

**County Council**  
**16 February 2024**

**Council Plan and Budget  
2024/25, Capital Strategy  
2024/25 to 2028/29 and  
Treasury Management  
Strategy Statement  
2024/25**

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## Council Plan and Budget 2024/25

### Executive Summary

- a. The Council Plan for 2021 to 2025 is focussed on four priority outcomes underpinned by a cross cutting theme of 'Protecting the Environment' and these remain unchanged for 2024/25.
  - **Keeping people safe in vulnerable situations;**
  - **A sustainable and prosperous economy;**
  - **Helping people and communities fulfil their potential; and**
  - **Making best use of resources.**
- b. The County Council's ambitions are captured each year through the plan, which sets out what is proposed and how specific targets will be used to judge how well the County Council has performed during the year. The Council Plan, revenue budget and capital programme have been developed to align financial resources to the delivery of these priorities through the business planning process.
- c. 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 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.
- d. Government funding challenges have continued into 2024/25 with the provisional Local Government Finance Settlement published on 18 December. The announcements were disappointing. Although Core Spending Power will increase by £49.6m, only £14.5m is a result of Government funding, the remainder is from Council Tax income and assumes that the County Council will introduce the maximum increase of 4.99%.
- e. The lack of new Government funding in 2024/25 comes at a time when there is a spiralling increase in demand and cost of services, particularly in social care, home to school transport, inflation, funding the National Living Wage and allowing for the continued increase in investment into highways. This has made preparing next year's budget even more challenging. Expenditure requirements have increased and include an additional £54.1m for service pressures and £27.8m for pay and price inflation to continue to meet the needs of residents. In addition, corporate contingency has been increased to £22m, of which £10m has been set aside to manage the risks and uncertainties facing the County Council around social care.
- f. In 2024/25, the Council Tax base across the County is forecast to only increase by 0.8% compared to previous years of around 1.5%. This means forecast council tax income will be around £2.5m lower than had been predicted in the Cabinet report in October 2023.

- g. Given these pressures, balancing the budget for 2024/25 is only possible by introducing the Government's presumed 4.99% increase in Council Tax, budget reductions across services of £15.7m and £3.6m one off use of reserves. This will be the first time that the County has had to resort to the planned use of reserves in order to balance its budget. The budget reductions for 2024/25, together with early savings plans for 2025/26, are set out in **Appendix 3**.
- h. Therefore, in summary, during 2024/25, the County Council is expected to spend £2,043.1m on day-to-day revenue services and £131.6m 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 £761.4m is proposed for 2024/25 an increase from £708.8m in 2023/24. Similar to previous years, 64% of all service revenue spend will be on adult services and children and young people.
- i. The proposed budget for 2024/25 has been set based on the latest available information and assumptions but there are a number of inherent risks and uncertainties on service pressures, such as prevailing economic conditions, the delivery of the new savings of £15.7m, together with the £9m of existing savings from previous years. Details are set out in Section 5, along with the County Council's approach to risk management through the use of reserves and contingencies.
- j. The five-year forecast of reserve balances is set out in Section 6 and includes all known commitments and £9.6m replenishment of their use for balancing next year's budget, £3m of one off pressures in 2024/25 and £3m of the continued additional revenue investment into highways and roads. It shows the balance of County Council's earmarked reserves will reduce to £131.8m by March 2025 and to £107.8m by March 2029. Ongoing use of reserves is not sustainable and the replenishment of the budget management reserve is essential for ensuring reserve balances remain at a level to manage future risks and maintain the County Council's financial stability.
- k. Engagement on the draft budget has been held with Members, key stakeholders and the wider community. Full details of all the feedback is set out in **Section 3 and Appendix 9**, including how it has been considered by Cabinet in preparing the final budget. There are no changes to the budget reductions or the capital programme following the consultation to date. Importantly, in this budget the council is adding additional resources to areas referenced in the consultation as being important to our residents – such as roads and highways and education and skills.
- l. Although the remainder of this budget report is largely focussed on the budget for 2024/25, it is set within the context of the medium term over the next five years. A balanced budget is proposed for 2024/25 but there remains a budget gap of between £58m and £190m between 2025/26 and 2028/29 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 budget. This will include continuing to lobby Government to recognise the demand pressures facing the County Council, but further reductions are likely to be required. Efficiencies will continue to be explored but it will also require a deeper structural 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.

- m. 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 which will see £131.6m of capital expenditure in 2024/25 and £695.3m across the five year period of 2024/25 to 2028/29. The Capital Strategy includes the Council's Flexible use of Capital Receipts Strategy, of which the Government has launched a consultation on its extension to 2030.
- n. The Treasury Management Strategy Statement 2024/25 (**Annex 2(b)**) sets out the County Council's approach to Treasury Management activity, including the impact of the Dedicated Schools Grant deficit which, although it is not part of the County Council's balance sheet because of the statutory over-ride in place until 2026, is resulting in lost investment income of an estimated £5.7m in 2024/25.

## Recommendations

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 Cabinet proposes that County Council approve the following recommendations:

- (1) The Council Plan and KPIs for 2024/25 (as set out in paragraph 2.4 and **Appendix 8**).
- (2) The net revenue budget requirement in 2024/25 of **£761.402m** (as set out in paragraph 3.37 and **Appendix 1**).
- (3) An increase in Council Tax in 2024/25 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 **£695.270m** over the period 2024/25 to 2028/29, of which **£131.571m** is expected to be spent in 2024/25.
- (6) The overall budget envelopes as set out in **Appendix 1**.
- (7) The following amounts be approved for the financial year 2024/25 in accordance with Section 42A of the Local Government Finance Act 1992:

- (a) That the Council Tax requirement for 2024/25 is **£600.178m**.
- (b) The Council Tax base for the year 2024/25 is the aggregate amount calculated of Band D equivalents by the billing authorities to which the County Council issues precepts totalling **349,968.28**.
- (c) The amount of Council Tax being the council tax requirement at 7(a) above divided by the council tax base at 7(b) above, shall be **£1,714.95** 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>2024/25 Council Tax £</b>	<b>2023/24 Council Tax £</b>	<b>Increase £</b>	<b>Increase %</b>
A	1,143.30	1,088.94	54.36	4.99
B	1,333.85	1,270.43	63.42	4.99
C	1,524.40	1,451.92	72.48	4.99
D	1,714.95	1,633.41	81.54	4.99
E	2,096.05	1,996.39	99.66	4.99
F	2,477.15	2,359.37	117.78	4.99
G	2,858.25	2,722.35	135.90	4.99
H	3,429.90	3,266.82	163.08	4.99

- (e) That the district and borough councils be requested to make payments totalling £600.178m 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.
- (8) The Medium Term Financial Position for period 2025/26 to 2028/29 which shows a budget gap of between **£58m and £190m** as set out in Section 6.
- (9) The total Schools Budget of **£850.293m** to meet the County Council's statutory requirement on schools funding as set out in Section 4.
- (10) 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 2024/25, expected to be published in early February 2024.

All such changes of funding (positive or negative) to be applied through the appropriate reserve.

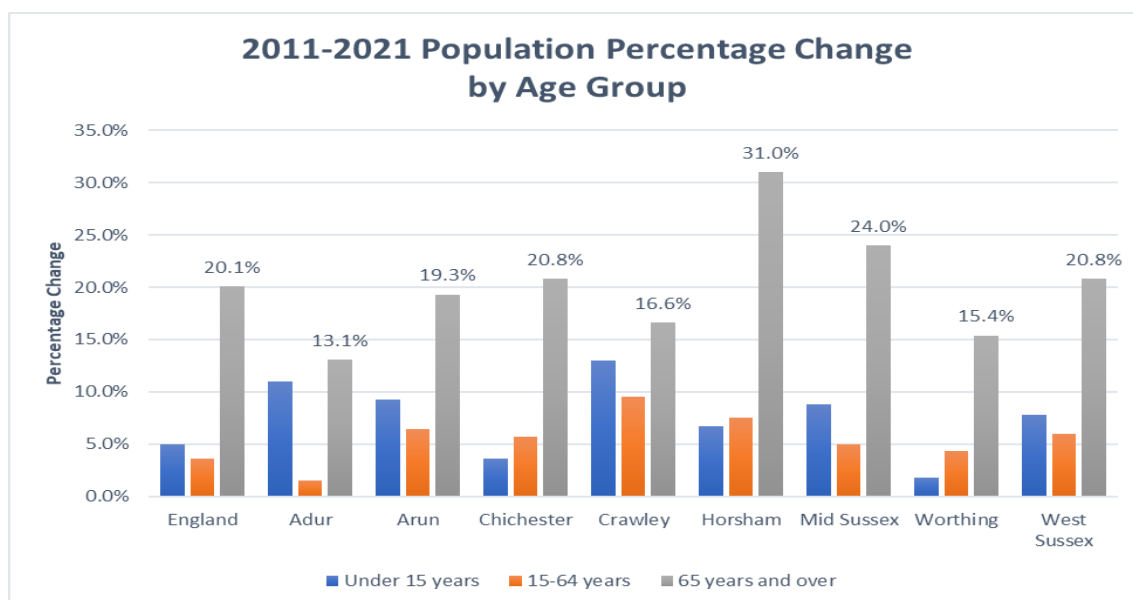
- (11) These ancillary financial management provisions:
- (a) The Capital Strategy for the period 2024/25 to 2028/29, including the specific delegation of authority set out in the Strategy, as set out in **Annex 2(a)**.
  - (b) The policy for making a prudent level of revenue provision for the repayment of debt as set out in **Annex 2(a) Appendix B**.
  - (c) The Flexible Use of Capital Receipts Strategy for 2023/24 and 2024/25 as set out within the Capital Strategy, **Annex 2(a), Section 8**.
  - (d) The Treasury Management Strategy Statement 2024/25, as set out in **Annex 2(b)**.
  - (e) The Prudential Indicators, as set out in **Annex 2(c)**.
- (12) 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. The focus during 2024/25 will be on funding for children's social care, home to school transport, high needs and essential road maintenance. This is particularly important in the run up to the Spring Budget on 6 March 2024 and the next spending review which is expected shortly after the general election.

## Section One: External Context

### West Sussex and its Population

- 1.1 The county borders Surrey County Council to the north, East Sussex and Brighton and Hove to its east and Hampshire County Council to its west and is made up of seven district and boroughs – Adur, Arun, Chichester, Crawley, Horsham, Mid Sussex and Worthing.
- 1.2 At the 2021 Census the population for West Sussex was 882,700 an increase of 9.4% since 2011, larger than the regional increase (7.5%) and the increase for England (6.6%). Population growth and density does vary across the county as shown in Chart 1 and the County Council needs to consider this in its provision of local services.
- 1.3 The highest percentage growth has been seen amongst the older population. This is the case across the county and follows national and regional trends and the population of people aged 65 years-and-over has increased in West Sussex by 21%. This age group makes up 23% of the total population, a higher proportion than nationally (18%) or regionally (19.5%). The number of West Sussex children under the age of 15 years has increased by 7.8% since 2011, against an average of 5% in England, and makes up 16.4% of the total population. Trends across the county vary with Crawley generally having a younger population than the rest of the county with the median age being 37 years of age compared to the county average of 44 years. Arun has the oldest median age of residents at 49 yrs.

**Chart 1 – Population Change 2011 to 2021**



- 1.4 As data continues to be released following the 2021 census, this data and the information from the Joint Strategic Needs Assessment (which provides a summary of the current and future health, care and wellbeing needs of the local population, using national and local data), will continue to be used to inform business and financial planning.



## Economic Activity

- 1.5 Data from the Annual Population Survey by the Office for National Statistics suggests that economic activity rates, (i.e., those people either in work or are looking for work) and employment rates have fluctuated since the pandemic. Whilst there has been some return to pre-pandemic levels there has been a fall in the last year. Despite this, the rates of economic activity in West Sussex are higher than the national (England) average and in line with the regional average. There is some variation within the county, with, historically, the north east of the county (Crawley, Horsham and Mid Sussex) seeing higher rates than the coastal districts, and higher than the regional average, though the last set of data showed some reversal in this pattern.
- 1.6 Figures suggest that the percentage of economically inactive have increased since the pandemic, they are at levels lower (20.4%) than for England (21.2%). In the period during and following the pandemic there was a higher proportion of economically inactive because of an increase in the number of students. Recently the numbers have begun to fall, though remains higher than pre-pandemic levels. Numbers of economically inactive due to retirement also continue to increase, and this trend is most marked in coastal West Sussex.

## Economic Conditions

- 1.7 The Bank of England has continued to raise interest rates. In June 2023 the Bank increased the rate to 5% and to 5.25% in August where it has since been held with the most recent announcement from the Bank taking place on 14 December 2023. The Consumer Prices Index (CPI) rose by 3.9% in the 12 months to November 2023, down from 4.6% in the 12 months to October. The Bank of England expects overall inflation to continue to fall in 2024, achieving its target of 2% by the end of 2025.
- 1.8 Alongside the Autumn Statement the independent Office for Budget Responsibility (OBR) reported that it expects the economy to grow by 0.6% in 2023, 0.7% in 2024 and 1.4% in 2025, then an average of 1.9% between 2026 and 2028. The Chancellor expects to meet his fiscal rules, and the OBR has produced lower forecasts for debt and borrowing than in the March 2023 Budget:
- Underlying debt forecast begins to decline from 2027/28; before falling to 92.8% in 2028/29.
  - Borrowing is forecast to fall from 4.5% of GDP in 2023/24 until it reaches 1.1% in 2028/29.
- 1.9 Despite warnings from the local government sector, including from the [Local Government Association](#) and the [County Council Network](#) regarding the increasing financial challenges facing councils, no specific funding for local authorities' pressures was included in the Autumn Statement 2023. The Autumn Statement reconfirmed the Government's enthusiasm for their devolution agenda with four new devolution deals and confirmed an intention to expand Level 2 devolution to eligible councils across England that represent a whole county or functional economic area. This includes

two new Level 3 deals with Greater Lincolnshire, and Hull and East Yorkshire, and two Level 2, non-mayoral, deals with Cornwall and Lancashire. The Government is also in advanced discussions to agree a Level 2 non-mayoral deal with Devon and Torbay. The statement also set out 110 “growth measures” for business.

