-618	-112	1,448	-0.1%
0		3,620	-3,500	-120	0	0	N/A
0		4,218	-4,153	-65	0	0	N/A
<b>13,784</b>		<b>27,421</b>	<b>-8,227</b>	<b>-2,190</b>	<b>-3,046</b>	<b>13,958</b>	<b>1.3%</b>
<b>Other Responsibilities</b>							
0		101	-132	-105	0	-136	N/A
-186		-139	0	-92	0	-231	24.2%
-186		-38	-132	-197	0	-367	97.3%
<b>41,372</b>	<b>PORTFOLIO TOTAL</b>	<b>79,718</b>	<b>-19,465</b>	<b>-3,793</b>	<b>-9,115</b>	<b>47,345</b>	<b>14.4%</b>

## HIGHWAYS AND TRANSPORT

### CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £5.973m or 14.4%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		10,576	25.6
<b>Committed and Service Changes</b>			
Operation Watershed		100	0.2
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-2,173	-5.3
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		-2,530	-6.1
<b>TOTAL CHANGE IN SPENDING</b>		<b>5,973</b>	<b>14.4</b>

**LEADER**

**REVENUE BUDGET 2023/24**

<b>Net Expenditure 2022/23</b>	<b>Gross Expenditure 2023/24</b>	<b>Sales, Fees and Charges 2023/24</b>	<b>Other Income 2023/24</b>	<b>Specific Government Grants 2023/24</b>	<b>Net Expenditure 2023/24</b>	<b>Net Expenditure Change from 2022/23</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
<b>Chief Executive</b>						
<b>726</b> Chief Executive	732	0	0	0	<b>732</b>	0.8%
<b>297</b> Policy Team	306	0	0	0	<b>306</b>	3.0%
<b>615</b> Personal Assistants	645	0	0	0	<b>645</b>	4.9%
<b>1,638</b>	<b>1,683</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,683</b>	<b>2.7%</b>
<b>Economy</b>						
<b>410</b> Economic Growth	596	-33	0	0	<b>563</b>	37.3%
<b>214</b> One Public Estate	152	0	0	0	<b>152</b>	-29.0%
<b>630</b> Economic Development	777	0	-159	0	<b>618</b>	-1.9%
<b>1,254</b>	<b>1,525</b>	<b>-33</b>	<b>-159</b>	<b>0</b>	<b>1,333</b>	<b>6.3%</b>
<b>2,892</b> <b>PORTFOLIO TOTAL</b>	<b>3,208</b>	<b>-33</b>	<b>-159</b>	<b>0</b>	<b>3,016</b>	<b>4.3%</b>



**LEADER**

**CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £0.124m or 4.3%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		85	2.9
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-18	-0.6
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		57	2.0
<b>TOTAL CHANGE IN SPENDING</b>		<b>124</b>	<b>4.3</b>

## LEARNING AND SKILLS

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
£000	£000	£000	£000	£000	£000	%
<b>Local Authority Funding</b>						
<b>School Budgets</b>						
<b>0</b>	18,163	0	0	-18,163	<b>0</b>	N/A
<b>Support to Schools</b>						
<b>2,039</b>	9,086	0	-1,396	-4,532	<b>3,158</b>	54.9%
<b>-37</b>	6,910	-155	-167	-6,559	<b>29</b>	-178.4%
<b>0</b>	1,446	0	0	-1,446	<b>0</b>	N/A
<b>School Transport</b>						
<b>479</b>	486	0	0	0	<b>486</b>	1.5%
<b>3,878</b>	4,912	-148	-25	0	<b>4,739</b>	22.2%
<b>17,505</b>	21,437	0	-141	-742	<b>20,554</b>	17.4%
<b>190</b>	306	-104	0	0	<b>202</b>	6.3%
<b>331</b>	334	0	-1	0	<b>333</b>	0.6%
<b>Education and Skills Service</b>						
<b>209</b>	38	0	-16	0	<b>22</b>	-89.5%
<b>972</b>	1,116	0	-30	0	<b>1,086</b>	11.7%
<b>448</b>	882	0	-210	-168	<b>504</b>	12.5%
<b>4,336</b>	6,454	0	-1,845	0	<b>4,609</b>	6.3%
<b>500</b>	550	0	-32	0	<b>518</b>	3.6%
<b>686</b>	1,035	0	0	-214	<b>821</b>	19.7%
<b>Other</b>						
<b>1,270</b>	1,286	0	0	-82	<b>1,204</b>	-5.2%
<b>-43</b>	4,384	-76	0	-4,358	<b>-50</b>	16.3%
<b>0</b>	1,746	0	0	-1,746	<b>0</b>	N/A
<b>-1,226</b>	-1,208	0	0	0	<b>-1,208</b>	-1.5%
<b>31,537</b>	79,363	-483	-3,863	-38,010	<b>37,007</b>	17.3%

## LEARNING AND SKILLS

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
£000	£000	£000	£000	£000	£000	%
<b><u>Dedicated Schools Grant Funding</u></b>						
<b>School Budgets</b>						
<b>572,913</b>	622,667	0	0	-10,752	<b>611,915</b>	6.8%
<b>50,621</b>	51,703	0	0	0	<b>51,703</b>	2.1%
<b>Support to Schools</b>						
<b>2,599</b>	3,300	0	0	0	<b>3,300</b>	27.0%
<b>505</b>	500	0	0	0	<b>500</b>	-1.0%
<b>936</b>	938	0	0	0	<b>938</b>	0.2%
<b>62</b>	63	0	-2	0	<b>61</b>	-1.6%
<b>906</b>	965	0	0	0	<b>965</b>	6.5%
<b>Special Educational Needs</b>						
<b>34,822</b>	46,933	0	0	0	<b>46,933</b>	34.8%
<b>1,537</b>	1,760	0	0	0	<b>1,760</b>	14.5%
<b>5,988</b>	8,762	0	0	0	<b>8,762</b>	46.3%
<b>7,178</b>	7,720	0	-322	0	<b>7,398</b>	3.1%
<b>648</b>	648	0	0	0	<b>648</b>	0.0%
<b>4,350</b>	11,281	0	0	0	<b>11,281</b>	159.3%
<b>Early Years</b>						
<b>46,850</b>	52,084	0	0	0	<b>52,084</b>	11.2%
<b>126</b>	259	-65	-10	0	<b>184</b>	46.0%
<b>Education and Skills Service</b>						
<b>153</b>	190	0	0	0	<b>190</b>	24.2%
<b>414</b>	542	0	0	0	<b>542</b>	30.9%
<b>2,598</b>	2,785	0	0	0	<b>2,785</b>	7.2%
<b>5,101</b>	4,082	-18	-96	0	<b>3,968</b>	-22.2%
<b>1,632</b>	2,505	0	-101	0	<b>2,404</b>	47.3%
<b>399</b>	388	0	0	0	<b>388</b>	-2.8%

### LEARNING AND SKILLS

#### REVENUE BUDGET 2023/24

<b>Net Expenditure 2022/23</b>		Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	<b>Net Expenditure 2023/24</b>	Net Expenditure Change from 2022/23
<b>£000</b>		£000	£000	£000	£000	£000	%
	<b>Other</b>						
<b>4,918</b>	Overheads & Recharges	4,572	0	0	0	<b>4,572</b>	-7.0%
<b>-7,000</b>	Transfer from DSG Reserves	-20,578	0	0	0	<b>-20,578</b>	194.0%
	<b>Government Grant</b>						
<b>-725,189</b>	Dedicated Schools Grant	0	0	0	-775,817	<b>-775,817</b>	7.0%
<b>-15,548</b>	Additional Grant for Mainstream Schools	0	0	0	-19,367	<b>-19,367</b>	24.6%
<b>-2,481</b>	<b>Dedicated Schools Grant</b>	804,069	-83	-531	-805,936	<b>-2,481</b>	0.0%
<b>29,056</b>	<b>PORTFOLIO TOTAL</b>	<b>883,432</b>	<b>-566</b>	<b>-4,394</b>	<b>-843,946</b>	<b>34,526</b>	<b>18.8%</b>

## LEARNING AND SKILLS

### CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £5.47m or 18.8%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		3,724	12.8
<b>Committed and Service Changes</b>			
Home to School Transport - SEND taxi growth	1,200		
Home to School Transport - SEND escort growth	200		
Early Career Teachers - income reduction	100		
Young Carers Team	114		
		1,614	5.6
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-353	-1.2
<b>Funding from Central Government</b>			
Expenditure:			
Directly allocated to mainstream schools	36,523		
Special educational needs	11,827		
Early years	5,459		
Other minor variations	2,211		
Financed by:			
Dedicated Schools Grant (DSG)	-50,628		
Mainstream Schools Additional Grant	-19,367		
DSG Supplementary Grant	15,548		
16-19 Sixth Form Grant	391		
Multiply - Adult Numeracy	-1,287		
PE & Sports Grant	57		
Pupil Premium Grant	-865		
Universal Free School Meals	102		
Virtual School Head Role Extension	-80		
Extended Rights to Free Travel	-107		
School Improvement Monitoring and Brokerage	357		
European Structural and Investment Fund Grant	-141		
		0	0.0
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		485	1.7
<b>TOTAL CHANGE IN SPENDING</b>		<b>5,470</b>	<b>18.8</b>

**PUBLIC HEALTH AND WELLBEING**

**REVENUE BUDGET 2023/24**

<b>Net Expenditure 2022/23</b>	<b>Gross Expenditure 2023/24</b>	<b>Sales, Fees and Charges 2023/24</b>	<b>Other Income 2023/24</b>	<b>Specific Government Grants 2023/24</b>	<b>Net Expenditure 2023/24</b>	<b>Net Expenditure Change from 2022/23</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
<b>Public Health</b>						
0 Staffing & Development	4,923	0	0	-4,923	0	N/A
Health Intelligence, Economic Evaluation & Needs Assessment	39	0	0	-39	0	N/A
0 Health Protection & Quality Programme	110	0	0	-110	0	N/A
0 Integrated Sexual Health Services	5,057	0	0	-5,057	0	N/A
0 Living Well	3,917	0	0	-3,917	0	N/A
0 Ageing Well	1,879	0	-745	-1,134	0	N/A
0 Drugs and Alcohol Action Team	6,775	-15	-139	-6,621	0	N/A
0 Health Watch	316	0	0	-316	0	N/A
<b>0</b>	<b>23,016</b>	<b>-15</b>	<b>-884</b>	<b>-22,117</b>	<b>0</b>	<b>N/A</b>
<b>0 PORTFOLIO TOTAL</b>	<b>23,016</b>	<b>-15</b>	<b>-884</b>	<b>-22,117</b>	<b>0</b>	<b>N/A</b>

## SUPPORT SERVICES AND ECONOMIC DEVELOPMENT

### REVENUE BUDGET 2023/24

Net Expenditure 2022/23	Gross Expenditure 2023/24	Sales, Fees and Charges 2023/24	Other Income 2023/24	Specific Government Grants 2023/24	Net Expenditure 2023/24	Net Expenditure Change from 2022/23
£000	£000	£000	£000	£000	£000	%
<b>Commercial Services</b>						
<b>8,673</b>	6,148	-20	0	0	<b>6,128</b>	-29.3%
<b>Support Services</b>						
<b>13,993</b>	14,239	0	0	0	<b>14,239</b>	1.8%
<b>7,086</b>	7,521	-204	-36	0	<b>7,281</b>	2.8%
<b>747</b>	486	0	0	0	<b>486</b>	-34.9%
<b>5,997</b>	7,252	-513	0	0	<b>6,739</b>	12.4%
<b>1,258</b>	1,330	0	-122	0	<b>1,208</b>	-4.0%
<b>26</b>	25	0	0	0	<b>25</b>	-3.8%
<b>1,485</b>	1,471	0	0	0	<b>1,471</b>	-0.9%
<b>1,429</b>	1,733	0	0	0	<b>1,733</b>	21.3%
<b>1,697</b>	2,806	0	-5	0	<b>2,801</b>	65.1%
<b>-1,298</b>	0	0	0	-1,336	<b>-1,336</b>	2.9%
<b>32,420</b>	<b>36,863</b>	<b>-717</b>	<b>-163</b>	<b>-1,336</b>	<b>34,647</b>	<b>6.9%</b>
<b>Economic Development</b>						
<b>394</b>	725	0	-330	0	<b>395</b>	0.3%
<b>394</b>	725	0	-330	0	<b>395</b>	<b>0.3%</b>
<b>41,487</b>	<b>43,736</b>	<b>-737</b>	<b>-493</b>	<b>-1,336</b>	<b>41,170</b>	<b>-0.8%</b>

Agenda Item 9  
Annex1App6

**SUPPORT SERVICES AND ECONOMIC DEVELOPMENT**

**CHANGE IN SPENDING**

As analysed in the table below, the decrease in spending is £0.317m or 0.8%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		1,756	4.2
<b>Committed and Service Changes</b>			
Increased support to Unison - one off for 2022/23	-75		
Legal Services Restructure	400		
HR additional Recruitment Advisors	<u>83</u>		
		408	1.0
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-708	-1.7
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		<u>-1,773</u>	<u>-4.3</u>
<b>TOTAL CHANGE IN SPENDING</b>		<b><u>-317</u></b>	<b><u>-0.8</u></b>



## Fees and Charges

Section 3 of the Localism Act 2011 and Section 93 of the Local Government Act set out the **general legal framework regarding charging for services**, albeit that various other specific legal provisions and local policy objectives may also influence or dictate the level of fees or income to be generated.

**Statutory Fees and Charges** are charging structures set by relevant national bodies, usually with regulatory responsibility for the service which must be adhered to.

The proposed **Discretionary Fees and Charges** for 2023/24 are detailed in the document below. Discretionary Fees and Charges largely fall into the following categories:

- **Cost Recovery** - a fee or charge levied to ensure the cost of the service provided is fully recovered,
- **Subsidised** - where the County Council has decided to subsidise a service when setting the related fees and charges.

Generally, the County Council increases its fees and charges by the published September Retail Price Index (RPI) rate; in-line with the County Council's policy to budget for cost inflation. However, detailed reviews of services and prices have been undertaken which

Some prices have been rounded to the nearest largest denominator (either in pence or pound - dependent on the service and value). This may have resulted in some small % variations.

All changes will be implemented from **1st April 2023**, unless otherwise stated.

A full list of the West Sussex Fees and Charges for 2023/24 will be published separately on the County Council's website in April.

### Adult's Services Fees and Charges

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Adult Services	Meeting Space Letting: Small Room (1)	Hour	8.80	8.80	Exempt (0%)	<b>9.50</b>	<b>9.50</b>	8.0%	Cost Recovery
Adult Services	Meeting Space Letting: Medium Room (1)	Hour	11.70	11.70	Exempt (0%)	<b>12.50</b>	<b>12.50</b>	6.8%	Cost Recovery
Adult Services	Meeting Space Letting: Large Room (1)	Hour	14.70	14.70	Exempt (0%)	<b>15.50</b>	<b>15.50</b>	5.4%	Cost Recovery
Adult Services	Care Act 2014: Support Brokerage	One-off Discretionary Fee	187.10	187.10	Non-Business (0%)	<b>195.00</b>	<b>195.00</b>	4.2%	Cost Recovery
Adult Services	Care Act 2014: Support Brokerage	Review Request	187.10	187.10	Non-Business (0%)	<b>195.00</b>	<b>195.00</b>	4.2%	Cost Recovery
Adult Services	Care Act 2014: Support Brokerage	Weekly Administration Fee	6.00	6.00	Non-Business (0%)	<b>6.00</b>	<b>6.00</b>	0.0%	Cost Recovery
Adult Services	Care Act 2014: Deferred Payment Agreements	Set-up, One-off Fee	593.30	593.30	Non-Business (0%)	<b>615.00</b>	<b>615.00</b>	3.7%	Cost Recovery
Adult Services	Care Act 2014: Deferred Payment Agreements	Property Evaluation - One-off Fee	299.60	299.60	Non-Business (0%)	<b>299.60</b>	<b>299.60</b>	0.0%	Cost Recovery
Adult Services	Care Act 2014: Deferred Payment Agreements	Weekly Administration Fee	8.60	8.60	Non-Business (0%)	<b>8.90</b>	<b>8.90</b>	3.5%	Cost Recovery

1) Meeting Space Letting: the full charge only applies when the use of the room is unrelated to Adult Services. If use is mixed including Adults' services, then the charge is set at 50%

**Education and Skills Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Education & Skills	Services For Schools: Range of Review and Consultancy Services	Various	Various	Various	Non-Business (0%)	Various	Various	4.0%	Cost Recovery
Education & Skills	Services For Schools: Range of Professional Learning and Development Courses	Various	Various	Various	Non-Business (0%)	Various	Various	4.0%	Cost Recovery
Education & Skills	Services For Schools: Products and Services for Children (e.g. Careers Team West Sussex/ Duke of Edinburgh)	School	Various	Various	Outside scope (0%)	Various	Various	4.0%	Cost Recovery
Education & Skills	Schools SLA: Governor Services: Training and Support for School Governing Bodies	Lump Sum Based on Total Pupil Numbers. Less than <150 pupils	1,145.00	1,145.00	Exempt (0%)	<b>1,191.00</b>	<b>1,191.00</b>	4.0%	Cost Recovery
Education & Skills	Schools SLA: Governor Services: Training and Support for School Governing Bodies	Lump Sum Based on Total Pupil Number. >150 or more, but less than <500 pupils.	1,258.00	1,258.00	Exempt (0%)	<b>1,308.00</b>	<b>1,308.00</b>	4.0%	Cost Recovery
Education & Skills	Schools SLA: Governor Services: Training and Support for School Governing Bodies	Lump Sum Based on Total Pupil Numbers: >500 or more; but less than <850 pupils	1,491.00	1,491.00	Exempt (0%)	<b>1,551.00</b>	<b>1,551.00</b>	4.0%	Cost Recovery
Education & Skills	Schools SLA: Governor Services: Training and Support for School Governing Bodies	Lump Sum Based on Total Pupil Numbers: >850 pupils or more.	1,605.00	1,605.00	Exempt (0%)	<b>1,669.00</b>	<b>1,669.00</b>	4.0%	Cost Recovery
Education & Skills	Schools SLA: Outdoor Education: Charge to Academies, Further Education Colleges, etc.	Pupil	1.52	1.52	Exempt (0%)	<b>1.60</b>	<b>1.60</b>	5.3%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - Secondary School Teacher	Weighted Pupil Numbers	53.60	53.60	Non-Business (0%)	<b>61.00</b>	<b>61.00</b>	13.8%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - Primary School Teacher	Weighted Pupil Numbers	42.00	42.00	Non-Business (0%)	<b>43.00</b>	<b>43.00</b>	2.4%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme -Nursery / Planned Places - Teacher	Weighted Pupil Numbers	48.25	48.25	Non-Business (0%)	<b>50.00</b>	<b>50.00</b>	3.6%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - Special School Teachers	Weighted Pupil Numbers	195.00	195.00	Non-Business (0%)	<b>201.00</b>	<b>201.00</b>	3.1%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - NJC Grades 3/4	Flat rate, pro-rated for hours	N/A	N/A	Non-Business (0%)	<b>6.50</b>	<b>6.50</b>	NEW	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - NJC Grades 5/6	Flat rate, pro-rated for hours	N/A	N/A	Non-Business (0%)	<b>7.20</b>	<b>7.20</b>	NEW	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - NJC Grades 7/8	Flat rate, pro-rated for hours	N/A	N/A	Non-Business (0%)	<b>7.90</b>	<b>7.90</b>	NEW	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - NJC Grades 9/10	Flat rate, pro-rated for hours	N/A	N/A	Non-Business (0%)	<b>8.60</b>	<b>8.60</b>	NEW	Cost Recovery
Education & Skills	Schools SLA: Schools' Information Services and Financial Management System (Bromcom)	School	Various	Various	Non-Business (0%)	Various	Various	4.0%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Education & Skills	Schools SLA: Charge Per Pupil For Data Analyses to Support School Improvement Planning NCER	Lump Sum According to School Size Plus Sum Per Pupil: Infant Mainstream School	LA schools - £0.50p per pupil (£0.39p +0.11p)	LA schools - £0.50p per pupil (£0.39p +0.11p)	Outside Scope (0%)	Pass through contract costs when known	Pass through contract costs when known	N/A	Cost Recovery
Education & Skills	Schools SLA: Charge Per Pupil For Data Analyses to Support School Improvement Planning NCER	Lump Sum According to School Size Plus Sum Per Pupil: Infant Academy School	LA schools - £0.50p per pupil (£0.39p +0.11p)	LA schools - £0.50p per pupil (£0.39p +0.11p)	Standard Rated (20%)	Pass through contract costs when known	Pass through contract costs when known	N/A	Cost Recovery
Education & Skills	Schools SLA: Subscriptions for Pupil Data Analyses to Support School Improvement Planning FFT	Lump Sum According to School Size Plus Sum Per Pupil: Infant	£50 School Rate + £0.40Per Pupil	£50 School Rate + £0.40Per Pupil	Outside scope (0%)	Pass through contract costs when known	Pass through contract costs when known	N/A	Cost Recovery
Education & Skills	Schools SLA: Subscriptions for Pupil Data Analyses to Support School Improvement Planning FFT (Academies)	Lump Sum According to School Size Plus Sum Per Pupil: Infant	£60 School Rate + £0.40Per Pupil	£60 School Rate + £0.40Per Pupil	Standard Rated (20%)	Pass through contract costs when known	Pass through contract costs when known	N/A	Cost Recovery
Education & Skills	Schools SLA: Subscriptions for Pupil Data Analyses to Support School Improvement Planning FFT	Lump Sum According to School Size Plus Sum Per Pupil: Primary	£65 School Rate + £0.40 Per Pupil	£65 School Rate + £0.40 Per Pupil	Outside scope (0%)	Pass through contract costs when known	Pass through contract costs when known	N/A	Cost Recovery
Education & Skills	Schools SLA: Subscriptions for Pupil Data Analyses to Support School Improvement Planning FFT (Academies)	Lump Sum According to School Size Plus Sum Per Pupil: Primary	£70 School Rate + £0.39 Per Pupil	£70 School Rate + £0.39 Per Pupil	Outside scope (0%)	Pass through contract costs when known	Pass through contract costs when known	N/A	Cost Recovery
Education & Skills	Schools SLA: Subscriptions for Pupil Data Analyses to Support School Improvement Planning FFT - Academy Administration	Lump Sum According to School Size Plus Sum Per Pupil: Secondary	Various	Various	Standard Rated (20%)	Pass through contract costs when known	Pass through contract costs when known	N/A	Cost Recovery
Education & Skills	Schools SLA: Subscriptions for Pupil Data Analyses to Support School Improvement Planning FFT	Lump Sum According to School Size Plus Sum Per Pupil: Secondary	£470 School Rate + £0.40 Per Pupil	£470 School Rate + £0.40 Per Pupil	Outside scope (0%)	Pass through contract costs when known	Pass through contract costs when known	N/A	Cost Recovery
Education & Skills	Schools SLA: Subscriptions for Pupil Data Analyses to Support School Improvement Planning FFT (Academies)	Lump Sum According to School Size Plus Sum Per Pupil: Secondary	£470 School Rate + £0.40 Per Pupil	£470 School Rate + £0.40 Per Pupil	Standard Rated (20%)	Pass through contract costs when known	Pass through contract costs when known	N/A	Cost Recovery
Education & Skills	Schools SLA: Safe Digital Life	School	299.00	299.00	Outside Scope (0%)	299.00	299.00	0.0%	Cost Recovery
Education & Skills	Schools SLA: Safe Digital Life (Academies and Free Schools)	School	299.00	358.80	Standard Rated (20%)	299.00	358.80	0.0%	Cost Recovery
Education & Skills	Schools SLA: Employment Support Services	School, Per Annum	Various	Various	Non-Business (0%)	Various	Various	4.0%	Cost Recovery
Education & Skills	Schools SLA: Health and Safety	Per School and Per Pupil	Various	Various	Non-Business (0%)	Various	Various	4.0%	Cost Recovery
Education & Skills	School SLA: Health and Safety - Pay As You Go	Item	Various	Various	Non-Business (0%)	Various	Various	4.0%	Cost Recovery
Education & Skills	Charges to Schools for Services Provided in Converting to Academy Status	School	8,000.00	8,000.00	Exempt (0%)	8,000.00	8,000.00	0.0%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Education & Skills	Home to School Transport: Primary School Children Living Within Walking Distance	Year	308.00	308.00	Non-Business (0%)	<b>350.00</b>	<b>350.00</b>	13.6%	Cost Recovery
Education & Skills	Home to School Transport: Primary School Children Living Beyond Walking Distance	Year	350.00	350.00	Non-Business (0%)	<b>378.00</b>	<b>378.00</b>	8.0%	Cost Recovery
Education & Skills	Home to School Transport: Secondary School Children Living Within Walking Distance	Year	448.00	448.00	Non-Business (0%)	<b>518.00</b>	<b>518.00</b>	15.6%	Cost Recovery
Education & Skills	Home to School Transport: Secondary School Children Living Beyond Walking Distance	Year	504.00	504.00	Non-Business (0%)	<b>546.00</b>	<b>546.00</b>	8.3%	Cost Recovery
Education & Skills	Home to School Transport: Post 16 Students (Concessionary and Special Educational Needs)	Year	700.00	700.00	Non-Business (0%)	<b>770.00</b>	<b>770.00</b>	10.0%	Cost Recovery
Education & Skills	Early Years Training: Webinar 1 -2 Hours.	Training Attendee	16.00	16.00	Exempt (0%)	<b>17.00</b>	<b>17.00</b>	6.3%	Cost Recovery
Education & Skills	Early Years Training: Webinar or Face to Face - Half Day	Training Attendee	26.00	26.00	Exempt (0%)	<b>27.00</b>	<b>27.00</b>	3.8%	Cost Recovery
Education & Skills	Early Years Training: Webinar or Face to Face - Full Day	Training Attendee	52.00	52.00	Exempt (0%)	<b>54.00</b>	<b>54.00</b>	3.8%	Cost Recovery
Education & Skills	Early Years Training: Online Course - Log In	Training Attendee	10.00	10.00	Exempt (0%)	<b>10.00</b>	<b>10.00</b>	0.0%	Cost Recovery
Education & Skills	Early Years Training: Conference - Face to Face	Training Attendee	79.00	79.00	Exempt (0%)	<b>82.00</b>	<b>82.00</b>	4.0%	Cost Recovery
Education & Skills	Early Years Training: Paediatric First Aid - Full 12 Hour Course	Training Attendee	80.00	80.00	Exempt (0%)	<b>83.00</b>	<b>83.00</b>	4.0%	Cost Recovery

**Catering Services Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Catering Service	Schools SLA: Catering Support Services (Nursery)	Nursery	413.00	413.00	Outside Scope (0%)	<b>430.00</b>	<b>430.00</b>	4.0%	Cost Recovery
Catering Service	Schools SLA: Catering Support Services (Primary)	School	780.00	780.00	Outside Scope (0%)	<b>811.00</b>	<b>811.00</b>	4.0%	Cost Recovery
Catering Service	Schools SLA: Catering Support Services (Secondary/ Special)	School	870.00	870.00	Outside Scope (0%)	<b>905.00</b>	<b>905.00</b>	4.0%	Cost Recovery
Catering Service	Schools SLA: Catering Support Services (Primary Academies/ Free School)	School	780.00	936.00	Standard Rated (20%)	<b>811.00</b>	<b>973.20</b>	4.0%	Cost Recovery
Catering Service	Schools SLA: Catering Support Services (Secondary / Special Academies and Free Schools)	School	870.00	1,044.00	Standard Rated (20%)	<b>905.00</b>	<b>1,086.00</b>	4.0%	Cost Recovery
Catering Service	Schools SLA: Delivery of a School Meals Service (Primary Schools - DIH Easy Lunch only)	FSM Headcount	15.74	15.74	Outside Scope (0%)	<b>15.50</b>	<b>15.50</b>	-1.5%	Cost Recovery
Catering Service	Schools SLA: Delivery of a School Meals Service (Primary Schools - DIH Easy Lunch only) Academies	FSM Headcount	15.74	15.74	Standard Rated (20%)	<b>15.50</b>	<b>18.60</b>	-1.5%	Cost Recovery
Catering Service	Schools SLA: Delivery of a School Meals Service (Primary Schools)	FSM Headcount	64.07	64.07	Outside Scope (0%)	<b>60.40</b>	<b>60.40</b>	-5.7%	Cost Recovery
Catering Service	Schools SLA: Delivery of a School Meals Service (Primary Schools - Academies and Free Schools)	FSM Headcount	64.07	76.88	Standard Rated (20%)	<b>60.40</b>	<b>72.48</b>	-5.7%	Cost Recovery
Catering Service	Schools SLA: Delivery of a School Meals Service (Special Schools)	FSM Headcount	Various	Various	Outside Scope (0%)	<b>Various</b>	<b>Various</b>	4.0%	Cost Recovery
Catering Service	Schools SLA: Free School Meals (FSM) Eligibility Assessment (Academies and Free Schools)	School Headcount	0.53	0.64	Standard Rated (20%)	<b>0.55</b>	<b>0.66</b>	3.8%	Cost Recovery

**Legal Services Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Legal Services	Fee to Copy a Common Land or Town or Village Green Register Entry	Copy	24.98	24.98	Non-Business (0%)	<b>28.00</b>	<b>28.00</b>	12.1%	Cost Recovery
Legal Services	Fee for the Supply of a Definitive Map/Statement Extract	Copy	11.94	11.94	Non-Business (0%)	<b>13.00</b>	<b>13.00</b>	8.9%	Cost Recovery
Legal Services	Fee for Copy Orders/Agreements	Copy	6.52	6.52	Non-Business (0%)	<b>7.00</b>	<b>7.00</b>	7.4%	Cost Recovery
Legal Services	Fee for Other Copying	Copy	1.09	1.09	Non-Business (0%)	<b>1.20</b>	<b>1.20</b>	10.1%	Cost Recovery
Legal Services	Fee to process a Highways or CROW Act Landowner Deposit	Deposit	426.84	426.84	Non-Business (0%)	<b>481.00</b>	<b>481.00</b>	12.6%	Cost Recovery
Legal Services	Fee to Process a Corrective Application Made under the Commons Act 2006	Course	898.12	898.12	Non-Business (0%)	<b>1,011.00</b>	<b>1,011.00</b>	12.6%	Cost Recovery
Legal Services	Legal Agreements Linked to S106 Contributions	Hour	208.51	208.51	Non-Business (0%)	<b>235.00</b>	<b>235.00</b>	12.6%	Cost Recovery
Legal Services	Highway Agreement Works	Hour	208.51	208.51	Non-Business (0%)	<b>235.00</b>	<b>235.00</b>	12.6%	Cost Recovery
Legal Services	Schools SLA: Legal Services	Item	Various	Various	Non-Business (0%)	<b>Various</b>	<b>Various</b>	4.0%	Cost Recovery

**Trading Standards Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Trading Standards	Weights and Measures Act 1985 - Inspector of Weights & Measures	Hour	78.33	94.00	Standard Rated (20%)	<b>88.20</b>	<b>105.80</b>	12.6%	Cost Recovery
Trading Standards	Weights and Measures Act 1985 - Support Officer	Hour	50.00	60.00	Standard Rated (20%)	<b>56.30</b>	<b>67.60</b>	12.6%	Cost Recovery
Trading Standards	Hourly Charge For Demand Led Discretionary Business Support Services	Hour	78.33	94.00	Standard Rated (20%)	<b>88.20</b>	<b>105.80</b>	12.6%	Cost Recovery
Trading Standards	Variation of Licence - Other Than Name or Address	Hour	78.33	94.00	Standard Rated (20%)	<b>88.20</b>	<b>105.80</b>	12.6%	Cost Recovery

**Property Services Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Property Services	Schools SLA: Tree Inspection Service (Small) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	35.00	35.00	Non-Business (0%)	<b>171.00</b>	<b>171.00</b>	388.6%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections (Small) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	173.00	173.00	Non-Business (0%)	<b>202.00</b>	<b>202.00</b>	16.8%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Small) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	91.00	91.00	Non-Business (0%)	<b>201.00</b>	<b>201.00</b>	120.9%	Cost Recovery
Property Services	Schools SLA: Tree Inspection Service (Medium) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	59.00	59.00	Non-Business (0%)	<b>220.00</b>	<b>220.00</b>	272.9%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections (Medium) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	230.00	230.00	Non-Business (0%)	<b>223.00</b>	<b>223.00</b>	-3.0%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Medium) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	118.00	118.00	Non-Business (0%)	<b>234.00</b>	<b>234.00</b>	98.3%	Cost Recovery
Property Services	Schools SLA: Tree Inspection Service (Large) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	94.00	94.00	Non-Business (0%)	<b>229.00</b>	<b>229.00</b>	143.6%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections (Large) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	288.00	288.00	Non-Business (0%)	<b>244.00</b>	<b>244.00</b>	-15.3%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Large) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	136.00	136.00	Non-Business (0%)	<b>317.00</b>	<b>317.00</b>	133.1%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Small) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	513.00	513.00	Non-Business (0%)	<b>578.00</b>	<b>578.00</b>	12.7%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Medium) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	663.00	663.00	Non-Business (0%)	<b>794.00</b>	<b>794.00</b>	19.8%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Large) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	1,000.00	1,000.00	Non-Business (0%)	<b>1,050.00</b>	<b>1,050.00</b>	5.0%	Cost Recovery
Property Services	Schools SLA: Funding Bid Application Support (S/M/L) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	Various	Various	Non-Business (0%)	<b>Various</b>	<b>Various</b>	4.0%	Cost Recovery
Property Services	Schools SLA: Swimming Pool Management (S/M/L) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	-	-	Non-Business (0%)	<b>270.00</b>	<b>270.00</b>	NEW	Cost Recovery
Property Services	School SLA: Swimming Pool Management (S/M/L) Nursery, Primary, Secondary & Special Schools-Seasonal	Service Level Agreement	-	-	Non-Business (0%)	<b>439.00</b>	<b>439.00</b>	NEW	Cost Recovery
Property Services	School SLA: Recruitment Support (S/M/L Nursery, Primary, Secondary & Special Schools	Service Level Agreement	576.00	576.00	Non-Business (0%)	<b>709.00</b>	<b>709.00</b>	23.1%	Cost Recovery
Property Services	Schools SLA: Core SLA subscription (S/M/L) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	804.00	804.00	Non-Business (0%)	<b>948.00</b>	<b>948.00</b>	17.9%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Property Services	Schools SLA: Tree Inspection Service (Small) Primary Academy & Secondary Academy	Service Level Agreement	35.00	42.00	Standard Rated (20%)	<b>171.00</b>	<b>205.20</b>	388.6%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections (Small) Primary Academy & Secondary Academy	Service Level Agreement	173.00	207.60	Standard Rated (20%)	<b>202.00</b>	<b>242.40</b>	16.8%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Small) Primary Academy & Secondary Academy	Service Level Agreement	91.00	109.20	Standard Rated (20%)	<b>201.00</b>	<b>241.20</b>	120.9%	Cost Recovery
Property Services	Schools SLA: Tree Inspection Service (Medium) Primary Academy & Secondary Academy	Service Level Agreement	59.00	70.80	Standard Rated (20%)	<b>220.00</b>	<b>264.00</b>	272.9%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections (Medium) Primary Academy & Secondary Academy	Service Level Agreement	230.00	276.00	Standard Rated (20%)	<b>223.00</b>	<b>267.60</b>	-3.0%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Medium) Primary Academy & Secondary Academy	Service Level Agreement	118.00	141.60	Standard Rated (20%)	<b>234.00</b>	<b>280.80</b>	98.3%	Cost Recovery
Property Services	Schools SLA: Tree Inspection Service (Large) Primary Academy & Secondary Academy	Service Level Agreement	94.00	112.80	Standard Rated (20%)	<b>229.00</b>	<b>274.80</b>	143.6%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections (Large) Primary Academy & Secondary Academy	Service Level Agreement	288.00	345.60	Standard Rated (20%)	<b>244.00</b>	<b>292.80</b>	-15.3%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Large) Primary Academy & Secondary Academy	Service Level Agreement	136.00	163.20	Standard Rated (20%)	<b>317.00</b>	<b>380.40</b>	133.1%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Small) Primary Academy & Secondary Academy	Service Level Agreement	513.00	615.60	Standard Rated (20%)	<b>578.00</b>	<b>693.60</b>	12.7%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Medium) Primary Academy & Secondary Academy	Service Level Agreement	663.00	795.60	Standard Rated (20%)	<b>794.00</b>	<b>952.80</b>	19.8%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Large) Primary Academy & Secondary Academy	Service Level Agreement	1,000.00	1,200.00	Standard Rated (20%)	<b>1,050.00</b>	<b>1,260.00</b>	5.0%	Cost Recovery
Property Services	Schools SLA: Funding Bid Application Support (S/M/L) Primary Academy & Secondary Academy	Service Level Agreement	91.00	109.20	Standard Rated (20%)	<b>Various</b>	<b>Various</b>	N/A	Cost Recovery
Property Services	Schools SLA: Swimming Pool Management (S/M/L) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	-	-	Standard Rated (20%)	<b>270.00</b>	<b>324.00</b>	NEW	Cost Recovery
Property Services	School SLA: Swimming Pool Management (S/M/L) Nursery, Primary, Secondary & Special Schools-Seasonal	Service Level Agreement	-	-	Standard Rated (20%)	<b>439.00</b>	<b>526.80</b>	NEW	Cost Recovery
Property Services	Schools SLA: Recruitment Support (S/M/L) Primary Academy & Secondary Academy	Service Level Agreement	576.00	691.20	Standard Rated (20%)	<b>709.00</b>	<b>850.80</b>	23.1%	Cost Recovery
Property Services	Schools SLA: Core SLA subscription (S/M/L) Primary Academy & Secondary Academy	Service Level Agreement	804.00	964.80	Standard Rated (20%)	<b>948.00</b>	<b>1,137.60</b>	17.9%	Cost Recovery