### **National Policy Developments**

- 1.10 Government announced their decision in August 2023 to transfer functions from Local Enterprise Partnerships (LEPs) to upper tier authorities from April 2024. Support for employment and skills is increasingly important to the County Council as a major local employer and an enabler of growth in the West Sussex economy.
- 1.11 The Council will take on the Business Representation, Strategic Economic Planning and Growth Hub LEP functions from April 2024. To inform how the Council takes on these new roles a series of workshops were undertaken with stakeholders during November and December 2023. This builds on the [West Sussex Economic Collaboration report 2023](#) which was commissioned jointly by the Council and the West Sussex District and Borough Councils and the 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’. The Council has already taken on the Career Hub function from the LEP with the launch of the West Sussex Careers Hub on 1 September 2023.
- 1.12 The impacts of climate change will continue to grow including on the maintenance of infrastructure, the delivery of new homes and other developments particularly given water neutrality requirements. The County Council will need to respond to more serious weather events, such as flooding, and increased risks to vulnerable people as well as the impact on the local economy and service delivery. Whilst the Council notes Government’s September [announcement](#) concerning their ambition to reach Net Zero by 2050, the Council remains committed to the existing [ambition](#) to achieve Net Zero by 2030.
- 1.13 In October 2023, Government [announced](#) the redirection of HS2 funding into transport investment across the country, including the South East. A total of £36 billion in savings from HS2 will be reinvested in transport projects across the country, including buses, reopening railway stations and ensuring major funding for new and improved roads. It is expected that West Sussex will benefit from £67.6m. However, this will be spread over the next ten years, up to 2034.
- 1.14 The next General Election must take place before January 2025. The next spending review is not expected before early 2025. In May 2024 there will be elections in Adur, Crawley and Worthing, as well as for the Police and Crime Commissioner. The next County Council elections are in May 2025. All of these could mean changes to the political landscape, partnership working and in responding to continued national policy uncertainty.

- 1.15 Many of the County Council's partners, including district and boroughs, the NHS, Police and Voluntary Sector continue to face significant changes over the coming year, especially in relation to demand and the cost of providing services. Collaborative working will continue where appropriate to support the delivery of all services across the county.
- 1.16 The County Council continues to support displaced persons, migrants and asylum seekers. In March 2023, the Home Office announced changes to the support under the Afghan Citizens' Resettlement Scheme away from the use of hotels and said it will provide £35 million in new funding to help councils overcome barriers to accessing housing and employment. The supply of accommodation remains a barrier.
- 1.17 The Department for Levelling Up, Housing and Communities (DLUHC) launched the new Office for Local Government (Oflog) in July 2023 with the aim to empower citizens to hold local leaders to account, while supporting them to innovate and drive improvement by presenting data and analysis about the performance of councils and outcomes for local people. The Department has also consulted on statutory guidance on Best Value Standards and Intervention. This sets out expectations on how local authorities discharge the Best Value statutory duty to demonstrate how resources are used to greatest effect and efficiency and how the authority ensures it achieves continuous improvement in service delivery and its systems of control accountability and corporate governance. The Council is actively engaging with Oflog to shape the future framework.
- 1.18 The Department for Education (DfE) has published its Children's Social Care Implementation Strategy, to transform the care system to focus on more early support, reducing the need for a later crisis response. Funding of £200m nationally over the next two years has been announced.
- 1.19 In April 2023, the Government published an update to its 2021 Adult Social Care White Paper, "The Next Steps to Put People at the Heart of Care". There were new announcements on the adult social care reform programme, including greater use of technology and digitisation. However, funding to support workforce reforms and training, has been reduced from £500m to £250m. In June 2023, Government published the NHS Workforce Strategy which fails to acknowledge the similar challenges with social care, despite the drive for joint working across health and social care.
- 1.20 The Council responded to the consultation paper "Reforming Our Fire and Rescue Service" which was published on 18 May 2022. Government published the [response to the fire reform white paper](#) in December 2023. The Council will continue to monitor and respond as appropriate to new legislation and updates to the National Framework that Government plans to bring forward to implement the proposals within the White Paper.
- 1.21 Following the publication of Government's [response](#) to the Consistency in Household and Business Recycling in England Consultation in November 2023, the Council will work with West Sussex District and Borough Councils to ensure a smooth transition to new collection and disposal arrangements as these are phased in from March 2025 to March 2027.

- 1.22 The County Council was one of ten South East councils to express concerns regarding Gatwick Airport's plans to bring its emergency runway into regular use. Concerns included "the ability of the airport to operate within acceptable and enforceable limits". If Government approves the plans, construction could start in 2025 and be completed and ready for operational use by the end of the decade.
- 1.23 At the time of this report, no further announcements have been made about the continuation of the Household Support Fund after March 2024.
- 1.24 There are other policy areas on the Government's horizon but further details are awaited for a clearer picture in terms of County Council services and financial implications. These include:
- Government's evolving Levelling Up and devolution agenda;
  - The timing of the CQC inspection regime for adult services with the first councils to be inspected announced. West Sussex County Council was not amongst the first tranche, but it is anticipated will be inspected by the end of 2024/25.

## **Section Two: Internal Context**

- 2.1 As a County Council we deliver over 300 services to the 882,700 residents across 769 square miles. This includes:
- Adult Social Care
  - Children's Social Care
  - Education and School Places
  - Public Health
  - Highways and Transport
  - Libraries and Archives
  - Fire and Rescue Service
  - Trading Standards
  - Waste Disposal and Recycling
  - Minerals and Waste Planning
  - Registration Services
  - Economy
- 2.2 Since 2020 the County Council has focussed on a range of issues, including:
- Children's Services have made significant improvements as demonstrated by the March 2023 full Ofsted inspection, where an overall "Requires Improvement" rating was achieved following the "Inadequate" rating in 2019.
  - Funding pressures affecting the High Needs block under the Dedicated School Grant (DSG) have grown, leading to a DSG Deficit Management Plan that was submitted to the DfE in December 2023. However, even after planned improvements, managing the financial impact of the increase in the numbers with EHCPs remains challenging, particularly after 2025/26 when the statutory over-ride on the DSG is expected to end.

- The results of the November 2023 joint CQC/OFSTED SEND Area inspection are expected to be published in February 2024.
- The Fire & Rescue Service has made significant progress reflected in the HMICFRS 2022 inspection. The Community Risk Management Plan shows how the service will manage risks and explains how it will contribute to delivering Council Plan priorities. The Service will continue to embed improvement, delivering values and cultural work.
- Adult Social Care is focusing on the priorities identified in its strategy 'The life you want to lead' and delivering its improvement programme ahead of the first round of CQC inspections expected imminently. The importance of partnership working between social care and health will continue to increase as both systems continue to face increasing demand and complexity of need.
- The County Council continues to face recruitment and retention challenges. Particular areas of pressure are social workers, care workers and occupational therapists, planners, property, transport and development professionals and lawyers. A tighter job market affects the ability to recruit to or retain lower wage roles where cost of living pressures are more acute.
- The Council's 4,000km of roads and 3,956km of footways are essential to the local economy. Increased investment is inhibited by a real terms drop in Government capital funding and inflationary pressure. The 2024/25 grant would need to increase by £3.7m (17.5% increase) to match 2017/18 spending and the backlog of maintenance for carriageways exceeds £151m. During 2024/25, the County Council will continue its increased investment into revenue maintenance of £4m in 2024/25 and in total during the year £20.1m will be spent on revenue maintenance and £46.7m of capital on the County's roads.
- The Council will continue to adopt a strong emphasis on efforts that protect the environment.

2.3 The Council will deliver major corporate change programmes over the next two years including:

- The Smarter Working programme which has introduced a model of hybrid working that prioritises business needs and improve the way residents access services as well as offering flexible working to support recruitment and retention and enhance staff wellbeing, help protect the environment, rationalise the corporate estate and reduce overheads.
- Digital Strategy – Work is underway to shape and define how the Council will use new digital technologies in the way it works, how it engages with customers and ensures the infrastructure in the County is in place to allow connectivity by all.
- ERP Replacement – Work is underway to replace the existing SAP HR and accounting system. This complex project, when implemented and

fully embedded, will improve processes in Finance, Payroll, HR and Procurement and improve how suppliers interact with the Council.

- 2.4 Given the increasingly challenging operating environment in which the County Council continues to provide services to residents, the importance of lobbying will increase in 2024/25. Work will continue with West Sussex district and boroughs, local MPs, the South East 7, and the County Council Network to lobby Government regarding the challenges that matter to residents including:
- Increasingly challenging funding constraints;
  - Rising demands for statutory services;
  - Market for childrens' services placements;
  - SEND and school transport; and
  - Highways maintenance and investment.

### **Our Council Plan Refresh**

- 2.5 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.
- 2.6 'Our Council Plan 2021-2025' is attached at **Appendix 8** and is underpinned by the cross-cutting theme of "Protecting the Environment". 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.**
- 2.7 These priorities have been used to inform how the County Council will allocate its resources to best effect in the 2024/25 budget. It is the basis for the review of the narrative in the Plan and Key Performance Indicators (KPIs) and targets which will be used in the year to measure success.
- 2.8 Officers have collectively reviewed the KPIs and targets and have refreshed what is being delivered for 2024/25. This refresh included considering feedback from scrutiny committees through the 2023/24 quarterly Performance and Resources Reports (PRR).
- 2.9 A revised Council Plan, which reflects the current context - the continuing 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 the 2023/24 KPIs remain appropriate, the review

has identified a number that should be updated. The table within Appendix 8 sets out which KPIs that are recommended to be changed.

### Section Three: Draft Budget 2024/25

3.1 Developing a draft budget for 2024/25 that is balanced requires consideration of a number of different factors which are summarised here and set out in further detail throughout this report:

- Impact of macro-economic conditions – inflation and interest rates. The 2024/25 budget uses the latest forecasts from the OBR published in November 2023 alongside the Chancellor’s Autumn Statement.
- Government funding as set out in 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.
- Budget reductions which will include reducing costs and increasing income.

### Draft Revenue Budget 2024/25 - Funding

3.2 In 2024/25, the County Council is expecting to spend £2,043.1m on delivering services to the 882,700 residents and 36,900 businesses across the County and its estimated 21.6m visitors each year. 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 2024/25**

Income Source	£'m	% of income excluding schools	% of income including schools
Council Tax	600.2	50%	29%
Government Grants	226.3	19%	11%
Other income	146.2	12%	7%
Customer Receipts (fees and charges)	110.1	9%	5%
Business Rates	110.0	9%	5%
<b>Total excluding schools</b>	<b>1,192.80</b>	<b>100%</b>	<b>58%</b>
<b>Dedicated Schools Grant</b>	<b>850.3</b>		<b>42%</b>
<b>Total including schools</b>	<b>2,043.10</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 multiyear settlements and Local Authorities have had to rely on one-year provisional settlements published

in December of each year, followed by final settlements published in February. This makes forward planning very difficult. The last two years have seen a policy statement issued by Government in early December, but the County Council still had to wait until the publication of the Provisional Finance Settlements before there was certainty around expected levels of funding.

- 3.4 The provisional Finance Settlement for 2024/25 includes the County Council's Settlement Funding Assessment (Government core non service specific grant) and Core Spending Power.
- 3.5 Core Spending Power (CSP) is routinely used by Government as 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 CSP for West Sussex County Council in 2024/25 will be £801.6m, an increase of £49.4m when compared to 2023/24. The CSP is made up of £199.6m Government funding (which now includes the roll in of Fire Pensions Grant of £1.7m) and £602.0m of Council Tax income. 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 (4.99%), as well as an assumption about the growth in tax base which has been based upon an authority's average annual growth between 2019/20 and 2023/24. Consequently, the actual CSP may be different due to a variation in the tax base and because any increases on Council Tax remain a local decision.
- 3.6 In line with the Autumn Statement published on 22 November, there is no new funding for the County Council to address the significant pressures on children's social care and home to school transport despite extensive lobbying in the run up to both the Autumn Statement and the finance settlement.
- 3.7 Government funding for 2024/25 as published in the Provisional Settlement on 18 December 2023 was subject to a 28-day consultation. During that period, the County Council continued to lobby Government to recognise the pressures being faced and the impact this will continue to have on the delivery of services to the most vulnerable as well as on the universal services used by all residents across the county. At the time of writing this report the final settlement had not been published but is expected imminently. The draft budget for 2024/25 set out in this report has been prepared based on the assumption there will be no further changes to funding.
- 3.8 In 2024/25 the County Council will receive additional Government funding of £14.5m as set out in **Table 2**.
- 3.9 Although this small increase is welcomed, it is a long way short of the £27.8m increase in costs resulting from pay and inflation and £54.1m increase in net service demand pressures that the County Council needs to fund. Therefore, there is little choice but to increase Council Tax, to minimise the reduction in Council services provided. Given the late announcement of the provisional settlement and the increase in the national living wage to £11.44 per hour, use of reserves to balance the



budget for 2024/25 has been necessary. This only provides a one off solution for 2024/25 and the need to replenish the reserves simply worsens the financial position going forward.

**Table 2 – Key funding announcements**

<b>Item</b>	<b>2024/25 £'m</b>	<b>2023/24 £'m</b>	<b>Change £'m</b>
Settlement Funding Assessment (SFA)	87.8	84.0*	3.8
Compensation for under-indexing the business rates multiplier	16.3	14.0	2.3
Improved Better Care Fund	20.6	20.6	0.0
Social Care Support Grant (Independent Living Fund element (£4.3m) is included in Adult Services portfolio budget)	53.8	46.4	7.4
Market Sustainability and Fair Cost of Care (included within Adults Services portfolio budget)	14.5	12.8*	1.7
Adult Social Care Discharge Fund	4.8	2.9	1.9
Services Grant	0.5	3.2	(2.7)
New Homes Bonus	1.3	1.2	0.1
<b>Total</b>	<b>199.6</b>	<b>185.1</b>	<b>14.5</b>

\*For the purposes of comparison, includes Fire Pensions Grant of £1.7m which has been rolled into the Settlement Funding Assessment for 2024/25, and Workforce Fund, £5m, which has been included in the Market Sustainability and Fair Cost of Care for 2024/25.

3.10 Other key announcements confirmed in the provisional settlement are:

- A maximum increase in Council Tax of 4.99% - a core increase of up to 2.99% and up to 2% for Adult Social Care Precept;
- An average increase in Core Spending Power of 6.5% in cash terms, assuming all authorities levy the maximum precept allowed in 2023/24;
- Social Care Funding (increased allocations for Social Care Grant and Market Sustainability and Improvement Fund (including Workforce Fund));
- Continuation of Services Grant but for West Sussex this has reduced from £3.2m in 2023/24 to £0.5m in 2024/25; and
- A continuation of the New Homes Bonus, assumed to be for 2024/25 only.

#### Specific Grants

3.11 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 2024/25 are detailed in **Appendix 4**. For those not yet confirmed, it is assumed that the 2024/25 value will be similar to that in the current year. For those not yet confirmed for 2024/25, including the Household Support Fund, they are assumed to cease in March 2024. In line with budget principles, any loss of specific government grant will result in the same reduction in related expenditure.