**Planning Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Planning Services	Implementation S38 & S278 Highway Agreements	Agreement	Various	0.00	Non-Business (0%)	Various	Various	12.6%	Cost Recovery
Planning Services	Monitoring and Records Local Land Charge Fees	Search	22.00	26.40	Standard Rated (20%)	<b>26.00</b>	<b>31.20</b>	18.2%	Cost Recovery
Planning Services	Monitoring and Records Local Land Charge Search Follow-up	Request	Various	Various	Standard Rated (20%)	Various	Various	20.6%	Cost Recovery
Planning Services	Monitoring and Records Highway Boundaries Information	Request	Various	Various	Standard Rated (20%)	Various	Various	20.6%	Cost Recovery
Planning Services	Monitoring and Records S106 Agreement Enquiries	Hour	50.00	60.00	Standard Rated (20%)	<b>60.00</b>	<b>72.00</b>	20.0%	Cost Recovery
Planning Services	Planning and Transport Policy Access to traffic modelling	Request	Various	Various	Standard Rated (20%)	Various	Various	0.0%	Cost Recovery
Planning Services	Planning and Transport Policy Copies of Highway Scheme Plans	Plan	Various	Various	Standard Rated (20%)	Various	Various	0.0%	Cost Recovery
Planning Services	Highways Development Management Pre-application Advice Fees	Written Response or Meeting/Site Visit & Written Response	Various	Various	Standard Rated (20%)	Various	Various	22.7%	Cost Recovery
Planning Services	Monitoring and Records Monitoring of S106 Contributions	Per Trigger	200.00	200.00	Outside Scope (0%)	<b>240.00</b>	<b>240.00</b>	20.0%	Cost Recovery
Planning Services	Monitoring and Records Highway Boundaries – Bespoke Enquiries	Hour	50.00	60.00	Standard Rated (20%)	<b>60.00</b>	<b>72.00</b>	20.0%	Cost Recovery
Planning Services	County Planning Pre-application Advice Fees	Meeting or Site Visit and Written Response, or Written Response Only	Various	Various	Standard Rated (20%)	Various	Various	17.2%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Householder Search	95.00	114.00	Standard Rated (20%)	<b>115.00</b>	<b>138.00</b>	21.1%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Standard Search	158.00	189.60	Standard Rated (20%)	<b>190.00</b>	<b>228.00</b>	20.3%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Priority Search	252.00	302.40	Standard Rated (20%)	<b>300.00</b>	<b>360.00</b>	19.0%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Statutory Undertaker Standard Search	164.00	196.80	Standard Rated (20%)	<b>195.00</b>	<b>234.00</b>	18.9%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Statutory Undertaker Priority Search	338.00	405.60	Standard Rated (20%)	<b>405.00</b>	<b>486.00</b>	19.8%	Cost Recovery
Planning Services	Environment & Heritage Advice and Support to Statutory Undertakers	Hours	87.00	104.40	Standard Rated (20%)	<b>105.00</b>	<b>126.00</b>	20.7%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Planning Services	Environment & Heritage Pre-application Advice Fees	Written Response or Meeting/Site Visit & Written Response	Various	Various	Standard Rated (20%)	Various	Various	20.0%	Cost Recovery
Planning Services	Environment & Heritage Contribution by District and Borough Councils to maintenance of the HER	Annual Fee	3,000.00	3,000.00	Non-Business (0%)	<b>3,000.00</b>	<b>3,000.00</b>	0.0%	Cost Recovery
Planning Services	Flood Risk Management Pre-application Advice Fees	Hectares of development - banded	Various	Various	Standard Rated (20%)	Various	Various	22.7%	Cost Recovery

**Countryside Rights of Way Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Countryside Facilities	Rental of Land and Fishing Rights	Agreement	Various	Various	Exempt (0%)	Various	Various	12.6%	Cost Recovery
Countryside Services	Family Bushcraft	Per Family	67.30	67.30	Exempt (0%)	<b>75.80</b>	<b>75.80</b>	12.6%	Cost Recovery
Countryside Services	All Guided Walks/ Night Hike/ Food For Free With/ Without Hot Drink	Per Person	6.90	6.90	Exempt (0%)	<b>7.80</b>	<b>7.80</b>	13.0%	Cost Recovery
Countryside Services	Craft Events e.g. Christmas Wreaths (Includes Materials/Drinks)	Per Person	22.60	22.60	Exempt (0%)	<b>25.40</b>	<b>25.40</b>	12.4%	Cost Recovery
Countryside Services	Hire of Buchan Country Park Countryside Centre with Refreshments Hourly Charge (All Potential Bookings Must Be Checked & Agreed With the Duty Ranger)	Per Hour (minimum 2-hour Charge)	22.60	22.60	Exempt (0%)	<b>25.40</b>	<b>25.40</b>	12.4%	Cost Recovery
Countryside Services	Schools and Hire of Forest School Area (Per Child)	Per Child	2.30	2.30	Exempt (0%)	<b>2.60</b>	<b>2.60</b>	13.0%	Cost Recovery
Countryside Services	Licence Fee for Access Across or on to COUNCIL Land	Application	Various	Various	Non-Business (0%)	Various	Various	12.6%	Cost Recovery
Rights of Way	Unopposed Public Path Orders Administrative Fees	Order	2,438.90	2,438.90	Non-Business (0%)	<b>2,746.00</b>	<b>2,746.00</b>	12.6%	Cost Recovery
Rights of Way	Opposed Public Path Orders Administrative Fees - Legal and Case Officer Support to Public Inquiry (In addition to the fee stated as "Unopposed Public Path Order").	Order	1,379.40	1,379.40	Non-Business (0%)	<b>1,553.00</b>	<b>1,553.00</b>	12.6%	Cost Recovery
Rights of Way	Un/Opposed Public Path Orders Administrative Fees - Additional Order(s) - In addition to the fee stated as "Unopposed Public Path Order" & "Opposed Public Path Order" fee as applicable)	Order	424.80	424.80	Non-Business (0%)	<b>478.00</b>	<b>478.00</b>	12.6%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Rights of Way	Public Path Orders Administrative Fees - Temporary Traffic Regulation Order (Path Closure) (21 days emergency/ unplanned orders)	Path Order	583.20	583.20	Non-Business (0%)	<b>657.00</b>	<b>657.00</b>	12.6%	Cost Recovery
Rights of Way	Public Path Orders Administrative Fees - Temporary Traffic Regulation Order (Path Closure) (5 days planned works orders)	Path Order	583.20	583.20	Non-Business (0%)	<b>657.00</b>	<b>657.00</b>	12.6%	Cost Recovery
Rights of Way	Hoarding Application	m2 per 6 weeks	28.30	28.30	Non-Business (0%)	<b>31.90</b>	<b>31.90</b>	12.6%	Cost Recovery

#### Waste Fees and Charges

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Waste Recycling & Disposal	Co-mingled Recyclate	Tonne	112.50	135.00	Standard Rated (20%)	<b>126.70</b>	<b>152.04</b>	12.6%	Cost Recovery
Waste Recycling & Disposal	Trade Waste Disposal	Tonne	157.50	189.00	Standard Rated (20%)	<b>177.30</b>	<b>212.76</b>	12.6%	Cost Recovery
Waste Recycling & Disposal	Green Waste Disposal	Tonne	65.83	79.00	Standard Rated (20%)	<b>74.10</b>	<b>88.92</b>	12.6%	Cost Recovery
Waste Recycling & Disposal	WEEE Category A Recycling	Tonne	154.17	185.00	Standard Rated (20%)	<b>173.60</b>	<b>208.32</b>	12.6%	Cost Recovery
Waste Recycling & Disposal	WEEE Category B Recycling	Tonne	431.67	518.00	Standard Rated (20%)	<b>486.10</b>	<b>583.32</b>	12.6%	Cost Recovery
Waste Recycling & Disposal	WEEE Category C Recycling	Tonne	431.67	518.00	Standard Rated (20%)	<b>486.10</b>	<b>583.32</b>	12.6%	Cost Recovery
Waste Recycling & Disposal	WEEE Category D Recycling	Tonne	431.67	518.00	Standard Rated (20%)	<b>486.10</b>	<b>583.32</b>	12.6%	Cost Recovery
Waste Recycling & Disposal	WEEE Category E Recycling	Tonne	154.17	185.00	Standard Rated (20%)	<b>173.60</b>	<b>208.32</b>	12.6%	Cost Recovery
Waste Recycling & Disposal	Single Stream Recyclate	Tonne	13.33	16.00	Standard Rated (20%)	<b>15.00</b>	<b>18.00</b>	12.6%	Cost Recovery
Waste Recycling & Disposal	Motor Vehicle Tyre Disposal	Tyre	4.38	5.25	Standard Rated (20%)	<b>4.90</b>	<b>5.88</b>	12.0%	Cost Recovery
Waste Recycling & Disposal	Trade Waste Mattress Disposal	Mattress	13.12	15.75	Standard Rated (20%)	<b>14.80</b>	<b>17.75</b>	12.8%	Cost Recovery

**Energy Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Energy Services	School SLA: Schools Display Energy Certificates	Per Certificate	59.00	59.00	Non-Business (0%)	<b>59.00</b>	<b>59.00</b>	0.0%	Cost Recovery
Energy Services	School SLA: Schools Display Energy Certificates - Academy	Per Certificate	59.00	70.80	Standard Rated (20%)	<b>59.00</b>	<b>70.80</b>	0.0%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 1	1-5 Meters	359.00	359.00	Non-Business (0%)	<b>373.40</b>	<b>373.40</b>	4.0%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 1. Academy	1-5 Meters	359.00	430.80	Standard Rated (20%)	<b>373.40</b>	<b>448.10</b>	4.0%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 2	6-9 Meters	419.00	419.00	Non-Business (0%)	<b>435.80</b>	<b>435.80</b>	4.0%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 2. Academy	6-9 Meters	419.00	502.80	Standard Rated (20%)	<b>435.80</b>	<b>523.00</b>	4.0%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 3	10+ Meters	520.00	520.00	Non-Business (0%)	<b>540.80</b>	<b>540.80</b>	4.0%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 3. Academy	10+ Meters	520.00	624.00	Standard Rated (20%)	<b>540.80</b>	<b>649.00</b>	4.0%	Cost Recovery

**Finance Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Schools Financial Services	Schools SLA: Schools Financial Services - Nursery, Primary, Secondary and Special Schools	School, Per Annum	£1,049 per school plus £0.52 per pupil	£1,049 per school plus £0.52 per pupil	Non-Business (0%)	<b>£1,090 per school plus £0.54 per pupil</b>	<b>£1,090 per school plus £0.54 per pupil</b>	4.0%	Cost Recovery
Schools Financial Services	Schools SLA: Schools Financial Services - Year-end financial closedown - minimum of 4 hours	Fixed (4 hours)	152.00	152.00	Non-Business (0%)	<b>160.00</b>	<b>160.00</b>	5.3%	Cost Recovery
Schools Financial Services	Schools SLA: Group Training Courses or Workshops (Half Day)	Person	50.00	50.00	Non-Business (0%)	<b>50.00</b>	<b>50.00</b>	0.0%	Cost Recovery
Schools Financial Services	Schools SLA: Group Training Courses or Workshops (Full Day)	Person	80.00	80.00	Non-Business (0%)	<b>80.00</b>	<b>80.00</b>	0.0%	Cost Recovery
Schools Financial Services	Schools SLA: Group Training Courses or Workshops (Online)	Person	20.00	20.00	Non-Business (0%)	<b>20.00</b>	<b>20.00</b>	0.0%	Cost Recovery
Schools Financial Services	Schools Financial Services - Pre-booked Visits to Schools - Minimum 2.5 hours	Hours	137.50	137.50	Non-Business (0%)	<b>144.00</b>	<b>144.00</b>	4.7%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Schools Financial Services	Schools Financial Services - Pre-booked Dial-ups to Schools	Hour	38.00	38.00	Non-Business (0%)	40.00	40.00	5.3%	Cost Recovery
Schools Financial Services	Schools SLA: Schools Financial Services - School Fund support	Fixed	N/A	N/A	Non-Business (0%)	100.00	100.00	NEW	Cost Recovery

#### **Fire Service Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Fire and Rescue Service - Special Services	Major appliance/Large Vehicle & Crew (e.g. Aerial Ladder Platform, Bulk Water Carrier)	Hour	360.00	432.00	Standard Rated (20%)	405.00	486.00	12.5%	Cost Recovery
Fire and Rescue Service - Special Services	Pumping Appliance	Hour	400.00	480.00	Standard Rated (20%)	450.00	540.00	12.5%	Cost Recovery
Fire and Rescue Service - Special Services	Small Vehicle (e.g. 4x4, Community Engagement Vehicle)	Hour	300.00	360.00	Standard Rated (20%)	340.00	408.00	13.3%	Cost Recovery
Fire and Rescue Service - Special Services	Copy of IRS report	Report	98.50	118.20	Standard Rated (20%)	110.00	132.00	11.7%	Cost Recovery
Fire and Rescue Service - Special Services	Fire Investigation Interview	Hour	145.00	174.00	Standard Rated (20%)	165.00	198.00	13.8%	Cost Recovery
Fire and Rescue Service - Special Services	Copy of Fire Report	Report	455.00	546.00	Standard Rated (20%)	510.00	612.00	12.1%	Cost Recovery
Fire and Rescue Service - Special Services	Labour (dependent on role) - First Hour or Part Thereof	Hour	75.00	90.00	Standard Rated (20%)	85.00	102.00	13.3%	Cost Recovery
Fire and Rescue Service - Special Services	Labour (dependent on role) - Each Subsequent 30 Minutes	Half Hour	45.00	54.00	Standard Rated (20%)	50.00	60.00	11.1%	Cost Recovery
Fire and Rescue Service - Special Services	Event Charges	Hour	360.00	432.00	Standard Rated (20%)	400.00	480.00	11.1%	Cost Recovery
Fire and Rescue Service - Special Services	Open Course Face to Face Training - Fire Safety - Various	Per head	125.00	125.00	Exempt (0%)	140.00	140.00	12.0%	Cost Recovery
Fire and Rescue Service - Special Services	On-Site Face to Face Training - Fire Safety Awareness	Course - Max 20 people.	350.00	350.00	Exempt (0%)	385.00	385.00	10.0%	Cost Recovery
Fire and Rescue Service - Special Services	On-Site Face to Face Training - Fire Extinguisher	Course - Max 15 people.	440.00	440.00	Exempt (0%)	485.00	485.00	10.2%	Cost Recovery
Fire and Rescue Service - Special Services	On-Site Face to Face Training - Fire Warden	Course - Max 15 people.	585.00	585.00	Exempt (0%)	645.00	645.00	10.3%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Fire and Rescue Service - Commercial Training	On-Site Face to Face Training - Manual Handling	Course - Max 15 people.	585.00	585.00	Exempt (0%)	<b>645.00</b>	<b>645.00</b>	10.3%	Cost Recovery
Fire and Rescue Service - Commercial Training	On-Site Face to Face Training - Management of Fire Risk	Course - Max 15 people.	585.00	585.00	Exempt (0%)	<b>645.00</b>	<b>645.00</b>	10.3%	Cost Recovery
Fire and Rescue Service - Commercial Training	Fire Extinguisher Maintenance	Extinguisher	Various	Various	Exempt (0%)	<b>Various</b>	<b>Various</b>	N/A	Cost Recovery

**Records Office Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Record Office	Publication Fees for Film and TV	Photograph	56.67	68.00	Standard Rated (20%)	<b>62.50</b>	<b>75.00</b>	10.3%	Cost Recovery
Record Office	Room Hire of Work Room (Up to 12 People)	Full Day	90.00	90.00	Exempt (0%)	<b>100.00</b>	<b>100.00</b>	11.1%	Cost Recovery
Record Office	Publication Fees for Garland Photos UK Rights	Image	25.00	30.00	Standard Rated (20%)	<b>27.08</b>	<b>32.50</b>	8.3%	Cost Recovery
Record Office	Publication Fees for Garland Photos World Rights	Image	50.00	60.00	Standard Rated (20%)	<b>54.17</b>	<b>65.00</b>	8.3%	Cost Recovery
Record Office	Publication Fee in Books With Print Run of 1-1000	Photograph	6.25	7.50	Standard Rated (20%)	<b>8.33</b>	<b>10.00</b>	33.3%	Cost Recovery
Record Office	Publication Fee in Books with Print Run of 1001-3000	Photograph	12.50	15.00	Standard Rated (20%)	<b>14.58</b>	<b>17.50</b>	16.6%	Cost Recovery
Record Office	Publication Fee in Books with Print Run of 3001-5000	Photograph	18.75	22.50	Standard Rated (20%)	<b>20.83</b>	<b>25.00</b>	11.1%	Cost Recovery
Record Office	Publication Fee in Books with Print Run of 5001 and Over	Photograph	25.00	30.00	Standard Rated (20%)	<b>27.08</b>	<b>32.50</b>	8.3%	Cost Recovery
Record Office	Publication Fees for National Media/Periodicals	Photograph	25.00	30.00	Standard Rated (20%)	<b>27.08</b>	<b>32.50</b>	8.3%	Cost Recovery
Record Office	Record Office 'Surgeries'	Hour	35.00	42.00	Standard Rated (20%)	<b>37.50</b>	<b>45.00</b>	7.1%	Cost Recovery
Record Office	Publication Fees for Other Commercial Publications	Photograph	33.33	40.00	Standard Rated (20%)	<b>37.50</b>	<b>45.00</b>	12.5%	Cost Recovery
Record Office	Publication Fees for Local Media	Photograph	6.25	7.50	Standard Rated (20%)	<b>8.33</b>	<b>10.00</b>	33.3%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Record Office	Publication Fees for Eric Gill Collection	Item	10.00	12.00	Standard Rated (20%)	<b>27.08</b>	<b>32.50</b>	170.8%	Cost Recovery
Record Office	Scanned Image and Print A3	Sheet	20.00	24.00	Standard Rated (20%)	<b>20.00</b>	<b>24.00</b>	0.0%	Cost Recovery
Record Office	Scanned Image and Print A3-A1	Sheet	40.00	48.00	Standard Rated (20%)	<b>40.00</b>	<b>48.00</b>	0.0%	Cost Recovery
Record Office	Scanned Image and Print A4	Sheet	10.00	12.00	Standard Rated (20%)	<b>10.00</b>	<b>12.00</b>	0.0%	Cost Recovery
Record Office	Supply of Scanned Image - A3-A0	Sheet	26.67	32.00	Standard Rated (20%)	<b>26.67</b>	<b>32.00</b>	0.0%	Cost Recovery
Record Office	Supply of Scanned Image - A4-A3	Sheet	13.33	16.00	Standard Rated (20%)	<b>13.33</b>	<b>16.00</b>	0.0%	Cost Recovery
Record Office	Supply of Scanned Image - up to A4	Sheet	6.67	8.00	Standard Rated (20%)	<b>6.67</b>	<b>8.00</b>	0.0%	Cost Recovery
Record Office	Car Parking - full day	Day	6.67	8.00	Standard Rated (20%)	<b>7.08</b>	<b>8.50</b>	6.1%	Cost Recovery
Record Office	Car Parking - half day	Half Day	3.33	4.00	Standard Rated (20%)	<b>3.54</b>	<b>4.25</b>	6.3%	Cost Recovery
Record Office	Daytime Tours of Record Office	Tour	37.00	37.00	Exempt (0%)	<b>40.00</b>	<b>40.00</b>	8.1%	Cost Recovery
Record Office	Genealogical Research Fees	Tour	30.00	36.00	Standard Rated (20%)	<b>30.00</b>	<b>36.00</b>	0.0%	Cost Recovery
Record Office	Other Searches	Hour	30.00	36.00	Standard Rated (20%)	<b>30.00</b>	<b>36.00</b>	0.0%	Cost Recovery
Record Office	Orders by Post (up to 3 colour copies at A4 or 2 colour copies at A3)	Up to 3 Sheets	7.50	9.00	Standard Rated (20%)	<b>10.83</b>	<b>13.00</b>	44.4%	Cost Recovery
Record Office	Orders by Post (up to 5 copies)	Up to 5 sheets	5.42	6.50	Standard Rated (20%)	<b>6.67</b>	<b>8.00</b>	23.1%	Cost Recovery
Record Office	Evening Tours of Record Office	Tour	68.00	68.00	Exempt (0%)	<b>75.00</b>	<b>75.00</b>	10.3%	Cost Recovery
Record Office	Out of Office Talks	Talk	56.67	68.00	Standard Rated (20%)	<b>62.50</b>	<b>75.00</b>	10.3%	Cost Recovery
Record Office	Online Talks (per person)	Talk	5.00	5.00	Exempt (0%)	<b>5.00</b>	<b>5.00</b>	0.0%	Cost Recovery
Record Office	Short Research Fee	30 Minutes	15.00	18.00	Standard Rated (20%)	<b>15.00</b>	<b>18.00</b>	0.0%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Record Office	Evening talks at the Record Office	Person	6.67	8.00	Standard Rated (20%)	<b>6.67</b>	<b>8.00</b>	0.0%	Cost Recovery
Record Office	Self-service Microform Copying	Sheet	0.42	0.50	Standard Rated (20%)	<b>0.42</b>	<b>0.50</b>	0.0%	Cost Recovery
Record Office	Self-service Printing from Computer	Sheet	0.42	0.50	Standard Rated (20%)	<b>0.42</b>	<b>0.50</b>	0.0%	Cost Recovery
Record Office	A3 and A4 Photocopies	Sheet	0.54	0.65	Standard Rated (20%)	<b>0.54</b>	<b>0.65</b>	0.0%	Cost Recovery
Record Office	Coffee Time Sessions	Person	7.50	7.50	Exempt (0%)	<b>7.50</b>	<b>7.50</b>	0.0%	Cost Recovery
Record Office	Photocopies - A3 Colour	Sheet	2.71	3.25	Standard Rated (20%)	<b>4.17</b>	<b>5.00</b>	53.9%	Cost Recovery
Record Office	Photocopies - A4 Colour	Sheet	1.46	1.75	Standard Rated (20%)	<b>2.08</b>	<b>2.50</b>	42.5%	Cost Recovery
Record Office	Digital Copy of Tithe Map (One Format)	Document	16.67	20.00	Standard Rated (20%)	<b>20.83</b>	<b>25.00</b>	25.0%	Cost Recovery
Record Office	Filming On-site	Day	208.33	250.00	Standard Rated (20%)	<b>250.00</b>	<b>300.00</b>	20.0%	Cost Recovery
Record Office	Room Hire of Work Room (up to 12 people)	Half Day	45.00	45.00	Exempt (0%)	<b>50.00</b>	<b>50.00</b>	11.1%	Cost Recovery
Record Office	Certified Copies of Documents	Document	13.33	16.00	Standard Rated (20%)	<b>16.67</b>	<b>20.00</b>	25.1%	Cost Recovery
Record Office	DIY Photography in Search Room	Day	10.00	12.00	Standard Rated (20%)	<b>10.00</b>	<b>12.00</b>	0.0%	Cost Recovery
Record Office	Baptism Certificate	Certificate	25.83	31.00	Standard Rated (20%)	<b>26.67</b>	<b>32.00</b>	3.2%	Cost Recovery



**Library Service Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Library Service	Audiobooks (up to 8 cassettes/CDs)	3 Weeks	1.45	1.45	Non-Business (0%)	<b>1.50</b>	<b>1.50</b>	3.4%	Cost Recovery
Library Service	Audiobooks (9+ cassettes/CDs)	3 Weeks	2.90	2.90	Non-Business (0%)	<b>3.00</b>	<b>3.00</b>	3.4%	Cost Recovery
Library Service	Audiobooks (Playaway - digital audio)	3 Weeks	2.90	2.90	Non-Business (0%)	<b>3.00</b>	<b>3.00</b>	3.4%	Cost Recovery
Library Service	CDs - Other	1 Week	1.20	1.25	Non-Business (0%)	<b>1.50</b>	<b>1.50</b>	25.0%	Cost Recovery
Library Service	DVDs (General)	1 Week	2.00	2.00	Non-Business (0%)	<b>2.25</b>	<b>2.25</b>	12.5%	Cost Recovery
Library Service	Reservation Fees - Books reserved directly online	Item	0.60	0.60	Non-Business (0%)	<b>0.75</b>	<b>0.75</b>	25.0%	Cost Recovery
Library Service	Reservation Fees - Books in West Sussex or Partnership Libraries	Item	1.00	1.00	Non-Business (0%)	<b>1.00</b>	<b>1.00</b>	0.0%	Cost Recovery
Library Service	Reservation Fees - Books from Elsewhere	Item	7.50	7.50	Non-Business (0%)	<b>8.00</b>	<b>8.00</b>	6.7%	Cost Recovery
Library Service	Reservation Fees - Books from British Library	Item	11.00	11.00	Non-Business (0%)	<b>12.00</b>	<b>12.00</b>	9.1%	Cost Recovery
Library Service	Overdue Charges (Administration Charge for overdue letter)	Letter	1.75	1.75	Non-Business (0%)	<b>2.00</b>	<b>2.00</b>	14.3%	Cost Recovery
Library Service	Overdue Charges (Adult Books)	Day	0.30	0.30	Non-Business (0%)	<b>0.30</b>	<b>0.30</b>	0.0%	Cost Recovery
Library Service	Overdue Charges (Audio Books)	Day	0.30	0.30	Non-Business (0%)	<b>0.30</b>	<b>0.30</b>	0.0%	Cost Recovery
Library Service	Overdue Charges (General DVDs)	Day	0.60	0.60	Non-Business (0%)	<b>0.60</b>	<b>0.60</b>	0.0%	Cost Recovery
Library Service	Overdue Charges (Music CDs)	Day	0.30	0.30	Non-Business (0%)	<b>0.30</b>	<b>0.30</b>	0.0%	Cost Recovery
Library Service	Membership Card Replacement	Card	1.75	1.75	Non-Business (0%)	<b>2.00</b>	<b>2.00</b>	14.3%	Cost Recovery
Library Service	Exhibition Booking Fee	Per week, When Items Are For Sale	13.50	13.50	Exempt (0%)	<b>15.00</b>	<b>15.00</b>	11.1%	Cost Recovery
Library Service	Fax: to UK	Per Page	1.67	2.00	Standard Rated (20%)	<b>1.88</b>	<b>2.25</b>	12.3%	Cost Recovery
Library Service	Fax: to Europe	Per Page	2.25	2.70	Standard Rated (20%)	<b>2.50</b>	<b>3.00</b>	11.1%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Library Service	Fax: to Rest of World	Per Page	2.83	3.40	Standard Rated (20%)	<b>3.17</b>	<b>3.80</b>	11.8%	Cost Recovery
Library Service	Fax: Receiving Fax	Per Page	1.13	1.36	Standard Rated (20%)	<b>1.25</b>	<b>1.50</b>	10.6%	Cost Recovery
Library Service	Photocopying - A4 Black and White	Copy	0.13	0.15	Standard Rated (20%)	<b>0.13</b>	<b>0.15</b>	0.0%	Cost Recovery
Library Service	Photocopying - A3 Black and White	Copy	0.17	0.20	Standard Rated (20%)	<b>0.17</b>	<b>0.20</b>	0.0%	Cost Recovery
Library Service	Photocopying - A4 Colour	Copy	0.42	0.50	Standard Rated (20%)	<b>0.42</b>	<b>0.50</b>	0.0%	Cost Recovery
Library Service	Photocopying - A3 Colour	Copy	0.83	1.00	Standard Rated (20%)	<b>0.83</b>	<b>1.00</b>	0.0%	Cost Recovery
Library Service	Printing: charge for Internet Prints - A4 Black and White	Page	0.17	0.20	Standard Rated (20%)	<b>0.17</b>	<b>0.20</b>	0.0%	Cost Recovery
Library Service	Printing: charge for Internet Prints - A4 Colour	Page	0.50	0.60	Standard Rated (20%)	<b>0.50</b>	<b>0.60</b>	0.0%	Cost Recovery
Library Service	Public Access Computers: Charge for non-members using PCs	Hour	1.67	2.00	Standard Rated (20%)	<b>1.88</b>	<b>2.25</b>	12.3%	Cost Recovery
Library Service	Reading Groups - Subscription	Year	27.50	33.00	Standard Rated (20%)	<b>29.17</b>	<b>35.00</b>	6.1%	Cost Recovery
Library Service	Lost and damaged book - admin fee (in addition to replacement cost)	Item	1.75	1.75	Non-Business (0%)	<b>2.00</b>	<b>2.00</b>	14.3%	Cost Recovery
Library Service	Lettings - Community Use	1 Hour	10.00	10.00	Exempt (0%)	<b>10.00</b>	<b>10.00</b>	0.0%	Cost Recovery
Library Service	Lettings - SME Business	1 Hour	20.00	20.00	Exempt (0%)	<b>20.00</b>	<b>20.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Commercial Use	1 Hour	40.00	40.00	Exempt (0%)	<b>40.00</b>	<b>40.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Crawley Library Meeting Rooms - Community Use	1 Hour	12.00	12.00	Exempt (0%)	<b>12.00</b>	<b>12.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Crawley Library Meeting Rooms - SME Business Use	1 Hour	24.00	24.00	Exempt (0%)	<b>24.00</b>	<b>24.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Crawley Library Meeting Rooms - Commercial Use	1 Hour	48.00	48.00	Exempt (0%)	<b>48.00</b>	<b>48.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Longley Exhibition Room - Community Use	1 Hour	22.00	22.00	Exempt (0%)	<b>22.00</b>	<b>22.00</b>	0.0%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Library Service	Lettings - Longley Exhibition Room - SME Business Use	1 Hour	44.00	44.00	Exempt (0%)	<b>44.00</b>	<b>44.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Longley Exhibition Room - Commercial Use	1 Hour	88.00	88.00	Exempt (0%)	<b>88.00</b>	<b>88.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Worthing Library Lecture Theatre - Community Use	1 Hour	22.00	22.00	Exempt (0%)	<b>22.00</b>	<b>22.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Worthing Library Lecture Theatre - SME Business Use	1 Hour	44.00	44.00	Exempt (0%)	<b>44.00</b>	<b>44.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Worthing Library Lecture Theatre - Commercial Use	1 Hour	88.00	88.00	Exempt (0%)	<b>88.00</b>	<b>88.00</b>	0.0%	Cost Recovery
Library Service	Schools SLA - School Library Service (Under 110 Pupils)	Per School	832.00	832.00	Exempt (0%)	<b>899.00</b>	<b>899.00</b>	8.1%	Cost Recovery
Library Service	Schools SLA - School Library Service (Over 110 Pupils)	Per School & Per Pupil	3.62	3.62	Exempt (0%)	<b>4.00</b>	<b>4.00</b>	10.5%	Cost Recovery
Library Service	Schools SLA - School Library Service (Under 110 Pupils) Academies and Free Schools	Per School	832.00	998.40	Standard Rated (20%)	<b>899.00</b>	<b>1,078.80</b>	8.1%	Cost Recovery
Library Service	Schools SLA - School Library Service (Over 110 Pupils) Academies and Free Schools	Per Pupil	3.62	4.34	Standard Rated (20%)	<b>4.00</b>	<b>4.80</b>	10.5%	Cost Recovery

#### Registration Fees and Charges

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Registration Service	Individually organised Citizenship ceremony for one person at a registration office or virtually	Ceremony	100.00	120.00	Standard Rated (20%)	<b>104.17</b>	<b>125.00</b>	4.2%	Cost Recovery
Registration Service	Individually organised Citizenship ceremony for a family at a registration office or virtually	Family Ceremony	130.83	157.00	Standard Rated (20%)	<b>135.83</b>	<b>163.00</b>	3.8%	Cost Recovery
Registration Service	Individually organised Citizenship ceremony for one person at a registration office or virtually on a Saturday	Ceremony	113.33	136.00	Standard Rated (20%)	<b>117.50</b>	<b>141.00</b>	3.7%	Cost Recovery
Registration Service	Individually organised Citizenship ceremony for a family at a registration office or virtually on a Saturday	Family Ceremony	140.00	168.00	Standard Rated (20%)	<b>145.83</b>	<b>175.00</b>	4.2%	Cost Recovery
Registration Service	Non-Statutory Ceremonies - Fee for commemorative certificate	Certificate	9.17	11.00	Standard Rated (20%)	<b>9.17</b>	<b>11.00</b>	0.0%	Cost Recovery
Registration Service	Additional administration fee for Notice Appointments requested on Saturdays. Added to reflect increased cost of delivery of a Saturday service	Notice	10.83	13.00	Standard Rated (20%)	<b>11.67</b>	<b>14.00</b>	7.8%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony) To register a marriage/ civil partnership Monday - Thursday	Ceremony	228.00	228.00	Non-Business (0%)	<b>237.00</b>	<b>237.00</b>	3.9%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony) To register a marriage/ civil partnership Friday	Ceremony	294.00	294.00	Non-Business (0%)	<b>306.00</b>	<b>306.00</b>	4.1%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony) To register a marriage/ civil partnership Saturday / Sunday	Ceremony	325.00	325.00	Non-Business (0%)	<b>338.00</b>	<b>338.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony) To register a marriage/ civil partnership Public Holiday	Ceremony	424.00	424.00	Non-Business (0%)	<b>441.00</b>	<b>441.00</b>	4.0%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A) Monday - Thursday	Ceremony	208.33	250.00	Standard Rated (20%)	<b>215.83</b>	<b>259.00</b>	3.6%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A) Friday	Ceremony	263.33	316.00	Standard Rated (20%)	<b>273.33</b>	<b>328.00</b>	3.8%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A) Saturday / Sunday	Ceremony	289.17	347.00	Standard Rated (20%)	<b>300.00</b>	<b>360.00</b>	3.7%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A) Public Holiday	Ceremony	371.67	446.00	Standard Rated (20%)	<b>385.83</b>	<b>463.00</b>	3.8%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat B room (e.g. Parlour, Henshall ) To register a marriage/ civil partnership Monday - Thursday	Ceremony	273.00	273.00	Non-Business (0%)	<b>284.00</b>	<b>284.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat B room (e.g. Parlour, Henshall ) To register a marriage/ civil partnership Friday	Ceremony	333.00	333.00	Non-Business (0%)	<b>346.00</b>	<b>346.00</b>	3.9%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat B room (e.g. Parlour, Henshall ) To register a marriage/ civil partnership Saturday / Sunday	Ceremony	394.00	394.00	Non-Business (0%)	<b>410.00</b>	<b>410.00</b>	4.1%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat B room (e.g. Parlour, Henshall) To register a marriage/ civil partnership Public Holiday	Ceremony	514.00	514.00	Non-Business (0%)	<b>535.00</b>	<b>535.00</b>	4.1%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B) Monday - Thursday	Ceremony	245.83	295.00	Standard Rated (20%)	<b>255.00</b>	<b>306.00</b>	3.7%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B) Friday	Ceremony	295.83	355.00	Standard Rated (20%)	<b>306.67</b>	<b>368.00</b>	3.7%	Cost Recovery
Registration Service	Non Statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B) Saturday / Sunday	Ceremony	346.67	416.00	Standard Rated (20%)	<b>360.00</b>	<b>432.00</b>	3.8%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B) Public Holiday	Ceremony	446.67	536.00	Standard Rated (20%)	<b>464.17</b>	<b>557.00</b>	3.9%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat C room (e.g. The Drawing Room) To register a marriage/ civil partnership Monday - Thursday	Ceremony	455.00	455.00	Non-Business (0%)	<b>473.00</b>	<b>473.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat C room (e.g. The Drawing Room) To register a marriage/ civil partnership Friday	Ceremony	505.00	505.00	Non-Business (0%)	<b>525.00</b>	<b>525.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat C room (e.g. The Drawing Room) To register a marriage/ civil partnership Saturday / Sunday	Ceremony	618.00	618.00	Non-Business (0%)	<b>643.00</b>	<b>643.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat C room (e.g. The Drawing Room) To register a marriage/ civil partnership Public Holiday	Ceremony	682.00	682.00	Non-Business (0%)	<b>709.00</b>	<b>709.00</b>	4.0%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C) Monday - Thursday	Ceremony	397.50	477.00	Standard Rated (20%)	<b>412.50</b>	<b>495.00</b>	3.8%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C) Friday	Ceremony	439.17	527.00	Standard Rated (20%)	<b>455.83</b>	<b>547.00</b>	3.8%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C) Saturday / Sunday	Ceremony	533.33	640.00	Standard Rated (20%)	<b>554.17</b>	<b>665.00</b>	3.9%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C) Public Holiday	Ceremony	586.67	704.00	Standard Rated (20%)	<b>609.17</b>	<b>731.00</b>	3.8%	Cost Recovery
Registration Service	Attendance of Registrars in West Sussex Venue Cat C room (e.g. The Drawing Room) Additional ceremony at venue already paying for one ceremony - i.e. baby naming	Additional Ceremony	121.00	121.00	Non-Business (0%)	<b>126.00</b>	<b>126.00</b>	4.1%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat D room (e.g. The Richmond Room Room) To register a marriage/ civil partnership Monday - Thursday	Ceremony	775.00	775.00	Non-Business (0%)	<b>806.00</b>	<b>806.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat D room (e.g. The Richmond Room Room) To register a marriage/ civil partnership Friday	Ceremony	826.00	826.00	Non-Business (0%)	<b>859.00</b>	<b>859.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat D room (e.g. The Richmond Room Room) To register a marriage/ civil partnership Saturday / Sunday	Ceremony	904.00	904.00	Non-Business (0%)	<b>940.00</b>	<b>940.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat D room (e.g. The Richmond Room Room) To register a marriage/ civil partnership Public Holiday	Ceremony	981.00	981.00	Non-Business (0%)	<b>1020.00</b>	<b>1,020.00</b>	4.0%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D) Monday - Thursday	Ceremony	664.17	797.00	Standard Rated (20%)	<b>690.00</b>	<b>828.00</b>	3.9%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D) Friday	Ceremony	706.67	848.00	Standard Rated (20%)	<b>734.17</b>	<b>881.00</b>	3.9%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D) Saturday / Sunday	Ceremony	771.67	926.00	Standard Rated (20%)	<b>801.67</b>	<b>962.00</b>	3.9%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D) Public Holiday	Ceremony	835.83	1003.00	Standard Rated (20%)	<b>868.33</b>	<b>1,042.00</b>	3.9%	Cost Recovery
Registration Service	Attendance of Registrars at an outside venue to register a marriage / civil partnership Monday - Thursday	Ceremony	455.00	455.00	Non-Business (0%)	<b>473.00</b>	<b>473.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars at an outside venue to register a marriage / civil partnership Friday	Ceremony	505.00	505.00	Non-Business (0%)	<b>525.00</b>	<b>525.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars at an outside venue to register a marriage / civil partnership Saturday / Sunday	Ceremony	618.00	618.00	Non-Business (0%)	<b>643.00</b>	<b>643.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars at an outside venue to register a marriage / civil partnership Public Holiday	Ceremony	682.00	682.00	Non-Business (0%)	<b>709.00</b>	<b>709.00</b>	4.0%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows at Outside Venues and non-licenced premises Monday - Thursday	Ceremony	397.50	477.00	Standard Rated (20%)	<b>412.50</b>	<b>495.00</b>	3.8%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows at Outside Venues and non-licenced premises Friday	Ceremony	439.17	527.00	Standard Rated (20%)	<b>455.83</b>	<b>547.00</b>	3.8%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows at Outside Venues and non-licenced premises Saturday / Sunday	Ceremony	533.33	640.00	Standard Rated (20%)	<b>554.17</b>	<b>665.00</b>	3.9%	Cost Recovery
Registration Service	Venue Licensing Licence valid for three years for a venue to hold Marriages & CPs.	License	2117.00	2117.00	Non-Business (0%)	<b>2202.00</b>	<b>2,202.00</b>	4.0%	Cost Recovery
Registration Service	Licensing a Religious Building to hold civil partnerships Appeal against a refusal to grant a license.	Appeal	423.00	423.00	Non-Business (0%)	<b>440.00</b>	<b>440.00</b>	4.0%	Cost Recovery
Registration Service	Venue Licensing License valid for three years for a venue to hold Marriages & CPs: Fee for Additional room	Additional Room	364.00	364.00	Non-Business (0%)	<b>379.00</b>	<b>379.00</b>	4.1%	Cost Recovery
Registration Service	Attendance of Registrars at venue of choice to celebrate of marriage or civil partnership following statutory ceremony in the West Sussex Register Office Monday - Thursday	Ceremony	384.17	461.00	Standard Rated (20%)	<b>400.00</b>	<b>480.00</b>	4.1%	Cost Recovery
Registration Service	Attendance of Registrars at venue of choice to celebrate of marriage or civil partnership following statutory ceremony in the West Sussex Register Office Friday	Ceremony	426.67	512.00	Standard Rated (20%)	<b>443.33</b>	<b>532.00</b>	3.9%	Cost Recovery
Registration Service	Attendance of Registrars at venue of choice to celebrate of marriage or civil partnership following statutory ceremony in the West Sussex Register Office Saturday / Sunday	Ceremony	525.83	631.00	Standard Rated (20%)	<b>546.67</b>	<b>656.00</b>	4.0%	Cost Recovery
Registration Service	Attendance of Registrars at venue of choice to celebrate of marriage or civil partnership following statutory ceremony in the West Sussex Register Office Public Holiday	Ceremony	581.67	698.00	Standard Rated (20%)	<b>605.00</b>	<b>726.00</b>	4.0%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Registration Service	Registrar to register a civil partnership at a religious building Monday - Thursday	Ceremony	180.00	180.00	Non-Business (0%)	<b>187.00</b>	<b>187.00</b>	3.9%	Cost Recovery
Registration Service	Registrar to register a civil partnership at a religious building Friday	Ceremony	241.67	241.67	Non-Business (0%)	<b>251.00</b>	<b>251.00</b>	3.9%	Cost Recovery
Registration Service	Registrar to register a civil partnership at a religious building Saturday / Sunday	Ceremony	273.00	273.00	Non-Business (0%)	<b>284.00</b>	<b>284.00</b>	4.0%	Cost Recovery
Registration Service	Registrar to register a civil partnership at a religious building Public Holiday	Ceremony	363.00	363.00	Non-Business (0%)	<b>378.00</b>	<b>378.00</b>	4.1%	Cost Recovery
Registration Service	Attendance of Registrars at a venue subject to specific partnership arrangement to Register a marriage/civil partnership Friday	Ceremony	315.00	315.00	Non-Business (0%)	<b>328.00</b>	<b>328.00</b>	4.1%	Cost Recovery
Registration Service	Attendance of Registrars at a venue subject to specific partnership arrangement to Register a marriage/civil partnership Saturday	Ceremony	347.00	347.00	Non-Business (0%)	<b>361.00</b>	<b>361.00</b>	4.0%	Cost Recovery
Registration Service	Cat A room Crawley - Small ceremonies on Thursday morning	Ceremony	172.00	347.00	Non-Business (0%)	<b>172.00</b>	<b>172.00</b>	0.0%	Cost Recovery
Registration Service	Amendment fee for Ceremonies ( Dates/ Times etc)	Amendment	-	-	Non-Business (0%)	<b>35.00</b>	<b>35.00</b>	NEW	Cost Recovery

#### Gypsy and Travellers Sites Fees and Charges

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Gypsy and Travellers Sites	Gypsy Roma Traveller Site Plot Rental – Fairplace Hill (4 X Double Pitch Plot Rental)	Week	110.70	110.70	Exempt (0%)	<b>116.00</b>	<b>116.00</b>	4.8%	Subsidised
Gypsy and Travellers Sites	Gypsy Roma Traveller Site Plot Rental – Fairplace Hill (5 X Single Pitch Plot Rental)	Week	88.10	88.10	Exempt (0%)	<b>93.00</b>	<b>93.00</b>	5.6%	Subsidised
Gypsy and Travellers Sites	Gypsy Roma Traveller Site Plot Rental – Fairplace Hill (1 X Single Pitch Plot Rental)	Week	105.60	105.60	Exempt (0%)	<b>111.00</b>	<b>111.00</b>	5.1%	Subsidised
Gypsy and Travellers Sites	Gypsy Roma Traveller Site Plot Rental – Wither Park (16 X Plot Rental)	Week	68.20	68.20	Exempt (0%)	<b>72.00</b>	<b>72.00</b>	5.6%	Subsidised
Gypsy and Travellers Sites	Plot Rental - All Other Sites	Week	59.80	59.80	Exempt (0%)	<b>63.00</b>	<b>63.00</b>	5.4%	Subsidised
Gypsy and Travellers Sites	West Sussex Transit Site Plot Rental (9 plots)	Week	80.80	80.80	Non-Business (0%)	<b>85.00</b>	<b>85.00</b>	5.2%	Subsidised

**Highways Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Highways Services	Hoarding Application	M2 per 6 weeks	28.30	28.30	Non-Business (0%)	<b>31.90</b>	<b>31.90</b>	12.6%	Cost Recovery
Highways Services	Hoarding Application - Extension	M2 per 8 weeks	28.30	28.30	Non-Business (0%)	<b>31.90</b>	<b>31.90</b>	12.6%	Cost Recovery
Highways Services	Hoarding Application - Retrospective	Additional Fee Per License	320.30	320.30	Non-Business (0%)	<b>360.70</b>	<b>360.70</b>	12.6%	Cost Recovery
Highways Services	Scaffold License	Month	201.50	201.50	Non-Business (0%)	<b>226.90</b>	<b>226.90</b>	12.6%	Cost Recovery
Highways Services	Scaffold License - Extension	Extra Months	134.70	134.70	Non-Business (0%)	<b>151.70</b>	<b>151.70</b>	12.6%	Cost Recovery
Highways Services	Scaffold License - Retrospective	Additional Fee Per License	320.30	320.30	Non-Business (0%)	<b>360.70</b>	<b>360.70</b>	12.6%	Cost Recovery
Highways Services	Special Event Orders S16 (Note: In exceptional circumstances, a fee reduction may be agreeing at the discretion of the Traffic Manager for community events with minimal impact on the network)	Order	2,274.90	2,274.90	Non-Business (0%)	<b>2,561.50</b>	<b>2,561.50</b>	12.6%	Cost Recovery
Highways Services	Temporary Traffic Orders: by Notice - only if agreed with Streetworks Section (S14 (2))	Notice	453.90	453.90	Non-Business (0%)	<b>511.10</b>	<b>511.10</b>	12.6%	Cost Recovery
Highways Services	Temporary Traffic Orders: by Notice followed by full Order (NOTICE + 2nd public notice) (S14 (1))	Order	2,274.90	2,274.90	Non-Business (0%)	<b>2,561.50</b>	<b>2,561.50</b>	12.6%	Cost Recovery
Highways Services	Public Path Orders administrative fees - Temporary Traffic Regulation Order (path closure) (6-month Orders)	Path Order	2,121.10	2,121.10	Non-Business (0%)	<b>2,388.40</b>	<b>2,388.40</b>	12.6%	Cost Recovery
Highways Services	Public Path Orders administrative fees - Temporary Traffic Regulation Order (path closure) (Extensions)	Path Order	2,121.10	2,121.10	Non-Business (0%)	<b>2,388.40</b>	<b>2,388.40</b>	12.6%	Cost Recovery
Highways Services	Vehicle Crossover Licence - Application Fee	Application Fee	163.30	163.30	Non-Business (0%)	<b>183.90</b>	<b>183.90</b>	12.6%	Cost Recovery
Highways Services	Vehicle Crossover Licence - Works Permission Fee	Works Permission Fee	234.30	234.30	Non-Business (0%)	<b>263.80</b>	<b>263.80</b>	12.6%	Cost Recovery
Highways Services	Letter to support VCO legality - Part of house sale	Per Letter	53.10	53.10	Non-Business (0%)	<b>59.80</b>	<b>59.80</b>	12.6%	Cost Recovery
Highways Services	Section 50 - New Roads and Street Works Act 1991: Private apparatus in the Highway	Units of 200m per Street	621.50	621.50	Non-Business (0%)	<b>699.80</b>	<b>699.80</b>	12.6%	Cost Recovery
Highways Services	Local Land charges -Provision of site drawing, electronic	Number	54.10	64.92	Standard Rated (20%)	<b>61.00</b>	<b>73.20</b>	12.8%	Cost Recovery
Highways Services	Local Land charges -Provision of controller specification	Number	56.20	67.44	Standard Rated (20%)	<b>63.00</b>	<b>75.60</b>	12.1%	Cost Recovery
Highways Services	Local Land Charges -Provision of SCOOT, UTC or MOVA data	Number	105.00	126.00	Standard Rated (20%)	<b>118.00</b>	<b>141.60</b>	12.4%	Cost Recovery



Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Highways Services	Access Protection Lines - Road markings to deter parking across private access - per set	New Lines	143.20	171.84	Standard Rated (20%)	<b>161.00</b>	<b>193.20</b>	12.4%	Cost Recovery
Highways Services	Access Protection Lines - Road markings to deter parking across private access - per set	Refurbishment	143.20	171.84	Standard Rated (20%)	<b>161.00</b>	<b>193.20</b>	12.4%	Cost Recovery
Highways Services	Moving Elevated Work Platform - Notice required	Up to 10 Working Days	109.10	109.10	Non-Business (0%)	<b>122.80</b>	<b>122.80</b>	12.6%	Cost Recovery
Highways Services	Tourist & Private Directional Signs – Survey and admin fees (Design and Manufacture costs in addition to this)	Application	338.80	338.80	Non-Business (0%)	<b>381.50</b>	<b>381.50</b>	12.6%	Cost Recovery
Highways Services	Tourist & Private Directional Signs - Non-refundable vetting fee	Application	135.70	135.70	Non-Business (0%)	<b>152.80</b>	<b>152.80</b>	12.6%	Cost Recovery
Highways Services	Temporary Direction Signs (New Developments) - First 5 signs	Up to 5 Signs	595.00	595.00	Non-Business (0%)	<b>670.00</b>	<b>670.00</b>	12.6%	Cost Recovery
Highways Services	Temporary Direction Signs (New Developments) - Additional signs	Additional Sign	118.70	118.70	Non-Business (0%)	<b>133.70</b>	<b>133.70</b>	12.6%	Cost Recovery
Highways Services	TROs required as a consequence of development or another promoter	TRO	8,322.00	8,322.00	Non-Business (0%)	<b>9,370.60</b>	<b>9,370.60</b>	12.6%	Cost Recovery
Highways Services	Skip License - Initial 14-day license	14 days	66.10	66.10	Non-Business (0%)	<b>74.40</b>	<b>74.40</b>	12.6%	Cost Recovery
Highways Services	Skip License - 14-day extension	14 days	66.10	66.10	Non-Business (0%)	<b>74.40</b>	<b>74.40</b>	12.6%	Cost Recovery
Highways Services	Skip License - Over run fee cost recovery	License	97.60	97.60	Non-Business (0%)	<b>109.90</b>	<b>109.90</b>	12.6%	Cost Recovery
Highways Services	Skip License - Retrospective	Application	109.10	109.10	Non-Business (0%)	<b>122.80</b>	<b>122.80</b>	12.6%	Cost Recovery
Highways Services	Materials on a Highway - Licence 171 to temporarily deposit building materials etc, no excavation (non-apparatus) etc OVER 24-hours: 1 to 5 days	Licence 1 to 5 days	95.50	95.50	Non-Business (0%)	<b>107.50</b>	<b>107.50</b>	12.6%	Cost Recovery
Highways Services	Licence 171 Excavation	Licence 1 to 5 days	621.50	621.50	Non-Business (0%)	<b>699.80</b>	<b>699.80</b>	12.6%	Cost Recovery
Highways Services	Moving Elevated Work Platform - Over run fee	Day	163.30	163.30	Non-Business (0%)	<b>183.90</b>	<b>183.90</b>	12.6%	Cost Recovery
Highways Services	Moving Elevated Work Platform - Admin fee for change of date	One Off	38.20	38.20	Non-Business (0%)	<b>43.00</b>	<b>43.00</b>	12.6%	Cost Recovery
Highways Services	Scaffold - Fine for over run or failure to notify removal complete	Application	253.90	253.90	Non-Business (0%)	<b>285.90</b>	<b>285.90</b>	12.6%	Cost Recovery
Highways Services	Materials on a Highway - Licence to temporarily deposit building materials - Over run per day	Day	38.20	38.20	Non-Business (0%)	<b>43.00</b>	<b>43.00</b>	12.6%	Cost Recovery
Highways Services	Temp Vehicle Crossover Licence: Developer Applications - 1 to 5 Properties (Dwellings) on site	Application	592.90	592.90	Non-Business (0%)	<b>667.60</b>	<b>667.60</b>	12.6%	Cost Recovery

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Highways Services	Temp Vehicle Crossover Licence: Developer Applications - 6 to 25 (Dwellings) Properties on site	Application	1,185.70	1,185.70	Non-Business (0%)	<b>1,335.10</b>	<b>1,335.10</b>	12.6%	Cost Recovery
Highways Services	Temp Vehicle Crossover Licence: Developer Applications - 25+ Properties (Dwellings)	Application	2,963.10	2,963.10	Non-Business (0%)	<b>3,336.50</b>	<b>3,336.50</b>	12.6%	Cost Recovery
Highways Services	Temporary Direction Signs (New Developments) - Unauthorised sign removal	Each Sign Removal	109.20	109.20	Non-Business (0%)	<b>123.00</b>	<b>123.00</b>	12.6%	Cost Recovery
Highways Services	Crane Licence	Licence 4 weeks	367.50	367.50	Outside Scope (0%)	<b>413.80</b>	<b>413.80</b>	12.6%	Cost Recovery
Highways Services	Crane Licence - Extension	Licence 4 weeks	173.40	173.40	Outside Scope (0%)	<b>195.20</b>	<b>195.20</b>	12.6%	Cost Recovery
Highways Services	Traffic Survey Licence (per USRN)	Licence 2 weeks	75.00	75.00	Outside Scope (0%)	<b>84.50</b>	<b>84.50</b>	12.6%	Cost Recovery
Highways Services	Temporary Switch Off for Pedestrian Crossing	Each	647.20	647.20	Non-Business (0%)	<b>728.70</b>	<b>728.70</b>	12.6%	Cost Recovery
Highways Services	Temporary Switch Off for Signalised Junction	Each	843.40	843.40	Non-Business (0%)	<b>949.70</b>	<b>949.70</b>	12.6%	Cost Recovery
Highways Services	Tree Planting Contribution	Application	209.80	209.80	Outside Scope (0%)	<b>236.20</b>	<b>236.20</b>	12.6%	Cost Recovery
Highways Services	Various Licences -Under s115E of Highways Act and Consents to temporary activities- Admin fee	Application	Various	0.00	Non-Business (0%)	<b>Various</b>	<b>Various</b>	12.6%	Cost Recovery
Highways Services	S59 Licence Agreements	Application	524.50	524.50	Non-Business (0%)	<b>590.60</b>	<b>590.60</b>	12.6%	Cost Recovery

**Transport Fees and Charges**

Service	Fee or Charge	Per What?	2022/23 Fee or Charge - Exclusive of VAT (£)	2022/23 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2023/24 Fee or Charge - Exclusive of VAT (£)	Proposed 2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2023/24	Type of Charge
Transport - Road Safety	Cycle Training Course - Complete Beginner	1 Hour Session	37.40	37.40	Exempt (0%)	<b>42.10</b>	<b>42.10</b>	12.6%	Cost Recovery
Transport - Road Safety	Cycle Training Course - Beginner/Road Riding	1.5 Hour Session	41.40	41.40	Exempt (0%)	<b>46.60</b>	<b>46.60</b>	12.6%	Cost Recovery
Transport - Road Safety	Cycle Training Course - Advanced	2 Hour	46.60	46.60	Exempt (0%)	<b>52.50</b>	<b>52.50</b>	12.6%	Cost Recovery
Transport - Road Safety	Children's Cycle Training Course - Bikeability	2 Hour	20.00	20.00	Exempt (0%)	<b>20.00</b>	<b>20.00</b>	0.0%	Cost Recovery
Transport - Road Safety	Experienced Driver Assessment	Hour	50.50	50.50	Exempt (0%)	<b>56.90</b>	<b>56.90</b>	12.6%	Cost Recovery
Transport - Road Safety	Local Transport Improvements - Bus Stop Suspension / Relocation	Bus Stop Suspension / Relocation	200.00	200.00	Exempt (0%)	<b>336.00</b>	<b>336.00</b>	68.0%	Cost Recovery
Transport Bureau	Minibus Permit S19	Permit	15.70	15.70	Non-Business (0%)	<b>17.50</b>	<b>17.50</b>	11.5%	Cost Recovery
Transport Bureau	English National Concessionary Travel Scheme - Replacement Bus Pass	Pass	10.50	10.50	Exempt (0%)	<b>10.50</b>	<b>10.50</b>	0.0%	Cost Recovery
Transport Bureau	Transport DBS – DBS Checks for External Transport Staff	Check	75.50	75.50	Non-Business (0%)	<b>75.50</b>	<b>75.50</b>	0.0%	Cost Recovery

Anacronyms	
SLA	Service Level Agreement
CROW	Countryside and Right of Way
WEEE	Waste of Electrical and Electronic Equipment
DBS	Disclosure and Barring Service
PPO	Public Path Order
TRO	Traffic Regulation Orders
SCOOT	Split Cycle Offset Optimisation Technique
UTC	Urban Traffic Control
MOVA	Microprocessor Optimised Vehicle Actuation

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## **OUR COUNCIL PLAN 2021 - 2025**

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### **INTRODUCTION**

The importance of the services provided by this Council has once again been evident over the past year of ongoing challenge and change, particularly the crucial support we provide for those in our county who are most vulnerable. The global economic situation and the pandemic and its legacy have continued to have significant impact on local people, places and the local economy. We have responded to these changes and are reflecting them in our planning for the future. We are also influencing and responding to a range of significant national policy developments which will have implications for the Council's services that must be taken into account in our local plans.

Our ambitions are captured each year in a detailed Council Plan which covers what we will do and the specific targets we will use to judge our performance during the year. The Council Plan, revenue budget and capital programme are fully integrated through our business planning process. We are in a period of significant uncertainty with growing demand for our services, the rising cost of living, inflation pushing up costs, challenges in recruiting and retaining staff both for us and our commissioned providers and some significant changes in government policy, legislation and funding. It is therefore more important than ever that our priorities are clear and that we focus on delivering these effectively and efficiently. Our business planning continues to be underpinned by a relentless focus on our priority outcomes and their supporting delivery outcomes.

Our Council Plan clearly sets out our ambitions and what we aim to achieve for our communities by 2025. It is based around four priority outcomes, with an underlying commitment to climate change action:

- Keeping people safe from vulnerable situations
- A sustainable and prosperous economy

- Helping people and communities fulfil their potential
- Making best use of resources

The significant progress we have made over the last few years on our improvement journey, which has been externally recognised by Ofsted and HM's Inspectorate of Constabulary and Fire & Rescue Services, puts us in a strong position to deal with the current challenges. But we are not complacent and know we have more to do. We will continue to seek even better ways to:

- put residents and communities at the heart of everything we do;
- provide strong and visible leadership and stand up for the interests of West Sussex;
- work closely with communities and partners;
- invest in and value the staff that work for WSCC; and
- make the way we work as a council as straightforward as possible for the communities we serve.

As well as supporting residents directly we recognise that close and effective partnerships are key to being able to deliver our priorities and maximise our impact for residents. We will continue to build and strengthen our collaborative working including with the districts and boroughs, the NHS and voluntary and community sector through the new Sussex Integrated Care System, with schools, with care providers, and with businesses, employers and other economic partners.

With rising demand, rising costs and funding pressures, we will need to continue to:

- prioritise our key outcomes;
- ensure we effectively manage the demand on our services;
- make sure our resources go to where they are needed most; and
- ensure we always get the best value for money from our resources, in the short and long term.

The Council Plan, and the way we have put it together, reflects the nature of our role – as deliverer, convener or enabler to deliver what is needed to serve our communities. It acts as a framework for us to deliver on all these ambitions in a way that means we are clear on what we want to achieve and what we will do to achieve the priorities but are flexible to respond to whatever comes our way.

Having this clear plan ensures that putting our communities first remains the foundation on which we continue to improve and deliver.

## **HOW TO READ THIS PLAN**

This plan sets out where WSCC will focus its efforts over the four years. It is set out and organised around four priorities with an underpinning theme of climate change. When reading this plan the key things to note are as follows.

### **Priorities**

These are key areas of focus for all WSCC services. All directorates in the Council will deliver on or enable one or more of these priorities to be delivered. Under each priority is a list of activities that reflect the type of work we will do or continue to do.

### **Outcomes**

These are the things we will achieve for people who live in, work in and visit West Sussex. All directorates in the Council will deliver on or enable one or more of these outcomes to be achieved.

### **Key performance indicators and targets**

These are the things we will use to measure the progress and impact we are having or have had to achieve the outcomes set out in the plan. They cover the four-year period of the plan and will be reported on quarterly and reviewed regularly with updates made as appropriate. KPIs marked with a (CC) reflect those that are focused on the underpinning theme of climate change.

## **1 KEEPING PEOPLE SAFE FROM VULNERABLE SITUATIONS**

We know that there will be times in people's lives when they require extra support and help. We will be there in those moments to ensure that appropriate and timely support is provided to manage risk and prevent any further escalation of need. We will focus our activity in the following areas.

- Children's services will continue to take a 'whole family' approach to ensuring children are safe, with families supported by multi-agency 'early help hubs' to provide coordinated early support.
- Children's services will keep children with their families wherever possible, to ensure quality of family life and reduce reliance on costly short-term placements. Where this isn't possible, we will ensure we find a safe and supportive environment for children to live and thrive.
- Fire and Rescue service – through the Community Risk Management Plan, will prevent fire wherever possible, through fire safety checks targeted at those who need it most and wider public awareness campaigns.
- Trading standards will respond to reports of predatory trading against members of the community and prevent them from becoming repeat victims.

- Adult Social Care will work with the West Sussex Safeguarding Adults Board and its partners to ensure that adults with care and support needs who may be experiencing or are at risk of abuse or neglect are appropriately safeguarded. We will continue to increase our effectiveness and reach more WSCC residents who need their liberty safeguarded.
- Through the West Sussex Local Offer, Children’s services will continue to deliver information, advice and guidance for children, families and young people with special educational needs and disabilities up to 25 years old.
- Adults social care will provide early support in the community and close to home, including support to carers for working age and older people.
- Fire and Rescue will continue to conduct ‘safe and well’ visits for people who need it most, including fitting smoke alarms and fire detection equipment free of charge.
- Cost of living – we will provide support where we can and signpost wider support that is available to residents who are struggling with the impacts of cost of living pressures through our website, libraries and Community Hub.

**Outcome 1 – A timely and proportionate approach to prevention**

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
1. Percentage of re-referrals to Children’s Social Care within 12 months of the previous referral	23.7% (Nov 2020)	23%	22%	21%	20%
2. Percentage of Early Help Plans closed with outcomes met	71% (Dec 19 – Nov 20 rolling year)	72%	74%	77%	80%
3. Fire Safety Order regulated buildings in West Sussex having received an audit under the Risk Based Inspection Programme cumulatively in each financial year.	841 (2021/22)	Revised targets agreed in Q2 2022/23	1,000	1,000	1,000
4. Percentage of interventions to	tbc	Revised measure from 2023/24		tbc	tbc



identified West Sussex residents that demonstrate an increase in ability for resident to deal with scams					
6. Healthy weight of 10–11-year-olds	69.8% (2019 – 2020)	Top quartile in SE	Top quartile in SE	Top quartile in SE	Top quartile in SE
53. Mental health – self-reported wellbeing, people with a high anxiety score	22.4% (2021/22)	New measure from 2023/24		21%	20.5%
54. HIV late diagnosis in people first diagnosed with HIV in the UK	57.6% (2019 – 2021)	New measure from 2023/24		25–50%	25–50%
55. Chlamydia – proportion of 15–24-year-olds screened	6.2% 2021	New measure from 2023/24		12%	14%

**Outcome 2 – Support to people when they need it**

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
7. Stability of children looked after after placements - (3 or more placements during the year) – WSCC position in national stability index	10.7% (Nov 2020)	10%	10%	10%	10%
8. Support for care leavers to achieve their aspirations – percentage of care-leavers aged 17-21 who are in Employment, Education or Training	60% (Dec 2021)	Measure amended from Q1 2022/ 23	64%	66%	66%
9. Percentage of children becoming subject to a Child Protection Plan for a second or subsequent time	26% 2021-22	Revised measure from 2023/24		23%	23%
10. Number of 'safe and well' visits undertaken for	4,669 (FY 2019 – 2020)	4,000	4,000	4,000	4,000

those at highest risk					
11. Percentage of contacts to adult social care that progress to a social care assessment	30%	20-30%	20-30%	25%	25%
12. Percentage of adult social care assessments that result in a support plan	61%	65-75%	65-75%	80%	85%
13. Outcomes of a safeguarding risk – where a risk was identified, the outcome/ expected outcome when the case was concluded for Section 42 enquiries (% where risk remains)	10% (2020/21)	N/A Revised measure agreed Q2 2022/ 23	Remain below national target (8.26% 2020/21)	Remain below national target (8.26% 2020/21)	Remain below national target (8.26% 2020/21)

## 2 A SUSTAINABLE AND PROSPEROUS ECONOMY

A sustainable and prosperous economy in West Sussex is key to the future wellbeing of the county and it has never been more important for us to focus on this given the ongoing economic challenges. Ensuring that businesses are supported to sustain and grow, that local people have access to well-paid employment and that the conditions are right for enterprise and innovation will have a positive impact on the long-term health of residents and on the potential of young people. We will focus our activity in the following areas.

- We will deliver the Council’s Economy Plan, focussing on the economic challenges faced by different places in the county, on supporting new and existing businesses and key sectors, on employment and skills activities to support and create jobs, and on digital technology to boost the economy. Climate change and the environment will underpin our approach to supporting the economy.
- We will work with district and borough councils and other partners on strategic opportunities to promote sustainable economic and jobs growth across the county, including through taking advantage of national or other funding and potential future devolution opportunities.

- West Sussex Growth Deals – we will continue to deliver on existing deals with district and borough councils, which aim to support town centre growth, unlock housing and employment sites and attract investment. We will seek to refresh deals that are due to expire after their 5-year term.
- Social value framework – we will ensure our procurement processes are accessible to local providers in order to maximise the use of local suppliers in our supply chains and secure added economic, social and environmental benefits for our residents. For example, jobs and opportunities for local people and access to education, training and support.
- We will work with social care providers to develop and deliver a new market sustainability plan to support the delivery of affordable and sustainable care provision to meet residents needs to maintain and support their independence.
- West Sussex Transport Plan – we will pursue the vision, objectives and strategic priorities for improving the transport network in the period 2022-36 set out in our West Sussex Transport Plan agreed in April 2022, to enable active travel and access to education, employment and services, and decarbonise the transport system while protecting the local environment.
- We will maintain our roads to enable a safe and effective transport option that offers choice, is convenient to use, enhances the environment and enables economic growth.
- Digital infrastructure – we will work with the Department for Digital, Culture, Media and Sport and the telecoms market to accelerate gigabit-capable infrastructure; support economic growth and innovation; enable connected spaces that serve both the people and places of West Sussex.
- We will work with employers, education and training providers to progress skills and employment opportunities to support residents and the local economy in the medium and longer term.
- We will continue to deliver commitments in our Climate Change Strategy, in particular positioning the county as a place for innovation in green technology and renewable energy. We will take advantage of all finance options, including Government grants and 'green finance' options but we will also play a key role in influencing others to make the right choice and encourage and enable the community and businesses to innovate and make decisions which optimise the use of renewable energy, reduce carbon impact and promote nature recovery and biodiversity.

**Outcome 1 – Developing and growing the local economy**

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
15. Enterprises supported to sustain, innovate and grow	950	1,500	1,760	5,028	tbc

**Outcome 2 – Achieving social value in West Sussex**

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
16.New competitive tenders and their resulting contracts over the value of £500,000 include 'social value' criteria as part of the evaluation, in line with the Council's social value framework	20%	40%	60%	80%	80%

**Outcome 3 – Sustainable growth by developing modern infrastructure**

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
17.Length of new cycling infrastructure across the county (CC)	7km per year	7.5km per year	7.5km per year	7.5km per year	7.5km per year
18a. A-roads in good condition	69% (2021)	Revised measure from 2023/24		70.5%	71%
18b. B & C roads in good condition	67% (2021)	Revised measure from 2023/24		68.5%	69%
19.Highway defects repaired within required timescale	96% (2020 – 2021)	96%	96%	96%	96%
20.Percentage of premises able to access gigabit-capable connectivity by 2025 (working towards government target of 85% by end of 2025)	12%	40%	55%	63%	72%

**Outcome 4 – Supporting people to develop the skills they need for the future**

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
21.The percentage of young people	66.2%	67%	67.5%	68%	69%

attaining Grade 4 and above for Maths and English GCSE by the age of 16 years old					
56. The percentage of Education, Health and Plans (EHCPs) completed within 20 weeks	6% (2022)	New measure from 2023/24	35%	49%	

### Outcome 5 – A sustainable economy that adapts to climate change

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
22. Equivalent tonnes (te) of CO <sub>2</sub> emissions from WSCC activities (CC)	33,912 (2019 – 2020)	30,521	29,910	22,833	20,783
23. Household waste recycled, reused or composted (CC)	53%	54%	55%	56%	57%

### Outcome 6 – Working partnership

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
24. Number of Growth Deals in place with districts and boroughs	7	7	7	7	7

## 3 HELPING PEOPLE AND COMMUNITIES TO FULFIL THEIR POTENTIAL

Enabling people and communities to fulfil their potential is at the heart of the Council's ambition for everyone who lives and works in West Sussex. To achieve this we need to generate, improve and sustain the conditions and environment that will enable people to be independent, and communities to feel safe and be safe, to benefit from a prosperous, sustainable economy and to lead healthy, fulfilling lives. We will focus our activity in the following areas.

- School effectiveness strategy – we will continue to support our schools on their improvement journeys and build on the success of having 243 of 266 West Sussex schools currently rated by Ofsted as good or outstanding.
- Careers advice – we will continue to support the 500 young people not in education, employment or training and provide apprenticeships with WSCC and, where possible, encourage others to do the same.

- Lifelong learning – we will work with education providers to support them in running accessible learning and development opportunities.
- As part of the new Sussex integrated Care System health and care partnership commitment to tackle health and socio-economic inequality we will support the continued development of 'local neighbourhood community networks' across all district and borough areas in the county. The networks aim to empower communities to deliver change through collaborative working between primary care, local government, public health and local voluntary sector enterprises, and improve individual's digital inclusion, health & wellbeing through enhanced digital skills.
- Libraries – we will continue to deliver activities to support literacy and learning for children, families and older people, preventing isolation. We will work with local communities on how we can deliver these services innovatively.
- Public Health Wellbeing Programme – through our partnership with all seven district and borough councils, we will support people to maintain and improve their health and wellbeing through advice and support within their local area that is person-centred and addresses health inequalities that exist across the county.
- Reflecting our Adult Social Care Strategy, we will work with communities and partners to further embed and develop a strength-based approach to the delivery of adult social care – harnessing people's strengths and connecting them with their community. By promoting people's independence and wellbeing, we will prevent, reduce or delay their need for ongoing funded care services.
- Residential and nursing care – we will aim to support people to remain as independent as possible, for as long as possible in their own homes. However, where residential care is needed, we will work collaboratively with the care market to ensure that what is needed is available and is of good quality.
- Supported accommodation – we will work in collaboration with housing providers to develop alternative accommodation options with care, including extra care housing, enabling more people to remain in their own home.
- Day services – we will design, develop and deliver a new model for day services in coproduction with people who use the services to ensure that people with lifelong learning needs, physical or sensory impairment, acquired brain injury and neurodiversity including autism have support to access the right activities and opportunities in their local community.
- Shared Lives scheme – we will increase the number of people living in this family-based accommodation model.
- Reablement – we will increase capacity and deliver a more efficient service to ensure more people are able to remain as independent as possible in their own home.

- Dementia – in partnership with NHS Sussex, districts and boroughs and the Voluntary and Community Sector (VCS), we will combine efforts to ensure the right accommodation and support is available for people to live independently, including support to carers.
- Digital technology – using the latest assistive technology we will enhance people’s independence and wellbeing and keep people safe in their own home for longer.
- Disabled facilities grant – we will continue working with district and borough councils to improve disabled people’s access to grant funding to adapt their homes, so they are more accessible and help to maintain their independence.
- Fire and Rescue Service Community Risk Management Plan – at the heart of the plan is the prevention of fire and ensuring community safety, ensuring a workforce who are well prepared, improving the safety of firefighters and providing a workplace that considers safety and dignity. We will continue to deliver on this core commitment and protect people through a timely response to incidents.
- Voluntary and Community Sector - we will work collaboratively with our partners to deliver effective community-based support that reaches people most in need at the right time and in the right place.
- Tackling crime – we will work collaboratively with partners such as the Police to reduce criminality and raise awareness amongst the public to prevent crime and keep our communities safe.