#### Business Rates: Baseline Funding Allocation

- 3.12 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 several years, both the standard multiplier and small business multiplier have been frozen. For 2024/25, there has been a decoupling of the multipliers and although the small business multiplier remains frozen at 49.9p, the standard multiplier has increased from 51.2p to 54.6p. As in previous years, the County Council will continue to be fully compensated for any loss of income due to the freezing of the multipliers. The indicative under-indexation compensation for West Sussex, as set out in the Provisional Settlement is £16.3m (as detailed in **Table 2**).
- 3.13 The changes resulting from the decoupling of the business rates multiplier, along with the uncertainty the business community has faced from the economic impact of the recent high cost-of-living, has made it difficult to forecast business rates income. For the purposes of the budget an inflationary increase aligned to the September CPI (6.7%) has been included.
- 3.14 Both the under-indexation compensation and business rates will be confirmed when the boroughs and districts submit their 2024/25 National Non Domestic Rates (NNDR) return in January 2024. Any variation from the assumed income, will be adjusted through one of the County Council's risk management reserves.

#### Business Rate Pooling

- 3.15 For 2024/25, the West Sussex authorities intend to once again operate as a pool for business rate purposes and this was confirmed in the provisional Local Government Finance Settlement. 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 in the region of around £6.0m for investment in local 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 (County Council and all seven district and boroughs).

#### Council Tax

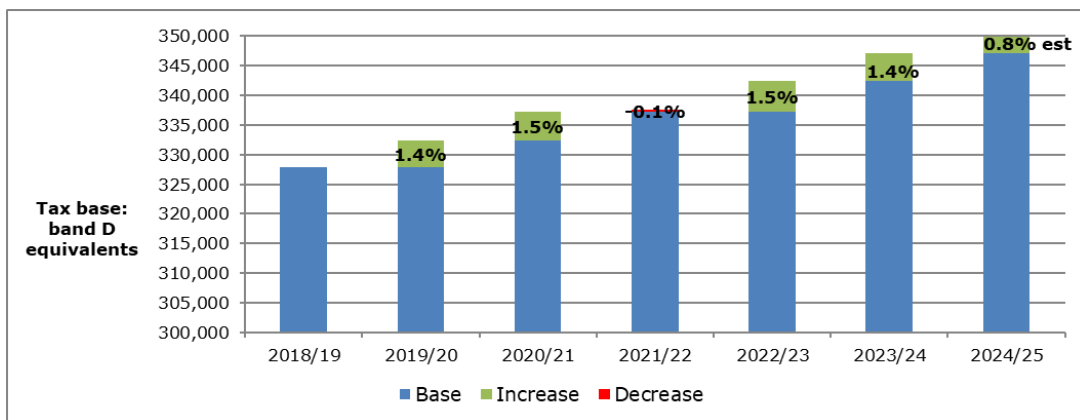
- 3.16 Income collected through Council Tax is determined by the level of the tax and the Council Tax base.

- 3.17 The budget is based upon an increase of 2.99% in the level of tax which is within 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.
- 3.18 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 £1,633.41 to £1,714.95, an increase of £81.54. Full details of the increases by council tax band are set out in the recommendations in 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.

West Sussex Local Tax Base 2024/25

- 3.19 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 the latest estimates provided in December 2023, an average tax base growth of 0.8% across the County has been assumed in the 2024/25 budget. The increase is at a lower level than 2023/24 (as shown in Figure 1) with the main reason attributed to an increase in council tax reduction claimants and other discounts.

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



- 3.20 Final figures from the boroughs and districts are expected at the end of January 2024. If the final figures show a rate lower than 0.8%, the Business Rates and Collection Fund Reserve will be used to fund any difference to avoid sudden and late service reductions being required for 2024/25. Similarly, if final figures show greater than 0.8% any additional income will be put into the reserve for any fluctuations in future years. The assumptions will then be reviewed during next year when the Medium-Term Financial Strategy (MTFS) is refreshed.

Collection Fund

- 3.21 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 as at 31 March each year. This is because precepting authorities share the surpluses/deficits and need to take account of these when setting the budget.

- 3.22 Following a review of the authority's reserves, a separate Business Rates and Collection Fund Smoothing Reserve was established in 2022/23 and is used to manage collection fund balances.

#### Fees and Charges

- 3.23 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.

- 3.24 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**.

- 3.25 The County Council's policy is to increase discretionary fees and charges by the level of RPI in the previous September. For 2024/25 this rate is 8.9%. This is the financial planning assumption and on which the 2024/25 budget will be set. However, all fees and charges are considered on a case-by-case basis. The main areas where the increase varies from the assumed 8.9% are as follows:

- School Service Level Agreement (SLA) Services. The majority of School SLA Services have been increased by less than the 8.9% RPI rate, largely due to the nature of the SLA's provision being staffing costs which have not increased in-line with the inflation rate. With pressures on school budgets and their ability to purchase services, the County Council has aimed to ensure the cost-of-service provision is neutral.
- Library Services – The service continues to encourage the loan of books and use of other library facilities since the pandemic; therefore following review, minimal increases are planned.
- Records Office Services – Following a review of the services offered and the price sensitivity, a number of charges have remained unchanged. It is expected that this will encourage uptake and increase income.
- There are number of other proposed increases that are less than 8.9% so that services remain competitive.

- 3.26 The proposed changes are set out in **Appendix 7**. To ensure easier payments for customers, many of the fees and charges values are

rounded to the nearest £0.10p or £1.00 which may affect the increase % reported.

### **Draft Revenue Budget 2024/25 - Expenditure**

- 3.27 A key part of developing the budget for 2024/25 is to consider the current in year financial position.
- 3.28 The September forecast outturn position for 2023/24 shows a net £17.4m overspend, which exceeds the £13.0m contingency budget available. All services are considering in year mitigations for the second half of the year. As reported in Quarter 1, the 2023/24 Business Rates and Collection Fund income was confirmed resulting in £6.3m additional income. Currently this is held in the Business Rates and Collection Fund Reserve and, together with a draw down from the Budget Management Reserve, could be utilised at the year-end if the overspend on services cannot be contained within the overall budget and corporate contingency.
- 3.29 Full details of the September forecast can be found in the [Quarter 2 Performance and Resources Report](#). The main areas of pressure throughout 2023/24 have been the growing demand and complexity of need in children's social care, an 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 home to school transport and the delay in delivery of savings.
- 3.30 The position will remain under review for the remainder of the year, but it has been assumed that many of these pressures will continue into 2024/25 and accordingly have been included in the draft budget.

#### Spending Pressures 2024/25

- 3.31 The budget for 2024/25 includes a net £54.1m for known service commitments and spending pressures. Full details are set out in **Table 3**. These exclude costs from pay and price inflation which are outlined separately.
- 3.32 Service specific pressures total £59.3m of which £56.3m are ongoing and £3m are one off for 2024/25 only. However, after use of grant and reserves transfers, the net impact is £54.1m. Further details are set out in the individual portfolio updates in Section 4.

**Table 3 – Service Specific Spending Pressures 2024/25**

	<b>Ongoing £'m</b>	<b>One-off £'m</b>	<b>Total Pressures £'m</b>
Adults Services	18.3	-	18.3
Children and Young People, Learning and Skills	30.6	0.6	31.2
Community Support, Fire and Rescue	2.3	-	2.3
Environment and Climate Change	0.1	0.5	0.6

	<b>Ongoing £'m</b>	<b>One-off £'m</b>	<b>Total Pressures £'m</b>
Finance and Property	0.6	1.9	2.5
Highways and Transport	4.0	-	4.0
Support Services and Economic Development	0.4	-	0.4
<b>Total Pressures</b>	<b>56.3</b>	<b>3.0</b>	<b>59.3</b>
<b>Use of Grant</b>			<b>(6.5)</b>
<b>Planned Reserve Transfers (service specific)</b>			<b>1.3</b>
<b>Committed and Service Changes (Appendix 2 – column 3)</b>			<b>54.1</b>

Pay and Prices

3.33 The additional budget for 2024/25 for pay and price increases is £27.8m, as shown in column 2 of **Appendix 2** and is based on the following:

- Pay budgets – the 2023/24 pay uplift for local government employees (NJC) was confirmed in November 2023 and provided for an uplift of £1,925 for those on NJC grades and 3.88% for SMG and Hay employees. The pay award for 2024/25 is unlikely to be agreed until well into 2024 and with inflation remaining at an average of 3.6% for the 2024 calendar year, an allocation allowing for a 3% increase has been included in the 2024/25 budget. If the final award exceeds this, any shortfall will need to be funded in year either from service mitigations or corporate resources and will be addressed as part of the 2025/26 financial planning process.
- Pension actuarial review – following the tri-annual review of the West Sussex Pension Fund, as reported to Pensions Committee on 30 January 2023, the Fund Actuary certified a reduction in the County Council’s employer contributions of 1% per year for a period of three years from 1<sup>st</sup> April 2023. It is then anticipated that employer contributions will be maintained at 18%. This has reduced total employer contributions by £1.7m in 2024/25.
- In the last few months, there are signs that the high levels of inflation experienced in the past couple of years is now beginning to fall with the Consumer Price Index (CPI) reducing from 6.7% in September 2023 to 3.9% for November 2023. This trend is anticipated to continue over the coming months, although at a slower rate. The 2024/25 inflation provision reflects this expectation and provides for an average of 3.6%, the OBR’s forecast for 2024, for discretionary areas of spend. However, the increase does vary across contracts with many high value contracts including specific indexing. Within social care there is a recognition of the National Living Wage increase to £11.44 and the overall fragility of market conditions.
- An assumed 8.9% (September RPI) on areas of discretion for fees and charges income, as set out in paragraph 3.23.

### Budget Reductions

- 3.34 The budget for 2024/25 includes £15.7m of assumed budget reductions, as set out in full in **Appendix 3**. These have been subject to consultation and engagement as set out in **Appendix 9**.
- 3.35 Additionally, £9.0m of savings (as reported in Q2 PRR) approved as part of the 2023/24 budget, have been re-profiled and now will be delivered in full in 2024/25. Therefore, the total savings for 2024/25 will be £24.7m. 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

- 3.36 Consultation and engagement on the Council Plan priorities and draft budget proposals took place during November and December 2023. This included an online public consultation, an all-member briefing on 18 October, review by all Scrutiny Committees during November and by key stakeholders (partners, voluntary sector, business representatives) at the event on 7 December 2024. The full details, as set out in **Appendix 9**, were considered by the Performance and Finance Scrutiny Committee (PFSC) on 24 January. On 30 January, the Cabinet considered the draft 2024/25 budget prior to it being presented to full County Council on 16 February 2024. The Cabinet has considered the feedback to date, including comments from PFSC, as set out in **Annex 4**, and no changes to the Council Plan priorities or the 2024/25 budget proposals have been made as a result.

### **Balanced Budget 2024/25**

- 3.37 Taking account of the pressures, budget reductions and other adjustments described above, in 2024/25, the Council will spend £2,043.1m 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 £761.4m. Details are summarised in **Table 4** and set out in full by Cabinet Portfolio in **Appendix 6**. The movements from the agreed 2023/24 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	482.0	263.6
Children and Young People, Learning and Skills	1,164.5	220.2
Community Support, Fire and Rescue	60.2	51.9
Environment and Climate Change	90.9	80.4
Finance and Property	38.1	33.1

<b>Cabinet Portfolio</b>	<b>Gross Expenditure £'m</b>	<b>Net Expenditure £'m</b>
Highways and Transport	83.1	47.3
Leader	3.4	2.9
Public Health and Wellbeing	25.1	0.0
Support Services and Economic Development	39.0	33.5
<b>Non Service</b>	<b>56.8</b>	<b>28.4</b>
<b>Total</b>	<b>2,043.1</b>	<b>761.4</b>

\*note: table contains rounding differences

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

	<b>£'m</b>
<b>Net Expenditure Budget 2023/24</b>	<b>708.8</b>
Pay and price inflation	27.8
Children’s pressures - social care	21.1
Children’s pressures - home to school transport	7.5
Adults’ pressures – demographic and complexity of need	8.1
Adults’ pressures – National Living Wage	10.2
Continued additional revenue investment into highways and roads	4.0
Other service pressures	3.2
Corporate changes	(10.0)
<b>Total Budget Requirement 2024/25</b>	<b>780.7</b>
Council Tax Income (assuming 4.99% increase)	(600.2)
Settlement Funding Assessment/Business Rates	(110.0)
Social Care Funding	(49.5)
Other Grants	(1.7)
<b>Total Funding 2024/25</b>	<b>(761.4)</b>
<b>Budget Gap 2024/25</b>	<b>19.3</b>
New Savings Identified and Deliverable	(15.7)
<b>Budget gap after savings</b>	<b>3.6</b>
<b>Use of Reserves to balance the budget</b>	<b>(3.6)</b>
<b>Revised 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 Reserves will be utilised to manage any final variations.



## Section Four: Revenue Budget Proposals for 2024/25 By Cabinet Member Portfolio

### Changes to Portfolio and Non-Portfolio Budgets

4.1 The proposed changes to the budget for 2024/25 are explained by Cabinet Portfolio in the following paragraphs. These changes include additional budget to meet changing pressures of **£54.1m** (service specific pressures), pay and price changes of **£27.8m** (detailed in paragraph 3.33 above) and balancing the budget activities of **£15.7m** which consists of reducing costs and increasing income.

### Adults Services

4.2 The Adults Services budget for 2024/25 allows for gross expenditure of **£482.0m**. After sales, fees and charges, service specific government grants and other income net expenditure is **£263.6m**. Adult Services provide support to over 12,000 residents and around 95% of the budget is spent on 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:

- Demand pressures. The Adults budget is forecast to overspend on care costs by £11m in 2023/24 because of underlying demand pressure that will continue into 2024/25. Around £7.1m of this is being managed through mitigations that will be available on an on-going basis. Additional County Council funding of £3.9m is being provided to cover the shortfall.
- 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. Spend on both groups is around £150m.
- National Living Wage (NLW). Pay is the largest element of external care providers' costs and so the National Living Wage (NLW) creates an immediate knock-on implication for the County Council. For 2024/25 it was announced in the Autumn Statement that the hourly rate will rise by 9.8% to £11.44 per hour. Although action which aims to tackle low pay is welcome, the increase exceeded the County Council's expectations, adding materially to the challenges that the County Council faced in finalising its budget proposals. Due to the fragility of the care market in West Sussex, the NLW has been recognised as a budget pressure every year since it was introduced in 2016/17. Since competition from industries such as retail and hospitality are continuing to make demand for workforce intense, the County Council has felt it only right and proper to fund this increase. The cost equates to an additional £10.2m in 2024/25, so fully funding the NLW requires further reprioritisation of the County Council's limited resources towards adult social care.

- Market-related factors. An inflationary increase also needs to be made available for non-pay related costs. When combined with the growth for the NLW, there will be a funding envelope for paying uplifts to care providers that will enable an increase of around 8% to be afforded. This will build upon the average increase of 8% agreed for 2022/23 and 9% in 2023/24. Whilst it is positive that this has helped bring greater stability to some parts of the market, overall the County Council's position remains challenging with an imbalance of demand and supply putting upwards pressure on prices. Part of this reflects a relatively buoyant self-funder market, which makes the County Council a minority purchaser of care for older people in West Sussex, together with pressure from the NHS for rapid hospital discharges. Providing a funding envelope of 8% for 2024/25 will cost around £21m (including funding for NLW of £10.2m) Similar to previous years, a Cabinet Member decision about uplifts will be taken in the spring. This will aim to prioritise increases in line with the County Council's strategic commissioning priorities and to address specific market-related issues.
- A sustainable funding settlement for adult social care. Government continues to acknowledge that the care sector is under-funded and one of the conditions attached to support being offered through the Market Sustainability and Improvement Fund (MSIF) is 'to increase fee rates paid to adult social care providers'. For 2024/25 this will result in an additional £6.7m being made available through MSIF. Although this will provide a contribution towards the £21m that will be spent on fee uplifts, it still leaves the bulk of the cost to fall to the County Council through the collection of local taxes. These additional Government resources are only being made available using money that had been earmarked to pay for the proposed reforms of adult social care, which have been postponed until at least 2025. They also continue to be distributed using the Adult Social Care Relative Needs formula, which 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. These are among the reasons why the County Council is supporting the efforts of groups like the Local Government Association and the Association of Directors of Adult Social Services to lobby Government for a funding settlement that reflects the day-to-day realities that all councils with social care responsibilities are needing to manage. The County Council's medium term financial plans assume that if the social care reforms are implemented in the future, that they will be accompanied by further new funding.
- Savings carried forward from 2023/24. The 2023/24 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) and its ambition to promote independence and person-centred care as enablers of improved care outcomes for people. Progress in 2023/24 has been impacted by workforce constraints and shortages of alternative provision when reviews have identified that a change in placement would be appropriate. Through the in-year PRR, a shortfall of £6.8m has been forecast which will transfer into 2024/25. This is planned to be delivered from a continuation of review activity and from savings that are due to be

made in the cost of external contracts within Lifelong Services for day care, employment and prevention together with the introduction of a new approach to financial authorisation. This will strengthen quality assurance and is expected to result in more robust decision making, including optimisation of existing contractual arrangements.

- The 2024/25 budget assumes that £2.4m of new budget reductions will be achieved, as outlined in **Appendix 3**.

4.4 After allowing for savings and other changes, the actual growth in the budget is £21.0m. The key explanations for that change are summarised below:

**Table 6: Adults Services Budget Changes**

<b>Item</b>	<b>£m</b>
Additional budget for the effect of population change and rising complexity of needs	8.1
Additional budget for existing demand pressure	4.1
Additional budget for the National Living Wage	10.2
Pay and price increases allowance	7.9
Use of Market Sustainability and Improvement Fund to contribute towards the cost of fee increases for care providers	(6.7)
Transfers between portfolios	(0.2)
Budget Reductions	(2.4)
<b>Net change</b>	<b>21.0</b>

The County Council is proposing to utilise its freedom to raise an Adult Social Care precept of 2% to help pay for the increased costs.

### **Children and Young People, Learning and Skills**

4.5 The Children and Young People, Learning and Skills budget for 2024/25 allows for gross expenditure of **£1,164.5m**, but after sales, fees and charges, service specific government grants and other income, net expenditure is **£220.2m**. The budget includes **£850.3m** of Dedicated Schools Grant funding, the majority of which is passported directly to schools. The 2024/25 budget for the portfolio will increase by **£37.3m** compared with 2023/24.

4.6 Around 78% of the net budget is spent on responsibilities relating to children's social care, including the staffing teams carrying out those responsibilities. The remaining 22% is spent on early help services, children's mental health services (in partnership with Health) and services designed to reduce youth offending, and the council's statutory duties in relation to home to school transport and Special Educational Needs.

- 4.7 The number of children we care for (excluding disabilities and asylum) rose significantly between March 2023 and June 2023 from 735 to 769 but since that time volumes have fallen slightly to 756 as at the end of November 2023. 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 children we care for budgets.
- 4.8 The Children's Leadership Team have put a range of actions in place as part of a service recovery plan to target a reduction in the proportion of children we care for who are placed in external residential care arrangements, which should 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.
- 4.9 The County Council currently has 15.6% of the children we care for (excluding disability and asylum) placed in external residential care, compared to 10% for our statistical neighbours. The main ambition of the Children's Leadership Team is to reduce the proportion of children and young people in external residential placements to a level more in keeping with our neighbouring authorities, but this will take time to impact and is dependent on the sufficiency of other placement arrangements. The number of children we care for per 10,000 population is in keeping with statistical neighbours.
- 4.10 The reduction in external residential placements will be partly addressed by increasing the overall percentage of kinship arrangements in the county which has been in decline over the last two years. In order to reverse this the service are working to increase the overall percentage of kinship arrangements in line with the recommendations of the Independent Review of Children's Social Care and new Family Safeguarding practice model. As at the end of March 2023 the number of kinship arrangements stood at 74, and the plan is to increase these numbers to 120 by the end of 2024/25 and which will deliver budget reductions of £2m as well as provide better outcomes for young people.
- 4.11 To help combat the number of external residential placements at significantly higher than average cost, the Children's Commissioning Service is also designing and building a suite of new commissioning tools, which include a Market Position Statement to further strengthen and develop the Placement Sufficiency Strategy. It is anticipated that this will increase the utilisation of local private markets and be delivered in a more cost-effective manner in 2024/25.
- 4.12 During 2023/24 children's social care has successfully implemented 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 implementation has included the commissioning of specialist staff who work with the adults in the family to address issues around substance misuse, domestic violence and mental health. The Family Safeguarding model is expected to reduce the number of young children under the age of 12 entering care, and consequently

budget reductions of £4m are expected to be delivered over a three year period.

- 4.13 Allowing for the continued pressures on the Children We Care For placements budget, and the recovery plans being undertaken within the service, including a reduction in residential placements from 15% to 13.5% next year, an additional £16.6m has been added to the 2024/25 budget to support placement costs.
- 4.14 Over the last couple of years, the number of young people who have required unique care and support arrangements to be put in place in unregistered settings (at significant individual cost) has increased significantly. This 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. For much of 2023/24 there has been an average of 14 of these placements at any one time with approximately 60% of the cases being due to placement breakdown within the family/extended family network resulting in the social worker assessment for entry to care. The service recovery plan includes reducing the need for these unregistered placements down to 8 by the end of 2023/24 and an average of 6 in 2024/25. As a result, £2.8m has been added to the placement budget to meet this current ongoing need.
- 4.15 The targets within the service recovery plan to reduce the children we care for (excluding disability and asylum) placed in external residential care down to 13.5% and the number of unregistered placements down to 6 next year are ambitious. The placement budget remains very volatile and subject to external factors beyond the Council's control.
- 4.16 The budget for placements for Children with Disabilities is forecast to overspend by £1.7m in the current financial year and this pressure is expected to continue into 2024/25. Of this, £0.6m is due to the increasing number and type of care at home packages, which are required to prevent family breakdown or when it has been agreed that the child does need to become looked after but there are no suitable placements available. The remaining £1.1m relates to the continued growth of direct payments placements and a £2 increase in the direct payments rate to £12.40 per hour from July 2023.
- 4.17 Some additional staff positions are necessary in order to manage the expected increase in the number of in-house foster carers. Also, increases for incremental progression following the implementation of the new social worker pay scales back in 2021/22 has led to the staffing budgets being increased by £0.9m in 2024/25.
- 4.18 Following a reduction in existing case numbers being eligible for Continuing Health Care (CHC) and changes in the Integrated Care Board eligibility criteria, on-going CHC income is reducing.
- 4.19 In April 2023, the government announced additional grant funding for both 2023/24 and 2024/25 for implementing supported accommodation reforms for children we care for and care leavers aged 16 and 17. The

County Council has been able to use this grant funding to offset the increased costs associated with the impact of these changes, £0.7m of which had already been built into the 2023/24 budget as part of the commissioning service redesign.

- 4.20 West Sussex has been experiencing several challenges in supporting and meeting the needs of children and young people with Special Educational Needs and Disabilities (SEND). Over the last two years, in line with the national position in England, the number of children referred for an Education, Health and Care Needs Assessment (EHCNA) has increased significantly within the county. Due to this increase in demand, limited capacity within the Special Educational Needs Assessment Team (SENAT) and a national shortage of educational psychologists, the volume of assessments taking longer than the statutory 20 weeks to complete has escalated, with the current average being 42 weeks. At the current time there are 1,189 active EHCNAs, with 786 being in excess of 20 weeks.
- 4.21 In order to meet both the on-going capacity issues and the current backlog, £1.6m has been included within the 2024/25 budget for:
- Continuation of external contracting of educational psychology assessments next year (£0.4m),
  - Temporary posts within SENAT to tackle the existing EHCNA backlog (£0.4m), and
  - Additional permanent posts within SENAT to meet increased demand for both EHCNAs and Educational Health and Care Plan (EHCP) annual reviews (£0.8m).
- 4.22 Although the Home to School Transport budget has come under increasing financial pressure from higher contract prices due to general inflation and higher staffing costs related to the National Living Wage, the underlying pressure is driven by the increase in number of pupils with an EHCP and the statutory duty to provide transport for pupils who are eligible. Approximately one third of pupils with an EHCP require transport to and from school and work will be undertaken in 2024/25 to identify mitigations to address these growing pressures.
- 4.23 For 2024/25, £7.5m has been added to the Home to School Transport budget to meet the following pressures:
- On-going in year pressure from 2023/24 of £4m,
  - Increase in number of pupils with an EHCP requiring transport following the completion of outstanding EHCNAs (£1.7m), and
  - Continued growth in the number of pupils with an EHCP requiring transport in 2024/25 (£1.8m).
- 4.24 Planned savings of **£6.6m** are included to balance the County Council's overall budget, as described in **Appendix 3**.
- 4.25 The key explanations of changes in the 2024/25 budget for the portfolio are shown in **Table 7**.

**Table 7: Children and Young People, Learning and Skills Budget Changes**

<b>Item</b>	<b>£m</b>
Support for children (excluding disabilities) – placement costs	16.6
Support for children – unregistered placement costs	2.8
Support for children with disabilities – placement costs	1.7
Childrens workforce	0.9
Income received for eligible continuing health care needs	0.2
Use of Supported Accommodation Grant	(0.7)
Staffing for Education Health and Care Needs Assessments	1.6
Demand and cost pressures for Home to school transport	7.5
Pay and price increases allowance	9.0
Transfers between portfolios	4.3
Budget Reductions	(6.6)
<b>Net change</b>	<b>37.3</b>

- 4.26 In 2024/25, there is planned capital investment of **£32.8m** and a total of **£190.3m** over the five year period 2024/25 to 2028/29. The focus of capital investment remains on 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. In addition, capital funds are also set aside for 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 of the Capital Strategy can be found in **Annex 2(a)**.

### **Community Support, Fire and Rescue**

- 4.27 The Community Support, Fire and Rescue budget allows for gross expenditure of **£60.2m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£51.9m**.

#### **Fire and Rescue**

- 4.28 West Sussex Fire & Rescue Service's (WSFRS) new Training Centre, Platinum House provides a unique opportunity to offer a range of training courses for external organisations. The multi-million-pound facility is an industry-leading training centre. The fire station consists of appliance bays, office space, training rooms, staff and delegate bedrooms and a community space. The site is staffed by wholetime firefighters 24 hours a day, seven days a week, as well as a unit of retained firefighters. The site features a number of different training environments that immerse firefighters in real-life operational situations. This includes a state-of-the-art live fire training facility, a cold smoke training tower, an immersive incident command suite, and a road traffic collision training area. Following the centre's launch this summer, the service will be offering training opportunities and courses to external partners.

- 4.29 The WSFRS will continue to support requests for Safe and Well Visits through partnerships and local risk management plans. Data will be used to target support for those who are most at risk. Frontline crews will continue to increase their delivery of Safe and Well Visits, to assist Prevention teams, and are now trained to deliver high risk visits. Further work is to be undertaken to increase productivity and capitalise on this wider resource base. This work includes a dedicated training session for all crews at Platinum House as part of their ongoing maintenance of knowledge, implementation of the National Definition of Risk to help better target community engagement, as well as improved performance management and reporting. The implementation of a robust quality assurance framework will ensure that Safe and Well Visits are delivered consistently to a high standard.
- 4.30 The Local Government financial settlement announced a change in the source of funding for the £1.7m Fire Pension Grant which was given to support increased employer pension rates in 2019. From 2024/25, this will now be included within the Revenue Support Grant calculation and whilst there is no net impact on the County Council the change in funding is now reflected as an increase in the Fire and Rescue service budget.
- 4.31 The leadership and culture programme over the last year was designed to support all leaders in their development to role model expected values and behaviours, to be confident and capable in their roles, and to enable them to create a positive, inclusive, supportive, and empowering work environment. As a complimentary approach, an external coaching consultancy was commissioned to support the delivery of a team-based Cultural Development Programme to support the rapid development of culture towards everyone displaying the WSCC values, and the National Fire Chief’s Council (NFCC) Code of Ethics. The programme has supported in identifying what staff feel is or isn’t working well; develop the working culture within WSFRS to help support and deliver the vision, strategic aims, and objectives; and propose how this can be embedded in planning into 2024/25 and beyond.
- 4.32 In 2024/25, there are planned budget reductions of **£0.5m** across the Fire and Rescue Service and these are included to balance the County Council’s overall budget, as described in **Appendix 3**.
- 4.33 The key explanations of changes in the 2024/25 budget for the Fire and Rescue element of the portfolio are shown in **Table 8**.

**Table 8 – Fire and Rescue**

<b>Item</b>	<b>£m</b>
Fire Pension Grant – change in funding	1.7
Increased fleet maintenance costs	0.1
Pay and price increases allowance	1.5
Transfer between portfolios	0.0
Budget Reductions	(0.5)
<b>Net change</b>	<b>2.8</b>



- 4.34 In 2024/25, there is planned capital investment of **£3m** and a total of **£29.4m** over the five year period 2024/25 to 2028/29. The focus of capital investment remains on the fire and rescue fleet and equipment and estates improvement. Further details of the Capital Strategy can be found in **Annex 2(a)**.