**Outcome 1 – Access to excellent education and learning**

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
25. Percentage of schools with OFSTED rating ‘good’ or ‘outstanding’	87.6%	88.5%	90%	90.5%	91%
26. Percentage of pupils and students accessing OFSTED ‘good’ or ‘outstanding’ schools	86.6%	88%	89%	90%	91%
27. Percentage achieving expected standards in reading, writing and maths combined at the end of Key Stage 2	62.7%	64%	68%	71%	72%
28. Average attainment 8 score of students at	46.9	47.5	48.3	49	49.5

Key Stage 4 including English & Maths					
29. Percentage attainment gap of disadvantaged pupils compared with non-disadvantaged peers at the end of Key Stage 2	26%	24%	20%	16%	14%
30. Combined percentage of 16- to 17-year-olds that are Not in Education, Employment or Training or whose activity is not known.	11.7%	7%	6.5%	6%	5.5%
57. Children and young people with Education, Health and Care Plans (EHCPs) accessing mainstream education	34.3% (Oct 2022)	New measure from 2023/24		37%	39.5%
58. Children and young people with Education, Health and Care Plans (EHCPs) accessing Independent and Non-Maintained Special Schools (INMSS)	10.8% (Oct 2022)	New measure from 2023/24		9%	7.5%
62. New pupil places	tbc	New measure from 2023/24		227	772

### Outcome 2 – Tackling inequality

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
31. Healthy life expectancy for men	64.6 years (2016 – 2018)	66 years	at or above State Pension Age 67 years	at or above State Pension Age 67 years	at or above State Pension Age 67 years
32. Healthy life expectancy for women	64.3 years (2016 – 2018)	64.8 years	at or above State Pension Age	at or above State Pension	at or above State Pension



			67 years	Age' 67 years	Age' 67 years
59. Smoking cessation (4 week quits) of smokers from disadvantaged groups	40 per month 2020	New measure from 2023/24		600	720
60. Smoking prevalence in adults (18+) – current smokers (APS) Targets setting trajectory to achieve Smokefree 2030 prevalence of 5% or below	10.6% 2021-22	New measure from 2023/24		9.3%	8.7%

### Outcome 3 – Promoting and enabling independence

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
33. Use of virtual/digital library services by residents	5.45m	5.45m (To regain pre-Covid baseline)	5.45m	5.45m	5.45m
34. The Community Hub provides positive outcomes for residents at first point of contact	New measure	Revised measure post-COVID-19		>95%	>95%
35. Number of people completing evidence-based falls prevention programmes	New measure	400	400	500	600
36. Percentage of adults that did not need long term support after a period of reablement support	85.5% (2019 – 2020)	85.5%	85.5%	85.5%	85.5%
37. Percentage of adults that purchase their service using a direct payment	27.4%	27.4%	27.4%	27.4%	27.4%
38. Percentage of users of adult services and their carers that are reviewed and/or assessed in the last 12 months	70.1%	73.2%	77%	80%	85.2%

39.The percentage of adults with a learning disability in paid employment	2.1% (2019 – 2020)	3.6%	3.8%	4%	4.2%
40.The percentage of adults with a learning disability living in settled accommodation	tbc	Measure revised from 2023/24		National average	National average

**Outcome 4- Safe, connected and cohesive communities**

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
41.Killed and seriously injured casualties per billion vehicle miles	112	107	103	99	95
42.Percentage of ‘critical fires’ where the first appliance in attendance meets our emergency response standards	86.9% (FY 2019 – 2020)	89%	89%	89%	89%
43.Percentage of ‘critical special service incidents’ where the first appliance in attendance meets our emergency response standard	73.6% (FY 2019 – 2020)	80%	80%	80%	*TBC (CRMP to be updated at this date)
44.Percentage of people affected by domestic violence and abuse who feel safe upon leaving the service	91% (2022)	80%	85%	90%	95%

**4 MAKING THE BEST USE OF RESOURCES**

Running throughout this plan is a theme of making the best use of our limited resources, achieving value for money and delivering cost effective services. When deciding how to deploy our resources, or working with partners to deliver our collective ambitions, we will use the priorities expressed in this plan to inform our decisions, using data and information that is available on our residents’ needs to deliver the right things efficiently and effectively. We will learn from others and identify areas of good practice and we will work with our partners to identify opportunities where working together is better for residents. This means we have to improve the way we work, be more efficient and

effective, to get the best from the limited resources we have to manage increasing demand. We will focus our activity in the following areas:

- Good governance – we will work in a way that links together services to ensure we have effective governance supporting good decision making and management across the County Council. This will ensure we deliver the best for our residents, ensuring governance and the way we make decisions is fit for purpose.
- People framework – our staff will have the confidence and support to deliver change and continuous improvement; all staff will be treated with dignity and respect; all staff will have consistent and high-quality performance and development conversations; and we will attract, recruit and retain the staff we need to deliver public services for the residents of West Sussex. We will underpin staff development with themes of equality, diversity and inclusion.
- We will maximise the use of our assets by disposing of surplus assets and looking creatively at how we might use our assets to support economic growth and social value (for example, sharing space in our buildings with start-ups). For retained asset, we will reduce our overall energy consumption and decarbonise as far as possible to meet our ambition of being a net carbon zero organisation by 2030. We will consider the potential of surplus and other assets for carbon offsetting and/or energy generation.
- We will modernise the way that residents can access services through the use of digital channels and technology to make it as easy as possible whilst also ensuring services are accessible by all.
- We will improve the cost effectiveness of our services by comparing how much we spend on achieving outcomes and therefore identify opportunities to deliver the same or better for less.
- We will look to combine or share approaches and services to achieve greater efficiency.

### Outcome 1 – Working together as one Council

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
Measure 45 has been removed. Following initial induction programmes, regular learning and development for County Councillors continues to be delivered.					
Measure 46 is now complete and has been removed. A new Code of Governance was endorsed by the Council’s Governance Committee and has been published.					

### Outcome 2 – Getting the best from our people

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
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47. Leadership and management – percentage positive response to the question: “I am part of a supportive team where we regularly reflect on our success and challenges enabling us to improve continuously.”	73%	75%	78%	80%	85%
48. Wellbeing, values and ways of working – percentage positive response to the question: “I am treated with dignity and respect by my work colleagues”	86%	86%	87%	88%	90%
61. Percentage of positions which have been vacant from more than [100 days]	tbc	New measure from 2023/24		tbc	tbc

### Outcome 3 – Maximising our income and the productivity of our assets

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
49. Square meters of operational property (for example, offices, libraries, fire stations etc) that are in use	179,000 m <sup>2</sup>	170,000 m <sup>2</sup>	162,000 m <sup>2</sup>	140,600 m <sup>2</sup>	135,500 m <sup>2</sup>

### Outcome 4 – Value for money

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
50. The aggregated unit cost of our services compared to our statistical neighbours	4 <sup>th</sup> highest	7-8 <sup>th</sup> highest	7-8 <sup>th</sup> highest	7-8 <sup>th</sup> highest	7-8 <sup>th</sup> highest
51. Percentage of Customer Service Centre telephone calls that could have been resolved through digital channels	tbc	Measure revised from 2023/24		30%	20%

### Outcome 5 – Securing value through partnership

Key performance indicators	Baseline	2021/22 TARGET	2022/23 TARGET	2023/24 TARGET	2024/25 TARGET
52. New competitive tenders and their resulting contracts over the value of £500,000 that include evidence of exploring partnership working and sharing of best practice to assess opportunities for efficiency	0%	20%	40%	80%	80%

### Details of Amended KPIs

The narrative has been reviewed and in part rewritten to reflect a greater focus on the current challenges such as the cost of living and less emphasis on Covid-19. The KPIs have also been reviewed with Services and ELT. In addition to the amended narrative the following KPIs have been amended, deleted or newly added.

Two outcomes have been revised.

Current outcome	Proposed revision
Resetting and rebooting the local economy	Developing and growing the local economy
Working in partnership (within the priority called 'Making the best use of resources')	Securing value through partnership

The following KPIs have been deleted.

Deleted KPI	Reason for deletion
5a. Uptake of flu vaccine in over 65s or at risk 5b. Uptake of flu vaccine in 'at risk' groups	The programme is delivered by the NHS and the introduction of the COVID-19 vaccination has had a positive impact on the flu jab take-up. Public Health continues to support and promote take up amongst the local population and also staff.
14. Time to complete outstanding 'deprivation of liberty' cases	This KPI has moved to operational level monitoring.
45 a and b County councillors learning and development programme - Attendance and satisfaction	Member Induction training KPI was introduced post elections and this year was changed to a 'business as usual' KPI and will be monitored at service level for future years.

The following KPIs have been added to recognise increased focus on health, Education and Health Plans and the challenges we face with staff vacancies.

<b>Proposed KPI description</b>	Proposed Baseline (date)	Proposed 2023/24 Target	Proposed 2024/25 Target
53. Mental health – self-reported wellbeing – people with a high anxiety score	22.4% (2021/22)	21%	20.5%
54. HIV late diagnosis in people first diagnosed with HIV in the UK	57.6% (2019 – 2021)	25–50%	25–50%
55. Chlamydia – proportion of 15 – 24 year olds screened	6.2% 2021	12%	14%
56. The percentage of Education, Health and Plans (EHCPs) completed within 20 weeks	6%	35%	49%
57. Children and young people with Education, Health and Care Plans (EHCPs) accessing mainstream education	tbc	37%	39.5%
58. Children and young people with Education, Health and Care Plans (EHCPs) accessing Independent and Non-Maintained Special Schools (INMSS)	tbc	9%	7.5%
59. Smoking cessation (4 week quits) of smokers from disadvantaged groups	40 per month 2020	600	720
60. Smoking prevalence in adults (18+) – current smokers (APS) - to achieve Smokefree 2030 prevalence of 5% or below	10.6% (2021-22)	9.3%	8.7%
61. Percentage of positions which have been vacant from more than [100 days]	Tbc	Tbc	Tbc
62. New of New Pupil places	Tbc	227	772

The following KPIs have been amended

<b>Proposed KPI description</b>	<b>Reason for amendment</b>
<p>4. Percentage of suspected scam victims identified to WSCC by the National Trading Standards Scams Team receiving a pro-active intervention from the Trading Standards Service.</p> <p>Amended to</p> <p>4. Percentage of interventions to identified West Sussex residents that demonstrate an increase in ability for resident to deal with scams.</p>	<p>The new KPI is still in development. Referrals from National Trading Standards is no longer a robust KPI since the numbers of referrals dropped significantly.</p>
<p>8. Support for care leavers to achieve their aspirations – percentage of care-leavers aged 17-21 who are in Employment, Education or Training.</p> <p>Targets for 2023-24 and 2024-25 have increased from 64% to 66%</p>	<p>To reflect recent improvement on performance</p>
<p>9. Positive outcomes on child protection in 12 months – percentage of Child Protection Plans that result in 'step-down' within 12 months</p> <p>Amended to</p> <p>9. Percentage of children becoming subject to a Child Protection Plan for a second or subsequent time. Target 23%</p>	<p>New KPI is considered a better 'keeping children safe' KPI, using a target of 23% (in line with Statistical Neighbour average).</p>
<p>11. Percentage of contacts to adult social care that progress to a social care assessment</p>	



Target changed from 20-30% to a single figure of 25%.	
12. Percentage of adult social care assessments that result in a support plan Target changed from 65-75% to 80%	Propose a target of 80% to provide a stretch on current performance.
13. Outcomes of a safeguarding risk – where a risk was identified, the outcome/ expected outcome when the case was concluded for Section 42 enquiries (% where risk remains). Target amended to 8.26%	Targets changed to use a national target.
15. Enterprises supported to start, revive, innovate and grow  Amended to  15. Enterprises supported to sustain, innovate and grow Target amended from 1,750 to 5,028	Revised KPI monitors beneficiaries of all initiatives.
18. Percentage of A and B roads that require maintenance  Amended to  18a. A roads in good condition 2023-24 target 70.5% 2024-25 target 71%  18b. B & C roads in good condition 2023-24 target 68.5% 2024-25 target 69%	The new KPI now aligns with national KPIs for better comparison.
22. Equivalent tonnes (te) of CO <sub>2</sub> emissions from WSCC activities  Target 2023-24 – amended from 28,116 to 22,833 Target 2024-25 – amended from 25,865 to 20,783	Baseline data has been updated to include maintained schools only, so targets have been adjusted to reflect this.

<p>31. Healthy life expectancy for men 32. Healthy life expectancy for women</p> <p>Targets changed from 'return to pre-pandemic levels' to at or above State Pension Age (67 years) for both men and women.</p>	<p>The council has an ambition to have an older workforce able to remain economically active and promotes the importance of working age and midlife health.</p>
<p>34 Number of people reached and supported via the West Sussex Community Hub during the COVID-19 pandemic</p> <p>Amended to</p> <p>34 Community Hub provides positive outcomes for residents at first point of contact Target &gt;95%</p>	<p>The KPI now reflects the wider support provided by the Hub.</p>
<p>40 The percentage of adults in contact with secondary mental health services living independently with or without support</p> <p>Amended to</p> <p>40. The percentage of adults with a learning disability living in settled accommodation Target - in line with national average</p>	<p>Existing KPI is owned by the NHS and not one WSCC can impact.</p>
<p>49. Square meters of operational property (for example, offices, libraries, fire stations etc) that are in use.</p> <p>2023-24 target amended from 154,000 to 140,600m2 2024-25 target amended from 147,000 to 135,500m2</p>	<p>The target of 5% reduction against the baseline remains, but the target has been recalculated against year-end forecast 22-23 of 148,000m2.</p>

<p>51. Percentage of digital services available from WSCC to support self-service</p> <p>Amended to</p> <p>51. Percentage of Customer Service Centre telephone calls that could have been resolved through digital channels 2023-24 target 30% 2024-25 target 20%</p>	<p>This KPI seeks to demonstrate our ambition to channel shift customers who are making contact via the telephone but who could have completed their transaction online. It recognises that there will always be a place for telephone calls but gives us focus for where to 'campaign' for the public to use other digital routes to answer their query etc.</p>
<p>52. New competitive tenders and their resulting contracts over the value of £500,000 that include evidence of exploring partnership working and sharing of best practice to assess opportunities for efficiency</p> <p>Final year target amended from 100% to 80%.</p>	<p>2024-25 target changed as some projects are simply not feasible to be considered as decisions are already past that point when they start.</p>

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## **West Sussex Capital Strategy 2023-2028**

### **1. Purpose**

- 1.1. The West Sussex Capital Strategy drives the Council's strategic capital investment ambition to support the sustainable long-term delivery of services. The Strategy supports delivery of the Council Plan, the Council's vision for the county and its commitment to the communities of West Sussex. The Strategy is part of a suite of strategic financial management approaches that inform the Medium-Term Financial Strategy (MTFS).
- 1.2. The Capital Strategy is informed by the Council's Asset Management Strategy which collates services' asset requirements and integrates them with corporate asset management objectives. These demand-led objectives help shape decisions of the County Council about the priorities for the Capital Programme, their scale and value. The Capital Programme is approved annually in February by County Council as part of the Annual Budget setting process.
- 1.3. The Capital Strategy sets the framework for the identification, development and delivery of capital projects across all services. It supports and informs the control environment for delivering and reporting projects.
- 1.4. The Capital Strategy conforms with the Local Government Act 2003, which sets out the power to borrow, affordable borrowing limits and the power to invest and complies with relevant guidance. It is also informed by the CIPFA Prudential Code 2021, the Treasury Code of Practice and associated guidance. In line with best practice set out in the Prudential and Treasury Codes, it:
  - applies a long-term approach
  - explores external influence on the Capital Strategy
  - examines commercial activity/ambition
  - notes the implications of the Treasury Management Strategy
  - ensures Council Plan priorities drive capital investment
  - examines available resources and capacity to deliver
  - assesses affordability against ambition and addresses any gap
  - identifies capital financing principles
  - demonstrates integration with other strategies and plans
  - supports a 5-year capital investment plan, with actions, timescale, outputs and outcomes plus a five-year funded programme in line with the Medium-Term Financial Strategy
  - identifies risks and mitigations
  - outlines capital governance, monitoring, processes and procedures.
- 1.5. CIPFA published the updated Treasury Management and Prudential Codes on 20 December 2021 and stated that revisions need to be included in the reporting framework from the 2023/24 financial year. Going forward therefore, the County Council must have regard to the updated Codes of Practice within both the Capital and Treasury Management Strategies that are reported annually alongside the Budget Report for County Council approval.
- 1.6. The updated Treasury Management Code requires all investments and investment income (both treasury and non-treasury) to be attributed and reported to one of the following three purposes:

- **Treasury Management:** Investments arising from the County Council's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.
  - **Service Delivery:** Investments held primarily and directly for the delivery of public services including regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project or otherwise incidental to the primary purpose".
  - **Commercial Return:** Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to the County Council's financial capacity, that being that "plausible losses" could be absorbed in budgets or earmarked reserves without unmanageable detriment to local services. Furthermore, the updated Codes emphasis that a local authority must not borrow to invest primarily for financial return
- 1.7. The investment in the capital programme 2023-2028 is for service delivery purposes. The plans and aims of various external organisations and partners help inform the Council's Capital Strategy, including district and borough councils via local plans and partnerships and funding bodies, including government departments and devolved funding bodies. The Capital Strategy brings together the demand for capital investment and the available funding to enable the Council to set out its plan to fund the development and delivery of its priorities over the medium term through the five-year Capital Programme.
- 1.8. The Financial Management Code was introduced in 2019 and is intended to have the same scope as the Prudential Code and therefore the Council is required to comply with the code. The code sets out that councils are required to plan and manage the use of council assets, in-particular infrastructure assets as this is vital in delivering council priorities and being financially resilient. In line with the FM code, the review of the strategy and programme in 2023/24 will include establishing a longer term strategy horizon.

## **2. Principles**

- 2.1. Capital expenditure is expenditure that results in the acquisition, construction or enhancement of an asset for a period of more than one financial year. Assets can include land, buildings, roads, plant and equipment. Spending on projects can be capitalised if it meets the definition of capital expenditure. The investment ensures that the Council holds the assets it requires to enable delivery of its statutory services and to fulfil its legal functions. It acts as an important lever to deliver change in the County to meet changing needs. Capital Expenditure can also support the increasingly challenging revenue position where schemes enable income generation through economic development for the County Council or bring about reduced cost.
- 2.2. The Capital Strategy sets the direction for the foreseeable future and informs the five-year Capital Programme. The Capital Programme is reviewed and updated annually to ensure it remains focused on the County Council's priorities

as set out in the Council Plan, that it addresses our routine maintenance and health and safety requirements and allows us to react to changes in circumstances or need.

- 2.3. The key principles of the Capital Strategy are:
- Capital expenditure enables the achievement of the County Council's priority outcomes as set out in the Council Plan
  - Business intelligence data drives long-term asset planning to meet the needs of services
  - Maintenance of assets is vital to the integrity of the County Council's approach to asset management and capital planning
  - Capital investment decisions are made within a clear governance framework ensuring value for money
- 2.4. Individual projects are considered based on the extent to which they contribute towards the Council Plan priorities. Projects are assessed via business cases demonstrating they will deliver benefits derived from the Council's priorities and the extent to which they affect ongoing revenue costs to the County Council.
- 2.5. Projects that deliver Council Plan objectives and where the revenue benefits exceed the total cost of delivery, including financing costs, are funded from the Invest to Save/Future Economic Developments line in the programme. Section 7 covers in detail the arrangements for the projects funded from the Invest to Save/Future Economic Developments line.

### **3. Capital Programme Objectives and Priorities**

- 3.1. The Council Plan sets out the Council's vision and priority areas for the county. Individual Service Business Plans at departmental and directorate level identify objectives for each service to deliver the Council Plan priorities for their area of responsibility. Directorate-owned Asset Management Strategies set out the asset requirements to deliver those objectives.
- 3.2. The Programme includes the following areas of asset management and as these are considered to meet the essential corporate requirements of the Council, there is a simplified approach requiring an outline business case for Director approval:
- Corporate Estate maintenance – including the corporate and service-operated estate
  - Schools maintenance – across the Local Authority maintained school estate
  - Highway maintenance – including network condition-based repairs, upgrade and replacement of signals and signage and structural maintenance
  - Fleet – investment in the Council's vehicles including Fire and Rescue, Highways and Transport and Social Care vehicles
  - Energy efficiency projects – where income generated pays for the investment
  - IT investment - so the Council can deliver modern and compliant services
- 3.3. Other projects require a business case before they are considered for inclusion in the Capital Programme. The business case must include details of how the projects deliver Council Plan objectives, set against the technical project deliverables (such as time and benefits) and the financial impact to the Council. Where the Council receives external funding to meet strategic demands and

objectives (including provision of school places and highways improvements to meet increased demographic and development demand), this reduces or even eliminates the capital costs of projects required of the Council but the need for a business case remains to support the investment decision. Financial considerations should include:

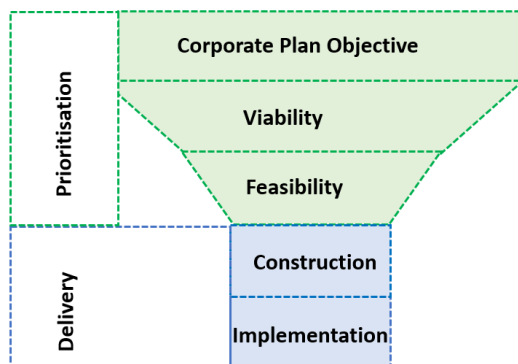
- Cost Avoidance – projects that offset the costs of increasing service demand, including the cost of project development and delivery with a clear net revenue payback
- Strategic Investments - with a longer-term payback that is usually required including the benefits of regeneration of town centres
- Borrowing costs – where external funding is not received, the cost of borrowing is included to indicate the full cost of project delivery
- The ability of the project to generate capital receipts

- 3.4. Other projects include Highway major projects, funded from external grants and developer contributions and the provision of new school places and the creation of special school places, where increased in-county or in-house capacity reduces requirements for more costly independent placements.
- 3.5. Invest to Save and Future Economic Developments projects are projects where the revenue benefits are projected to exceed the total cost of their delivery, including development, operational and financing costs. The cost of financing the projects is funded either through the revenue income for Future Economic Developments or via savings or cost avoidance for Invest to Save projects and has a positive net benefit to the bottom line.
- 3.6. The Council entered into a Joint Venture Partnership during 2021 in order to manage surplus assets held by the council and support the delivery of its priorities through generating income to support council services and commitments. The aim of entering into the Joint Venture Partnership is to help maintain financial resilience in the longer term. The Joint Venture Partnership is developing business cases for development of the sites optioned to the Joint Venture and they will be reviewed by reference to the aims and requirements of the Partnership Agreement and in accordance with the approved governance arrangements underpinning the Joint Venture.

#### **4. Governance Arrangements for Capital Investment**

- 4.1. The core maintenance programmes (see section 3.2) are approved via an Outline Business Case led by service asset condition survey data. Agreed condition scoring methodologies define an on-going programme of activity designed to maintain an overall standard for each type of asset. A list of proposed works is presented each year, with delivery, changes and reactive budgets delegated to the relevant Director.
- 4.2. Other proposed projects included in the Capital Programme are progressed through the capital programme governance framework.
- 4.3. Each project is brought through a standard gateway process characterised by the following stages:





- 4.4. As proposals are developed, a detailed Full Business Case is produced to demonstrate cost/ benefit of the project and seek approval for funding and implementation.
- 4.5. Where required, revenue funding to assess scheme viability is allocated against Outline Business Case proposals to test emerging projects and further feasibility funding is subject to senior officer approval of shortlisted or preferred options also against an Outline Business Case. When additional funds are required following approval of a proposal these are dealt with through change requests subject to the same governance process.
- 4.6. The Scheme of Delegation explains how authority is allocated between members and officers and how this can be decided in cases of uncertainty. It sets out the authority of Directors and explains the roles of the statutory officers. The Scheme of Delegation applies to the Capital Programme as to other decisions. Cabinet members or the relevant Director/Assistant Director will take most capital project decisions about schemes in the Programme. The Director of Place Services and the Assistant Director (Property and Assets) will also take decisions not linked to a specific service project and in relation to corporate schemes.
- 4.7. To ensure control over the capital funds of the Council and its commitments within the Capital Programme and also to give assurance to decision makers the following system of governance applies to the Capital Programme and is supported by a Capital Programme office under the Assistant Director (Property and Assets).
- **Capital Project Hubs** chaired by the relevant Director consider Strategic Outline Business Cases, Full Business Cases and change requests for onward approval relevant to their business area. These hubs cover Highways and Transport, Assets and Schools. They provide service and corporate expert advice on how to develop and resource a scheme.
  - **The Capital and Assets Board** comprises the Cabinet Member for Finance, Directors of Place Services, Law and Assurance, Finance and Support Services and Assistant Director (Property and Assets) and all Hub Chairs. Other specialist officers attend to advise. It maintains oversight of the whole programme and gives assurance for business cases and change requests coming from the Hubs to enable the relevant decision maker to sign off the decision as per

the Scheme of Delegation. Approvals will be in line with the Constitution and Scheme of Delegation.

- 4.8. The overall programme approach is reviewed and approved by the County Council each year at its budget setting meeting and the Financial Regulations (Financial Regulation B, paragraphs 2.2 – 2.4) set out the associated governance arrangements.
- 4.9. Options appraisals are based on the HM Treasury Green Book five-case business case model, adapted to meet local requirements<sup>1</sup>. All business cases and project changes are reviewed at the officer Capital Programme Board meetings before being recommended to the relevant decision-maker for approval.
- 4.10. The Capital Programme is monitored as part of the Performance and Resources Report developed to support and monitor delivery of the Council Plan. The quarterly reports are presented to the Cabinet and to scrutiny committees. The report is also published in the members' Bulletin and linked to the Members' Information Network database. Oversight of programme performance management is part of the core business of the Executive Leadership Team and the Cabinet. These forums and individual scrutiny committees may also consider individual projects to monitor outcomes.

## **5. Capital Programme expenditure and funding**

- 5.1. The total value of schemes in the 2023/24—2027/28 Capital Programme is £747.2m. Figure 1 analyses the Capital Programme by Cabinet Portfolio; Appendix A gives further details and shows the main areas of investment are – highways and transport, learning and skills and the operational estate.

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<sup>1</sup> HM Treasury's Green Book Five-Case Model, is as follows:

**Strategic** – there is a robust "case for change" which meets corporate objectives

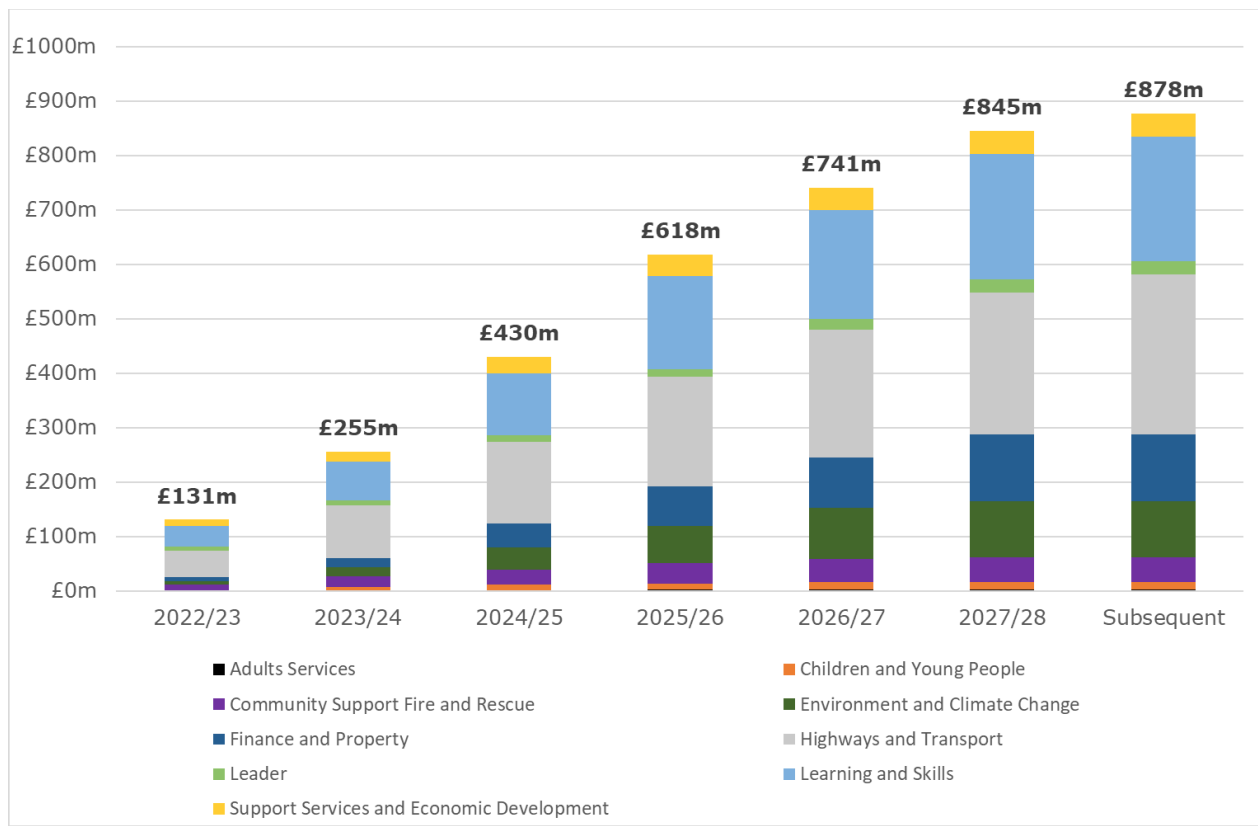
**Economic** – the scheme delivers value for money

**Financial** – the scheme is affordable within capital and revenue resources

**Commercial** – procurement arrangements and any deal structure have been considered

**Management** –ensuring strong arrangements for the set-up and delivery of the project

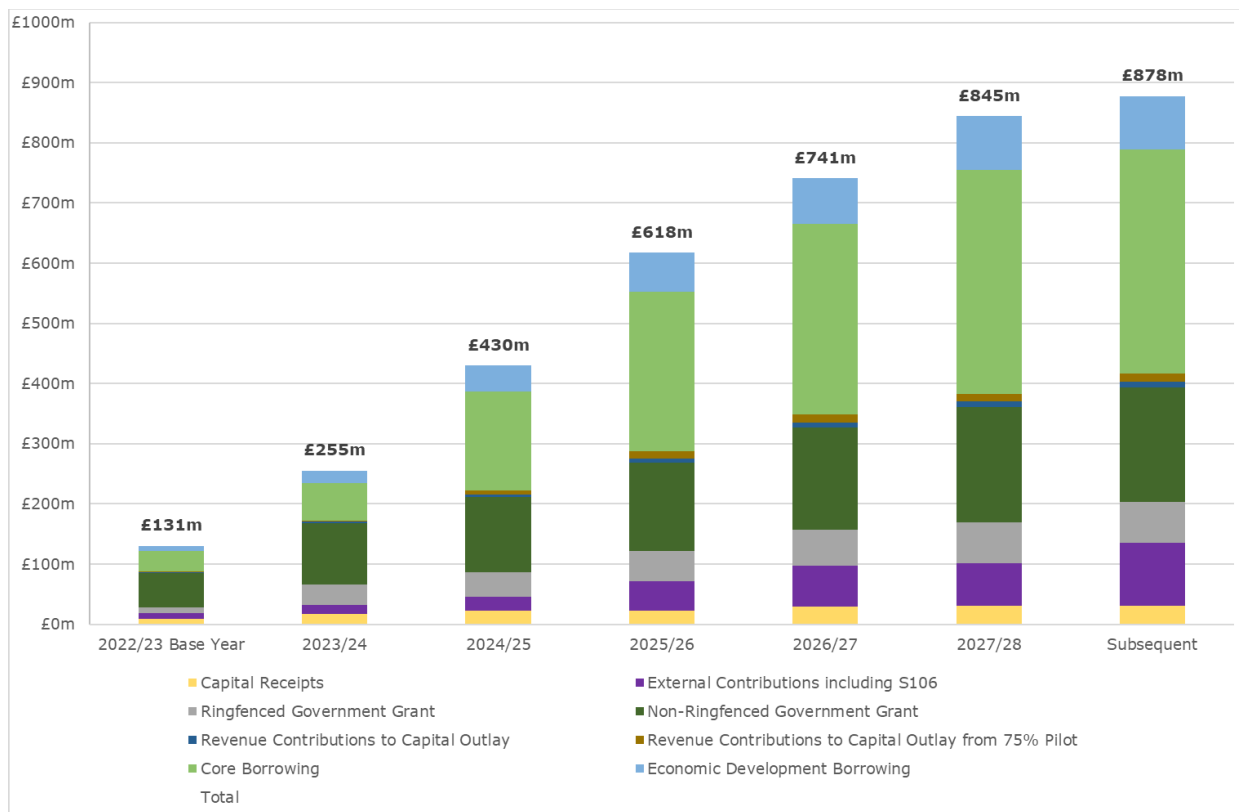
**Figure 1: Capital programme expenditure 2022/23 to 2027/28 and subsequent years**



5.2. Capital expenditure may be financed from a range of corporate and external resources. Corporate resources include capital receipts, revenue contributions, reserves and corporate borrowing. External sources include Government grants and private sector contributions such as developer contributions. External resources can come with limitations on their use such as ring-fenced grants or conditions applying to the application of s106 funds. The programme reflects capital spending plans at the date when the County Council formally approves the 2023/24 Budget and Medium Term Financial Strategy (MTFS). During the year additional funding (for instance, capital grants or developer contributions) may become available and will be added to the programme. The assumption is the spend is aligned with the value of the grant or provision and creates no further changes to or pressures on the financial position.

5.3. The assumed funding profile for the programme to 2027/28 is shown in Figure 2. The borrowing figures are split between core capital programme and Economic Development projects and core borrowing covers the whole of the capital programme excluding Economic Development.

**Figure 2: Capital programme funding 2022/23 to 2027/28 and subsequent years**



5.4. Capital plans, outlined in Appendix A, show a total borrowing requirement of £40.6m is required to finance the Council’s capital expenditure plans in 2023/24.

5.5. The revenue impact (capital financing cost as a percentage of net revenue streams) of the recommended borrowing strategy for the Council’s Capital Programme (excluding Economic Development schemes, PFI and finance leases) is outlined below in Table 1. As part of the capital financing cost, the Council has to make an annual contribution from revenue called Minimum Revenue Provision (MRP) to reflect the expenditure. Appendix B sets out the Council’s MRP Statement for 2023/24.

**Table 1: Revenue impact of the Capital Programme borrowing strategy (excluding Economic Development schemes, PFI and finance leases)**

	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Net Revenue	708.8	728.2	732.0	739.0	753.8
Expenditure					
Capital Programme					
Financing Charges					
- MRP	13.0	13.7	15.5	17.0	18.2
- Interest	17.4	16.8	18.9	19.6	21.3
<b>Total</b>	<b>30.4</b>	<b>30.5</b>	<b>34.4</b>	<b>36.6</b>	<b>39.5</b>
% Ratio	4.3%	4.2%	4.7%	4.9%	5.2%

- 5.6. The implications of the Capital Programme outlined in paragraphs 5.1 to 5.3 in terms of the Council's Authorised Borrowing Limit and Operational Boundary are detailed in the Treasury Management Strategy Statement which is set out in Annex 2(b) of the main budget report.
- 5.7. The Council has considered long term capital planning and the implications this will have on both the level of borrowing and the revenue budget. As at 31 March 2023 the Council has external loans with the Public Works Loans Board (PWLB) totalling £461.3m, with a maturity profile which stretches out to 2069. Appendix C sets out the Council's borrowing profile to 2073 and assumes that from 2028/29 onwards the Council has an annual core programme borrowing requirement of £20m. This assumes the County Council continues to hold useable reserves, provisions and working capital (£130m each year from 2043/44 onwards). This is also illustrated graphically in Appendix D.
- 5.8. Within the Economic Developments borrowing figures, the borrowing need gradually reduces over the period to 2072, due to both the application of capital receipts generated by some of the Economic Development projects, along with other projects generating revenue returns to reduce the associated borrowing need.
- 5.9. Relevant Prudential Indicators for 2023/24 to 2027/28 are set out in Annex 2(c) of the main budget report, including the commercial investment indicators.

## **6. Non-Treasury Investments (Economic Development)**

- 6.1. The Council's capital investment plans include a set of Service Delivery non-treasury investments (which includes Economic Development projects). These will generate economic benefit to the county and a revenue return to the Council, which will meet the Council Plan objectives. The Council's Economic Development projects are only agreed when supported by approved business cases and subject to Members obtaining appropriate assurance regarding the security of capital sums involved. Performance and Finance Scrutiny Committee undertakes appropriate scrutiny.
- 6.2. Examples of the Council's non-treasury, Economic Development, investments include (but are not limited to) the following:
  - Working in partnership with other councils to improve energy efficiency and reducing energy costs for the local residents and small to medium-sized businesses in Sussex (including solar farms and solar panel installations)
  - Third party loans and investments made for service purposes, in connection with the Council's Joint Venture Partnership or as part of broader economic benefits or Council Plan priority outcomes
  - Corporate estate improvements – including major development projects at Broadbridge Heath Park development and Horsham Enterprise Park
  - Use of surplus land as an investment in the JV partnership
- 6.3. Business cases for all schemes set out the economic or regeneration benefits for the community, together with the funding arrangements and all associated revenue costs (for instance the cost of borrowing) applicable to the schemes. Business cases demonstrate the ongoing stewardship, sustainability, affordability and benefits of any proposed project. Funding arrangements may include (but are not limited to) the following:

- Corporate borrowing when evidenced that any income return will first cover all associated revenue (capital financing) costs
- Share capital in companies associated with the project(s)
- Capital receipts generated by the project(s)

- 6.4. The Council acts prudently investing in Economic Development projects, including a rigorous evaluation of potential opportunities and risks against the principles outlined above in 6.3. As a minimum, the Council discloses the assessment of Economic Developments and the associated capital financing costs over the life cycle of the MTFS but also as assessed over the longer-term (as set out in the Prudential Indicators – Annex 2(c) within the main budget report).
- 6.5. The Council’s Economic Development projects are forecast to achieve a contribution net of capital financing costs (MRP and interest) of £1.3m in 2023/24 as shown in Table 2.

**Table 2: Financial performance of Commercial and Economic Development projects 2023/24**

<b>Commercial and Economic Development scheme type</b>	<b>Investment to date (i) £m</b>	<b>Capital financing costs £m</b>	<b>Forecast income £m</b>	<b>Net contribution £m</b>
Investment properties	37.684	1.262	1.270	0.008
Sompting battery storage project	4.240	0.256	0.500	0.244
Tangmere solar farm	9.322	n/a	0.795	0.795
All other solar & battery storage projects	29.689	1.091	1.305	0.214
<b>Total</b>	<b>80.935</b>	<b>2.609</b>	<b>3.870</b>	<b>1.261</b>

(i) As per the County Council’s 2021/22 audited Balance Sheet (Gross Book Value); plus forecast Capital Expenditure (Your Energy Sussex projects) in 2022/23.

## **7. Loans to Third Parties**

- 7.1. The Council may consider some loan investments that fall into the non-treasury investment category and as such, will be part of the Council’s capital programme. These are not treasury type investments, rather they are Service Delivery policy investments (defined in 1.6 above) and the funding will be spent on capital projects.
- 7.2. There may be instances where the Council may wish to provide a loan in 2023/24, including:
- loans to the Council’s Joint Venture (JV) Partnership with Lovell Partnerships Limited or Edes Estates, the County Council’s wholly owned company. Any loan made to the joint venture would be in line with the JV Partnership Agreement;

- loans to other third parties with which the County Council has a shared interest linked to the Council Plan priorities or legal responsibilities and where the nature of spend for which the loan is required is of a capital nature. These will be subject to consideration by the Director of Finance and Support Services.
- 7.3. Non-Treasury Service Delivery investments will be funded through borrowing and will either utilise the Council's cash balances (internal borrowing) or impact on the Council's external borrowing.
- 7.4. The value of loans to a specific third party at any one time will be limited to £15m.
- 7.5. Such loans will be considered when all of the following criteria are satisfied:
- The loan is towards expenditure which would, if incurred by the Council, be capital expenditure;
  - The purpose for which the loan is given is consistent with the Council's corporate / strategic objectives and priorities;
  - Due diligence is carried out that confirms the Council's legal powers to make the loan, and that assesses the risk of loss over the loan term;
  - A formal loan agreement is put in place which stipulates the loan period, repayment terms and loan rate; (which will be set at a level that seeks to mitigate any perceived risks of a loss being charged to the General Fund and takes appropriate account of Subsidy Control Rules).
- 7.6. The Council's Financial Regulations will be refreshed during 2023 to include loans to third parties and all loans must comply with the Financial Regulations. The approval limits for loans are:
- For loan amounts up to £0.5m, the Section 151 Officer can authorise where there is no adverse impact on Council Policy or service delivery and can be funded from approved capital programme;
  - For loan amounts over £0.5m and funded from current capital programme resources the Cabinet Member for Finance and Property can authorise;
  - For any loan amounts in excess of the approved capital programme, County Council will need to approve any change to the capital programme required to enable such a loan to be approved.
- 7.7. Loans for capital investment will need to be considered and approved as part of the usual capital programme governance as described in Section 4.

## **8. Flexible Use of Capital Receipts Strategy 2022/23 & 2023/24**

- 8.1 Since 2019/20, the Council has approved the flexibility to apply capital receipts to fund transformation projects as enabled by the Secretary of State's Direction and outlined in the Government's Statutory Guidance on the flexible use of capital receipts. Extension of the flexibility for a further three years was announced in the final settlement in February 2021 with the details on the conditions for extending the flexibility published in April 2022. The updated Statutory Guidance published on 4th April 2022, details that authorities must

update their Flexible Use of Capital Receipts Strategy during the given year if their initial plan changes and requires additional capitalisation of expenditure. Copies of each Flexible Use of Capital Receipts Strategy must also be sent to the Secretary of State. Appendix E provides an update on the Capital Receipts Flexibility Strategy for 2022/23 that was agreed by County Council in February 2022. Any use will be determined as part of the year end outturn position.

- 8.2 For 2023/24, the Council may propose to use the flexibility to fund up to £10.0m of qualifying transformation expenditure. Potential qualifying expenditure is currently funded through the revenue budget or reserves such as the service transformation reserve. Should availability of suitable, qualifying projects and funding allow, the Council will consider specific projects to be funded through flexible use of capital receipts. Approval will be in accordance with the scheme of delegation and capital programme governance and will be reported through the Performance and Resources Report (PRR). Details of proposals are set out in Appendix F. In addition, the Government’s Statutory Guidance requires that an update on the previous year’s project status is reported and this is also set out in Appendix F.
- 8.3 The Council’s flexible use of capital receipts to fund transformation projects will continue to be subject to development and approval of robust business cases. The business cases will demonstrate that the initiative will transform services, generate future savings or reduce future costs, and the costs being funded are implementation or set up costs and not on-going operational costs.

**9. Risk Management**

- 9.1 Preparation, financing and delivery of a multi-year capital programme involves a series of risks. Operational risk management is undertaken proportionately across the range of individual projects and programmes in the wider capital programme. There is a £10m corporate contingency within the programme to cover overall uncertainty and volatility around the capital programme with specific regards to economic conditions, availability of labour and increasing costs of materials and broader inflation effects. Table 4 sets out the Capital Strategy risks and their mitigations.

**Table 1: Capital programme risks and mitigations**

<b>Key Risk</b>	<b>Mitigations</b>
Schemes taken forward do not support Council Plan objectives	<ul style="list-style-type: none"> <li>• Service Strategies and Asset Management Strategy aligned with Council Plan</li> <li>• Member engagement in Capital Strategy development and prioritising programme.</li> <li>• Member input, prioritisation and scrutiny ahead of County Council approval</li> </ul>
High priority scheme not reflected in plans	<ul style="list-style-type: none"> <li>• Yearly review of priorities with all Members</li> <li>• Governance allows changes to priorities in-year</li> </ul>
Availability of feasibility and other revenue funding constrains approved capital plans	<ul style="list-style-type: none"> <li>• Creation of Feasibility Reserve</li> <li>• Outline Business Cases to include feasibility funding requirement</li> <li>• Future programmes to be funded on basis of capital and revenue requirements</li> </ul>



<b>Key Risk</b>	<b>Mitigations</b>
Schemes' total costs are above budget	<ul style="list-style-type: none"> <li>• Comprehensive viability/ feasibility studies undertaken before capital estimates are included in the funded programme</li> <li>• Budgets managed by SRO and programme sponsors within defined programmes</li> <li>• Change requests subject to governance control</li> </ul>
Lack of capacity prevents timely delivery of schemes	<ul style="list-style-type: none"> <li>• Use of multi-disciplinary consultancy (MDC) for professional services</li> <li>• Monthly highlight reports for timely identification and resolution of resource issues</li> </ul>
Unaffordability of financing costs in revenue budget	<ul style="list-style-type: none"> <li>• Preparation of Treasury Management Strategy</li> <li>• MTFs budgets reflect ongoing revenue costs of capital programme</li> </ul>
Economic Development schemes fail to generate an adequate revenue return	<ul style="list-style-type: none"> <li>• Rigorous evaluation and scrutiny of business cases before making investments</li> <li>• Regular monitoring of income against costs</li> </ul>
Expiry of time limited S106 contributions	<ul style="list-style-type: none"> <li>• Monitoring system in place to ensure contributions are spent within time period</li> </ul>
Spending is not in line with grant conditions (e.g. Local Growth Fund)	<ul style="list-style-type: none"> <li>• Monitoring of spending against agreed profiles and grant conditions</li> <li>• Negotiation with grant-awarding bodies where conditions may not be met</li> </ul>
Interest rate volatility regarding borrowing	<ul style="list-style-type: none"> <li>• Regular monitoring of interest rates</li> <li>• Use of external advisors</li> </ul>
Impact of shortage of supply of goods and labour on costs and timelines	<ul style="list-style-type: none"> <li>• Regular monitoring of projects</li> <li>• Creation of an additional contingency line to deal with inflation</li> </ul>
External market volatility and other external impact on delivery and financing	<ul style="list-style-type: none"> <li>• Regular monitoring and awareness</li> </ul>
Impact of water neutrality on planning and developments	<ul style="list-style-type: none"> <li>• Regular monitoring and awareness as projects are developed</li> </ul>

## **10. Knowledge and Training**

- 10.1 The Capital Programme Office provides advice and support to programme and project managers on an ongoing basis.
- 10.2 The Council uses professional advisory services as necessary in the preparation and delivery of its capital programme. For example, these include:
- Faithfull + Gould (multi-disciplinary consultant)
  - WSP (highways and public realm consultant)
  - Savills (property advisory services)
  - Montagu Evans (valuers)
  - Link (treasury management advisory)

- 10.3 The capital strategy and programme are closely aligned to the Treasury Management Strategy and CIPFA's Treasury Management Code of Practice which requires that staff with responsibility for treasury management and property investment receive adequate training. Staff undertake regular professional training to ensure their skills are kept up to date. Future training needs are periodically reviewed as part of staff appraisals and personal development plans. Training options for officers include professional qualifications from CIPFA and other appropriate organisations; attendance at workshops and seminars run by the Council's appointed treasury management advisor; and on the job training.

**Appendices**

Appendix A – Capital Programme Portfolio Pages

Appendix B – Minimum Revenue Provision (MRP) Statement 2023/24

Appendix C - Illustrative External Debt/Internal Borrowing Projections

Appendix D – Graphical Illustration of Debt Projections to March 2072

Appendix E – Flexible Use of Capital Receipts 2022/23

Appendix F – Flexible Use of Capital Receipts 2023/24

**CAPITAL PROGRAMME 2023/24 - 2027/28**

2022/23 £000	CAPITAL PROGRAMME (Expenditure)	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
127	Adults Services	0	945	955	300	0	0	2,200
1,268	Children and Young People	5,401	3,784	1,160	1,660	160	0	12,165
10,266	Community Support Fire and Rescue	9,089	7,276	10,194	5,612	3,950	0	36,121
5,565	Environment and Climate Change	12,182	23,859	27,490	25,445	7,602	0	96,578
8,579	Finance and Property	7,427	27,562	29,057	19,727	30,093	0	113,866
48,507	Highways and Transport	48,202	54,313	49,754	33,748	26,307	33,215	245,539
7,093	Leader	2,683	1,989	2,937	4,687	5,000	0	17,296
36,960	Learning and Skills	34,051	41,941	58,328	29,529	29,361	0	193,210
12,155	Support Services and Economic Development	5,848	12,786	8,050	2,238	1,350	0	30,272
<b>130,520</b>	<b>TOTAL CAPITAL PROGRAMME</b>	<b>124,883</b>	<b>174,455</b>	<b>187,925</b>	<b>122,946</b>	<b>103,823</b>	<b>33,215</b>	<b>747,247</b>

2022/23 £000	FINANCING	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
9,000	Capital Receipts	8,000	5,000	1,000	6,500	1,000	0	21,500
8,951	External Contributions including S106	6,461	8,849	23,680	19,170	4,050	33,215	95,425
9,520	Ringfenced Government Grant	23,632	7,136	10,500	10,180	6,964	0	58,412
57,019	Non-Ringfenced Government Grant	45,089	22,709	22,312	21,936	21,577	0	133,623
2,297	Revenue Contributions to Capital Outlay	532	1,532	1,532	3,032	532	0	7,160
733	Revenue Contribution to Capital Outlay – Business Rates Pilot	590	5,344	5,550	970	350	0	12,804
34,481	Core Borrowing	28,056	101,224	101,788	50,405	56,148	0	337,621
8,519	Economic Development Borrowing	12,523	22,661	21,563	10,753	13,202	0	80,702
<b>130,520</b>	<b>TOTAL PROGRAMME</b>	<b>124,883</b>	<b>174,455</b>	<b>187,925</b>	<b>122,946</b>	<b>103,823</b>	<b>33,215</b>	<b>747,247</b>

**CAPITAL PROGRAMME 2023/24**

FINANCED FROM	£000	£000	%
<b>External Sources</b>			
<b>Ringfenced Government Grant</b>			
Environment and Climate Change	159		
Finance and Property	300		
Highways and Transport	13,442		
Learning and Skills	9,431		
Support Services and Economic Development	300		
		23,632	18.92%
<b>Non-Ringfenced Government Grant</b>	45,089		
		45,089	36.10%
<b>External Contributions</b>			
Highways and Transport	519		
Learning and Skills	5,942		
		6,461	5.17%
<b>Total External Sources</b>		75,182	60.20%
<b>Corporate Funding</b>			
- Capital Receipts	8,000		
- Revenue Contributions to Capital Outlay	532		
- Revenue Contribution to Capital Outlay – Business Rates Pilot	590		
- Borrowing	40,579		
<b>Total Corporate Funding</b>		49,701	39.80%
<b>TOTAL CAPITAL PAYMENTS</b>		<b>124,883</b>	<b>100%</b>

**Adults Services**

**CAPITAL PROGRAMME 2023/24 to 2027/28**

Project	Approved Budget Profiled							
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
<b>In-Flight Projects</b>								
Choices For The Future Part B	127	0	0	0	0	0	0	0
<b>Total In-Flight Approved Projects</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Proposed Projects*</b>								
Supporting People With a Disability To Live Independently	0	0	945	955	300	0	0	2,200
<b>Total Proposed Starts List</b>	<b>0</b>	<b>0</b>	<b>945</b>	<b>955</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>2,200</b>
<b>TOTAL PROGRAMME</b>	<b>127</b>	<b>0</b>	<b>945</b>	<b>955</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>2,200</b>
<b>Financing</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>Subsequent £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>								
NHS Capital Grant	0	0	445	300	0	0	0	745
Corporate Resources	127	0	500	655	300	0	0	1,455
<b>Total Funding</b>	<b>127</b>	<b>0</b>	<b>945</b>	<b>955</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>2,200</b>

\* All projects approved subject to business case

Children and Young People

CAPITAL PROGRAMME 2023/24 to 2027/28

Project	Approved Budget Profiled							
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
<b>In-Flight Projects</b>								
Cisbury Lodge (now Bright Star) Children's Home	50	0	0	0	0	0	0	0
Seaside (now Breakwater) Children's Home	20	0	0	0	0	0	0	0
May House (now Blue Cove) Children's Home	20	0	0	0	0	0	0	0
High Trees Children's Home	59	875	707	0	0	0	0	1,582
Orchard House Children's Home	934	3,316	1,000	0	0	0	0	4,316
Teasel Close Children's Home	43	754	200	0	0	0	0	954
East Preston Family Time Hub	7	0	0	0	0	0	0	0
West Green Family Time Hub	85	236	567	0	0	0	0	803
Extensions and adaptations to foster carer properties	50	60	50	0	0	0	0	110
<b>Total In-Flight Approved Projects</b>	<b>1,268</b>	<b>5,241</b>	<b>2,524</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,765</b>
<b>Proposed Projects*</b>								
Early Help	0	0	1,000	1,000	1,500	0	0	3,500
The House Project	0	0	100	0	0	0	0	100
Extensions and adaptations to foster carer properties	0	160	160	160	160	160	0	800
<b>Total Proposed Starts List</b>	<b>0</b>	<b>160</b>	<b>1,260</b>	<b>1,160</b>	<b>1,660</b>	<b>160</b>	<b>0</b>	<b>4,400</b>
<b>TOTAL PROGRAMME</b>	<b>1,268</b>	<b>5,401</b>	<b>3,784</b>	<b>1,160</b>	<b>1,660</b>	<b>160</b>	<b>0</b>	<b>12,165</b>
<b>Financing</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>Subsequent £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>								
Corporate Resources	1,268	5,401	3,784	1,160	1,660	160	0	12,165
<b>Total Funding</b>	<b>1,268</b>	<b>5,401</b>	<b>3,784</b>	<b>1,160</b>	<b>1,660</b>	<b>160</b>	<b>0</b>	<b>12,165</b>

\* All projects approved subject to business case

**Community Support, Fire and Rescue**

**CAPITAL PROGRAMME 2023/24 to 2027/28**

Project	Approved Budget Profiled							
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
<b>In-Flight Projects</b>								
Fleet	700	1,500	800	1,542	0	0	0	<b>3,842</b>
Fire and Rescue Equipment	330	154	0	0	0	0	0	<b>154</b>
Live Training Centre and Horsham Fire Station	9,053	6,537	2,000	0	0	0	0	<b>8,537</b>
Worthing Community Hub	58	50	51	0	0	0	0	<b>101</b>
Fire and Rescue Estates Improvement Programme	125	500	525	702	0	0	0	<b>1,727</b>
<b>Total In-Flight Approved Projects</b>	<b>10,266</b>	<b>8,741</b>	<b>3,376</b>	<b>2,244</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,361</b>
<b>Proposed Projects*</b>								
Electric Vehicles	0	0	0	0	0	100	0	<b>100</b>
Future Years Fire and Rescue Equipment	0	348	350	350	350	350	0	<b>1,748</b>
Future Years Fleet	0	0	2,300	5,350	4,612	3,500	0	<b>15,762</b>
Records Office	0	0	250	750	0	0	0	<b>1,000</b>
Fire and Rescue Estates Improvement Programme	0	0	1,000	1,500	650	0	0	<b>3,150</b>
<b>Total Proposed Starts List</b>	<b>0</b>	<b>348</b>	<b>3,900</b>	<b>7,950</b>	<b>5,612</b>	<b>3,950</b>	<b>0</b>	<b>21,760</b>
<b>TOTAL PROGRAMME</b>	<b>10,266</b>	<b>9,089</b>	<b>7,276</b>	<b>10,194</b>	<b>5,612</b>	<b>3,950</b>	<b>0</b>	<b>36,121</b>
<b>Financing</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>Subsequent £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>								
Electric Vehicles Grant	0	0	0	0	0	100	0	<b>100</b>
Corporate Resources	10,266	9,089	7,276	10,194	5,612	3,850	0	<b>36,021</b>
<b>Total Funding</b>	<b>10,266</b>	<b>9,089</b>	<b>7,276</b>	<b>10,194</b>	<b>5,612</b>	<b>3,950</b>	<b>0</b>	<b>36,121</b>

\* All projects approved subject to business case

**Environment and Climate Change**

**CAPITAL PROGRAMME 2023/24 to 2027/28**

Project	Approved Budget Profiled							
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
<b>In-Flight Projects</b>								
General After Care Works	5	0	50	0	0	0	0	50
Faygate	32	0	397	200	0	0	0	597
Carbon Reduction Programme	113	15	0	0	0	0	0	15
Fairbridge Waste Transfer Site - Japanese Knotweed	0	0	9	0	0	0	0	9
Property Maintenance - Carbon Net Zero	1,000	1,000	2,692	0	0	0	0	3,692
Asset Decarbonisation - Carbon Net Zero	0	940	3,000	4,060	2,000	0	0	10,000
Flood Management	100	159	114	0	0	0	0	273
Operation Watershed	500	600	42	0	0	0	0	642
Your Energy Sussex (YES) - Schools Solar PV Programme	271	548	0	0	0	0	0	548
Your Energy Sussex (YES) - Westhampnett Solar Farm	34	0	0	0	0	0	0	0
Your Energy Sussex (YES) - Halewick Lane	3,510	8,320	8,000	2,000	0	0	0	18,320
<b>Total In-Flight Approved Projects</b>	<b>5,565</b>	<b>11,582</b>	<b>14,304</b>	<b>6,260</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>34,146</b>
Baystone Farm	0	0	0	550	0	0	0	550
Brookhurst Wood - Site HA	0	0	1,000	1,000	2,500	0	0	4,500
Faygate	0	0	0	780	0	0	0	780
YES - Solar Farms and Battery Storage	0	0	5,000	10,000	10,000	5,202	0	30,202
Climate Change - Carbon Net Zero	0	0	855	2,000	2,000	0	0	4,855
Littlehampton Expansion/ Improvement	0	600	0	500	2,545	0	0	3,645
Chichester and Horsham Recycling Centre Improvements	0	0	1,300	2,000	3,500	2,000	0	8,800
Future Years Operation Watershed	0	0	400	400	400	400	0	1,600
Waste Strategic Options	0	0	1,000	4,000	2,500	0	0	7,500
<b>Total Proposed Starts List</b>	<b>0</b>	<b>600</b>	<b>9,555</b>	<b>21,230</b>	<b>23,445</b>	<b>7,602</b>	<b>0</b>	<b>62,432</b>
<b>TOTAL PROGRAMME</b>	<b>5,565</b>	<b>12,182</b>	<b>23,859</b>	<b>27,490</b>	<b>25,445</b>	<b>7,602</b>	<b>0</b>	<b>96,578</b>
<b>Financing</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>Subsequent £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>								
Corporate Resources	5,403	12,023	22,745	23,990	16,900	5,602	0	81,260
External Contributions including S106	20	0	114	2,500	6,045	2,000	0	10,659
Flood & Coastal Erosion Grant	100	159	0	0	0	0	0	159
Revenue Contribution to Capital Outlay (RCCO)	42	0	1,000	1,000	2,500	0	0	4,500
<b>Total Funding</b>	<b>5,565</b>	<b>12,182</b>	<b>23,859</b>	<b>27,490</b>	<b>25,445</b>	<b>7,602</b>	<b>0</b>	<b>96,578</b>

\* All projects approved subject to business case

Finance and Property

CAPITAL PROGRAMME 2023/24 to 2027/28

Project	Approved Budget Profiled							
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
<b>In-Flight Projects</b>								
Structural Maintenance	3,000	3,127	0	0	0	0	0	3,127
Staff Capitalisation - Property	914	940	0	0	0	0	0	940
Gypsy and Travellers Improvements Programme	100	200	375	0	0	0	0	575
Crawley County Buildings Demolition	16	0	0	0	0	0	0	0
Targeted Minor Asset Improvement Plan (CLOG)	72	45	0	0	0	0	0	45
Chichester High School Demolition	44	0	0	0	0	0	0	0
Accessibility Audit	234	100	500	600	390	0	0	1,590
Broadbridge Heath Park	3,500	2,000	4,825	5,000	0	0	0	11,825
Hop Oast Fencing	25	0	0	0	0	0	0	0
Orchard Street Development	4	0	102	0	0	0	0	102
Horsham Enterprise Park	200	165	225	165	100	0	0	655
Martlets Renovation	370	0	0	0	0	0	0	0
Latent Defects	100	50	50	0	0	0	0	100
<b>Total In-Flight Approved Projects</b>	<b>8,579</b>	<b>6,627</b>	<b>6,077</b>	<b>5,765</b>	<b>490</b>	<b>0</b>	<b>0</b>	<b>18,959</b>
<b>Proposed Projects*</b>								
Invest to Save/Future Economic Development	0	500	9,500	9,174	5,000	16,338	0	40,512
Future Years Gypsy and Travellers Improvements Programme	0	0	400	600	300	300	0	1,600
Future Years Staff Capitalisation - Property	0	0	958	978	997	1,017	0	3,950
Future Years Structural Maintenance	0	0	2,300	1,000	2,300	2,300	0	7,900
Capital Maintenance Uplift	0	0	640	1,940	640	640	0	3,860
Joint Venture - Property	0	0	1,000	1,000	1,000	2,000	0	5,000
Corporate Contingency (including inflation)	0	0	3,000	3,000	4,000	0	0	10,000
One Public Estate Brownfield Land Release Grant	0	300	687	0	0	0	0	987
Littlehampton County Buildings	0	0	500	600	0	0	0	1,100
Capital Improvements Programme	0	0	2,500	5,000	5,000	7,498	0	19,998
<b>Total Proposed Starts List</b>	<b>0</b>	<b>800</b>	<b>21,485</b>	<b>23,292</b>	<b>19,237</b>	<b>30,093</b>	<b>0</b>	<b>94,907</b>
<b>TOTAL PROGRAMME</b>	<b>8,579</b>	<b>7,427</b>	<b>27,562</b>	<b>29,057</b>	<b>19,727</b>	<b>30,093</b>	<b>0</b>	<b>113,866</b>
<b>Financing</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>Subsequent £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>								
Corporate Resources	8,579	7,127	26,875	29,057	19,727	30,093	0	112,879
Revenue Contributions to Capital Outlay	0	0	0	0	0	0	0	0
One Public Estate Brownfield Land Release Grant	0	300	687	0	0	0	0	987
<b>Total Funding</b>	<b>8,579</b>	<b>7,427</b>	<b>27,562</b>	<b>29,057</b>	<b>19,727</b>	<b>30,093</b>	<b>0</b>	<b>113,866</b>

\* All projects approved subject to business case



Highways and Transport

CAPITAL PROGRAMME 2023/24 to 2027/28

Project	Approved Budget Profiled							
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
<b>In-Flight Projects</b>								
Annual Works Programme	25,982	23,492	4,085	4,000	0	0	0	31,577
Highways Maintenance Additional	0	1,300	4,300	4,900	4,900	4,000	0	19,400
A2300 Corridor Capacity Enhancement, Burgess Hill	154	0	0	0	0	0	0	0
A259 Corridor Capacity Enhancement, Arun	8,725	3,840	0	0	0	0	0	3,840
A259 Bognor to Littlehampton Corridor Enhancement, Arun	831	1,006	0	0	0	0	0	1,006
A284 Lyminster Bypass, Arun	7,788	11,792	10,915	11,386	2,813	0	0	36,906
A29 Re-alignment, Arun, Phase 1	1,492	1,400	6,000	422	0	0	0	7,822
Active Travel Fund	329	650	1,000	0	0	0	0	1,650
On Street Parking	0	0	100	401	0	0	0	501
Shoreham Footbridge Replacement	21	0	0	0	0	0	0	0
Staff Capitalisation	2,048	1,413	0	0	0	0	0	1,413
West of Horsham	137	319	400	0	0	0	0	719
Street Lighting LED	1,000	1,490	3,490	3,398	5,153	6,000	0	19,531
<b>Total In-Flight Approved Projects</b>	<b>48,507</b>	<b>46,702</b>	<b>30,290</b>	<b>24,507</b>	<b>12,866</b>	<b>10,000</b>	<b>0</b>	<b>124,365</b>
<b>Proposed Projects*</b>								
A29 Re-alignment, Arun, Phase 2	0	0	0	0	0	0	33,215	33,215
Haywards Heath South Road	0	0	1,000	1,000	625	0	0	2,625
Future Years Annual Works Programme	0	0	14,777	14,777	14,777	14,777	0	59,108
Onstreet Residential Chargepoints	0	0	804	1,000	0	0	0	1,804
Bus Service Improvement Plan	0	1,000	3,000	4,000	3,980	0	0	11,980
Future Years Staff Capitalisation - Highways	0	0	1,442	1,470	1,500	1,530	0	5,942
Traffic Signals	0	500	3,000	3,000	0	0	0	6,500
<b>Total Proposed Starts List</b>	<b>0</b>	<b>1,500</b>	<b>24,023</b>	<b>25,247</b>	<b>20,882</b>	<b>16,307</b>	<b>33,215</b>	<b>121,174</b>
<b>TOTAL PROGRAMME</b>	<b>48,507</b>	<b>48,202</b>	<b>54,313</b>	<b>49,754</b>	<b>33,748</b>	<b>26,307</b>	<b>33,215</b>	<b>245,539</b>
<b>Financing</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>Subsequent £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>								
Local Enterprise Partnership (LEP) Grant	0	0	0	0	0	0	0	0
Local Maintenance and Transport Grant	20,899	14,777	14,777	14,777	14,777	14,777	0	73,885
Department for Transport A259 Bognor to Littlehampton	778	0	0	0	0	0	0	0
Department for Transport A284 Lyminster Bypass	23	11,792	0	0	0	0	0	11,792
Bus Back Better	0	1,000	3,000	4,000	3,980	0	0	11,980
Natural England	71	0	0	0	0	0	0	0
On-street Residential Chargepoint Scheme	0	0	804	1,000	0	0	0	1,804
Emergency Active Travel Fund	329	650	1,000	0	0	0	0	1,650
Corporate Resources	21,499	19,464	32,282	28,977	11,553	11,530	0	103,806
Revenue Contributions to Capital Outlay	1,723	0	0	0	0	0	0	0
External Contributions including S106	3,185	519	2,450	1,000	3,438	0	33,215	40,622
<b>Total Funding</b>	<b>48,507</b>	<b>48,202</b>	<b>54,313</b>	<b>49,754</b>	<b>33,748</b>	<b>26,307</b>	<b>33,215</b>	<b>245,539</b>

\* All projects approved subject to business case

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Agenda Item 9  
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Leader

CAPITAL PROGRAMME 2023/24 to 2027/28

Project	Approved Budget Profiled							
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
<b>In-Flight Projects</b>								
Crawley Growth Programme	5,177	1,183	0	0	0	0	0	1,183
Burgess Hill Growth Programme	1,916	1,500	600	0	0	0	0	2,100
Bold Ideas, Creative Bognor	0	0	19	0	0	0	0	19
<b>Total In-Flight Approved Projects</b>	<b>7,093</b>	<b>2,683</b>	<b>619</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,302</b>
<b>Proposed Projects*</b>								
Crawley Growth Programme	0	0	1,000	1,937	2,585	3,000	0	8,522
Burgess Hill Growth Programme	0	0	370	1,000	2,102	2,000	0	5,472
<b>Total Proposed Starts List</b>	<b>0</b>	<b>0</b>	<b>1,370</b>	<b>2,937</b>	<b>4,687</b>	<b>5,000</b>	<b>0</b>	<b>13,994</b>
<b>TOTAL PROGRAMME</b>	<b>7,093</b>	<b>2,683</b>	<b>1,989</b>	<b>2,937</b>	<b>4,687</b>	<b>5,000</b>	<b>0</b>	<b>17,296</b>
<b>Financing</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>Subsequent £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>								
Local Enterprise Partnership (LEP) Grant	669	0	0	0	0	0	0	0
Corporate Resources	6,424	2,683	1,989	2,937	1,000	3,000	0	11,609
External Contributions	0	0	0	0	3,687	2,000	0	5,687
<b>Total Funding</b>	<b>7,093</b>	<b>2,683</b>	<b>1,989</b>	<b>2,937</b>	<b>4,687</b>	<b>5,000</b>	<b>0</b>	<b>17,296</b>

\* All projects approved subject to business case

Learning and Skills

CAPITAL PROGRAMME 2023/24 to 2027/28

Project	Approved Budget Profiled							
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
<b>In-Flight Projects</b>								
Basic Need	2,360	4,559	5,230	3,401	6,000	0	0	19,190
Special School Sufficiency	6,331	7,337	0	0	0	0	0	7,337
Bedelands Academy (Secondary School)	2,609	4,494	14,902	34,142	0	0	0	53,538
Woodlands Mead College	12,568	4,660	1,000	0	0	0	0	5,660
All Weather Pitches	1,605	127	0	0	0	0	0	127
Schools Access Initiative	51	0	0	0	0	0	0	0
Community Schools Capital Maintenance Grant	9,058	9,000	709	0	0	0	0	9,709
Devolved Formula Capital Grant	1,200	1,200	0	0	0	0	0	1,200
Section 106 Infrastructure Programme	1,000	674	2,055	2,850	0	0	0	5,579
Section 106 FFE & IT	178	0	0	0	0	0	0	0
<b>Total In-Flight Approved Projects</b>	<b>36,960</b>	<b>32,051</b>	<b>23,896</b>	<b>40,393</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>102,340</b>
<b>Proposed Projects*</b>								
Future Years Basic Need	0	1,000	5,000	5,000	10,000	15,647	0	36,647
Future Years Community Schools Capital Maintenance Grant	0	0	7,932	7,535	7,159	6,800	0	29,426
Future Years Devolved Formula Capital Grant	0	0	1,200	1,200	1,200	1,200	0	4,800
Schools Capital Maintenance Block (Additional)	0	0	200	200	170	0	0	570
SEND Development Programme	0	1,000	3,713	4,000	5,000	5,664	0	19,377
Titnore Lane - Land	0	0	0	0	0	50	0	50
<b>Total Proposed Starts List</b>	<b>0</b>	<b>2,000</b>	<b>18,045</b>	<b>17,935</b>	<b>23,529</b>	<b>29,361</b>	<b>0</b>	<b>90,870</b>
<b>TOTAL PROGRAMME</b>	<b>36,960</b>	<b>34,051</b>	<b>41,941</b>	<b>58,328</b>	<b>29,529</b>	<b>29,361</b>	<b>0</b>	<b>193,210</b>
<b>Financing</b>								
<b>Sources of Funding</b>								
Basic Need Grant	7,546	10,328	11,634	0	0	0	0	21,962
Capital Maintenance Grant	8,789	8,350	7,932	7,535	7,159	6,800	0	37,776
Devolved Formula Capital Grant	1,200	1,200	1,200	1,200	1,200	1,200	0	6,000
Special Educational Needs & Disability Grant (SEND)	6,150	8,231	0	4,000	5,000	5,664	0	22,895
Corporate Resources	7,529	0	14,890	25,413	10,170	15,647	0	66,120
External Contributions	5,746	5,942	6,285	20,180	6,000	50	0	38,457
<b>Total Funding</b>	<b>36,960</b>	<b>34,051</b>	<b>41,941</b>	<b>58,328</b>	<b>29,529</b>	<b>29,361</b>	<b>0</b>	<b>193,210</b>

\* All projects approved subject to business case

**Support Services and Economic Development**

**CAPITAL PROGRAMME 2023/24 to 2027/28**

Project	Approved Budget Profiled							
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Subsequent £000	Total £000
<b>In-Flight Projects</b>								
Converged Fibre	176	0	0	0	0	0	0	0
Transformation Projects	9,000	2,500	2,119	0	0	0	0	4,619
Gigabit Voucher Scheme	370	200	2,222	1,800	0	0	0	4,222
District and Borough Council Gigabit Projects	378	390	2,372	2,500	0	0	0	5,262
Connected Places - WI-FI	200	300	0	0	0	0	0	300
Investment in Technology	300	500	500	0	0	0	0	1,000
Worthing Public Realm	1,131	558	1,000	0	0	0	0	1,558
Arun Growth Programme	600	684	400	0	0	0	0	1,084
<b>Total In-Flight Approved Projects</b>	<b>12,155</b>	<b>5,132</b>	<b>8,613</b>	<b>4,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,045</b>
<b>Proposed Projects*</b>								
Digital Infrastructure (Business Rates Pilot)	0	0	250	250	300	350	0	1,150
Rural Connectivity (Business Rates Pilot)	0	0	500	1,000	670	0	0	2,170
Future Years Investment in Technology	0	0	1,000	1,000	1,268	1,000	0	4,268
Arun Growth Programme	0	346	800	500	0	0	0	1,646
Adur Growth Programme	0	370	800	500	0	0	0	1,670
Worthing Public Realm	0	0	823	500	0	0	0	1,323
<b>Total Proposed Starts List</b>	<b>0</b>	<b>716</b>	<b>4,173</b>	<b>3,750</b>	<b>2,238</b>	<b>1,350</b>	<b>0</b>	<b>12,227</b>
<b>TOTAL PROGRAMME</b>	<b>12,155</b>	<b>5,848</b>	<b>12,786</b>	<b>8,050</b>	<b>2,238</b>	<b>1,350</b>	<b>0</b>	<b>30,272</b>
<b>Financing</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>Subsequent £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>								
Corporate Resources	11,222	4,958	7,442	2,500	1,268	1,000	0	17,168
Economic Recovery Fund Grant	200	300	0	0	0	0	0	300
Revenue Contribution to Capital Outlay - Business Rates Pilot	733	590	5,344	5,550	970	350	0	12,804
<b>Total Funding</b>	<b>12,155</b>	<b>5,848</b>	<b>12,786</b>	<b>8,050</b>	<b>2,238</b>	<b>1,350</b>	<b>0</b>	<b>30,272</b>

\* All projects approved subject to business case

## **Minimum Revenue Provision (MRP) Statement – 2023/24**

- 1.1 In accordance with the Local Authorities (Capital and Accounting) (England) Regulations 2003, the Council is required to make an annual contribution from revenue to repay long-term borrowing, namely its 'Minimum Revenue Provision (MRP)'. The 2008 amendment to these regulations gives local authorities the flexibility to set MRP at a level it considers to be prudent.
- 1.2 The Department for Levelling Up, Housing and Communities (DLUHC), issued statutory guidance (updated 2018) on determining a prudent level of MRP, which presents four ready-made options for the calculation, but makes clear that other methodologies are permissible. The guidance distinguishes between historic capital expenditure notionally supported by central government through the provision of Revenue Support Grant ('supported borrowing'), and self-financed 'unsupported' borrowing. Transitory provisions of the DLUHC guidance permit the treatment of any self-financed borrowing prior to 1 April 2008 as supported for the purposes of the MRP calculation.
- 1.3 The Council has adopted the Asset Life Annuity method (DLUHC option 3b) for the calculation of MRP on unsupported borrowing. Under this approach, the Council fully expenses to the General Fund the cost of the asset initially financed through borrowing over a period equal to the useful life of that asset. Annuity rates are linked to rates published by the Public Works Loans Board (PWLB). MRP on outstanding supported borrowing is made on a 2% annuity basis over a 40-year period.
- 1.4 Private Finance Initiatives and leases may be arranged to finance the acquisition of non-current assets, which are assets not easily converted to cash, as an alternative to borrowing where this is financially or operationally advantageous and is in accordance with the strategy for the capital programme. In line with DLUHC guidance and to mitigate the impact of the move to International Financial Reporting Standards (IFRS) on the Council's revenue account, it is the policy of West Sussex County Council to make an annual MRP charge equal to the portion of the PFI unitary charge or lease payment taken to the Balance Sheet to reduce the liability. However, where a lease premium is made (and immediately taken to write down the Balance Sheet liability), the Council shall spread the MRP charge over the useful life of the asset.