### **Communities**

- 4.35 The Communities Directorate includes a diverse range of services and areas of business providing community support. Some operate at scale as universal services; others deliver more narrowly targeted work. This includes working with partners to enable people to influence how their community develops.
- 4.36 The customer groups, delivery locations, models of engagement and nature of the community support provided vary across this diverse range of services however the focus remains on building strong and safe communities, connecting people and growing partnerships.
- 4.37 The Registration Service is a statutory and highly regulated service delivering Birth, Death and Notice appointments, Marriage and Civil Partnership ceremonies at locations across the county. In total around 24,500 face-to-face appointments registering life events and 3,000 ceremonies are undertaken each year.
- 4.38 The Community Hub acts as a customer contact “front door” with skilled officers providing information, advice, guidance, signposting and practical support for a wide range of areas. These include Cost of Living, Homes for Ukraine scheme and the front door for rapid and crisis response on behalf of the Communities directorate.
- 4.39 The Library Service works to improve the lives of all residents through promoting the benefits of reading for all, providing a high-quality information service and supporting people to get online safely.
- 4.40 Operating important hubs in the community, delivering a programme of campaigns, events and activities, and also hosting a range of partners, community-based support includes targeted work with hard to reach or vulnerable groups, such as older people, people with additional needs or care experienced children and young people. Support is also offered for businesses and jobseekers. Virtual services offer eBooks and other digital content, delivered across a number of platforms and designed to complement the library-based offer.
- 4.41 The Directorate is responsible for ensuring compliance with statutory duties under the Crime and Disorder Act 1988, Domestic Abuse Act 2021, Modern Slavery Act 2015, Prevent duties under Counter Terrorism and Security Act 2015, and undertaking Domestic Homicide Reviews.
- 4.42 The Directorate leads on the tenancy management of the nine Gypsy and Traveller sites across West Sussex with the Migration and Resettlement service playing a key role in the countywide provision of humanitarian

assistance to migrated communities, resettling communities and those seeking asylum.

- 4.43 In 2023/24 the County Council became the employing authority for the Coroners Service which covers the three jurisdictions of West Sussex, Brighton & Hove and East Sussex, following the transfer of 20 Coroner’s Officers from Sussex Police under a COSOP arrangement. The service is seeing a short term increase in costs of £0.2m as a result of harmonisation of staff terms and conditions and funding arrangements.
- 4.44 The Coroner’s Officers managed by the Communities Directorate are responsible for investigating and recording sudden and unexpected death in line with the Coroner’s and Justice Act 2009, Coroner’s (Investigation) Regulations 2013, Coroner’s (Inquests) Rules 2013 and the Chief Coroner’s Guidance.
- 4.45 A pan Sussex approach aligns with partner agencies across Sussex including Sussex Police, South East Coast Ambulance and University Sussex Hospital Trust. Central management is enabling common working practices allowing better resilience in staffing, efficiency, and consistency with the aim being to provide a centrally managed and locally delivered service.
- 4.46 The Coroners Service, in line with national trends, is seeing pressures from an increase in excess deaths since the pandemic requiring greater coroner time. This alongside increased costs associated with the securing the services of Pathologists, body storage and histology tests has seen the financial pressure of £0.3m.
- 4.47 In 2024/25, there are planned budget reductions of **£0.1m** across the portfolio and these are included to balance the County Council’s overall budget, as described in **Appendix 3**.
- 4.48 The key explanations of changes in the 2024/25 budget for the Communities element of the portfolio are shown in **Table 9**.

**Table 9: Communities**

<b>Item</b>	<b>£m</b>
Coroners – increased costs	0.5
Pay and price increases allowance	0.8
Transfer between portfolios	0.1
Budget Reductions	(0.1)
<b>Net change</b>	<b>1.3</b>

- 4.49 In 2024/25, there is minimal capital investment planned. Further details of the Capital Strategy can be found in **Annex 2(a)**.

## Environment and Climate Change

- 4.50 The Environment and Climate Change budget allows for gross expenditure of **£90.9m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£80.4m**.

### Climate and Sustainability

- 4.51 The County Council has pledged to tackle climate change and protect the environment through its Climate Change Strategy and Council Plan priorities. The County Council has an ambitious target to be a carbon neutral and climate resilient organisation by 2030.
- 4.52 The work underway and planned will reduce the carbon emissions generated by the County Council's operations and begin adapting services to become resilient to the changing climate. This work is challenging but essential and is becoming ever more important as climate change increasingly affects the local environment.
- 4.53 The number of renewable energy schemes are expanding, new cycling infrastructure has been rolled out, work has begun to develop a network of electric vehicle charge points and the County Council is actively helping local businesses prepare for the future through the Let's Go! Net Zero campaign.
- 4.54 The Solar Together Scheme, that supports residents to install solar panels and battery storage, continues to expand with the latest round seeing over 10,000 customer registrations. Through Community Food Hubs, eight tonnes of food has been prevented from being wasted. Working in partnership with local communities and others, the County Council continues to support local nature recovery and find ways to boost and protect biodiversity.

### Energy

- 4.55 During 2023, energy markets started to recover and become more stable following the dramatic price rises as the supply markets were restricted and demand rose as the country emerged from the nationwide lockdowns and suffered the impacts of the war in Ukraine.
- 4.56 Previous investment in renewable energy meant the County Council was protected from some of these increases and benefitted from the income from the solar installations. The County Council will continue to enhance plans for developing other sustainable technologies, particularly solar energy and battery storage for power and the 2024/25 budget recognises the increased income this is expected to generate.

### Waste

- 4.57 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 £71m of the net revenue budget is dedicated to supporting the waste disposal and recycling infrastructure.

- 4.58 Section 45A of the Environment Act 2021 and the Government’s Simpler Recycling policy requires food waste to be separately collected at the kerbside from other household waste across England by March 2026. The current collection methodology and treatment infrastructure is not compliant with these policies and will require the County Council to consider how to best meet its disposal obligation as well as allow the district and borough councils to collect food waste separately.
- 4.59 Over the next 24 months the County Council will be working with the operator of the Mechanical and Biological Treatment (MBT) plant and the operator of the transfer stations to reconfigure the facilities to accept separated food waste and ensure that benefits can be maximised.
- 4.60 The RDF contract was successfully reprocured during 2023 and will take affect from 1 April 2024, delivering cost reductions of £1m in 2024/25. The contract has also been constructed to allow integration with the outcome of the work with the MBT operator.
- 4.61 In 2024/25, there are planned budget reductions of **£1.5m** across the portfolio and these are included to balance the County Council’s overall budget, as described in **Appendix 3**.
- 4.62 The key explanations of changes in the 2024/25 budget for the portfolio are shown in **Table 10**.

**Table 10: Environment and Climate Change**

<b>Item</b>	<b>£m</b>
Solar investment income delayed, now planned for 2025/26	0.5
Additional resources for protecting the environment	0.1
Transfers from reserves	2.4
Pay and price increases allowance	4.9
Transfer between portfolios	0.1
Budget Reductions	(1.5)
<b>Net change</b>	<b>6.5</b>

- 4.63 In 2024/25, there is planned capital investment of **£16.9m** and a total of almost **£100m** over the five year period from 2024/25 to 2028/29. This is mainly focussed on investment into renewable energy, changes needed to waste disposal and investment into protecting the environment. Further details of the Capital Strategy can be found in **Annex 2(a)**.

**Finance and Property**

- 4.64 The Finance and Property budget allows for gross expenditure of **£38.1m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£33.1m**.

- 4.65 The finance function delivers on the Council's statutory financial requirements and embeds a culture of good financial management across the organisation. Going forward, the service will be responsible for navigating the organisation through the tough financial challenges ahead and ensuring that financial resources are deployed in an efficient and effective manner.
- 4.66 The Strategic Procurement and Contract Management function is continuing to support the organisation to implement good practice and compliance across procurement and contract management processes, and in 2024/25 will translate the new Procurement Act, that will come into force in October 2024, into new policies and processes for the County Council.
- 4.67 The management and operation of the Council's assets is overseen by the Property and Assets Team who maintain the County Council's operational buildings and other assets, including land.
- 4.68 The County Council continues to move towards a more flexible way of working and has reviewed the administrative assets that are currently held. The County Council will 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. 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.
- 4.69 Work to reduce the number of assets used in providing Early Help services will also yield savings in estate running costs.
- 4.70 The County Council continues to explore innovative ways to make best use of surplus land and 2021/22 saw the creation of the Joint Venture (JV) with Edes Estate (as a wholly owned company of the County Council) and a long-term partner to take forward, and benefit from, the development opportunities that are available by developing the surplus sites and creating much needed housing across the county. The first site was transferred to the JV in November 2023 and work on site has started. It is expected that through 2024/25 a further three sites will be progressed to the point of transferring land to the JV benefitting the Council through capital receipts and revenue dividends in future years. The business plan for Edes Estate is currently in development and will provide estimates of the total capital receipts and dividends across the 30 year partnership.
- 4.71 The portfolio holds the budget for payments to outside organisations where it is required to meet the levy, precept or contribution requested under the relevant legislation. This includes:
- Sussex Sea Fisheries Levy: £0.4m;
  - Flood Defence Levy: £0.4m;
  - Chichester Harbour: £0.2m; and

- Littlehampton Harbour Board Precept: £0.6m.
- 4.72 The decisions over the last two years to bring previously outsourced services back in house to deliver improved services has raised the number of directly employed staff and subsequently the level of Apprenticeship Levy due has increased by £0.2m and in 2024/25 is expected to be £1.0m.
- 4.73 In 2024/25, there are planned budget reductions of **£0.6m** across the portfolio and these are included to balance the County Council’s overall budget, as described in **Appendix 3**.
- 4.74 The key explanations of changes in the 2024/25 budget for the portfolio are shown in **Table 11**.

**Table 11 – Finance and Property**

<b>Item</b>	<b>£m</b>
One-off Loss of property rental income from vacant property	1.9
Increase in property holding costs (vacant properties)	0.4
Increase in Apprenticeship Levy	0.2
Increase in Littlehampton Harbour Board precept	0.4
Increase in external audit fees	0.1
Reduction in budget for feasibility work	(0.5)
Utilisation of grant funding	(0.5)
Transfer to reserves	1.5
Pay and price increases allowance	1.5
Transfer between portfolios	0.7
Budget Reductions	(0.6)
<b>Net change</b>	<b>5.1</b>

- 4.75 In 2024/25, there is planned capital investment of **£8.3m** and a total of **£97.2m** over the five year period 2024/25 to 2028/29. The focus of capital investment remains on the Council’s operational estate and regeneration opportunities. The portfolio also holds the more general capital contingency lines for inflation, invest to save projects and capital improvements where there are no specific current schemes allocated but are available if new schemes or unexpected spend comes through in year. Any use of these corporate contingency lines is subject to formal governance and decision making. Further details of the Capital Strategy can be found in **Annex 2(a)**.

### **Highways and Transport**

- 4.76 The Highways and Transport budget allows for gross expenditure of **£83.1m** but after sales, fees and charges, service specific government grants and other income net expenditure is **£47.3m**. This budget maintains and delivers 4,000km of roads and 3,956km of footways 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.

- 4.77 The County Council is expected to receive an additional £67.6m over the next 10 years in Government grant for new and improved roads. In addition, the County Council itself has invested **£4.5m** of additional resources in 2023/24 to address the condition of the Highway, in particular work on the drainage system and addressing the number of safety defects. Significant changes in rainfall patterns have resulted in a higher number of local flooding events. Additional funding has been put into this area to improve investigative capacity and the ability to respond to events. The service is on target to achieve its ambition of clearing an additional 30,000 gullies, patching an additional 9,000m<sup>2</sup> and fixing over 2,000 additional potholes. In 2024/25, the County Council will spend £20.1m of revenue, including additional investment of £4m and £46.7m of capital on improving the road condition and drainage systems of the highways network.
- 4.78 The Ash Dieback programme continues to address the issue of trees impacted by the disease. As part of the closedown process in 2021/22 a reserve was set up to manage the impact of any early works required in excess of the base budget. With the programme now in its 3<sup>rd</sup> year and with good progress being made, the allocated reserve can now be used to deliver the annual programme whilst the service will also manage the programme to a reduced level releasing a further £0.5m of funding.
- 4.79 Alongside the bus operators, as part of an enhanced partnership funded through the Bus Service Improvement Plan (BSIP), the County Council will continue to deliver countywide bus service patronage recovery and improvements in line with the Bus Back Better National Bus Strategy for England. In 2023/24 there was the introduction of a new bus route to provide access to key services in both Littlehampton and Chichester centres as well as Portfield retail parks, St Richard's Hospital, and University of Chichester (Bishop Otter campus), which will give residents improved access and provide a better choice of transport mode reducing car based congestion and helping to combat climate change. A new discounted bus fare for qualifying Young People aged 16 to 20 will continue into 2024/25.
- 4.80 2024/25 will continue to see the Council support bus companies through the BSIP+ grant as the Government withdraws short term pandemic support. The BSIP+ grant will support a number of services across the County to allow time for a more thorough and wide-ranging review of these services. A significant number of existing supported bus contracts are due to be retendered and it is expected that inflationary increases will be significant, however the Government has enabled the County Council to use BSIP funding for supporting such services allowing the current network to be sustained.
- 4.81 Despite the investment in the BSIP, some services are still struggling with patronage remaining lower than pre-pandemic levels, notably by free bus pass holders on commercial services, and the 2024/25 budget reflects a

further saving in the Concessionary Fare budget to reflect the current usage levels.

- 4.82 With the easing of tensions in the energy market over the past 12 months there has been a substantial reduction in electricity prices for street lighting and highways electricity. This has led to in-year savings during 2023/24, and with more stability in the market, has provided the opportunity to remove the additional inflation added as part of last year’s budget, reducing the cost of energy by £1.5m.
- 4.83 In 2024/25, there are planned budget reductions of **£2.6m** across a range of services within the portfolio and these are included to balance the County Council’s overall budget, as described in **Appendix 3**.
- 4.84 The key explanations of changes in the 2024/25 budget for the portfolio are shown in **Table 12**.

**Table 12: Highway and Transport**

Item	£m
Additional revenue investment into highway maintenance	4.0
Transfers from reserves	(2.8)
Pay and price increases allowance	1.1
Transfer between portfolios	0.2
Budget Reductions	(2.6)
<b>Net change</b>	<b>(0.1)</b>

- 4.85 In 2024/25, there is planned capital investment of **£59.1m** and a total of **£236.7m** over the five year period 2024/25 to 2028/29. The focus of capital investment remains on the annual highways works programme, major A roads investment, bus services and street lighting. Further details of the Capital Strategy can be found in **Annex 2(a)**.

**Leader**

- 4.86 The Leader’s portfolio allows for gross expenditure of **£3.4m** but after sales, fees and charges and other income net expenditure is **£2.9m**.
- 4.87 This budget supports the costs of economic growth, feasibility support for the One Public Estate programme and the Chief Executive’s Office, which supports the delivery of council priorities by providing capacity and advice on business planning, including the Council Plan.
- 4.88 West Sussex has a prosperous economy, but the long-term productivity gap within the South East has widened and there are barriers to growth. A tight labour market and challenges of inflation are affecting businesses in many sectors and there is a need to focus on improving skills levels. Housing is becoming increasingly unaffordable – presenting challenges to people entering or remaining in the labour market. The value of the manufacturing sector has increased significantly and there are engineering strengths and emerging sectors (Greentech, creative industries, viticulture) creating opportunities for growth.



- 4.89 The County Council is working in partnership across Sussex to support the resilience and growth of the visitor economy. In 2019, the sector was valued at over £2.1billion, delivering 38,520 jobs. Developing the visitor economy will support the wider priorities of creating attractive places for people to live and work, and for business to locate and invest.
- 4.90 Government announced their decision in August 2023 to transfer functions from Local Enterprise Partnerships (LEPs) to upper tier authorities from April 2024. Support for employment and skills is increasingly important as a major local employer and an enabler of growth in the West Sussex economy.
- 4.91 The Economic and Strategic Growth Team will continue their work with internal and external partners to enable and deliver initiatives that champion and grow the local economy, in support of Our Council Plan priority for a sustainable and prosperous economy. The work will focus on supporting local enterprises to sustain, innovate and grow; on visitor economy sector growth through new pan-Sussex collaborative arrangements; and on employment and skills initiatives including the work of the Careers Hub covering West Sussex following the function transferring from Coast to Capital Local Enterprise Partnership (LEP) to the County Council on 1 September 2023, including six staff.
- 4.92 The team's work will also respond to the transition of the remaining LEP functions from Coast to Capital to upper tier local authorities in accordance with government guidance, including business representation and economic strategy.
- 4.93 In 2024/25, there are no planned budget reductions within this portfolio.
- 4.94 The key explanations of changes in the 2024/25 budget for the portfolio are shown in **Table 13**.

**Table 13: Leader**

Item	£m
Pay and price allowance	0.1
Transfer between portfolios	(0.2)
<b>Net change</b>	<b>(0.1)</b>

- 4.95 In 2024/25, there is a planned small capital investment of **£1.5m** and a total of **£13.7m** over the five year period 2024/25 to 2028/29. The focus of capital investment remains on the Growth Deal programmes in Burgess Hill, Worthing and Crawley. Further details of the Capital Strategy can be found in **Annex 2(a)**.

### Public Health and Wellbeing

- 4.96 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. An indicative grant figure for 2024/25 of **£37.9m** was issued when the PHG for 2023/24 was

announced. This represents an increase of just under £0.5m or 1.3%, and means a real terms cut in funding when inflation is taken into account. Final grant allocations for 2024/25 are not expected to be published until early 2024.

- 4.97 Planning for 2024/25 is taking place based on the indicative figure plus the residual grant underspend of £6m carried forward from previous years. That process will aim to ensure that the public health monies are being spent in ways which fulfil grant conditions and support delivery of County Council priorities.
- 4.98 £25.1m of expenditure is planned to be incurred through the Public Health portfolio. The remainder is transferred to other portfolios where it is used to fund the Healthy Child Programme in the Children and Young People's portfolio and to contribute to a range of different services across Communities, Fire and Rescue, Highways and Transport and Support Services and Economic Development portfolios.

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

- 4.99 The Support Services and Economic Development portfolio allows for gross expenditure of **£39.0m** but after sales, fees and charges, service specific government grant and other income net expenditure is **£33.5m**.
- 4.100 The Customer Experience team provides the Customer Service Centre that supports 23 services across the Council through the provision of a telephony and front door service to residents as well as the 'front door'. The improvements to the Council Corporate Website continues to ensure that information is accessible to all and the Council makes it easy for customers to get the support and information they need when they need it as well as providing support to vulnerable young people through the provision of an Advocate who helps them to have a voice, and providing a friend to our most vulnerable children through the Independent Visitors scheme.
- 4.101 Following the insourcing of support services from Capita in October 2022, during 2023/24, the County Council reviewed all such services to develop the right target operating models to secure the best value solution. As a result, some support services and their budgets have transferred to other cabinet portfolios from 2024/25.
- 4.102 This includes the Business Services review which has seen over 200 staff move from a centralised model to one integrated within services. This final piece of work concluded the move away from Capita provided services and a £0.3m reduction in the cost of running the services through the new model and improvement in processes.
- 4.103 The HR and OD service continues to support the 6,326 staff across the County Council and the 10,365 staff across the 192 maintained schools. Along with finance and procurement there will be a focus on implementation of a new finance and HR system that will ensure there is improved efficiency of existing business processes. The service will support the implementation of the recommendations of the Task and

Finish Group on recruitment, retention, skills and development and an additional £0.3m has been included in the budget to increase capacity within the service.

- 4.104 During 2024/25 the Legal Team will continue to provide legal support across the organisation and Democratic Services will continue to support the 70 County Council Members and on average 80 committee and council meetings across the municipal year.
- 4.105 The focus of the County Council's IT function over the last 12 months has been on stabilising the services and investment into infrastructure and technology following the transfer from Capita in 2021. Access to safe and secure technology to support service delivery across the Council will continue to be the priority of the service, but also to support the move to enabling the delivery of the Digital Strategy that will be developed in 2024/25. The strategy will set out the County Council's approach to maximising the use of technology for engagement with customers and ways of working for its staff. It will be underpinned by the Digital Infrastructure Strategy agreed by Cabinet in 2023 which focuses on improving connectivity across the County and the work on Digital Inclusion to ensure that no-one is left behind.
- 4.106 The Digital Infrastructure Team (DIT) sets the county-wide strategy for digital infrastructure, working with the District and Borough Councils across public and private sector stakeholders. The West Sussex Digital Infrastructure Strategy aligns with central government policy (Digital Strategy 2022, UK Science and Innovation Framework 2023 and Wireless Infrastructure Strategy 2023) and will adapt to reflect relevant public legislation such as the Electronic Communications Code (amended 2022).
- 4.107 In 2024, the County Council will continue to deliver its strategic priorities by working with partners across the public and private sectors (telecoms market, government and commercial investors) and through the established Open Digital programme. The work will build on previous investments such as the West Sussex Full Fibre Programme national pilot Gigabit Framework; the dark fibre Open Network working with telecoms stakeholders; the DCIA project funded by Building Digital UK (BDUK) to facilitate access to street furniture.
- 4.108 The ongoing work with BDUK will support rural and hard to reach communities across a range of government facilitated mechanisms. These include Project Gigabit, which is a publicly funded roll out, ensuring delivery of gigabit-capable infrastructure as part of the West Sussex 'Top Up' to the UK Gigabit Voucher Scheme and enabling businesses with very slow speeds to access 4G broadband via our 4G mobile Business Broadband Voucher Scheme.
- 4.109 The Digital Infrastructure programme will be expanded to include new areas of work such as accelerating infrastructure that can enable innovation ecosystems, including the role of open assets in public and private sector innovation and enabling 4G and 5G mobile connectivity. Examples include the support for economic, social and environmental outcomes through the Beach project in Worthing. This will facilitate

networks that enable better public services and create more opportunities for commercial investment. The externally funded BEACH and Growing Sussex 5G Innovation projects will be the flagship innovation projects in 2024 and 2025, developing new ways of collaborating across the private and public sectors.

- 4.110 Recently being awarded Department for Science, Innovation and Technology (DSIT) funding to develop a 'Regional Innovation Zone', the County Council are working with the horticulture and higher education sectors through the Growing Sussex 5G Innovation Region project to deploy advanced wireless/5G connectivity at selected sites. This will showcase applications of digital technology in sustainable food, drink and plant production and create demand within the growing sectors for commercial investment in advanced wireless/5G coverage, all in line with government strategy. As part of the UK TIN (Telecoms Innovation Network) the County Council has a voice in advising central government policy makers on Local Authorities' role in accelerating commercial investment in advanced wireless, working the market, regional innovation partners and DSIT.
- 4.111 The Growth and One Public Estates team aim to promote economic growth and wellbeing by unlocking opportunities for new homes and job creation, improving the built environment through strategic investments in public spaces, fostering collaborations between public and private sectors, and streamlining the efficiency of public assets. These aims are outlined in the West Sussex County Council Economy Plan (2020-2024).
- 4.112 The team work in partnership to deliver on these objectives through our Growth Deals with our district and boroughs and making the best use of our public assets through the One Public Estates (OPE) initiative with all public sector partners.
- 4.113 In the upcoming 2024/25 period, our primary focus will revolve around delivering key projects stipulated in the growth deals within Worthing, Adur, and Arun. Simultaneously, there will be momentum by advancing benefit monitoring and design activities in Crawley and Mid Sussex deals and supporting the OPE partnership in attracting investment for identified public estates collaboration projects.
- 4.114 In 2024/25, there are planned budget reductions of **£1.5m** across a range of support services and these are included to balance the County Council's overall budget, as described in **Appendix 3**.
- 4.115 The key explanations of changes in the 2024/25 budget for the portfolio are shown in **Table 14**.

**Table 14: Support Service and Economic Development**

<b>Item</b>	<b>£'m</b>
HR&OD - additional capacity to support recruitment	0.3
Utilisation of Public Health Grant	(2.8)
Increased legal services capacity in stage two reviews for EHCNA/EHCP and Section 19 duty	0.1
Transfer from reserves	0.2
Pay and price increases allowance	1.0
Transfer between portfolios	(5.0)
Budget Reductions	(1.5)
<b>Net change</b>	<b>(7.7)</b>

4.116 In 2024/25, there is planned capital investment of **£10m** and a total of **£28m** over the five year period 2024/25 to 2028/29. The focus of capital investment remains on digital connectivity, investment in IT and Growth Deals across Worthing, Adur and Arun. Further details of the Capital Strategy can be found in **Annex 2(a)**.

#### **Corporate/Non-Portfolio**

4.117 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 – Corporate/Non-portfolio**

<b>Item</b>	<b>£'m</b>
Increase in the capital financing costs	0.8
Net increase in Revenue Contribution to Capital Programme	2.4
Additional investment income as a result of interest rate rises	(4.0)
Increase in Service and Corporate Contingency	9.0
Reversal of the 2023/24 additional investment into highways and skills	(5.0)
<b>Transfers to and from Reserves</b>	
One off pressures in 2024/25 funded from reserves	(3.0)
Use of Budget Management Reserve to balance the budget	(3.6)
Use of reserves to fund the 2024/25 additional highways investment (£3m budget management and £2m highways commuted sums)	(5.0)
Increase in precept for Littlehampton Harbour Board	(0.4)
Other reserve transfers (net)	(4.8)
<b>Net change</b>	<b>(13.6)</b>

### **Dedicated Schools Grant**

- 4.118 The Dedicated Schools Grant (DSG) settlement has increased by **£74.5m** (9.6%) to **£850.3m**. The DSG currently comprises four separate funding blocks – Schools, Central School Services, Early Years and High Needs.
- 4.119 The Schools DSG block allocations for next year have been published, and West Sussex schools are set to gain by £30.9m (5.3%). However, £19.4m of this funding is the rolling in of the Mainstream Schools Additional Grant funding that schools received in 2023/24, and therefore the increase in overall funding is only £11.5m, of which £0.5m relates to pupil growth, and the remaining £11.0m equates to a 1.4% increase in most of the national funding formula unit rates. However, there are seven schools who are on the funding floor and therefore will only see a 0.5% increase in their per pupil funding. For the 80 schools who benefit from the protection of the Minimum per Pupil Funding levels, their rates are set to rise by 1.4% to £4,610 for primary schools and to £5,995 for secondary schools.
- 4.120 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 £0.140m (3.5%) to £4.179m, the latter is remaining unchanged at £3.0m. This follows a successful application to the Department for Education for continued funding protection of £0.6m, so that the council can continue to pay for its ongoing prudential borrowing and termination of employment costs next year.
- 4.121 Historically the Early Years DSG block has provided funding to enable all children to access 15 hours of free early education for 38 weeks of the year, from the term after they turn three until they start school, and also 15 hours of free early education for the most disadvantaged 2-year-olds. Since September 2017 the block has also included funding for 30 hours per week of free entitlement for eligible working parents of 3-and 4-year-olds. In March 2023 the Chancellor announced that the Government would provide an additional £4.1bn nationally by 2027/28 in order to extend its offer of 30 hours free childcare per week to eligible working parents of children aged 9 months to 3-years-old in England.
- 4.122 This extension to the Early Years entitlements is to be introduced in three phases:
- From April 2024, all eligible working parents of 2-year-olds will be able to access 15 hours of free childcare per week for 38 weeks of the year.
  - From September 2024, all eligible working parents of children aged 9 months up to 3-years-old will be able to access 15 hours of childcare per week for 38 weeks of the year, and
  - From September 2025, all eligible working parents of children aged 9 months up to 5-years-old will be able to access 30 hours free childcare per week for 38 weeks of the year.

4.123 The new formulae for 2-year-olds and under next year will follow the shape of the existing 3-and-4-year-old formula, which was designed to allocate funding to reflect the relative costs of providing childcare in a local area. It will also include the same 95% pass through requirement as currently exists within the 3-and-4-year-old formula. This is intended to give local authorities the support and flexibility they need to support delivery of the new childcare offers whilst ensuring the great majority of funding reaches early years providers in a fair and transparent way.

4.124 As a result of these changes the Early Years DSG block is set to increase by **£37.5m** (65.1%) in 2024/25. Of this, £26.6m relates to the extension in early years entitlements. The remaining additional funding is due to an increase in the hourly funding rates of £2.55 for 2 year-olds and 84 pence for 3 and 4 year-olds (£10.1m), increased funding to our 4 maintained nursery schools (£0.3m), and additional Pupil Premium and Disability Access Funding (£0.5m). These allocations are provisional and will be updated in July 2024 for the January 2024 census count.

4.125 Under the previous Special Educational Needs (SEN) assessment system Statements of SEN previously lapsed at age 19. However, the system was reformed in April 2015 with the Children and Families Act 2014 extending the age to 25, and the Statements of SEN being replaced with Education Health and Care Plans (EHCPs). Since that time the funding pressures affecting the High Needs DSG block have continued to grow, and the 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.