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## Illustrative External Debt/Internal Borrowing Projections

(Excluding short-term borrowing from the Chichester Harbour Conservancy)

The borrowing figures below reflect the Council's internal borrowing policy and the external debt projections for the current capital programme to 2027/28. In addition, in the table below, the Core Borrowing (New) includes £20m annual borrowing for the capital programme (excluding Economic Development schemes) from 2028/29 onwards.

The borrowing figures are split between the core capital programme and Economic Development projects and core borrowing covers the whole of the capital programme excluding Economic Development.

The Council's Liability Benchmark projections forecast that the Council will be required to externally borrow in 2025/26.

The Council's capital financing budget is set in line with the assumptions above and any change to these assumptions will have an impact on the Council's revenue budget.

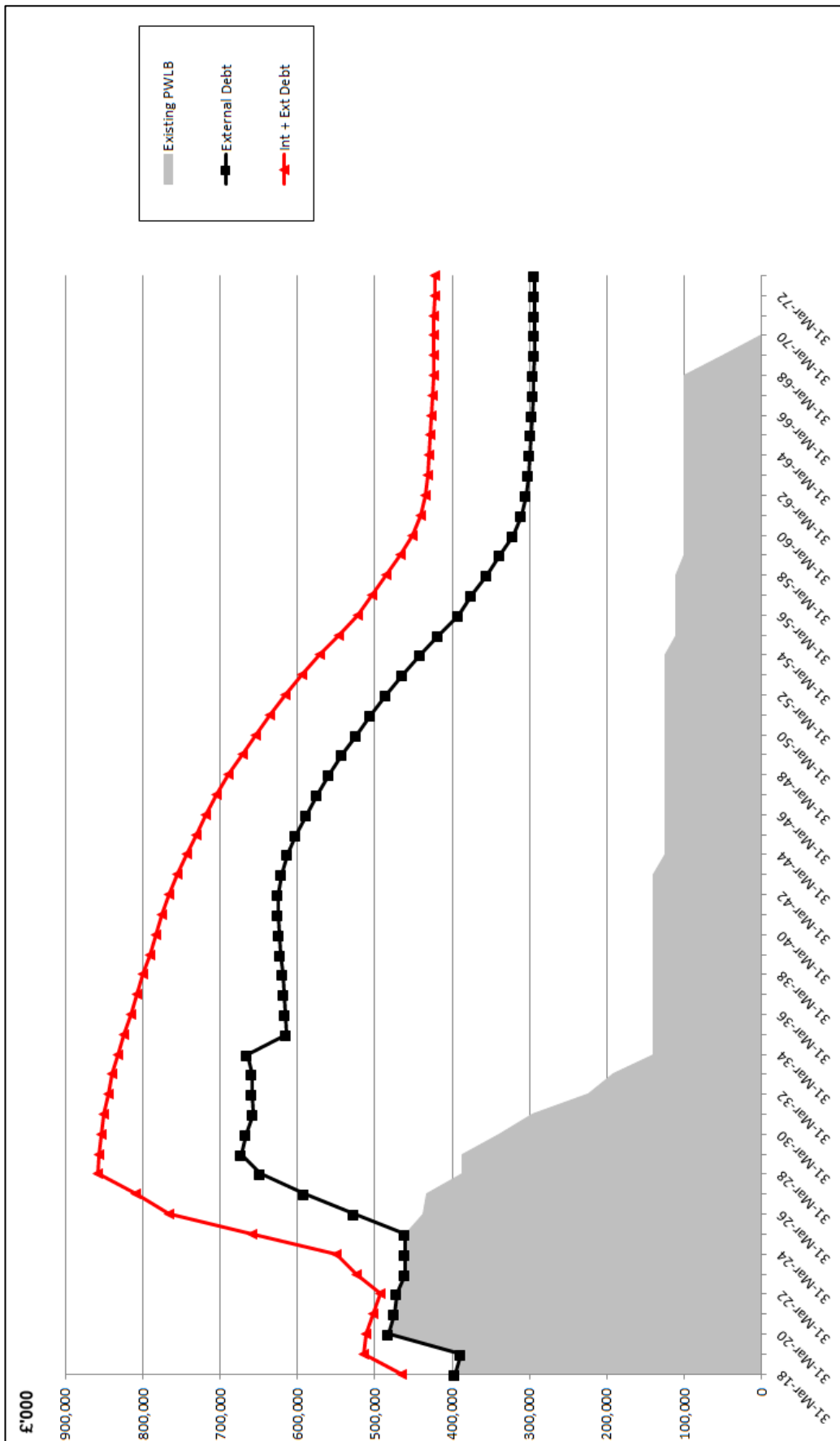
Year Ending	Existing PWLB Debt £'m	Core Borrowing (New) £'m	Economic Development Borrowing (New) £'m	New Borrowing (Total) £'m	Internal Borrowing £'m	Total Borrowing £'m
31 March 2022	471.3	0.0	0.0	0.0	21.3	492.6
31 March 2023	461.3	0.0	0.0	0.0	61.9	523.2
31 March 2024	461.3	0.0	0.0	0.0	88.7	550.0
31 March 2025	461.3	0.0	0.0	0.0	197.9	659.2
31 March 2026	437.2	0.0	89.9	89.9	238.7	765.8
31 March 2027	432.5	8.6	150.8	159.4	216.6	808.5
31 March 2028	386.4	100.8	160.9	261.7	209.7	857.8
31 March 2029	386.4	128.7	157.6	286.3	183.5	856.2
31 March 2030	339.2	172.4	154.2	326.6	187.6	853.4
31 March 2031	295.9	211.2	150.6	361.8	192.0	849.7
31 March 2032	224.9	286.7	147.0	433.7	186.4	845.0
31 March 2033	192.2	322.8	143.3	466.1	180.8	839.1
31 March 2034	140.0	384.9	139.4	524.3	168.0	832.3
31 March 2035	140.0	339.1	135.4	474.5	210.0	824.5
31 March 2036	140.0	344.0	131.3	475.3	200.0	815.3
31 March 2037	140.0	349.9	127.1	477.0	190.0	807.0
31 March 2038	140.0	356.4	122.7	479.1	180.0	799.1
31 March 2039	140.0	363.1	118.2	481.3	170.0	791.3
31 March 2040	140.0	370.2	113.5	483.7	160.0	783.7
31 March 2041	140.0	376.4	108.7	485.1	150.0	775.1
31 March 2042	140.0	381.4	103.9	485.3	140.0	765.3
31 March 2043	140.0	380.5	99.1	479.6	135.0	754.6
31 March 2044	125.0	394.1	94.1	488.2	130.0	743.2
31 March 2045	125.0	386.6	89.9	476.5	130.0	731.5
31 March 2046	125.0	377.9	85.6	463.5	130.0	718.5
31 March 2047	125.0	368.0	81.3	449.3	130.0	704.3
31 March 2048	125.0	356.8	76.8	433.6	130.0	688.6

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Year Ending	Existing PWLB Debt £'m	Core Borrowing (New) £'m	Economic Development Borrowing (New) £'m	New Borrowing (Total) £'m	Internal Borrowing £'m	Total Borrowing £'m
31 March 2049	125.0	344.4	72.1	416.5	130.0	671.5
31 March 2050	125.0	331.9	67.3	399.2	130.0	654.2
31 March 2051	125.0	318.1	62.4	380.5	130.0	635.5
31 March 2052	125.0	302.8	57.4	360.2	130.0	615.2
31 March 2053	125.0	286.3	52.5	338.8	130.0	593.8
31 March 2054	125.0	268.6	47.6	316.2	130.0	571.2
31 March 2055	110.0	264.6	42.5	307.1	130.0	547.1
31 March 2056	110.0	244.0	37.3	281.3	130.0	521.3
31 March 2057	110.0	232.3	31.8	264.1	130.0	504.1
31 March 2058	110.0	219.1	26.3	245.4	130.0	485.4
31 March 2059	100.0	216.4	21.1	237.5	130.0	467.5
31 March 2060	100.0	204.8	16.4	221.2	130.0	451.2
31 March 2061	100.0	197.7	12.7	210.4	130.0	440.4
31 March 2062	100.0	194.8	10.0	204.8	130.0	434.8
31 March 2063	100.0	193.0	8.1	201.1	130.0	431.1
31 March 2064	100.0	193.0	6.7	199.7	130.0	429.7
31 March 2065	100.0	193.0	5.4	198.4	130.0	428.4
31 March 2066	100.0	193.0	4.0	197.0	130.0	427.0
31 March 2067	100.0	193.0	2.6	195.6	130.0	425.6
31 March 2068	100.0	193.0	1.4	194.4	130.0	424.4
31 March 2069	50.0	243.0	0.1	243.1	130.0	423.1
31 March 2070	0.0	293.0	0.1	293.1	130.0	423.1
31 March 2071	0.0	293.0	0.1	293.1	130.0	423.1
31 March 2072	0.0	293.0	0.0	293.0	130.0	423.0
31 March 2073	0.0	293.0	0.0	293.0	130.0	423.0



### Graphical Illustrative of Debt Projections to 31 March 2073



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## Flexible Use of Capital Receipts Strategy 2022/23 – Update

Since 2019/20, the Council has approved the flexibility to apply capital receipts to fund transformation projects as enabled by the Secretary of State’s Direction and outlined in the Government’s Statutory Guidance on the flexible use of capital receipts. Extension of the flexibility for a further three years was announced in the final settlement in February 2021 and conditions for extending the flexibility beyond 31 March 2022 were published April 2022.

The updated Statutory Guidance published on 4<sup>th</sup> April 2022, states that authorities must update their Flexible Use of Capital Receipts Strategy during the given year if their initial plan changes and requires additional capitalisation of expenditure. Copies of each Flexible Use of Capital Receipts Strategy must also be sent to the Secretary of State.

The original Strategy agreed by Full Council in February 2022 proposed the use of flexibility of up to £10m. Following a review of the 2022/23 plan, it is now proposed that the Council uses flexibility of up to £9.0m of qualifying transformation expenditure. The table below has been updated to provide the latest estimated expenditure.

## Projects To Be Funded from Flexible Use of Capital Receipts 2022/23 – Update

The Council intends to apply £9.0m of capital receipts in 2022/23 to fund the following transformation projects.

Project Description	Qualifying Expenditure	Budgeted Expenditure	Expected Savings *
Smartcore	Investment in transformational project that supports HR, Procurement and Finance processes to enable automation and improved efficiency	£8.101m	Efficiencies and savings through improved processes, automation and enabling more tasks to be undertaken via self-service
Insource and Procurement of IT Services	Investment in IT services and implementation of a new delivery model	£0.724m	Efficiencies and savings through delivering a new flexible service model
Waste Service Transformation	Continuation of initiatives with the district and boroughs to incentivise recycling (rephased due to Covid restrictions)	£0.175m	Reductions in demand pressure and contract efficiencies to achieve savings in 2023-2025
<b>Total</b>		<b>£9.0m</b>	

*\*In most instances the ongoing savings do not depend solely on this investment. Delivering the forecast savings will also require the focus of other, existing resources.*

**Impact on affordability of Prudential Borrowing**

The incremental impact on the County Council’s Prudential Indicators of £9.0m Capital Expenditure in 2022/23 due to its Flexible use of Capital Receipts Strategy is as follows.

<b>Prudential Indicators</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>
Capital Financing Requirement	+£9.0m	-£0.1m	-£0.1m	-£0.1m	-£0.2m
Operational Boundary	-	-	-	+£8.7m	-£0.2m
Authorised Borrowing Limit	-	+£8.7m	-£0.2m	-£0.1m	-

## Flexible Use of Capital Receipts Strategy 2023/24

Since 2019/20, the Council has approved the flexibility to apply capital receipts to fund transformation projects as enabled by the Secretary of State's Direction and outlined in the Government's Statutory Guidance on the flexible use of capital receipts. The Government announced an extension in the direction within the February 2021 final settlement.

For 2023/24, the Council proposes to use the flexibility to fund up to £10m of qualifying transformation expenditure. The table below sets out the proposal to use £2.5m of capital receipts to fund specific projects. Further schemes which we may wish to fund through capital receipts may be identified during the year up to a maximum of £10m and these will be reported through the Performance and Resources Report (PRR).

The Council's use of capital receipts to fund transformation projects will be subject to the approval of robust business cases. The business cases will demonstrate that: the initiative will transform services, generate future savings or reduce future costs, and the expenditure being funded is for implementation or set up costs and not for on-going operational costs.

### Projects To Be Funded from Flexible Use of Capital Receipts 2023/24

The Council intends to apply £2.5m of capital receipts in 2023/24 to fund the following transformation projects.

Project Description	Qualifying Expenditure	Budgeted Expenditure	Expected Savings *
Smartcore	Investment in transformational project that supports HR, Procurement and Finance processes to enable automation and improved efficiency	£1.3m	Efficiencies and savings through improved processes, automation and enabling more tasks to be undertaken via self-service
Waste Service Transformation	Continuation of initiatives to incentivise recycling (rephased due to Covid restrictions)	£1.2m	Reductions in demand pressure and contract efficiencies to achieve savings in 2023/2025
<b>Total</b>		<b>£2.5m</b>	

*\*In most instances the ongoing savings do not depend solely on this investment. Delivering the forecast savings will also require the focus of other, existing resources.*

Expenditure on further activities to which the Council could potentially apply flexible use of capital receipts include the following:

- Any further investment on Children First Improvement Programme to transform the service for improved practice, efficiency and effectiveness.

- Any further work to support the transition of smarter ways of working to ensure that emerging organisational requirements and benefits are realised.

### Impact on affordability of Prudential Borrowing

The incremental impact on the County Council's Prudential Indicators of £2.5m additional Capital Expenditure in 2023/24 due to its Flexible use of Capital Receipts Strategy is as follows.

Prudential Indicators	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Capital Financing Requirement	+£2.5m	-	-	-£0.1m	-£0.1m
Operational Boundary	-	-	+£2.5m	-£0.1m	-£0.1m
Authorised Borrowing Limit	+£2.4m	-£0.1m	-£0.1m	-	-

### Flexible Use of Capital Receipts – Status on Projects Relating to 2021/22 Expenditure

The Government's Statutory Guidance requires that an update on the previous year's project status is reported. In 2021/22, the County Council incurred £4.4m of qualifying expenditure on eligible activities.

Project Description	Qualifying Expenditure	2021/22 Expenditure	Update on Position
Smartcore	Investment in transformational project, that supports HR, Procurement and Finance processes to enable automation and improved efficiency.	£2.7m	Project planned to complete in 2022/23
Insource & Procurement of IT Services	Service redesign to improve efficiencies and achieve savings.	£1.1m	Project planned to complete in 2022/23
Waste Service Transformation	Service redesign to improve efficiencies in waste collection and disposal contracts and continuation on initiatives with the district and boroughs to incentivise recycling (rephased from 2020/21 due to Covid-19 restrictions).	£0.6m	Delayed due to the pandemic
<b>Total</b>		<b>£4.4m</b>	

### Smartcore

The Smartcore programme is focused upon making business processes more efficient and economic through the replacement of the existing SAP system with Oracle Fusion.

The programme is based on a set of design principles that seek to establish a single source of truth for key data and information relating to Finance, HR, Payroll and Procurement and Contract Management Services; which will support strategic and operational decision making and planning, whilst also providing an opportunity to introduce productivity gains via business process improvements.

The successful implementation of the Smartcore Programme will deliver efficiencies through automation, self-service and improved business processes. The associated savings have been included within the budget process and any further efficiencies will be incorporated as the project progresses.

During 2021/22, £2.6m of expenditure was incurred as the project increased in pace. Costs associated with the programme delivery, project management, data migration, system creation and system licences are included within this expenditure total.

### Insourcing and Procurement of IT Services

The Council has set out its digital transformation strategy, in which it outlines how, over the coming years, the Council will reduce costs and improve services through embracing technology. This approach is wholly aligned with the broader technology adoption that can be seen in business and consumer domains across the public and private sectors and will embed ICT services as integral to Council operations.

In order to deliver this strategy, the ICT transformation programme was developed with the aim of future-proofing ICT services, by increasing agility and flexibility, so that they are better able to keep up with technology change and achieve the ICT department's vision.

Exiting from a traditional on-premise data centre model and moving all Council applications and services to a managed public cloud model is key to realising the ICT transformation programme.

This project is expected to deliver on-going savings of £0.750m per year through implementing this new delivery model. During 2021/22, £1.1m of expenditure was incurred.

### Waste Services Transformation

The County Council, along with our district and borough councils, need to increase recycling rates to meet increasing national targets and reduce its environmental impact and carbon footprint.

In West Sussex, 40% of all kerbside waste collected is made up of food waste, this material can be put through the process of anaerobic digestion which provides

a source of renewable energy. As the waste breaks down into biogas (a mixture of methane and carbon dioxide) it can power engines which produce heat, which is reused and the main output is electricity which can be used to power a facility, stored in batteries and sold back to the grid.

There are significant savings to the County Council from moving waste up the recycling hierarchy. The cost of disposing of waste is complex and drawing direct comparisons between various routes to disposal or recycling is difficult due to variations in transport routes and the structure of end point gate fees. It is however self-evident that, moving from a cost of disposal via the Refuse Derived Fuel (RDF) contract with a price that ranges between £112-£128 per tonne against a maximum gate fee of £89 per tonne for recycling to be processed at the Material and Recycling Facility (MRF), there is a financial incentive to move waste from the disposal route to recycling. In addition to the saving on the gate fee paid to process the waste, the Council also benefits from the sale of recycle processed through the MRF, in 2021/22 the Council received £4.1m from sales.

Whilst the pandemic has impacted on the ability to drive this work forward, the County Council continues to explore and incentivise all household recycling and reduce demand pressure on the Council's waste services; in particular trials for segregation and disposal of food and absorbent hygiene products are being implemented and expanded across the County. During 2021/22, £0.6m of expenditure was incurred.

These projects align with the 'Strategic Options' decision that was taken by the County Council to make changes to the current contract with Biffa to enable the acceptance and processing of source-separated food waste and the production of RDF at the Mechanical and Biological Treatment Facility (MBT) at Brookhurst Wood, Horsham. This will take a proactive approach to securing future proof technology that delivers an anaerobic digestion facility required for delivering council services in the future.



## **Treasury Management Strategy Statement (2023/24)**

### **1 Background**

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

“The management of the County Council’s borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.2 In accordance with the CIPFA definition, the County Council’s treasury management function aims to manage risk. The successful identification, control and monitoring of risk are integral elements to treasury management activities and include credit and counterparty risk, liquidity risk, market and interest rate risk, refinancing risk, and legal and regulatory risk.
- 1.3 The County Council is required to operate a balanced budget which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties, financial instruments, or externally managed pooled funds which align with the County Council’s risk appetite and provide adequate liquidity initially before considering investment return.
- 1.4 The second main function of the treasury management service is to facilitate the funding of the County Council’s capital plans. These capital plans provide a guide to the borrowing need of the authority, essentially the longer term cash flow planning, to ensure the County Council can meet its capital spending obligations. The management of longer term cash may involve the arrangement of long and/or short term loans (external borrowing) or may use longer term cash flow surpluses in lieu of external borrowing (internal borrowing). On occasion, when it is prudent and economic, any external debt previously drawn may be repaid and/or restructured to meet the County Council’s risk or cost objectives.
- 1.5 The contribution the treasury management function makes to the County Council is critical because the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The resulting treasury operations generate interest costs in relation to external debt and income arising from investments, both of which affect the available revenue budget. Furthermore, since cash balances generally arise from the County Council’s earmarked reserves and working balances, it remains paramount to ensure adequate security of the sums invested. Any loss of principal will in effect result in a loss to the General Fund Balance.
- 1.6 The County Council’s economic development projects or loans to third parties will also impact on the treasury function. These activities are generally classed as non-treasury investments (usually arising from capital expenditure) and are separate from the day-to-day treasury management activities. Further details are set out in the annual Capital Strategy report (see Section 2).

- 1.7 During 2023/24, the County Council will need to consider the funding of its Climate Change Strategy and Action Plan to deliver on its commitment. This will be an integral part of part of the Medium Term Financial Strategy and Capital Strategy and will include incorporating Environmental, Social and Governance (ESG) considerations into the Council's treasury management procedures, including loans or investments that support environmentally-friendly activity (green finance options) where appropriate, albeit this is still a developing area of finance.
- 1.8 The County Council's ongoing commitment to achieving Carbon Net Zero and its Climate Change Strategy will be considered within the Council's Treasury Management Practices (TMPs) as required by the updated Treasury Management Code of Practice (2021 Edition). In accordance with the Code, the County Council plans to undertake a full review of its TMPs in 2023/24, including TMP1 ("Credit and Counterparty Risk Management") which will be updated to incorporate ESG considerations. This review will ensure that actions already taken by the County Council including the adoption of the UK Infrastructure Bank as an approved funding source (paragraph 6.6) and the requirement for approved external pooled fund managers to be signatories to the UN's Principles of Responsible Investment (paragraph 7.45) will be included in TMP1.
- 1.9 The Treasury Management Strategy complies with the principles and standards of the Financial Management Code, including:
- The County Council's approach towards engaging external professional advisors in delivering the Treasury Management Strategy (Section 4).
  - The County Council's approach to debt and borrowing risk management, including projections of external debt and internal borrowing required to support capital expenditure, within its treasury management procedures (Section 6).
  - Managing financial sustainability risks through the County Council's annual investment strategy, including its policies for approving counterparties for its investments and related management of cash flow liquidity (Section 7).

## **2 Reporting Requirements**

- 2.1 CIPFA published the updated Treasury Management and Prudential Codes on 20 December 2021 and stated that revisions need to be included in the reporting framework from the 2023/24 financial year. Going forward therefore, the County Council must have regard to the updated Codes of Practice within both the Capital and Treasury Management Strategies that are reported annually alongside the Budget Report for County Council approval. Furthermore, the County Council must have regard to the Codes in all related treasury management reports during 2023/24.
- 2.2 The updated Treasury Management Code requires all investments and investment income (both treasury and non-treasury) to be attributed and reported by one of the following three purposes:

- (1) **Treasury Management:** Investments arising from the County Council's cash flows or treasury risk management activity. This type of investment represents balances which are only held until the cash is required for use, including loans and deposits with the UK Government, local authorities and high credit quality institutions. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt.
  - (2) **Service Delivery:** Investments held primarily and directly for the delivery of public services including regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project or otherwise incidental to the primary purpose".
  - (3) **Commercial Return:** Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to the County Council's financial capacity. This means that "plausible losses" could be absorbed in budgets or earmarked reserves without unmanageable detriment to local services. Furthermore the updated Codes emphasize that a local authority must not borrow to invest primarily for financial return.
- 2.3 **Capital Strategy:** CIPFA's Prudential and Treasury Management Codes (2021 Editions) require all local authorities to prepare a separate Capital Strategy report which provides the following:
- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
  - An overview of how the associated risk is managed; and
  - The implications for future financial sustainability.
- 2.4 The purpose of the Capital Strategy is to set out a basis for addressing the competing demands for investment across the County Council, the approach for addressing the gap between aspirations and available resources and the options for identifying alternative sources of funding. The Capital Strategy therefore ensures that all elected members of the County Council fully understand the overall long-term policy objectives, governance procedures and associated risk appetite of all capital investment decisions. Details of the County Council's borrowing needs arising from the capital plans along with associated Prudential Indicators are also set out in the Capital Strategy.
- 2.5 Non-treasury investments will be reported through the Capital Strategy. This ensures the separation of the core treasury management function for investments made under statutory provisions granted to the County Council under the Local Government Act 2003 (governed by security, liquidity, and yield principles) from the County Council's commercialism policies where investments are usually driven by expenditure on an asset.
- 2.6 **Treasury Management Reporting:** In accordance with CIPFA's Treasury Management Code of Practice (2021 Edition), the County Council is currently required to receive and approve, as a minimum, three main reports each year, which incorporates a variety of policies, estimates and actuals, including:

- (a) The Treasury Management Strategy Statement (TMSS). This sets out how the County Council's investments and borrowings are to be organised; including the annual investment strategy which approves the parameters on how treasury investments are to be managed. Details of the County Council's capital plans (including relevant prudential indicators) and the Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to revenue over time) are set out in the County Council's Capital Strategy.
- (b) A Mid-Year Treasury Management Report – Updating the County Council with the progress of the capital position, treasury management activity and performance, and whether any policies and/or prudential and treasury indicators require revision. This is delegated to the Performance and Finance Scrutiny Committee in accordance with governance arrangements approved in February 2014. The Regulation, Audit and Accounts Committee will receive quarterly reports on compliance with the treasury management strategy.
- (c) An Annual Treasury Management Report – Providing the County Council with a backward-looking review document covering all treasury management activity and performance. This will include details on a basket of actual prudential and treasury indicators as compared against original estimates set out within the strategy agreed in the previous February. Scrutiny of the annual treasury management report is delegated to the Performance and Finance Scrutiny Committee as approved by County Council in July 2018.
- 2.7 Before recommendation to County Council, the TMSS report receives appropriate scrutiny from the Performance and Finance Scrutiny Committee. In addition, the County Council maintains a Treasury Management Panel comprising the Cabinet Member for Finance and Property and four other elected members. The Panel functions as an advisory body supporting the Director of Finance and Support Services in implementing the County Council's borrowing and investment strategies and reviewing all treasury management reports.
- 2.8 Treasury management issues reported within the attached 2023/24 TMSS include:

**Capital Issues:**

- A summary of capital expenditure plans up to 31 March 2028; and
- Associated capital financing plans, including forecasts of the County Council's future borrowing requirement.

**Treasury Management Issues:**

- Current treasury position (**attached at Appendix A**);
- Treasury indicators which limit the treasury risk and activities of the County Council;
- Prospects for interest rates as provided by the County Council's treasury management advisor (**attached at Appendix B**);
- The borrowing and repayment strategy;
- Policy on borrowing in advance of need;
- Debt rescheduling;

- The investment strategy;
- Creditworthiness policy; and
- Policy on the use of external service providers.

2.9 These elements cover the requirements of the Local Government Act 2003; CIPFA's Prudential and Treasury Management Codes; and the Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance.

### **3 Training**

3.1 CIPFA's Treasury Management Code requires the Director of Finance and Support Services to ensure that members involved with treasury management receive adequate training. Following County Council elections in May 2021, the training of members with responsibilities for the scrutiny of the County Council's treasury management policies and activities (including Treasury Management Panel members) was provided by the County Council's treasury management advisor in June 2021. Further training requirements remain under constant review.

3.2 The training needs of treasury management officers are periodically reviewed as part of staff appraisals and personal development plans and officers attended external training and received relevant internal on-the-job training during the year. Ongoing training options for officers include professional qualifications from CIPFA and other appropriate organisations; attendance at workshops and seminars run by the County Council's appointed treasury management advisor; and on the job training in line with the approved Treasury Management Practices (TMPs) as provided by the Principal Finance Officer (Treasury Management & Insurance).

3.3 The updated Treasury Management Code requires the County Council to adopt a "formal and comprehensive training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making". A resulting knowledge and skills register will be developed during 2023/24 as part of the Council's TMPs review (TMP10; "Training and Qualifications). As a minimum the review will cover the following to monitor and review knowledge and skills:

- (1) Prepare tailored learning plans for County Council officers and members with treasury management responsibilities, and record attendance at training to ensure action is taken when poor attendance is identified;
- (2) Require that County Council officers and members with treasury management responsibilities undertake self-assessment against required competencies (for example, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management'); and
- (3) Have regular communication between officers and members encouraging training needs to be highlighted on an ongoing basis (through regular TM Panel meetings).

#### **4 Treasury Management Advisors**

- 4.1 The County Council contracts external providers of treasury management services in order to acquire access to a wide range of specialist skills and resources including:
- Credit advice;
  - Investment advice;
  - Debt management advice;
  - Capital and financial accounting advice; and
  - Economic and interest rate forecasting.
- 4.2 The County Council recognises that the responsibility for all treasury management decisions always remains with the organisation and therefore will ensure that undue reliance is not placed upon its external service providers. Treasury management decisions will be undertaken with regards to all available information including, but not solely, that received from treasury advisors.
- 4.3 The County Council will ensure that the terms of the appointment of external treasury management advisors and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review. Following a review of services provided, a three year contract with Link Group (Link Treasury Services Ltd) commenced on 1 November 2021; with the County Council having the option to extend for an additional two years following ongoing review of the services provided over the initial contractual period.
- 4.4 Details of arrangements with specialist advisors contracted by the County Council in relation to the Council's non-treasury investments would be contained within the Capital Strategy report. To date, there are no specialist advisors in relation to the County Council's non-treasury investments required.

#### **5 Capital Programme (2023/24 to 2027/28)**

- 5.1 The County Council's capital expenditure and financing plans as contained within the approved Capital Programme in the Capital Strategy are key drivers of treasury management activity. The output of the Capital Programme is reflected in the County Council's prudential indicators which are designed to provide an overview and confirm such expenditure and financing plans are both affordable and prudent (included as Annex 2(c) to the 2023/24 Budget Report).
- 5.2 Table 1 provides a summary of the County Council's capital expenditure plans, both those agreed previously and those forming part of the current budget cycle for approval by County Council in February 2023:

**Table 1: Capital Expenditure by County Council Service**

<b>Capital Expenditure by Service</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Est. (i) £'m</b>
Adults Services	0.1	0.0	0.9	1.0	0.3	0.0
Children and Young People	1.3	5.4	3.8	1.1	1.7	0.1
Community Support and Fire & Recue	10.3	9.1	7.3	10.2	5.6	3.9
Environment and Climate Change	5.5	12.2	23.9	27.5	25.4	7.6
Finance and Property	8.6	7.4	27.6	29.1	19.7	30.1
Highways and Transport	48.5	48.2	54.3	49.7	33.8	59.5
Leader	7.1	2.7	2.0	2.9	4.7	5.0
Learning and Skills	37.0	34.1	41.9	58.3	29.5	29.4
Support Services and Economic Development	12.1	5.8	12.8	8.1	2.2	1.4
<b>Total Capital Expenditure</b>	<b>130.5</b>	<b>124.9</b>	<b>174.5</b>	<b>187.9</b>	<b>122.9</b>	<b>137.0</b>

(i) 2027/28 estimate includes subsequent years spend.

- 5.3 Capital expenditure as reported above may be financed from a range of external and internal sources. External sources include private sector contributions (such as s106 developer contributions) as well as government grants. Internal sources include capital receipts, revenue contributions and reserves set aside for capital purposes.
- 5.4 Borrowing is required to meet the cost of any capital expenditure not financed by internal and/or external funding sources highlighted in paragraph 5.3. Table 2 summarises how the County Council's capital expenditure plans will be financed across the period through to 2027/28, with any funding shortfall resulting in a borrowing requirement:

**Table 2: How the Capital Programme will be Financed**

<b>Financing the Capital Programme</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
<b>Capital Expenditure</b>	<b>130.5</b>	<b>124.9</b>	<b>174.5</b>	<b>187.9</b>	<b>122.9</b>	<b>137.0</b>
Government Grants	-66.5	-68.7	-29.9	-32.8	-32.1	-28.5
External Contributions	-9.0	-6.5	-8.8	-23.6	-19.2	-37.3

<b>Financing the Capital Programme</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
Capital Receipts	-9.0	-8.0	-5.0	-1.0	-6.5	-1.0
Revenue Funding	-3.0	-1.1	-6.9	-7.1	-4.0	-0.9
<b>Financing (Excl. Borrowing)</b>	<b>-87.5</b>	<b>-84.3</b>	<b>-50.6</b>	<b>-64.5</b>	<b>-61.8</b>	<b>-67.7</b>
Borrowing (Core)	-34.5	-28.1	-101.2	-101.8	-50.4	-56.1
Borrowing (Economic Developments)	-8.5	-12.5	-22.7	-21.6	-10.7	-13.2
<b>Total Financing</b>	<b>-130.5</b>	<b>-124.9</b>	<b>-174.5</b>	<b>-187.9</b>	<b>-122.9</b>	<b>-137.0</b>

5.5 Table 2 excludes other long-term liabilities, such as existing PFI schemes (Crawley Schools; Street Lighting and Waste Management) and leasing arrangements which already include borrowing instruments within their contractual terms; and therefore means the County Council is not required to separately borrow for them.

## **6 Borrowing and Repayment Strategy**

- 6.1 The capital expenditure plans set out in Table 1 (Section 5) provide details of the service activity of the County Council. The treasury management function ensures that cash is organised in accordance with the relevant professional codes and sufficient cash is available to meet service activity and the County Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.
- 6.2 The key objective of the County Council's current borrowing strategy is to ensure that all future external debt (including forward-starting borrowing and borrowing in advance of need when considered appropriate) is affordable within revenue budget constraints. The County Council will therefore ensure that due diligence is given to both the affordability of such debt and future plans regarding the repayment of debt. This will include consideration of the agreed terms and conditions of any new debt; including 'annuity' and 'equal instalments of principal' loan structures. The timing of when to arrange new debt is governed by the County Council's long-term cash flow forecasts as detailed in capital plans through to 2027/28 and as set out in the County Council's Liability Benchmark Prudential Indicator (Figure 1; paragraph 6.16).
- 6.3 In accordance with CIPFA's Codes of Practice, decisions on new debt arrangements and repayment of existing debt will include an appraisal of the possible use of capital receipts and/or proceeds from the sale of long-term commercial investments (including long-term externally managed pooled funds) should this be the most financially viable option as the approved funding source.



- 6.4 The borrowing and repayment strategy therefore set outs the County Council's current and projected debt positions, together with the following prudential and treasury indicators:
- Capital Financing Requirement;
  - Liability Benchmark (new in 2023/24);
  - The Operational Boundary and Authorised Borrowing Limit; and
  - The maturity structure of existing debt.
- 6.5 **Approved Funding Sources:** The County Council's primary objective when borrowing money is to strike an appropriate level of risk between securing low interest borrowing costs whilst achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the County Council's long-term capital plans change is a secondary objective.
- 6.6 There is no counterparty risk associated with borrowing, except that associated with money laundering. In conjunction with advice received from its treasury management advisor the County Council will keep under review the following fixed or variable rate long-term and short-term (in lieu of long-term) borrowing options as sources of finance for the approved capital programme, including:
- Borrowing against internal resources held by the County Council (including usable reserves and working capital) in lieu of external borrowing;
  - Public Works Loan Board (PWLB) and any successor body;
  - Borrowing from the UK Infrastructure Bank;
  - Borrowing from other UK local authorities (particularly regarding borrowing for Economic Developments on a short-term basis);
  - Borrowing from the money markets (institutional lenders authorised by the Prudential Regulation Authority and/or the Financial Conduct Authority to operate in the UK);
  - Borrowing from multilateral development banks; and
  - Borrowing from the UK Municipal Bond Agency plc and/or other special purpose companies created to enable local authority bond issue.
- 6.7 The County Council has previously relied on the PWLB as its only source of funding, with approved alternative market borrowing options (including forward starting loans and bond issuance via the UK Municipal Bond Agency) being held under consideration. The Director of Finance and Support Services will continue to assess the benefits of approved market loan alternatives during 2023/24. Capital finance may additionally be raised by other methods that are not borrowing but may be classed as other debt liabilities (including leasing).
- 6.8 In accordance with the updated Prudential and Treasury Management Codes, together with the outcomes of HM Treasury's PWLB review during 2020/21 (aiming to ensure that local authorities invest public funds in infrastructure and front-line services only) all **new** PWLB borrowing will be conditional on the County Council demonstrating that over the period of the capital programme there will be no intention to buy investment assets primarily for yield (for example the purchase of investment property) irrespective of whether the transaction would be financed from a source other than the PWLB. Investment assets can, however, still be purchased without affecting the ability to borrow from the PWLB, if there is a demonstrable economic benefit to the County. The County Council confirms that capital plans have been reviewed and are compliant with these PWLB requirements.

- 6.9 **Current Portfolio Position:** On 31 December 2022 the County Council had external loans with the PWLB totalling £461.3m. In accordance with the approved 2022/23 Treasury Management Strategy no new external borrowing was arranged during the period April to December 2022; £10m (plus interest) was however repaid to the PWLB on maturity of a 20-year loan taken by the County Council in 2002. Cash supporting the County Council’s usable reserves and working capital was therefore used as a temporary funding measure in lieu of external borrowing. Consequently, the County Council’s internal borrowing at the end of 2022/23 is forecast to be £61.9m (£21.3m on 31 March 2022) as set out in Table 7 (paragraph 6.19).
- 6.10 Capital plans (Table 2; paragraph 5.4) highlight that a borrowing requirement of £40.6m is required to finance the County Council’s capital expenditure in 2023/24; of which £12.5m relates to economic development projects.
- 6.11 **Capital Financing Requirement:** In accordance with CIPFA’s Prudential Code, the County Council’s underlying borrowing need (essentially a measure of the Council’s indebtedness) is represented by its Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been financed from either revenue or capital resources, for example government grants, s106 developer contributions and capital receipts. Any capital expenditure (Table 1; paragraph 5.2) which is not immediately financed through a revenue and/or capital resource will increase the County Council’s CFR. Additionally, the CFR includes any other long-term liabilities which include borrowing instruments within their contractual terms (including PFI schemes and finance leases).
- 6.12 The County Council’s CFR does not increase indefinitely however; capital expenditure financed through debt is subject to a minimum revenue provision charge (the Minimum Revenue Policy) which is set out in the Capital Strategy. MRP is a statutory annual revenue charge which broadly reduces the Council’s indebtedness in line with each asset life, and so charges the economic consumption of capital assets as they are used. The County Council’s resulting CFR projections are set-out below:

**Table 3: The Capital Financing Requirement (CFR) to 2027/28**

<b>Balance Sheet Projections (on 31 March)</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
CFR (Core Borrowing)	527.3	539.8	624.4	707.2	731.2	764.6
CFR (Economic Developments)	86.5	97.2	117.9	137.2	150.8	160.9
<b>Capital Financing Requirement</b>	<b>613.8</b>	<b>637.0</b>	<b>742.3</b>	<b>844.4</b>	<b>882.0</b>	<b>925.5</b>

- 6.13 **Liability Benchmark:** As per the requirements of the updated Prudential and Treasury Management Code of Practice, the Liability Benchmark is a new CIPFA Prudential Indicator for 2023/24. The Director of Finance and Support Services uses the Liability Benchmark to forecast the minimum amount of debt the County Council could hold if all available internal resources (excluding those set aside for long-term treasury management investment) are used in lieu of

external borrowing. The resulting Liability Benchmark therefore assists the County Council's long-term borrowing strategy by forecasting the future timing of when external borrowing is required to fund approved capital plans.

6.14 The County Council has been making use of its Liability Benchmark for a number of years, but without formally reporting the benchmark within annually approved treasury management strategies. The three main components of the Liability benchmark include:

- (1) **Existing loan debt outstanding** - The profile of the County Council's maturing PWLB and short-term borrowing, which is money held and invested on behalf of the Chichester Harbour Conservancy (CHC) and its associated charities and is repayable to CHC on any given notice, is set out in Table 4 below:

**Table 4: Existing loan debt outstanding**

<b>Balance Sheet Projections (on 31 March)</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
Existing Borrowing Profile (PWLB)	461.3	461.3	461.3	437.2	432.5	386.4
Short-Term Borrowing	5.5	5.5	5.5	5.5	5.5	5.5
<b>External Borrowing</b>	<b>466.8</b>	<b>466.8</b>	<b>466.8</b>	<b>442.7</b>	<b>438.0</b>	<b>391.9</b>

- (2) **County Council's Loans CFR** - The County Council's projected Capital Financing Requirement (Table 3; paragraph 6.12); including future prudential borrowing and planned MRP but excluding the Council's long-term PFI/finance lease liabilities as set out in Table 5 below:

**Table 5: County Council's Loans CFR**

<b>Balance Sheet Projections (on 31 March)</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
Capital Financing Requirement	613.8	637.0	742.3	844.4	882.0	925.5
Less: PFI Schemes and Leases	-85.1	-81.5	-77.6	-73.1	-68.0	-62.2
<b>Loans CFR</b>	<b>528.7</b>	<b>555.5</b>	<b>664.7</b>	<b>771.3</b>	<b>814.0</b>	<b>863.3</b>

- (3) **Liability Benchmark (Net Loans Requirement)** - The County Council's future projections of gross borrowing (Loans CFR) less cash balances available for treasury management investment (including usable reserves, capital contributions received in advance and working capital); excluding balances set aside for long-term treasury management investment, as set out in Table 6 below:

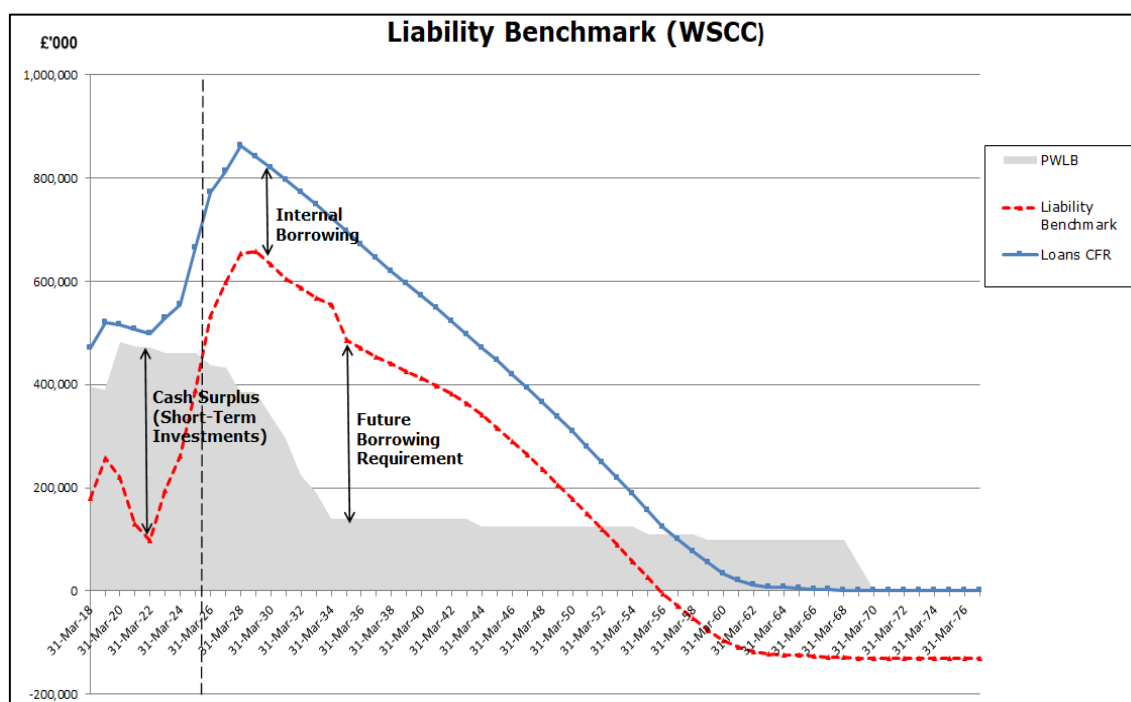
**Table 6: Liability Benchmark (Net Loans Requirement)**

<b>Balance Sheet Projections (on 31 March)</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
Gross Borrowing (Loans CFR)	528.7	555.5	664.7	771.3	814.0	863.3
Usable Reserves	-239.7	-239.1	-198.7	-184.2	-181.3	-178.6
Capital Contributions (s106 Receipts)	-95.4	-89.0	-80.1	-56.5	-37.3	-33.2
Working Capital	-50.4	-18.4	-50.0	-50.0	-50.0	-50.0
<b>Net Loans Requirement</b>	<b>143.2</b>	<b>209.0</b>	<b>335.9</b>	<b>480.6</b>	<b>545.4</b>	<b>601.5</b>
Funding required for investments > one year (i)	52.0	52.0	52.0	52.0	52.0	52.0
<b>Liability Benchmark</b>	<b>195.2</b>	<b>261.0</b>	<b>387.9</b>	<b>532.6</b>	<b>597.4</b>	<b>653.5</b>

(i) Whilst the Annual Investment Strategy approves long-term treasury management investments up to a maximum of £100m (Table 17; paragraph 7.52), the Liability Benchmark is shown on the basis of no additional long-term investments over and above amounts originally invested in existing externally managed pooled funds.

- 6.15 Working capital balances are estimated and based on a series of assumptions and may therefore be higher during each financial year than shown above (Table 6). Following a review of these assumptions, working capital now include forecasts of the Dedicated Schools Grant (DSG) deficit reserve balance which is predicted to be £65m by the end of March 2024. The initial three year statutory override to March 2023 that allowed the County Council to hold the deficit balance as an unusable reserve has been extended to March 2026 which means that the DSG deficit can continue to be held as an unusable reserve and therefore does not impact on the balance sheet. However, any balance held in unusable reserves impacts the Council's cash flow and this deficit does equate to a potential loss of £54m in average cash balances in 2023/24 which is a loss of investment income of £2.2m. For 2024/25 onwards, no assumptions on the levels of the DSG deficit have been included in the working capital calculations given future funding arrangements remain unclear. Until funding arrangements are finalised there is a risk that the working capital estimates from 2024/25 are overstated which may have an impact of decreasing the County Council's future cash balances and bringing forward the timing of external borrowing.
- 6.16 The resulting Liability Benchmark is shown below with no assumptions of subsequent prudential borrowing required to fund ongoing capital plans after the approved 5-year capital programme (to 2027/28).

**Figure 1: The Liability Benchmark**



- 6.17 Under the County Council’s updated Liability Benchmark projections, it is now forecast that the Council will be required to externally borrow in 2025/26 (previously 2023/24 as per the approved 2022/23 Treasury Management Strategy); that being the point at which the Liability Benchmark exceeds the level of maturing PWLB debt as shown above.
- 6.18 **Internal Borrowing:** In December 2010, County Council took a decision to introduce an internal borrowing strategy whereby the Council’s capital borrowing need is not fully funded by external debt, but rather cash supporting the Council’s usable reserves and working capital have been used as a temporary funding measure in lieu of external borrowing. As set-out in the County Council’s Liability Benchmark the continuation of an internal borrowing strategy in 2023/24 remains prudent; however the continued benefits will be regularly monitored against future interest rate forecasts (**Appendix B**) and the resulting costs of deferring external borrowing into future years.
- 6.19 An analysis of the County Council’s actual external debt projections (including PFI and Finance Lease liabilities), internal borrowing projections and internal borrowing as a percentage of the CFR, are summarised in Table 7 below.

**Table 7: External Debt and Internal Borrowing Projections to 2027/28**

<b>Debt Projections</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
<b>Gross External Debt (1-April)</b>	<b>565.6</b>	<b>551.9</b>	<b>548.3</b>	<b>544.4</b>	<b>605.7</b>	<b>665.4</b>
Repayment of Existing Debt	-10.0	0.0	0.0	-24.1	-4.7	-46.1
Chichester Harbour Conservancy Movement	-0.5	0.0	0.0	0.0	0.0	0.0
External Debt Core Borrowing	0.0	0.0	0.0	0.0	8.6	92.2
External Debt Economic Developments	0.0	0.0	0.0	89.9	60.9	10.1
PFI/Finance Lease Movement	-3.2	-3.6	-3.9	-4.5	-5.1	-5.8
<b>Gross External Debt (31-Mar)</b>	<b>551.9</b>	<b>548.3</b>	<b>544.4</b>	<b>605.7</b>	<b>665.4</b>	<b>715.8</b>
Cumulative Internal Borrowing (on 31 March)	61.9	88.7	197.9	238.7	216.6	209.7
<b>Capital Financing Requirement</b>	<b>613.8</b>	<b>637.0</b>	<b>742.3</b>	<b>844.4</b>	<b>882.0</b>	<b>925.5</b>
<b>Internal Borrowing (%)</b>	<b>10.1%</b>	<b>13.9%</b>	<b>26.7%</b>	<b>28.3%</b>	<b>24.6%</b>	<b>22.7%</b>

6.20 **Revenue Impact:** The revenue impact (capital financing cost as a percentage of net revenue streams) of the recommended borrowing strategy relating to the County Council's capital programme (excluding service funded Economic Developments, PFI schemes and Finance Leases) is outlined below:

**Table 8: Revenue Impact of the Recommended Borrowing Strategy**

	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
Net Revenue Expenditure	648.3	708.8	728.2	732.0	739.0	754.0
Capital Financing Charges	29.7	30.4	30.5	34.4	36.6	39.5
<b>% Ratio</b>	<b>4.6%</b>	<b>4.3%</b>	<b>4.2%</b>	<b>4.7%</b>	<b>4.9%</b>	<b>5.2%</b>

6.21 In accordance with this recommended borrowing strategy, including the County Council's current approach to internal borrowing (paragraph 6.18), the County

Council forecasts that the costs of long-term external borrowing (interest charges) in 2023/24 will be:

- PWLB Borrowing: £18.8m (£19.0m in 2022/23); of which £1.3m will be service funded from economic development schemes.
- PFI schemes and finance leases: £10.5m (£10.8m in 2022/23)

- 6.22 **Borrowing in Advance of Need:** Any decision to borrow in advance will be within forward approved CFR estimates and arranged at times that take advantage of favourable borrowing rates (as per forward-looking interest rate forecasts provided by Link Group) thereby ensuring that value for money can be demonstrated; and that the County Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through quarterly compliance reports (and annual report to the Performance and Finance Scrutiny Committee).
- 6.23 The Authorised Borrowing Limit (Table 10; paragraph 6.27) constrains borrowing in advance of future capital need by limiting such borrowing to within CFR estimates over a three-year planning period, therefore confirming that it is not being taken for revenue profit (investment of the extra sums borrowed) or speculative purposes.
- 6.24 **Limits to Borrowing Activity:** Within the prudential indicators there are several key indicators to ensure that the County Council operates its activities within well-defined limits. These indicators ensure that the County Council's gross external debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus estimates for any additional CFR for 2023/24 and the following two financial years. Based on the gross external debt projections (Table 7; paragraph 6.19) the Director of Finance and Support Services reports that the County Council complied with these prudential indicators in 2022/23 and does not envisage any non-compliance over the period of the capital programme.
- 6.25 The 'Operational Boundary' is the limit (Prudential Indicator) beyond which external debt is not normally expected to exceed, as set out below:

**Table 9: The Operational Boundary Limit (Prudential Indicator)**

<b>Operational Boundary</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
External Debt (including CHC)	466.8	466.8	466.8	442.7	446.6	492.7
Economic Developments	0.0	0.0	0.0	89.9	150.8	160.9
PFI Schemes/ Finance Leases	85.1	81.5	77.6	73.1	68.0	62.2
<b>Operational Boundary</b>	<b>551.9</b>	<b>548.3</b>	<b>544.4</b>	<b>605.7</b>	<b>665.4</b>	<b>715.8</b>

- 6.26 The 'Authorised Borrowing Limit' is a further key Prudential Indicator that reports the maximum level of borrowing. This represents the limit beyond which external debt (including overdrawn bank balances and short-term borrowing undertaken for unexpected cash flow movements) is prohibited, as

approved by County Council. It reflects the level of external debt which, whilst not desired, could be afforded in the short-term (e.g. when borrowing in advance of capital need) but is not desirable in the long term.

- 6.27 This limit is a statutory limit determined under Section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans or those of a specific council; although to-date this power has not yet been exercised.

**Table 10: The Authorised Borrowing Limit (Prudential Indicator)**

<b>Authorised Borrowing Limit</b>	<b>2022/23 Estimate £'m</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>
Gross Debt (i)	659.6	564.2	627.8	682.7	687.8	693.6
PFI Schemes/ Finance Leases	85.1	81.5	77.6	73.1	68.0	62.2
<b>Authorised Borrowing Limit (ii)</b>	<b>744.7</b>	<b>645.7</b>	<b>705.4</b>	<b>755.8</b>	<b>755.8</b>	<b>755.8</b>

- (i) Gross debt estimates allow for external borrowing in advance of need for up to a maximum of two years; furthermore, gross debt includes additional headroom (£40m) for unexpected cash flow movements. For example, the 'Authorised Borrowing Limit' for 2023/24 (£645.7m) equals the maximum external debt forecast in any one financial year over a three year period (i.e. the 'Operational Boundary' over the period 2023/24 to 2025/26; therefore £605.7m for 2025/26) plus £40m.
- (ii) The 2022/23 Authorised Borrowing Limit remains as approved by County Council in February 2022.

- 6.28 In addition, the 'Maturity Structure of External Borrowing' Treasury Indicator are limits that highlight the existence of any large concentrations of external debt needing to be replaced at times of uncertainty over interest rates, and is designed to protect against excessive exposures to interest rate changes in any one period, in particular over the course of the next ten years. It is calculated as the amount of projected debt that is maturing in each period as a percentage of total projected external debt. The maturity period of borrowing is determined by reference to the earliest date on which the lender can require payment.

- 6.29 The upper and lower limits for the maturity structure of external debt in 2023/24 (with actual split as of 31 December 2022 included for comparison) are set out below:

**Table 11: Debt Maturity (Prudential Indicator)**

<b>Debt Maturity</b>	<b>Actual 31/12/22</b>	<b>Lower Limit 2023/24</b>	<b>Upper Limit 2023/24</b>
Over 30 Years	27%	0%	50%
Over 25 to 30 Years	0%	0%	25%
Over 20 to 25 Years	3%	0%	25%



<b>Debt Maturity</b>	<b>Actual 31/12/22</b>	<b>Lower Limit 2023/24</b>	<b>Upper Limit 2023/24</b>
Over 15 to 20 Years	0%	0%	25%
Over 10 to 15 Years	14%	0%	50%
Over 5 to 10 Years	41%	0%	60%
Over 1 to 5 Years	14%	0%	35%
Under 12 Months	1%	0%	25%

- 6.30 **Borrowing for Cash-flow Purposes:** The County Council continues to approve the use of short-term loans (normally for up to one to three months) to cover unexpected cash-flow shortages. Short-term borrowing for cash-flow purposes, up to a maximum of £40m, will be limited to the following external funding sources:
- (1) Borrowing from other UK local authorities (excluding Police and Crime Commissioners, Fire Authorities and Local Authority Pension Funds);
  - (2) Borrowing from the money markets (financial institutions authorised by the Prudential Regulation Authority to operate in the UK).
- 6.31 Additionally, the County Council holds and invests money on behalf of third parties including the Chichester Harbour Conservancy and its associated charities. The County Council reports any such money as short-term borrowing given the requirement that it is available for repayment at any future point in time.
- 6.32 **Debt Rescheduling:** Rescheduling of current borrowing in the County Council's debt portfolio is unlikely to occur as there remains a large difference between PWLB premature redemption rates and new borrowing rates. However, if any repayment or rescheduling of existing PWLB debt was approved the rationale would be one or more of the following:
- (1) The generation of cash savings and/or discounted cash flow savings;
  - (2) Helping to fulfil the treasury management strategy;
  - (3) Enhancing the balance of the debt portfolio (amending the maturity profile and/or the balance of volatility).
- 6.33 **Reporting:** All borrowing and rescheduling activity will be reported to the Performance and Finance Scrutiny Committee (within the Mid-Year Review and/or Annual Treasury Management reports); and to the Regulation, Audit and Accounts Committee and Treasury Management Panel within the prescribed compliance reports.

## **7 Annual Investment Strategy (Treasury Investments)**

- 7.1 CIPFA and the DLUHC have extended the meaning of 'investments' to include both financial and non-financial investments. This section deals solely with treasury (financial) investments, as managed by the County Council's Treasury Management Team. Non-treasury investments are dealt with in the separate Capital Strategy report.
- 7.2 The County Council's main treasury management activity continues to be the investment of its surplus funds, representing income received in advance of expenditure plus balances and reserves held. All treasury investments are

made under statutory provisions granted to the County Council by the Local Government Act 2003 (Section 12; 'Power to Invest').

- 7.3 The Director of Finance and Support Services, in consultation with the Cabinet Member for Finance and Property and the Treasury Management Panel, recommends that a continuation of the existing investment strategy be approved in 2023/24; subject to the following changes.
- (1) Revisions as required by the updated Treasury Management Code of Practice (2021 Edition); in particular the reporting of externally managed pooled funds and loans to third parties as commercial investments.
  - (2) The inclusion of Link Group's Agency Treasury Services in the list of approved money market brokers; potentially to be used for the arrangement of short-term deposits with approved financial institutions for the County Council's treasury management investment. Additionally, this would give the Council access to a UK bank offering a deposit that meet the ESG principles.
- 7.4 On 31 December 2022 the County Council's investments amounted to £402.6m (**Appendix A**). During the remainder of 2022/23 the County Council's average investment balance is forecast to average at around £435m, higher than the original £375m forecast due to capital and revenue funding received ahead of actual spend (including s106 developer contributions received in advance of capital spend) and is currently forecast to average at around £340m throughout 2023/24.
- 7.5 The County Council's investment policy has regard to the CIPFA Treasury Management Code of Practice and DLUHC's Guidance on Local Government Investments; as such the investment priorities will be the security first, portfolio liquidity second and then investment return ('SLY' investment principles). Accordingly, the County Council will look to strike an appropriate balance between risks and return; minimising the risk of incurring losses from defaults against the risk of receiving unsuitably low investment income.
- 7.6 In accordance with the CIPFA and DLUHC guidance, and in order to minimise the risk to investments, the County Council applies minimum acceptable credit criteria in order to generate a list of high creditworthy counterparties which also enables diversification and thus avoidance of concentration risks. In assessing credit ratings (as provided by Link Group) the County Council employs the 'Lowest Common Denominator (LCD)' approach, meaning that it uses the lowest rating of those published by Fitch Ratings Ltd, Moody's Investors Service Ltd or Standard & Poor's.
- 7.7 Credit ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of markets. To achieve this consideration the County Council will engage with its treasury management advisors to maintain a monitor on market pricing such as 'credit default swaps' and overlay that information on top of credit ratings.
- 7.8 Other information sources used will include the financial press, share price and other such information pertaining to institutions (banks, corporates etc.) in

order to establish the most robust scrutiny process on the suitability of potential investment counterparties. The County Council continues to remain alert for any signs of credit or market distress that might adversely affect its treasury management activities and corrective action will be taken when deemed appropriate to ensure the security of the total investment portfolio.

7.9 Accordingly, the Director of Finance and Support Services will comply with the following policies when investing funds, whether directly or via the London money market. Investments arranged via the London money market will be made through approved brokers. The list of approved brokers in 2023/24 comprises:

- (1) BGC Partners (including Martin Brokers)
- (2) Imperial Treasury Services
- (3) Institutional Cash Distributors (ICD) Ltd
- (4) King and Shaxson Limited
- (5) Link Group's Agency Treasury Services
- (6) Tradition (UK) Limited
- (7) TP ICAP Group (including ICAP and Tullett Prebon Europe Ltd)

7.10 **Creditworthiness Policy:** The primary objective governing the County Council's investment criteria is the security of its investments, although the yield or investment return is also a key consideration (paragraph 7.5). After this objective the County Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security (including monitoring their security); and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining maximum periods for which funds may prudently be committed. These procedures also apply to the County Council's prudential indicators covering the maximum principal sums invested.

7.11 The credit risks associated with making unsecured bank deposits remain evident (due to bail-in legislation) relative to the risks of other investment options available to the County Council (including bank secured, local authority and non-bank corporate deposits). In addition to the risks associated with bail-in, the largest UK banks (those with more than £25bn of retail/Small and Medium-sized Enterprise (SME) deposits) are required by UK law to separate core retail banking services from their investment and international banking activities; this being known as 'ring-fencing'.

7.12 Ring-fencing is a regulatory initiative created in response to the global financial crisis to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank will be focused on lower risk, day-to-day core transactions; whilst more complex and 'riskier' activities are required to be housed in a separate non-ring-fenced bank. This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group. Smaller banks with less than £25bn in deposits are exempt from ring-fencing, however they can choose to opt-up.

- 7.13 While the structure of the banks included within the ring-fencing process may have changed, the fundamentals of credit assessment have not. The probability of a bail-in of a ring-fenced bank is smaller than a non-ring-fenced entity from the same banking group; but the loss incurred as a result of a bail-in would likely be higher. This is because retail (ring-fenced) banks will typically have more capital to protect against losses, but fewer wholesale deposits and senior unsecured creditors to share losses with. The County Council will continue to assess ring-fenced and non-ring-fenced banks in the same way that it does for other financial institutions. Those with sufficiently high ratings (and other credit metrics considered, paragraphs 7.7 and 7.8) will be considered for investment purposes.
- 7.14 On 31 December 2022, 64.8% of the County Council's internally managed investment portfolio (excluding commercial investments) is invested in short-term unsecured bank deposits and short-term money market funds in accordance with the policies as contained within the 2022/23 TMSS. The Director of Finance and Support Services confirms that the County Council will not be holding any investment on 31 March 2023 that will be in breach of the recommended 2023/24 strategy.
- 7.15 Under DLUHC Investment Guidance investments are categorised as either '**Specified**', '**Non Specified**' (both categories being approved as suitable for Council's treasury investment) or '**Loans**'. Specified investments are designed to offer high security and high liquidity, with the minimum of formalities. The DLUHC Guidance defines specified investments as those:
- (1) Denominated in Sterling;
  - (2) With a maximum maturity of one year (365 days);
  - (3) Not defined as capital expenditure by legislation; and
  - (4) Invested with one of:
    - The UK Government (including Gilts, Treasury Bills and DMADF).
    - A local authority in England, Wales, Scotland, or Northern Ireland.
    - An institution or investment scheme of 'high credit quality'.
    - Supranational Institutions (e.g. The European Investment Bank).
- 7.16 For investments to be regarded as specified, the County Council defines 'high credit quality' as institutions and securities meeting the following criteria:
- (a) UK Institutions (Banks, Building Societies and Corporates): Minimum long-term credit rating of **A-**; rated by at least two of the three rating agencies; Fitch, Moody's and Standard & Poor's (S&P).
  - (b) Non-UK Institutions (Banks and Corporates): Minimum long-term credit rating of **A-**; rated by at least two of the three rating agencies (Country holding a sovereign rating of at least **AA+**).
  - (c) Money Market Funds: Assigned a **AAA** credit rating; rated by at least two of the three rating agencies and holding assets exceeding £1bn. The County Council approves the use of Money Market Funds that operate under a Constant Net Asset Valuation (funds that invest exclusively in government securities) or operate under a Low Volatility and/or Variable Net Asset Valuation (all other short-term liquidity funds).

- (d) UK Local Authorities: Assumed rating aligned with the prevailing UK sovereign rating (**AA-** as of 31 December 2022) unless an actual credit rating exists from any of the three rating agencies.
  - (e) UK Registered Social Landlords (formerly Housing Associations): Minimum long-term credit rating of **A-**; rated by at least one of the three rating agencies.
  - (f) Externally Managed Pooled Funds: Assigned a **AAA** credit rating; rated by at least one of the three rating agencies.
- 7.17 Any investment not meeting the 'Specified' investment criteria listed above will be treated as if it were unrated (classified as 'Non-Specified' investment). For secured investments the credit rating relevant to the specific investment (covered bonds) or underlying collateral (reverse repurchase agreements) will be used as opposed to the individual rating of the bank/building society issuing the security.
- 7.18 **Monitoring Credit Quality:** Credit rating information is supplied by Link Group (the County Council's treasury advisor) on all active counterparties that comply with the criteria listed above. Any counterparty failing to meet the criteria will be omitted from the counterparty (dealing) list. Any rating changes, rating 'watches' (notification of a likely change) or rating 'outlooks' (notification of the longer term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before actual dealing arrangements. Where an institution has its credit rating downgraded so that it fails to meet any of the approved investment criteria then:
- (1) No new investments will be made after the date of notification;
  - (2) Any existing investments that can be immediately recalled or sold at no cost (financial penalty) will be;
  - (3) Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty; and
  - (4) Details will be reported to the Director of Finance and Support Services, the Cabinet Member for Finance and Property and Treasury Management Panel members.
- 7.19 Where an institution is placed on negative rating watch (notification of a possible rating downgrade) the reasons for the rating action will be evaluated. Unless there is sufficient cushion to absorb a two-notch downgrade to the long-term credit rating (to remain at or above the County Council's minimum approved rating criteria) then decisions on new investments will be subject to approval by the Director of Finance and Support Services. This policy will not apply to negative 'outlooks', which indicate a longer term view rather than an imminent change to an institution's rating.
- 7.20 If an institution is placed on negative rating watch and is at (or likely to fall below) the County Council's minimum rating criteria then no investments will be arranged until the outcome of the review is announced. The Council's policy for existing investments with such institutions is set out in paragraph 7.18(2). Again, this policy will not apply to negative 'outlooks'. The County Council will however regularly monitor the institutions' ratings reflecting advice received from the Council's treasury management advisor.

- 7.21 Additional requirements under the CIPFA Treasury Management Code require the County Council to supplement credit rating information. Whilst the above policies rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use; additional market information (see paragraphs 7.7 and 7.8) will be applied before making any specific investment decisions from the approved pool of counterparties. This additional market information will be applied to compare the relative security of differing investment opportunities.
- 7.22 The Director of Finance and Support Services and the County Council’s treasury management advisor will continue to analyse and monitor market indicators and credit developments on a regular basis and respond as necessary to ensure the security of the capital sums invested. No investments will be made with an organisation if there are substantive concerns about its credit quality, even though it may meet the approved minimum credit rating criteria (as set out in paragraphs 7.16 and 7.25).
- 7.23 **Liquidity Management:** The County Council uses purpose-built short-term cash flow forecasting software (currently SAP Treasury Management Module) to determine the maximum period for which funds may prudently be invested. The County Council is however planning to undertake a procurement exercise to replace the existing treasury management system in 2023 as part of the SAP replacement project. It is therefore expected that new cash flow forecasting software will be operational by the end of 2023/24.
- 7.24 Cash flow forecasts are made on a prudent basis with income under-estimated and expenditure over-estimated. Additionally, the County Council seeks to maintain a rolling profile of maturing investments, allowing it to cover unexpected items of expenditure and to react to favourable market conditions as they arise. Monetary limits on long-term investments are set by reference to the County Council’s Medium Term Financial Strategy (MTFS) and long-term forecasts of usable reserve balances. The County Council also has access to a number of money market funds where cash is deposited at prevailing overnight interest rates and can be withdrawn without notice; these funds are therefore highly liquid.
- 7.25 **Investment Policy:** The Director of Finance and Support Services will undertake the most appropriate form of investments in keeping with the approved strategy objectives, income and risk management requirements and the County Council’s Treasury Indicators. Accordingly the County Council may invest its surplus funds over a range of maturity periods with any of the approved counterparty types listed below, subject to maximum monetary and duration limits (covering both ‘Specified’ and ‘Non-Specified’ investments) as shown, to ensure that prudent diversification of the investment portfolio is achieved:

**Table 12: Unsecured Bank Deposit Limits**

<b>Credit Rating</b>	<b>Cash Limit (i)</b>	<b>Time Limit (i)</b>
AAA	£15m	2 Years
AA+	£15m	1 Year
AA	£15m	1 Year
AA-	£15m	1 Year
A+	£15m	1 Year

<b>Credit Rating</b>	<b>Cash Limit (i)</b>	<b>Time Limit (i)</b>
A	£15m	6 Months
A-	£15m	100 Day
NatWest Banking Group: Ring Fenced Bank only	£15m	1 Year
Money Market Funds	£25m (ii)	Overnight
BBB+ (or below)	No Approval	No Approval

- (i) Maximum exposure limits (monetary and time) approved per individual financial institution holding an applicable credit rating.
- (ii) Maximum monetary limits per fund approved as £25m or 0.5% of the fund's total assets under management (AUM), whichever is lower.

**Table 13: Other Internally Managed Investment Limits** (including Bank Secured, Government Issues, UK Local Authorities and Non-Bank)

<b>Institution/Issue Credit Rating</b>	<b>Cash Limit (iii)</b>	<b>Time Limit (iii)</b>
UK Government	Unlimited	50 Years
Local Authorities	£25m	20 Years
AAA	£25m	10 Years
AA+	£25m	5 Years
AA	£25m	4 Years
AA-	£25m	3 Years
A+	£15m	2 Years
A	£15m	1 Year
A-	£15m	6 Months
BBB+	£10m	100 Days
Money Market Funds	£25m (iv)	Overnight
Housing Associations (rated A- or higher)	£15m	5 Years
BBB (or below)	No Approval	No Approval

- (iii) Maximum exposure limits (monetary and time) approved per individual Local Authority, Housing Association, financial institution (secured bond) and applicably rated non-financial institution.
- (iv) Maximum monetary limits per fund that invest in government securities only approved as £25m or 2% of the fund's total assets under management (AUM), whichever is lower.

**Table 14: Externally Managed Investment Limits**

<b>Externally Managed</b>	<b>Cash Limit</b>	<b>Time Limit</b>
Pooled Funds	See Note (v)	No Defined Maturity. Withdrawals made on: - Liquidity requirements - Fund performance

- (v) Maximum monetary limits for externally managed pooled funds (including ultra-short dated bond, multi-asset income and property funds) will be

approved as £25m (AAA rated funds), £15m (all other funds) or 5% of the fund's total assets under management (AUM), whichever is lower.

- 7.26 **Investments categorised as "Treasury"**: In accordance with the CIPFA Treasury Management Code of Practice, treasury investments are short-term (up to a maximum duration of 365-days) and are invested under the DLUHC's 'SLY' principles (paragraph 7.5). Treasury investments generally represent the placement of the County Council's residual cash balances resulting from its day-to-day activities, but may also arise from other treasury risk management activity that seeks to prudently manage the risks, costs, or income relating to existing or forecast debt (including the investment of borrowing proceeds where it has been prudent for the Council to borrow in advance of capital need) or treasury investments. Details of investment types approved for the County Council's treasury use are shown below (paragraphs 7.27 to 7.38).
- 7.27 **Bank Unsecured**: Includes bank current accounts, call (instant-access) accounts, notice accounts, fixed-term deposits, certificate of deposits and senior unsecured bonds with banks and building societies, other than multilateral development banks (for example the European Investment Bank). These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- 7.28 **Lloyds Bank Plc (Bank Unsecured)**: The County Council currently banks with Lloyds Bank plc (Lloyds ring-fenced bank), the contract being renewed in 2022/23 by a direct award under a framework agreement for an initial 7-year term (up to 30 September 2029) with an option to then extend for an additional 3-year following an evaluation of the services provided. Lloyds Bank plc currently meets the County Council's minimum credit criteria, however, should its credit rating fall below the minimum rating criteria as prescribed in this strategy report (paragraph 7.16) the bank may continue to be used for short-term (overnight) liquidity requirements and business continuity arrangements.
- 7.29 Balances held within Lloyds current accounts will be aggregated together with other investments held with Lloyds Banking Group on a daily basis and should remain within set counterparty monetary limits as prescribed within this strategy report (paragraphs 7.25 and 7.39). Occasionally however, the County Council is in receipt of 'large' amounts of income which cannot be deposited into separate investment counterparties due to intra-day dealing deadlines. In such instances the Director of Finance and Support Services approves that an operational breach of Lloyds Banking Group's approved monetary limits may occur for a maximum period of one working day, with corrective action being taken on the next available working day as appropriate.
- 7.30 **Bank Secured**: Includes covered bonds and other collateralised arrangements with banks and building societies. These investment types are secured against a bank's assets, which consequently limits the potential losses in the unlikely event of insolvency and means that they are exempt from bail-in. Covered bonds will be considered when secured against a 'pool' of residential and/or low loan-to-value mortgages held by the issuing bank. Covered bonds differ from mortgage or asset-backed securities because the bank which issues the bond always remains responsible for paying dividends and repaying capital. The Council's investments are therefore protected firstly by having a direct call on the 'pool' and secondly by a call on the general assets of the issuer. The County



Council also accepts reverse repurchase agreements (repos) as a form of collateralised lending and will be approved on entering into Repo Agreements with specific financial institutions as required.

- 7.31 For secured bank deposits, where there is no investment specific credit rating but the collateral upon which the investment is secured has a credit rating, then the higher of the collateral credit rating or the counterparty credit rating will be used in determining monetary and duration limits (set out in Table 13; paragraph 7.25). The combined secured and unsecured investments in any one bank will not exceed the monetary limit approved for secured investments.
- 7.32 **Government Backed:** Loans, deposits, bonds and/or bills issued or guaranteed by national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in and there is an insignificant risk of insolvency; for example, statutory provisions set out in the Local Government Act 2003 preventing a UK local authority default. Investments with UK local authorities can be made for up to twenty years (but may include early repayment conditions for both lender and borrower).
- 7.33 In any future period of significant market stress, the County Council will maintain required levels of security by restricting new investments to those organisations of high credit quality only and reducing maximum duration limits in accordance with the prevailing market conditions. If there are insufficient financial institutions of high credit quality then the County Council's surplus cash will be deposited with the UK Government, via the Debt Management Office (DMO) and UK gilts/treasury bills, or other local authorities.
- 7.34 **Registered Social Landlords (RSLs):** Loans, deposits and/or bonds either issued on an unsecured basis or guaranteed by or secured against the assets of the RSL (formerly known as Housing Associations). These bodies are tightly regulated by Homes England and the Regulator of Social Housing; and as providers of public services they retain a likelihood of receiving government support if needed.
- 7.35 **Corporates:** Loans, bonds and/or commercial paper issued by companies other than banks, building societies and RSLs. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. The County Council approves the use of investments issued by corporates that hold credit ratings in accordance with the approved investment policy as set out in paragraphs 7.16 and 7.25 (Table 13) up to a maximum of £15m per company (rated A- or above) or £10m for corporates rated BBB+ (investments with BBB+ rated companies being classified as "Non-Specified" in accordance with DLUHC's Investment Guidance). Additionally, the County Council will adhere to the UN's Principles of Responsible Investment (UNPRI) when approving investments with corporates.
- 7.36 **Money Market Funds:** Pooled investment vehicles consisting of unsecured money market deposits and similar instruments unless the fund consists of government securities only (paragraph 7.38). Such funds have the advantage of providing wide diversification of investment risks and high liquidity, coupled with the services of a professional fund manager. Fees of between 0.10% and 0.20% per annum are deducted from the interest paid to the County Council.