4.126 High Needs DSG funding from the Department for Education increased by £11.8m (10.5%) in 2023/24 and is set to rise by a further £6.0m (4.8%) in 2024/25. These funding increases are welcome but are not sufficient to meet the increasing costs of providing for the number of children with Education Health and Care Plans (EHCPs).

4.127 Back in April 2015, when EHCPs were first introduced, there were 3,423 children and young people with an SEN statement of need, and since that time those numbers have risen to 7,029 in March 2023 – an increase of 3,606 (105.3%). So far this year numbers have continued to rise in line with last year – increasing by a further 376 as at the end of December 2023 (compared to 327 at the same stage last year). With continued increasing demand for EHCNAs and the budgeted plans to address the

backlog, overall EHCP numbers are expected to continue to rise sharply next year.

4.128 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 2022/23 this deficit stood at £41.8m, and with continuing pressure on the high needs budget this deficit is expected to reach **£74.0m** by the end of the current financial year. Although the statutory override for this deficit to remain off the County Council's balance sheet is set to continue until March 2026. The deficit at this point is forecast to be £260.6m. There remains much uncertainty and financial risk beyond 2025/26.

4.129 As part of the service improvements in the SEND service, West Sussex County Council is participating in two central government initiatives that offer dedicated grants to support the changes. The Department for Education pathfinder schemes that the Council have engaged with are:

- Alternative Provision Change Programme – South-East Consortium (West Sussex, East Sussex, Brighton and Portsmouth). The South-East region SEND and Alternative Provision (AP) Change Programme Partnership (CPP) will run across the Department for Education's nine regions. Portsmouth is the lead authority in the South-East region. The Change programme will run for the next two years and brings additional resources to the South-East region and West Sussex specifically with over £1.0m in grant funding into the service.
- Delivering Better Value (DBV) which is "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.

## **Section Five: Risk Management**

5.1 There have been challenging circumstances this year that impact on next year's budget - the ongoing 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. The budget has been set based on the best known information on the likely cost and demand for services for 2024/25 but there are a number of inherent risks for next year and subsequent years.



### Economic Conditions

- 5.2 Although the Office of Budget Responsibility (OBR) has indicated that the economy has been more resilient to the shocks from the pandemic and energy crisis than originally anticipated, the economy is predicted to grow more slowly over the forecast period. Inflation is reducing but is not expected to reach the Government's target of 2% until 2025 and markets anticipate interest rates will need to remain higher for longer to bring inflation under control. The challenging economic circumstances and continuing high inflation adversely impact the cost of services and income derived from both Council Tax and Business Rates.
- 5.3 For 2024/25, a total of £27.8m has been set aside for pay and price inflation as detailed in section 3. However, if inflation does not reduce as forecast by the OBR and continues to run at elevated levels it may put further pressure on both service and pay budgets.

### Social Care

- 5.4 The budget is built on estimates around demographic growth and an increasing complexity of care for those supported. Any deviation from these estimates could present a risk in demand pressures and therefore additional costs.
- 5.5 Nationally, the entire health and social care system is under extreme pressure. The underlying causes, especially workforce and market-related factors, are similar across both parts. Compounding the situation, the Integrated Care Board (ICB) faces significant financial challenges of its own, which it is needing to manage in the context of sustained Government scrutiny about rates of hospital discharge. This has potential to transfer financial risk to the County Council but work will continue to develop a collaborative approach to working with health through these challenging times.
- 5.6 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 and, if implemented, new funding will be made available.
- 5.7 Within children's social care, the budget has been under significant pressure in 2023/24. The use of external placements for 'Children We Care For' continues to be above that of neighbouring authorities and an increasing number of high cost placements exceeding £5,000 a week is putting the budget under extreme pressure. Good progress is being made to reduce the need for unregistered placements but demand remains volatile. An additional £19.4m has been built into the 2024/25 budget to manage such pressures and a separate contingency established given the uncertainty and volatility in the numbers.
- 5.8 The number of children with Education Health and Social Care Plans is increasing. Although the associated costs fall to the Dedicated Schools

Grant (see Section 4), home to school transport remains a cost to the County Council and on average a third of all children with a plan require transport. Currently there are 1,189 young people awaiting an Education, Health and Care Needs assessment and therefore despite mitigating actions in place, these numbers will increase and there is a risk that spend cannot be contained within the additional £7.5m that has been built into the budget for 2024/25

#### Government Funding

- 5.9 There remains significant uncertainty on funding beyond 2024/25. Any fundamental reforms, such as the Fair Funding Review, Levelling Up and business rates baseline reset, are now not expected until the next Parliament. In the absence of any specific implementation dates or details, it is difficult to estimate any impact and therefore the cost implications of such reforms are not currently assumed in the medium term financial plans but are expected to have an adverse effect and could impact as early as 2025/26.

#### Recruitment and Retention

- 5.10 The County Council continues to face recruitment and retention challenges that have been growing over recent years but may be further exacerbated by the wider job market conditions. The risk of not being able to recruit and retain staff could impact on service delivery, the capacity to deliver the many cross cutting change programmes underway and the capacity to deliver the changes needed to achieve the budget reductions required for a balanced budget.
- 5.11 There are a number of actions being undertaken to reduce vacancy levels and turnover including international recruitment, increasing the capacity and skills within the Recruitment team, engaging with candidates in a different way, benchmarking reviews of pay and terms and conditions and optimising use of apprenticeships and ensuring career pathways for staff to develop their skills. The impact of these actions will continue to be monitored.

#### Delivery of budget reductions

- 5.12 As reported in the Q2 PRR, £9.0m of savings are expected to be undelivered as at the end of March 2024. The majority (£6.8m) of these relate to Adults Services and the delays in the delivery of these savings are largely as a result of challenges relating to workforce and vacancy levels within social work and occupational therapy. The 2024/25 budget assumes these will be delivered in full and while the plans in place are well developed, the external environment surrounding the social care market makes the outcome inter-dependent on factors that are not within the Council's direct control. Any non-delivery or delays in the delivery of reductions will risk adding further pressure to the financial position.

#### Changes in Government Legislation

- 5.13 Changes in legislation in the future may have a financial impact for the

County Council. Known changes and those that have been on the Government's agenda over the last 12 months includes – food waste collection, adult social care reforms and the outcome of the Hewitt Review, children's social care reforms following the McAlister review, SEND reforms, transfer of LEP responsibilities, devolutions deals, support to migrants and asylum seekers. It remains unclear if these priorities will remain under any new Government or if other new legislation will be in place. This creates a further level of uncertainty and risk and developments will be closely monitored. Financial plans assume that any new responsibilities for the County Council are fully funded by Government.

#### Changes in Accounting Policies - Statutory Overrides

- 5.14 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 March 2026. However, funding arrangements after 2026 remain under review so the funding of the historical DSG deficit and the ongoing shortfall may fall to the Council. The deficit Management Plan was submitted to the Department for Education in December. The deficit is expected to stand at £74m at the end of 2023/24 and the current assumption is that the deficit will continue to grow and be estimated at £154m by March 2025.
- 5.15 Pooled Investment Funds – the DLUHC Pooled Investment Fund statutory override is expected to come to an end in March 2025. Pooled investment funds are long term investments and their market valuation will fluctuate with economic conditions. The Council has invested £52m in the funds starting from 2017 and they have generated £9.9m over the period, with an average rate of return of 3.9%. However, the current market value of £44.2m as at December 2023 is lower than when invested. The Interest Smoothing Reserve will be utilised to manage this risk if the over-ride ends as planned in 2025 and any reduction in market value will need to be funded in year.

#### Financial Sustainability

- 5.16 There remains a significant financial challenge in the longer term with a budget gap of between £58m and £190m between 2025/26 and 2028/29. 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 Medium-Term Financial Strategy are set out in **Section 6**.
- 5.17 Protecting the environment remains a WSCC priority as outlined in the Council Plan and the Climate Change Strategy. To achieve carbon emission reductions and create related benefits of mitigating climate change will involve redesigning services and adapting infrastructure to take climate change into account. The WSCC Climate Action and Adaptation Plan is being developed and is the County Council's first roadmap for achieving the goal of carbon neutrality from the council's

operations from 2030 and for increasing its resilience and ability to respond to the impacts of climate change. External funding sources will continue to be explored but it remains a risk that further investment in both capital and revenue may be required.

### **Reserves and Contingency**

- 5.18 Risks and uncertainties make planning for next year challenging and any change in assumptions underpinning the budget can have an impact on the in-year financial position.
- 5.19 The nature of risks and uncertainties means it is 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 and have a prudent level of reserves. Contingency funding will be used for dealing with unforeseen circumstances in the short term and levels of reserves provide a safety net in the event of more significant negative impacts on council funding in the medium term.

### **Contingency**

- 5.20 In 2023/24 the County Council increased its contingency to £13.0m to acknowledge the uncertainty around the Cost of Living Crisis and levels of inflation as well as the increasing service demand in adults and children's social care. The Council anticipates having to use its full contingency provision in 2023/24 which is largely needed to fund spending pressures within children's social care and spend on placements. The latest position is set out in the [Quarter 2 PRR](#) that was presented to Public Cabinet on 28 November 2023.
- 5.21 The position for 2023/24 has been considered in the detailed work for the 2024/25 budget. Further budget provision of £54.1m has been built into service budgets particularly in adults and children's social care but in addition, a Social Care corporate contingency of £10m is held to manage social care pressures over and above this level. Given the ongoing level of uncertainty in 2024/25 as highlighted through the risks earlier in this section, the County Council is taking a prudent approach with its other contingency levels set at £12.0m. 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 2025/26 will remain under review as part of future budget setting rounds.

### **Reserves**

- 5.22 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 (s151) Officer as set out in section 9.

- 5.23 Under the 2003 Act above, the Section 151 Officer also must be satisfied that the level of the General Fund working balance is adequate.
- 5.24 Reserves are an important part of the approach to financial planning and it is critical in the current climate that the County Council maintains the required level of reserves to manage unforeseen events and manage risks facing the authority. The Medium-Term Financial Strategy is a key tool in ensuring that reserves are maintained at an appropriate level and a five year forecast of reserve balances is included in Section 6, alongside the five year financial position.
- 5.25 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 demonstrates the importance of revenue budgets being sustainable rather than depending upon the use of reserves.
- 5.26 Given the ongoing financial challenges and the lack of additional Government funding to recognise the County Council's growing pressures, it has been necessary to draw on reserves in order to balance the budget. For 2024/25, £3.6m will be drawn from the budget management reserve for this purpose. This is in addition to the £3.0m that will be utilised for one off spend in 2024/25 and the additional investment in highways as set out in **Table 15** in **Section 4**.
- 5.27 The County Council's reserves fall into several categories and details of the latest estimated position and the forecast for the next year is set out in **Table 16** and in full in **Appendix 5**.

**Table 16 – Summary of Reserves 2023 to 2025**

<b>Reserves</b>	<b>Opening Balance 1 April 2023 £'m</b>	<b>Forecast Balance 31 March 2024 £'m</b>	<b>Forecast Balance 31 March 2025 £'m</b>
<b>Earmarked revenue reserves</b>			
Contractual Commitments	56.3	54.5	48.5
Service Specific Commitments	36.0	23.4	23.2
Government Grants	6.6	3.8	3.8
Risk and Uncertainties	87.6	67.9	56.3
<b>Total Earmarked Reserves (County Council)</b>	<b>186.5</b>	<b>149.6</b>	<b>131.8</b>
Reserves held for Other Bodies or With Shared Responsibilities	42.0	45.8	46.2
<b>Total Earmarked Reserves</b>	<b>228.5</b>	<b>195.4</b>	<b>178.0</b>
General Fund	20.3	36.3	36.3
Capital	27.4	0.0	0.0
<b>Total Usable Reserves</b>	<b>276.2</b>	<b>231.7</b>	<b>214.3</b>

### **Contractual Commitments**

- 5.28 These reserves have been created to provide financing of long-term financial arrangements for PFI schemes and Waste Disposal and are committed fully over the next ten years.
- 5.29 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.
- 5.30 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.

### **Service Specific Earmarked Reserves**

- 5.31 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.
- 5.32 Details of those reserves with a balance greater than £5m are summarised below with full details in **Appendix 5**.
- 5.33 Highways Commuted Sums are contributions received from developers in respect of future maintenance costs of non-standard highways infrastructure.
- 5.34 The Service Transformation Fund is currently forecast to have a balance of £5.3m by 31 March 2024. 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 2024/25, planned use for this fund is:
- Implementing Smarter Ways of Working – following the pandemic, the County Council has undertaken a review of working requirements across the organisation, including opportunities to reduce County buildings and improve working practices.
  - Adult Services - Improvement Programme – to resource a programme of works to support the Adult Social Care Strategy 2022-2025 to improve service delivery.
  - Finance – Additional capacity to support the processing of financial assessments.
  - The Peoples Commissioning Workforce Development Plan – to create a workforce development pathway designed to harness good work within the organisation and compliment additional professional skill development and improve commissioning arrangements and improved services.

- 5.35 A further £2.0m has been added to this reserve in recognition of the level of change activity required across the Council over the medium term as part of the 2024/25 budget. 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 Reserves**

- 5.36 These reserves were set up from ringfenced Government grants, the most significant being the Covid-19 grant and this reserve will be fully used by 31 March 2024. The remaining balance relates to unspent monies received from central government to support the Authority in its duties to provide support to victims of domestic violence under the Domestic Abuse Act 2021.

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

- 5.37 The risks facing the council in 2024/25 onwards are set out earlier in this section and the reserves have been reviewed to reflect these. The reserves within this category are the only reserves available for balancing the budget and managing the risks as detailed earlier in this section. Those with a balance greater than £5.0m are summarised below. There is some planned use in 2024/25 and full details are set out in **Appendix 5**.
- 5.38 The Budget Management Reserve is used to provide a stable platform for financial planning as the MTFS is developed and would be the first call on the County Council's resources to deal with any unforeseen in-year expenditure if the revenue contingency budgets are insufficient.
- 5.39 The forecast balance on the reserve as of 31 March 2024 is £42.4m and £25.8m by March 2025. The movements are shown in **Appendix 5** and includes £3.6m to balance the budget for 2024/25 as set out in this report, £3.0m to cover one-off spending pressures and £3.0m towards the continued additional investment into highways and roads in 2024/25. These monies will be replenished over 2026/27 to 2030/31. In addition, it is proposed to transfer £5m to the Interest Smoothing Reserve to reflect the current market value of the Pooled Funds and to transfer £2.0m to Service Transformation Fund in recognition that the changes needed to deliver budget reductions over the next five years will require some additional capacity and investment.
- 5.40 Due to the nature of this reserve, beyond the planned use set out above, it is difficult to predict any further use of the reserve during 2024/25. The reserve provides a safety net against the non or late delivery of savings in 2024/25, any legislative or accounting changes and any unforeseen overspending which may occur during the year. The economic picture remains uncertain and this reserve will also be used to fund any increase over and above what has been budgeted.
- 5.41 The Social Care Pressures Reserve was set up to manage specific risks across adults and children's social care services and ensure the services

remain financially sustainable into the long-term. With the mix of placements and increasing residential placements within children's social care continuing into 2023/24, it has been necessary to draw down the £10m from this reserve to manage the in year position during 2023/24. For 2024/25, it is not proposed to replenish the reserve but an additional £21.1m has been added to the placements budget to reflect the ongoing and expected demand pressures, an additional £22.4m added to the adult services budget and a further contingency of £10m has been set aside as detailed in paragraph 5.21.