- 7.37 The County Council continues to use short-term money market funds that offer same-day liquidity as an alternative to instant access bank accounts, subject to approved monetary limits per fund set as £25m or 0.5% of the fund's total assets under management (calculated against the previous working day's closing assets total) whichever is lower.
- 7.38 In times of significant market stress the County Council may consider the use of money market funds that invest in government securities only as an alternative to Debt Management Office (DMO) deposits, up to a limit per fund of £25m or 2% of the fund's total assets under management, whichever lower (calculated as per paragraph 7.37). Such funds will be treated as a separate counterparty to a standard cash money market fund provided by the same sponsor.
- 7.39 **Country, Group and Sector Limits:** Due care will be taken to consider the county, group, and sector exposure (in addition to duration and monetary exposure). Specific limits for which investments may be placed are set out below:

**Table 15: Country, Group and Sector Limits**

Limit Type	Cash Limit
UK Central Government	Unlimited
Any single UK Local Authority (excluding individual Fire Authorities and Police and Crime Commissioners)	£25m
Any single financial institution, including UK building societies	£25m
Any single corporate or RSL: Rated A- or above	£15m
Any single corporate (including RSLs): Rated BBB+	£10m
Maximum % invested in UK domiciled institutions/organisations	100%
Maximum investment total for non-UK countries	£90m
Maximum investment per individual non-UK country	£30m
Maximum corporate exposure	£50m
Maximum investments with corporates rated below A-	£30m
Maximum RSL exposure (rated above A-)	£25m
Maximum money market fund exposure (excluding pooled funds)	£200m
Maximum invested in negotiable instruments held in a broker's (including King & Shaxson) nominee account	£100m

- 7.40 Investments in multilateral development banks and short-term money market funds do not count against the limit for any single non-UK country as shown above (£30m) since the risk is diversified across many countries.
- 7.41 **Investments categorised as "Commercial":** In accordance with the CIPFA Treasury Management Code of Practice, all long-term investments (deposits and/or loans with durations greater than one year) and externally managed pooled funds are classed as commercial investments, unless justified by an approved cash flow business case. Long-term investments, where the County Council can demonstrate available cash flow liquidity, with bank secured deposits, local authorities and Registered Social Landlords will be treated as treasury investments; all other long-term investments (including loans to third parties) will be classified as commercial. All commercial investments (and long-term treasury investments) will be categorised as 'Non-Specified' in accordance

with DLUHC's Investment Guidance. No long-term investment will be arranged with any bank or building society on an unsecured basis.

- 7.42 Additionally, the following investment types have been determined appropriate for the County Council's commercial use (paragraphs 7.43 to 7.49):
- 7.43 **Externally Managed Pooled Funds:** Shares in diversified investment vehicles which may consist any of the treasury investment types listed above (paragraphs 7.27 to 7.38) plus (but not limited to) equity shares, emerging market debt, and infrastructure/property. These funds allow the County Council to diversify its investment portfolio into asset classes other than cash without the need to own and manage the underlying investments (undertaken by a professional fund manager in return for a fee).
- 7.44 Ultra-short dated bond funds (enhanced cash funds) provide an alternative to short-term money market deposits (up to 12 months) with the potential of increasing investment returns; but introducing the potential for short-term capital volatility not evident in treasury investments. Multi-asset income and property funds provide the potential for enhanced returns over the longer-term but are significantly more volatile when viewed in the short-term. Consequently, all externally managed pooled funds may experience times of displaying capital losses when viewed over a short-term horizon, contravening 'SLY' investment principles.
- 7.45 The County Council will only approve external fund managers who are a confirmed signatory to the UN's Principles of Responsible Investment (UNPRI). Selection of funds will then be subject to credit risk appraisal undertaken by the Director of Finance and Support Services and will be reported to the Cabinet Member for Finance and Property and the Treasury Management Panel. The County Council's current investments in such funds are listed in **Appendix A**.
- 7.46 Because these funds have no defined maturity date and may be subject to experiencing periods of capital loss, their performance and continued suitability in meeting the County Council's investment objectives will be regularly monitored by the Director of Finance and Support Services. The market position for pooled fund investments will be reported within quarterly compliance reports to the Regulation, Audit and Accounts Committee.
- 7.47 **Investments Defined as Capital Expenditure:** Investments defined by legislation as capital expenditure, such as investment property and company shares, are usually covered by the County Council's non-treasury (commercial) policies as set out in the Capital Strategy; this included two investment properties held by the Council since 2018/19, both located within the boundaries of the 'Coast to Capital' Local Enterprise Partnership (LEP). Additionally, the County Council holds an equity investment in the UK Municipal Bond Agency plc; a capital finance company established in 2014 by the Local Government Association. This capital investment was originally approved in February 2015 having the aim of providing the County Council with a borrowing alternative to the PWLB.
- 7.48 **Loans:** Loans to third parties (individuals, non-rated companies and wholly owned companies of the County Council) will generally form part of the Council's Capital Strategy with approval based on the economic and social benefits to the County Council and the residents of West Sussex; or following

an external credit assessment of the companies involved. Third party loans approved in support of a company's (or individual's) revenue cash flows may however be arranged through the prescribed Treasury Management Practices (TMPs) of the County Council. Ahead of the Director of Finance and Support Services approving a loan the Council will undertake appropriate due diligence of the third party including a financial analysis of an organisation's financial status which will involve analysis of recent accounts. The Council will also look to obtain appropriate levels of security or third party guarantees for any loan advanced. The Council would expect a return commensurate with the type, risk and duration of the loan and a maximum limit of £5m for all third party loans has been set. All loans should be in line with the Council's governance arrangements.

- 7.49 On 31 March 2022 the County Council had an outstanding loan with the Littlehampton Harbour Board, which commenced in March 2015 and is being repaid annually over a period of 20 years. Interest applicable to this loan is being received to fully recover costs incurred by the County Council and not to generate additional income. Additionally, during 2019/20 the Council introduced the "Financial Support for Recruitment and Retention Employee Loan" scheme, whereby eligible employees (in post designated by the Council as hard to fill) can apply for interest free loans up to £10,000 with repayment terms over a maximum five year period.
- 7.50 **Commercial Limits:** The following monetary limits will be applied to commercial investments approved through the County Council's prescribed Treasury Management Practices in 2023/24, including maintaining the £100m maximum amount approved as being available for long-term investment (see Table 17; paragraph 7.52):

**Table 16: Commercial Investment Limits**

<b>Investment Type</b>	<b>Cash Limit</b>
Total long-term investments (greater than one year)	£100m
Maximum long-term investment per individual counterparty (excluding local authorities)	£15m
Maximum externally managed pooled fund exposure (of which £60m may be invested in such funds not holding a AAA credit rating)	£100m
Total third party loans (in support of revenue cash flows)	£5m

- 7.51 As required by the Prudential Code, the County Council is required to set limits for total funds invested for greater than 365 days. These limits are set with regard to the County Council's liquidity requirements and to reduce the need for the early sale of an investment (potentially incurring additional costs) and are based on the availability of funds after each year-end.
- 7.52 The resulting treasury indicator for long-term investments is shown below:

**Table 17: Long Term Investment Limits**

<b>Treasury Indicator (i)</b>	<b>Upper Limit 2021/22</b>	<b>Upper Limit 2022/23</b>	<b>Upper Limit 2023/24</b>	<b>Upper Limit 2024/25</b>	<b>Upper Limit 2025/26</b>	<b>Upper Limit 2026/27</b>
Maximum Invested for a Year or longer	£100m	£100m	£100m	£100m	£100m	£100m

(i) Limits for future years to be reviewed on an annual basis.

7.53 **Policy on Financial Derivatives:** The County Council has previously made use of financial derivatives that are embedded into investments, to reduce interest rate risks through the use of forward dated deals and to increase income through the use of callable deposits. The 'General Power of Competence' in Section 1 of the Localism Act 2011 removed much of the uncertainty over local authorities' use of standalone financial derivatives (those not embedded into an investment), including swaps and options. The CIPFA Treasury Management Code of Practice requires the County Council to clearly state their policy on the use of financial derivatives in the annual strategy.

7.54 The County Council does not intend to use standalone financial derivatives unless they can be clearly demonstrated to reduce the overall level of financial risks the authority is exposed to. Embedded derivatives, including those present in externally managed pooled funds and forward starting investments, will not be subject to this policy; however, the risks they present will be managed in line with the overall treasury risk management strategy. Should this position change the Director of Finance and Support Services, after seeking a legal opinion on the use of standalone financial derivatives, will develop a detailed and robust risk management framework governing their use and will ensure that treasury management officers have the appropriate training.

## **8 Investment Income (2023/24)**

8.1 Interest forecasts provided by Link Group (**Appendix B**) show the potential of further increases to the Bank of England's Bank Rate during the upcoming months (from its current 3.5% level) before peaking and averaging at around 4.5% throughout 2023/24. Forecasts beyond 2023/24 however show the Bank Rate gradually falling as inflationary concerns in the UK economy subside, before reaching a new baseline level of 2.5% by the end of 2025.

8.2 The Director of Finance and Support Services has approved a prudent £7m investment income revenue budget in 2023/24 (increased from £3m in 2022/23) based on the long-term forecasts for Bank Rate as provided by Link Group, mitigating the risks of a reducing income budget (thereby adding pressures to the Council's Medium Term Financial Strategy) in future years. If the actual rate of return during 2023/24 is higher than the rate assumed in the budget, the Director of Finance and Support Services will consider the most appropriate use of any one-off surplus, with the first call being to mitigate the risk of additional revenue pressures that may arise during 2023/24. The Director of Finance and Support Services will monitor the investment income

budget throughout the financial year and report any changes to the above forecast within quarterly Performance and Resources Reports (PRRs).

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**Appendices**

Appendix A – West Sussex County Council - Treasury Portfolio (31/12/2022)  
Appendix B – Economic and Interest Rate Forecast (Link Group)

**Background Papers:**

None

## West Sussex County Council - Treasury Portfolio (31/12/2022)

### Gross External Debt

<b>External Borrowing</b>	<b>31/12/22 £'m</b>
Fixed Rate: Public Works Loan Board (PWLB)	461.1
Fixed Rate: PWLB (on behalf of the Littlehampton Harbour Board)	0.2
Variable Rate: Short-Term (Chichester Harbour Conservancy)	4.8
<b>Total External Borrowing</b>	<b>466.1</b>

<b>Other Long Term Liabilities (i)</b>	<b>31/12/22 £'m</b>
Private Finance Initiatives (PFI)	83.1
Finance Leases	2.0
<b>Total Other Long-Term Liabilities</b>	<b>85.1</b>

<b>Total Gross External Debt</b>	<b>551.2</b>
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(i) Other Long Term Liabilities: Expected position on 31 March 2023.

### Investments

<b>Treasury Investments</b>	<b>31/12/22 £'m</b>
Bank Secured: Covered Bonds	0.0
Bank Unsecured: Short-Term Cash Deposits (Current Accounts)	0.0
Bank Unsecured: Short-Term Cash Deposits (Fixed-Term)	45.0
Bank Unsecured: Short-Term Cash Deposits (Notice Accounts)	15.0
Bank Unsecured: Short-Term Certificate of Deposits	88.3
Bank Unsecured: Money Market Funds	82.2
Local Authority: Short-Term Investments	90.0
UK Government (Debt Management Account Deposit Facility)	35.0
<b>Total Treasury Investments</b>	<b>355.5</b>

<b>Commercial Investments</b>	<b>31/12/22 £'m</b>
Multi-Asset Income Funds (Externally Managed)	23.4
Property Funds (Externally Managed)	22.4
Littlehampton Harbour Board Loan	0.2
WSSC Employee Recruitment and Retention Loans	1.1
<b>Total Commercial Investments</b>	<b>47.1</b>

<b>Total Investments</b>	<b>402.6</b>
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## Economic and Interest Rate Forecast (Link Group)

### 1 Prospect for Interest Rates

1.1 The County Council has appointed Link Group (Link Treasury Services Ltd) as its treasury advisor and part of their service is to assist the Council in formulating a view on interest rates. The following table gives their central view (updated December 2022) and reflects PWLB borrowing calculated at the 0.80% margin over gilt yields (PWLB Certainty Rate) available to local authorities:

Rate (%)	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Sep 2025	Dec 2025
Link Forecast Bank Rate	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3-Month (i)	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6-Month (i)	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12-Month (i)	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5-Yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10-Yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25-Yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50-yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

(i) Link Group's forecast for average investment earnings (replacing previous LIBID forecasts); however, rates offered by individual counterparties may differ significantly from these averages reflecting their different needs for borrowing short term cash at any one point in time.

1.2 Link Group's current central forecast reflects a view that the Bank of England's Monetary Policy Committee (MPC) will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases over the coming months. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.

1.3 Further down the road, Link anticipate the Bank of England will then be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

1.4 The Consumer Price Index (CPI) measure of inflation will likely peak at close to 11% in the fourth quarter of 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.

1.5 Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the UK Government's Mini-Budget in September 2022.

- 1.6 In the upcoming months, Link’s forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.
- 1.7 On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.
- 1.8 **Borrowing (PWL) Rates:** Yield curve movements have become less volatile since the November 2022 Autumn Statement. PWLB 5 to 50 years Certainty Rates are currently generally in the range of 4.10% to 4.80%. Link view the markets as having built in already nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.
- 1.9 **Balance of Risks to the UK Economy:** The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November 2022 Quarterly Monetary Policy Report. Risks to current forecasts for UK gilt yields and PWLB borrowing rates include:

Downside Risks	Upside Risks
<ul style="list-style-type: none"> <li>• <b>Labour and supply shortages</b> prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).</li> <li>• <b>The Bank of England</b> acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.</li> <li>• <b>UK / EU trade arrangements</b> – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.</li> </ul> <p><b>Geopolitical risks</b>, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern</p>	<ul style="list-style-type: none"> <li>• The <b>Bank of England is too slow</b> in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.</li> <li>• <b>The Government</b> acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.</li> <li>• <b>The pound weakens</b> because of a lack of confidence in the UK Government’s fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.</li> <li>• Longer term <b>US treasury yields</b> rise strongly, if inflation numbers disappoint on the upside, and</li> </ul>

<b>Downside Risks</b>	<b>Upside Risks</b>
countries, which could lead to increasing safe-haven flows.	pull gilt yields up higher than currently forecast.

## **2 Counterparty Creditworthiness Update**

- 2.1 Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, Link recommends that local authorities do not set a minimum sovereign rating for the UK.
- 2.2 Additionally, although bank Credit Default Swap prices (these are market indicators of credit risk) spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link Group monitor CDS prices as part of their creditworthiness service to local authorities and the County Council has access to this information via its Link-provided Passport portal

## **3 Investment and Borrowing Advice**

- 3.1 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.
- 3.2 Based on the current Link Group central assumptions for interest rates, the suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year (based on the next increase in Bank Rate occurring during the final quarter of 2022/23) are as follows:

<b>Average Earnings per Financial Year</b>	<b>Dec-22 Forecast</b>
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
2027/28 to 2031/32	2.80%
Long-term (periods over 10 years in the future)	2.80%

- 3.3 Internally managed investments should continue to be made with reference to the County Council’s core working balances and cash flow requirements; together with the outlook for short-term interest rates (rates for investments up to 12 months). While most cash balances are required in order to manage

short-term (up to one year) cash flow requirements, greater returns are potentially obtainable for cash sums which are identified as being available for longer-periods; however, the value to be obtained from such longer term investments must always be carefully assessed.

- 3.4 **Borrowing Advice:** Link Group's long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed local authority-to-local authority monies should be considered. Temporary borrowing rates are likely however to remain near Bank Rate whilst the market waits for inflation, and therein gilt yields, to subside. Consequently, the policy of avoiding new borrowing by running down spare cash balances (that has served many local authorities well over the last few years) may continue to prove beneficial through to 2024/25 when PWLB rates are forecast to gradually fall.

**PRUDENTIAL INDICATORS (2023/24 TO 2027/28)**

Capital Programme	Actual 31-Mar-22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000
<b>Capital Expenditure (i)</b>	<b>112,536</b>	<b>130,520</b>	<b>124,883</b>	<b>174,455</b>	<b>187,925</b>	<b>122,946</b>	<b>137,038</b>
Capital Financing Requirement (CFR) - Service	507,358	527,311	539,798	624,397	707,196	731,209	764,615
CFR - Economic Developments	79,586	86,494	97,261	117,965	137,211	150,757	160,927
<b>Capital Financing Requirement (Closing Balance)</b>	<b>586,945</b>	<b>613,805</b>	<b>637,059</b>	<b>742,363</b>	<b>844,407</b>	<b>881,966</b>	<b>925,542</b>
Gross External Debt	477,264	466,787	466,772	466,756	442,740	446,600	492,613
Economic Developments	0	0	0	0	89,895	150,757	160,927
PFI Schemes and Finance Leases	88,367	85,106	81,552	77,641	73,123	68,011	62,232
<b>Actual Debt/Operational Boundary (ii)</b>	<b>565,631</b>	<b>551,893</b>	<b>548,324</b>	<b>544,397</b>	<b>605,758</b>	<b>665,368</b>	<b>715,773</b>
Gross External Debt		659,593	564,206	627,727	682,650	687,761	693,540
PFI Schemes and Finance Leases		85,106	81,552	77,641	73,123	68,011	62,232
<b>Authorised Borrowing Limit</b>	<b>N/A</b>	<b>744,699</b>	<b>645,758</b>	<b>705,368</b>	<b>755,773</b>	<b>755,773</b>	<b>755,773</b>

(i) 2021/22 actual capital expenditure includes PFI notional investment, as per Note 6 of the Council's "Statement of Accounts"  
(ii) The *Operational Boundary* represents the Council's forecast of its gross external debt (including PFI and Finance Lease liabilities)

Revenue Impact	Actual 31-Mar-22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000
Capital Financing Costs (Corporately Funded)	29,535	29,724	30,449	30,468	34,425	36,576	39,521
Net Revenue Expenditure	624,833	648,342	708,803	728,221	732,029	738,999	754,000
<b>Ratio (%)</b>	<b>4.7%</b>	<b>4.6%</b>	<b>4.3%</b>	<b>4.2%</b>	<b>4.7%</b>	<b>4.9%</b>	<b>5.2%</b>

Commercial Investments (iii)	Actual 31-Mar-22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000
Forecast Income	4,658	5,953	3,870	4,911	6,051	7,351	7,951
Net Revenue Expenditure	624,833	648,342	708,803	728,221	732,029	738,999	754,000
<b>Income to Net Service Ratio (%)</b>	<b>0.7%</b>	<b>0.9%</b>	<b>0.5%</b>	<b>0.7%</b>	<b>0.8%</b>	<b>1.0%</b>	<b>1.1%</b>
Forecast Income	4,658	5,953	3,870	4,911	6,051	7,351	7,951
Cost of Borrowing (Capital Financing)	2,323	2,390	2,609	3,117	3,812	4,412	4,912
<b>Investment Cover Ratio</b>	<b>2.0</b>	<b>2.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.6</b>

(iii) Income relating to Investment Property (purchased before April 2020) and Your Energy Sussex (inc. battery storage, solar farms and solar panels) schemes.

**TREASURY MANAGEMENT INDICATORS**

**Liability Benchmark**

In accordance with the Prudential Code and Treasury Management Code of Practice (2021 Editions), the County Council has formally adopted CIPFA's Liability Benchmark requirement. This indicator forecasts the minimum amount of debt the County Council's could hold if all available internal resources (excluding those set aside for long-term treasury management investment) are used in lieu of external borrowing. Full details of the Liability Benchmark, including the County Council's Capital Financing Requirement (excluding PFI and finance lease liabilities) and external debt maturity profile are detailed in the 2023/24 Treasury Management Strategy (Budget Report Annex 2(b), Section 6; paragraphs 6.13 to 6.16)

Maximum % Gross Borrowing at Fixed and Variable Rates	Actual 31-Mar-22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000
Maximum % Gross Borrowing at Fixed Rates	99%	100%	100%	100%	100%	100%	100%
Maximum % Gross Borrowing at Variable Rates	1%	25%	25%	25%	25%	25%	25%

Internal Borrowing Forecast	Actual 31-Mar-22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000
Under/Over(-) Borrowing (iv)	21,314	61,912	88,735	197,966	238,649	216,598	209,770
Under/Over(-) Borrowing as a % of CFR	3.6%	10.1%	13.9%	26.7%	28.3%	24.6%	22.7%

Maturity Structure of External Debt	Actual 31-Mar-22	Lower Limit 2022/23	Upper Limit 2022/23	Lower Limit 2023/24	Upper Limit 2023/24
Debt Maturity (v):					
Over 30 Years	26%	0%	50%	0%	50%
Over 25 to 30 Years	0%	0%	25%	0%	25%
Over 20 to 25 Years	3%	0%	25%	0%	25%
Over 15 to 20 Years	0%	0%	25%	0%	25%
Over 10 to 15 Years	18%	0%	50%	0%	50%
Over 5 to 10 Years	44%	0%	60%	0%	60%
Over 1 to 5 Years	6%	0%	35%	0%	35%
Under 12 months	3%	0%	25%	0%	25%

(iv) The Council's forecast levels of internal borrowing based on gross external debt projections (as included in the Liability Benchmark).

(v) These percentages reflect maximum values to allow for new external and/or debt restructuring. They do not reflect actual maturity values.

Agenda Item 9  
Annex2c

<b>Upper Limit for Principal Sums Invested over 365 Days</b>	<b>Actual 31-Mar-22</b>	<b>Upper Limit 2022/23</b>	<b>Upper Limit 2023/24</b>	<b>Upper Limit 2024/25</b>	<b>Upper Limit 2025/26</b>	<b>Upper Limit 2026/27</b>	<b>Upper Limit 2027/28</b>
Maximum invested for a year or longer (vi)	£62.6m	£100m	£100m	£100m	£100m	£100m	£100m

(vi) Limits for future years to be reviewed on an annual basis.

## **Equality Impact Report: Council Plan and Budget 2023/24**

Implementation date 1 April 2023 – 31 March 2024  
EIR completed by: Rebecca Taylor Tel: 0330 222 6878

### **1 Background and context.**

- 1.1 The County Council's most significant strategic decisions are the Council Plan and the budget which is designed to deliver its commitments. In setting the budget the County Council must be aware of and consider a range of statutory and other legal responsibilities. These must inform the decision to set the budget and the Council must explain how it undertakes that process of consideration. The public sector equality duty is an important element of this process for delivering a rational and lawful budget.
- 1.2 The public sector equality duty is the duty to have regard to the impact of proposals on persons and groups with protected characteristics and the responsibilities owed to them. The Council discharges the public sector equality duty through several measures, particularly by applying detailed consideration of such impacts arising from the planning and implementation of service changes, especially where those changes reduce current service levels or reduce the funds available to deliver them. The public sector equality duty impact is best understood and assessed using detailed service and customer information held or secured by those leading, planning and implementing service change. The information is used to help design service changes and to support the decisions which generate service plans. The County Council takes the budget decision on the basis that this arrangement for discharging the public sector equality duty is in place and applied effectively.
- 1.3 Where statutory or some other customer or public consultation is required to help the impact assessment work for any service change or significant proposal, this is included as part of planning and implementation. Where specific service user data is required to better understand the potential impact on those with protected characteristics, this is secured. Different levels of assessment or different forms of data gathering are used dependent upon the needs of the particular service plan under consideration.
- 1.4 The background to the budget for 2023/24 is continued demand pressure for acute and essential services on which many of our more vulnerable residents rely and that these demand increases will outstrip any Government funding changes. As such, a programme of well-considered and planned budget measures is essential to ensure the Council achieves its legal duty to approve a realistic and balanced budget.
- 1.5 The savings planned for 2023/24 are £9.6m and need to be viewed in the context of a draft overall net revenue budget of around £708.8m. The measures included in the budget report to balance the budget contain further information on how the equality impact work will be addressed as part of each proposed service change or saving (Annex 1, Appendix 3)
- 1.6 The emphasis in budget planning continues to be on maintaining efficiency with a view to protecting core services in line with the Council Plan priorities. The Council's over-arching aim has been to avoid unnecessary changes or budget reductions which do not reflect the Council's priorities. Instead, the Council

has focused on specific measures to both understand impacts and address any adverse impacts for services or support. Where a separate decision is needed for any proposal feeding into the budget the service prepares an impact assessment, where so advised, to inform the eventual decision based on the Council's approach to its public sector equality duty so that the decision maker has full regard to such assessment.

## **2 Proposals for the approach to the Equality Duty.**

- 2.1 Efforts have been made when compiling budget proposals to minimise the impact on residents generally and work is carried out to ensure a full equality impact assessment to identify any possible impact on those with a protected characteristic.
- 2.2 The total £9.6m savings planned for 2023/24 are a continuation of savings from last year, business as usual or operational decisions.
- 2.3 The Council has made efforts to continue to provide residents with services to meet needs and identified priorities. Work will be done, where advised, on equality impacts and how to mitigate any potentially adverse impact within any separate decisions to be taken and their implementation.
- 2.4 A balanced budget has been developed on the basis of a primary aim of meeting all statutory duties to provide services supporting the priority needs and interests of West Sussex residents and which should result in a positive impact for residents including those with protected characteristics. Available information on potential impact has informed the process of prioritisation.
- 2.5 As well as the revenue budget, the County Council will be asked to approve an updated capital programme for 2023/24 to 2027/28. The capital programme sets out how the County Council proposes to invest in assets to deliver the Council's vision for and its commitment to West Sussex as set out in the Capital Strategy in Annex 2 (a). It too will be implemented through decision-making arrangements which address the need to address the public sector equality duty.
- 2.6 In preparing the proposals outlined, it is believed that no individual group whether it be by age, sex, race, disability, gender reassignment (including transgender), sexual orientation, religion or belief or any other identifiable group will suffer from discrimination, harassment or victimisation as a direct consequence. Confirmation of this and the focus on opportunities to eliminate discrimination will be addressed in service plans and implementation.
- 2.7 The proposals identified by services will be expected to show how they will maintain equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. This is part of the work that will take place ahead of any individual equality impact work on individual proposals in any service plan area.
- 2.8 Changes to proposals will be addressed in the evaluation of consultation and representations where relevant and recorded in specific decision reports or identified for clarification in service plan implementation.



- 2.9 Monitoring will be through equality impact work at individual service level and also business planning and performance framework planning processes. Each Directorate will be responsible for monitoring the impact on their own services
- 2.10 In the preparation of the detailed proposals for the Council's budget for 2023/24 an exercise has been completed to confirm those proposals which will require or which have already applied an equality impact assessment and the officer who will be responsible for ensuring the duty has been discharged in each case. This is summarised in Annex 1, Appendix 3.

**Director of Finance and Support Services**

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## Summary of comments considered by the Cabinet

### Summary of comments from Member Development Session held on 20 January 2023

An all-member budget event was held on 20 January 2023 to outline the Council Plan and Draft Budget for 2023/24 ahead of scrutiny by the Performance and Finance Scrutiny Committee (PFSC) on 25 January, agreement by Cabinet on 31 January and approval at County Council on 17 February. The event included a plenary session setting out the over-arching budget followed by individual breakout groups by scrutiny committee portfolio area. There was no breakout group for PFSC responsibilities as formal scrutiny by the committee took place on 25 January. The comments and questions from the plenary session and each of the breakout groups set out below were considered by Cabinet in putting together the final Draft Budget for 2023/24.

#### 1. Plenary Session

- Has the impact of the above average population increases for West Sussex been considered when planning future provision of services and are these increases met by a growth in Council Tax base projections. Have modelling exercises been completed in relation to single occupancy and discounted rates in relation to Council Tax collections. Can census data be used to plan and manage future service provision.

##### **Response**

In estimating the budget pressures for 2023/24, services have considered a number of different cost drivers relevant to each service and modelled the potential impact to provide a best estimate of the likely pressures. In many cases this will include looking at population numbers and the latest available information. High level data from the 2021 census has been published and has shown almost a 10% increase in the population, particularly in the over 65s and this varies across the county. For future years, more granular detail will have been published and will be a key factor in financial modelling of future pressures and the demand for services across different parts of the county.

In relation to the Council Tax base, it is unclear if the census has been taken into account for the estimates provided by the district and borough councils for 2023/24 but is likely to be a factor in future year's estimates. The current estimates provided by the district and borough councils will take into account their latest information in relation to single occupancy and other Council Tax discounts.

- Is there confidence that the savings identified will be deliverable.

##### **Response**

Yes, all savings for 2023/24 have been reviewed and are considered deliverable.

- Is the contingency budget sufficient to meet the needs of growing road maintenance requirements.

##### **Response**

The contingency budget is a provision we make as part of the revenue budget to meet spending pressures which might arise over the year in one or more of our portfolio areas. Therefore, at this moment in time, we do not commit the contingency to any one area. With regard to highway maintenance, for 2023/24 we have increased the highways budget by a net £6m. We are also proposing

to commit a further £4.5m in year to help address highway maintenance, including flooding issues. In addition, as part of the 2022/23 budget, we agreed to invest an extra £21m capital to help meet the needs of growing highway maintenance requirements.

- Concerns were raised regarding the Special Education Needs and Home to School Transport budgets as these are challenging areas of increasing demand and complexity.

**Response**

This concern is noted. An additional £1.4m has been put into the budget for 2023/24 but this will remain under review and will be closely monitored in year.

- The expected review of Social Care Funding is a continuing concern in relation to the impact this will have on service provision and the Council budget.

**Response**

The delay in the social care reforms was welcomed but still remains a significant financial risk in the run up to October 2025. This will be closely monitored and scenario planning will be undertaken to fully understand future potential pressures.

- Concerns raised regarding the staff vacancy rates across the Council and the impact this may have on service provision.

**Response**

Recruitment and retention remains a key challenge for the County Council and the Performance and Finance Scrutiny Committee received an update at their meeting on 25 January 2023. Vacancy levels vary across services and will continue to be monitored through 2023/24. A further update will be presented to Performance and Finance Scrutiny Committee in 12 months.

## **2. Communities, Highways and Environment Scrutiny Committee**

- Regarding the £4.5m earmarked for roads/highways/flooding, what governance process was foreseen, and opportunities for scrutiny in particular?

**Response**

All proposals will be underpinned by a business case before works proceed. An update will be presented to Communities, Highways and Environment Scrutiny Committee in March.

- Could we try to strengthen work to enforce riparian responsibilities in order to prevent flooding?

**Response**

This is noted and will be considered during 2023/24.

- Do we take account of the economic impact when roads have to be closed due to flooding? Safety is the prime concern when closing roads.

**Response**

When closing roads, a number of different factors are taken into consideration. The economic impact is considered but safety remains the key concern.

- Regarding savings proposals for 2023/24, are there any for which the Cabinet Members have deliverability concerns? Most of the savings contain a level of risk – street lighting LED is probably the biggest challenge as the Council is not in control of the Private Finance Initiative approval process.

**Response**

All of the savings have been reviewed and are expected to be delivered as planned.

- Are there any project risks related to delivery of our solar and battery schemes? Connection to the national grid is the biggest challenge.

**Response**

A full update on the projects can be considered at a future Communities, Highways and Environment Scrutiny Committee.

- Is the high vacancy rate affecting service delivery? It is the staff vacancies that are proving very difficult, and in some cases impossible, to fill that are affecting some aspects of service delivery.

**Response**

The vacancy factor of 6% is reflecting current levels but will be kept under review and reported through the quarterly Performance and Resources Report (PRR).

- Welcomed the introduction of the lane rental scheme as a potentially better way to manage street works although some concerns raised that not all roads will be covered.

**Response**

This has been noted.

- Could we apply for additional highways enforcement powers?

**Response**

There are opportunities to apply for new powers such as moving traffic offences. This response was provided at the meeting.

- The refugee resettlement scheme was discussed in terms of the longer- term plans and demands.

**Response**

This has been noted.

- Discussed the timelines for the de-carbonisation plans for Council buildings, installation of solar panels and the electrification of the County's fleet vehicles.

**Response**

This has been noted.

### **3. Children and Young People Service's Scrutiny Committee**

#### **a) Children and Young People**

- Highlighted the importance of non-statutory functions to help reduce numbers in Children's Social Care and therefore important to ensure it is adequately funded.

**Response**

This has been noted.

- Recognise risk on the budget of the expected legislative changes as a result of the John McCallister review on Children's Social Care. The details of any changes would need to be known before any contingency or budget amounts could be set.

**Response**

This has been noted.

- Transformation Budget – highlighted that the service was still on an improvement journey and therefore it was important not to withdraw the funding too soon. Members were assured that the requirements for this funding would be assessed for future years budgets once needs and requirements were identified, and that resilience is built into the current year as required.

**Response**

This has been noted.

- Placement recovery plan – recognised that this was a two-year plan which expected to reduce external placements by 2.5% per year. Efforts were diluted due to complex cases; however, it was expected to meet the target, but was too early to see any outcomes yet (implemented in November 2022). Members recognised the high cost of complex cases and impact this can have on the budget, and therefore welcomed the contingency in place for this.

**Response**

This has been noted.

b) **Learning and Skills**

- Highlighted importance of support and focus on early years, and impact this has on other areas of the budget. It was recognised that work was ongoing to review early years to look at where the County Council could intervene, but that there was an issue of underfunding from government which affected viability of some early years settings and it was important to lobby government on this issue.

**Response**

This has been noted.

- Recognised the huge pressure on capital budgets to support both Special Educational Needs and Disabilities (SEND) and mainstream schools, as well as the challenge around the pace of delivery of capital projects.

**Response**

This has been noted.

- Recognised that the reasons for the increase in number of EHCNAs (education, health and care needs assessments) was complex (7-9% per year), and the issuing of plans has a direct impact on the High Needs Block, but that it was critical to understand the reasons for the increase and projected longer-term forecasts so that we can understand if the strategies in place to address this are effective.

**Response**

This has been noted.

- Recognised that the rise in Education, Health and Care Plans (EHCPs) and the pressures on Dedicated Schools Grant (DSG) funding were national issues that West Sussex could not solve on its own. The county was focusing on a number of initiatives, including focusing on preventative work. However, government needed to be part of the solution (and was important to lobby on this issue).

**Response**

This has been noted.

- Welcomed the extra funding to support young carers. However, it was recognised that this was an area of growing demand and therefore questioned whether the budget would be sufficient.

**Response**

This has been noted.

#### **4. Fire and Rescue Service Scrutiny Committee**

- Generally satisfied with the budget presented for the Fire and Rescue Service. Comments and questions raised were:
  - Resilience and Emergencies Team (RET) structure review is about providing the service in an efficient and effective way not about stopping doing anything.
  - Recognised that it would be difficult to make any further savings whilst maintaining the same standard of service. Any review would need to consider implications for the CRMP (Community Risk Management Plan). Would also need to consider the risks and implications of a growing population in West Sussex and any legislative changes.
  - Key risk around the numbers of retained firefighters as these are dipping at the moment. Will be reviewing in terms of maintaining service response times.
  - Recognised the challenges faced by inflationary pressures, particularly in relation to pay increases.
  - Will be investigating opportunities for generating additional income.
  - Review of building stock is underway to ensure buildings are being utilised effectively.

**Response**

This has been noted.

#### **5. Health and Adult Social Care Scrutiny Committee (HASC)**

- Welcomed the information and context-setting provided, which helped members' understanding of the specific challenges and budget pressures facing Adult Social Care and Health, and the Council's plans in place to address these.
- Were reassured that the proposed increase of £26.8m in the Adult Services budget for 2023/24 would address the service-related risks outlined, and that the contingency provided enough of a buffer to deal with additional costs that may arise.
- Sought reassurance that undelivered savings will be met and welcomed the fact that a proper programme of work is in place to deliver these.
- Acknowledged the service-related risks set out in the budget papers (including the challenging care market in West Sussex) and that the Adult Social Care Strategy sets out plans to address many of these.
- Recognised that the delays to social care reform create a significant degree of uncertainty.
- Recognised the significant demographic pressures impacting on Adult Social Care and supported preventative approaches to support people to live well and independently for longer, and to enable them to make good choices in terms of the support they need.
- Highlighted the need to help people be better prepared for old age and to avoid social isolation.
- Were concerned to ensure that the Council has capacity to provide the right

advice and information to residents relating to Adult Social Care, including those who may be self-funding.

- Highlighted the importance of good, honest and regular communication with service users/their families; to ensure people understand what is happening and have realistic expectations about the support that they may be provided, as well as any financial implications. This should help to build trust and confidence in the service.
- Welcomed the development of an Adult Social Care Improvement Plan, and particularly initiatives to modernise working practices and develop a workforce strategy. It was suggested that the implementation of Smartcore and a new Council Digital Strategy should help support this.
- Supported the overarching ambition for the health and social care system to work better together and to shift the focus from acute support to prevention and early intervention. Critical to this will be the involvement of the Voluntary and Community Sector and Primary Care. It was recognised that the Integrated Care System and Integrated Care Board have key roles to play in achieving this ambition.
- Highlighted the importance of working with the NHS to ensure appropriate mental health services are in place. A key issue for the future will be the support for young people with complex needs (including mental health) as they transition into adulthood. Although HASC is considering the establishment of a task and finish group on mental health services for children and young people, members discussed the potential for an evidence- gathering session or member briefing to precede this to help improve understanding and awareness and ensure focused scrutiny.
- Pointed out the key role played by carers, and supported initiatives by Carers Support West Sussex to raise their profile and to help people identify themselves as carers, to ensure they get the support they are entitled to.

**Response**

This has been noted.



## **Summary of comments from Stakeholder Engagement Session held on 27 January 2023**

A Stakeholder Engagement event was held on 27 January 2023 to set out the Council Plan and Draft Budget for 2023/24. The event was attended by a wide cross section of partners including Districts and Boroughs, NHS and health and care, police, business and voluntary and community sector. The comments and feedback from partners are set out below:

- All welcomed the engagement – and the opportunity to understand more the County Council’s priorities, how we make the choices around using our resources.
- Next year’s budget was welcomed and all understood the need to rise council tax by the full amount.
- Everyone acknowledged the policy uncertainty that the county council and wider public sector was facing – and that very difficult choices will need to be made over the medium term to close the budget gap.
- Partners reminded the County Council that they were also facing cost pressures and to work with them to tackle the challenge of rising costs.
- Partners agreed the need to lobby Government collectively on the pressures.
- It is important not to lose focus on growth and the economy – these should remain a key priority.

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