- 5.42 The insurance reserve is set up to fund the Council's insurance claims up to the value of £250,000 for all property type claims and £750,000 for employers and public liability claims. Claims above this value are covered by the Council's insurance policies. The maximum amount payable for which the Council are responsible during any one period of insurance is £5m.
- 5.43 The interest smoothing reserve is held to meet temporary shortfalls from fluctuations in interest rates, such as a reduction in investment returns. In 2024/25, £5m is to be transferred from the Budget Management Reserve as a contingency for realisable losses on pooled investment funds, with the statutory override due to expire in March 2025.
- 5.44 The Business Rates and Collection Fund Smoothing Reserve is used to mitigate the fluctuations in collection fund surpluses and deficits in any given year for both Business Rates and Council Tax. Currently the forecast balance is £16.3m but as reported in Q2 PRR, any overspend in 2023/24 that cannot be mitigated or maintained within the contingency budget (currently £4.4m) could be drawn from this reserve.

#### **Balances held for Other Bodies or with Shared Responsibility**

- 5.45 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.
- 5.46 The Business Rates Pilot Fund holds the gains arising from the 75% local retention scheme in 2019/20. The fund will be invested collectively by the County Council and its billing authorities on project work with economic benefit across the county. The income is initially recognised in the county's accounts as the lead authority for the business rates pilot.
- 5.47 The Lane Rental Scheme reserve holds proceeds of charges raised to promoters of street and road works for the time their works occupy the highway network, pending application of those proceeds towards eligible highways network improvement schemes.

#### **General Fund Reserve (Working Balance)**

- 5.48 The General Fund reserve is used to mitigate the risks of unexpected events or emergencies.
- 5.49 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. Following a review last year, the Director of Finance and Support Services as Section 151 Officer considered the adequacy of the General Fund reserve based on risks and uncertainty and considered that an appropriate balance for the Council to manage these risks is approximately 5% of the net revenue budget. The General Fund balance was therefore increased to £36.3m and no further changes are proposed for 2024/25.

5.50 Any drawdowns from the reserves will be reported in the quarterly PRR.

### Section Six: The Medium-Term Financial Position – 2025/26 to 2028/29

6.1 Although a balanced budget is proposed for 2024/25 with the use of reserves, there remains significant uncertainty over the medium term. The assumptions for 2025/26 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 17** excludes any impact from the outcome of possible fair funding formula changes, the funding of the DSG deficit (beyond the known loss of investment income) from 2026 and any impact of 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 18**.

6.2 The work to address this longer-term challenge will commence before the end of the current financial year. An update will be reported in the Medium-Term Financial Strategy in July 2024.

**Table 17 – Medium-Term Financial Position (0% Council Tax)**

	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m
<b>Funding</b>					
Council Tax	(600.2)	(603.2)	(606.2)	(609.2)	(612.2)
Settlement Funding Assessment/ Business rates	(110.0)	(106.3)	(106.3)	(106.3)	(106.3)
Social Care Funding	(49.5)	(49.5)	(49.5)	(49.5)	(49.5)
New Homes Bonus	(1.2)	-	-	-	-
Services Grant	(0.5)	-	-	-	-
<b>Total Funding</b>	<b>(761.4)</b>	<b>(759.0)</b>	<b>(762.0)</b>	<b>(765.0)</b>	<b>(768.0)</b>
<b>Opening Expenditure</b>	<b>708.8</b>	<b>761.4</b>	<b>759.0</b>	<b>762.0</b>	<b>765.0</b>
Inflation	27.8	21.2	15.4	15.3	17.6
Service Pressures	54.1	29.0	22.1	26.8	26.8
Reserves replenishment	-	-	5.4	(3.6)	-
Other corporate changes	(10.0)	14.5	9.4	4.2	0.8
<b>Total Forecast Expenditure</b>	<b>780.7</b>	<b>826.1</b>	<b>811.3</b>	<b>804.7</b>	<b>810.2</b>
<b>Budget Gap (before savings)</b>	<b>19.3</b>	<b>67.1</b>	<b>49.3</b>	<b>39.7</b>	<b>42.2</b>

	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m
Planned Savings	(15.7)	(8.6)			
<b>Budget Gap (net of savings) and 0% council tax increase</b>	<b>3.6</b>	<b>58.5</b>	<b>49.3</b>	<b>39.7</b>	<b>42.2</b>
<b>Managed from Reserves</b>	<b>(3.6)</b>				
<b>Cumulative Budget Gap</b>	<b>-</b>	<b>58.5</b>	<b>107.8</b>	<b>147.5</b>	<b>189.7</b>

**Table 17a - Medium-Term Financial Position (1.99% Council Tax)**

	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m
<b>Budget Gap (net of savings) and 0% council tax increase</b>		<b>58.5</b>	<b>49.3</b>	<b>39.7</b>	<b>42.2</b>
Impact of 1.99% council tax increase for all years		(12.0)	(12.4)	(12.7)	(13.1)
<b>Budget gap after Council Tax</b>		<b>46.5</b>	<b>36.9</b>	<b>27.0</b>	<b>29.1</b>
<b>Cumulative Budget Gap</b>		<b>46.5</b>	<b>83.4</b>	<b>110.4</b>	<b>139.5</b>

**Table 17b - Medium-Term Financial Position (4.99% Council Tax)**

	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m
<b>Budget Gap (net of savings) and 0% council tax increase</b>		<b>58.5</b>	<b>49.3</b>	<b>39.7</b>	<b>42.2</b>
Impact of 4.99% council tax increase for all years		(30.1)	(31.9)	(33.8)	(35.8)
<b>Budget gap after Council Tax</b>		<b>28.4</b>	<b>17.4</b>	<b>5.9</b>	<b>6.3</b>
<b>Cumulative Budget Gap</b>		<b>28.4</b>	<b>45.8</b>	<b>51.7</b>	<b>58.0</b>

- 6.3 The referendum thresholds for 2025/26 and beyond have yet to be confirmed. **Table 17, 17a and 17b** includes three scenarios, a 0% Council Tax increase from 2025/26, 1.99% and 4.99%. The latter has been assumed within the latest economic forecasts published by the Office for Budget Responsibility.
- 6.4 Depending on the level of Council Tax increase, the budget gap between 2025/26 and 2028/29 is between **£58m and £190m**. The level of Council Tax increase each year remains a decision for full County Council and will be approved annually by full Council in February. Every 1% increase in Council Tax generates on average £6.0m of additional income.

**Table 18 – Key MTFS Assumptions (2025/26 to 2028/29)**

Key Assumption	Financial Implications
Government Funding Review	<p>The government remains committed to improving the local government finance landscape. On 11 January, Government outlined <u>proposals</u> to increase the “effectiveness and efficiency” of the current council funding system by reducing administrative burdens. DLUHC detailed three main phases of the proposals: the immediate simplification of existing funds and communication; the establishment of a new funding simplification doctrine; and reforms to be implemented at the next spending review. Officers are reviewing proposals and will monitor any further updates.</p> <p>The risk to the MTFS and the budget gap is outlined in paragraph 5.9.</p>
Settlement Funding Assessment/Business Rates/s31 compensation	For 2025/26, funding has been maintained at baseline with an inflationary uplift. Thereafter the funding is rolled forward and maintained at the 2025/26 level.
Council Tax	Currently based on three scenarios - 0%, 1.99%, 4.99%. 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 0.5% for 2025/26 onwards.
Social Care Funding Grant	That this base funding will be maintained at the 2024/25 level of £49.5m.
Social Care Reforms	Should the reforms be implemented in 2025/26, it has been assumed that this will add no further pressure to the County Council’s financial position.
Services Grant	No continuation beyond 2025/26.
New Homes Bonus	No continuation beyond 2025/26.
Pay Inflation	Assumes pay inflation of 2% for 2025/26 onwards.

Key Assumption	Financial Implications
Price Inflation	Inflation for 2025/26 onwards is assumed in line with the November OBR forecasts.

- 6.5 Details of the County Council’s reserves can be found in Section 5 and Appendix 5. The Medium-Term Financial Strategy is a key tool in ensuring that reserves are maintained at an appropriate level and therefore as part of this work a five year forecast of reserves is included below. Over the five-year period, the County Council earmarked reserve levels are forecasted to decrease from **£149.6 to £107.8m** as the reserves held for specific services and contractual commitments are utilised. The next full update will be in July 2024 as part of the Medium-Term Financial Strategy.

**Table 19: Five year Reserves Forecast**

Earmarked Reserves (£m)	Balance As At 31 March 2023	Forecast Balance 31 March 2024	Forecast Balance 31 March 2025	Forecast Balance 31 March 2029
Contractual Commitments	56.3	54.5	48.5	35.7
Service Specific Commitments	36.0	23.4	23.2	19.0
Government Grants	6.6	3.8	3.8	0
Risk and uncertainties	87.6	67.9	56.3	53.1
<b>Total Earmarked Reserves County Council</b>	<b>186.5</b>	<b>149.6</b>	<b>131.8</b>	<b>107.8</b>
Reserves Held for Other Bodies or with Shared Responsibilities	42.0	45.8	46.2	25.5
<b>Total Earmarked Reserves</b>	<b>228.5</b>	<b>195.4</b>	<b>178.0</b>	<b>133.3</b>
<b>General Fund</b>	20.3	36.3	36.3	36.3
<b>Capital Reserves</b>	27.4	0	0	0
<b>Total Usable Reserves</b>	<b>276.2</b>	<b>231.7</b>	<b>214.3</b>	<b>169.6</b>

**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 2024/25 and details for Prudential Borrowing including the Prudential Indicators are set out in a separate report at **Annex 2(b)** and **Annex 2(c)**.
- 7.2 The strategy for 2024/25 has been updated to reflect the impact of the deficit on the Dedicated Schools Grant. Although the Government has

confirmed that the statutory override for the DSG deficit will remain off the County Council's balance sheet until 2025/26, the deficit will continue to have an adverse effect on the County Councils cash flow and return on investments. Currently, the DSG deficit forecast equates to a potential loss of £114m in average cash balances in 2024/25, which assuming a bank rate of 5% will result in a loss of investment income of £5.7m in 2024/25 that would otherwise be spent on vital services or reduce the need for a full increase in Council Tax. Looking ahead, the impact will also mean that external borrowing will likely be needed to fund the capital programme from 2025/26.

### **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 2024/25 is expected to be **£31.2m** and has been reflected within the 2024/25 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 2024/25 to 2028/29 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 2023/24 monitoring position. The latest 2023/24 position is included in the [Q2 PRR](#) which was reported to Public Cabinet on 28 November.
- 8.3 The total capital programme for 2024/25 is **£131.6m**. Similar to previous years, the main areas of capital investment are in the County's schools, the environment and highway and roads. Full details are set out in the Cabinet portfolio narrative sections of this report (See Section 4 onwards) and is also summarised in **Table 20** by Cabinet Portfolio and in full in **Annex 2(a)**.

**Table 20 – Capital Expenditure 2024/25 to 2028/29**

2023/24	Expenditure	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m	Total £'m
-	Adults Services	-	0.8	1.0	0.5	-	2.3
42.6	Children & Young People, Learning and Skills	32.8	50.2	41.4	45.5	20.4	190.3
2.3	Community Support Fire and Rescue	3.0	7.8	6.3	4.8	7.5	29.4
11.7	Environment and Climate Change	16.9	32.4	24.8	13.7	9.9	97.7
4.4	Finance and Property	8.3	30.4	22.1	15.9	20.5	97.2
49.5	Highways and Transport	59.1	66.2	51.7	37.6	22.1	236.7
3.1	Leader	1.5	4.3	5.1	2.8	-	13.7
8.8	Support Services and Economic Development	10.0	8.1	6.9	2.0	1.0	28.0
<b>122.4</b>	<b>Total Capital Programme</b>	<b>131.6</b>	<b>200.2</b>	<b>159.3</b>	<b>122.8</b>	<b>81.4</b>	<b>695.3</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 21** summarises the indicative funding sources of the programme for the period 2024/25 to 2028/29.

**Table 21 – Capital Financing – 2024/25 to 2028/29**

<b>2023/24</b>	<b>Financing</b>	<b>2024/25 £'m</b>	<b>2025/26 £'m</b>	<b>2026/27 £'m</b>	<b>2027/28 £'m</b>	<b>2028/29 £'m</b>	<b>Total £'m</b>
6.0	Capital Receipts	5.0	5.0	3.0	2.0	7.5	22.5
9.2	External Contributions including S106	7.3	27.0	17.9	8.2	-	60.4
16.4	Ringfenced Government Grant	15.5	15.2	9.3	1.3	1.3	42.6
56.6	Non-Ringfenced Government Grant	27.4	22.7	22.3	21.9	21.6	115.9
0.6	Revenue Contributions to Capital Outlay	2.0	5.6	5.5	5.5	6.0	24.6
1.6	Revenue Contribution to Capital Outlay – Business Rates Pilot	1.6	4.0	4.8	1.0	-	11.4
28.8	Core Borrowing	61.6	86.0	82.2	67.8	35.5	333.1
3.2	Economic Development Borrowing	11.2	34.7	14.3	15.1	9.5	84.8
<b>122.4</b>	<b>Total Programme</b>	<b>131.6</b>	<b>200.2</b>	<b>159.3</b>	<b>122.8</b>	<b>81.4</b>	<b>695.3</b>

## **Section Nine: Robustness of Estimates, Adequacy of Reserves and the Management of Risk (Section 25 Statement)**

### **Introduction**

- 9.1 West Sussex County Council, along with the rest of Local Government and the wider Public Sector are operating in extremely challenging financial circumstances as set out in this report. The increased funding received over the last three years during Covid-19 has now ceased but the financial and demand challenges remain.
- 9.2 The lack of new Government funding in 2024/25 to recognise the growing pressures of the County Council and uncertainty regarding future funding makes a robust and evidenced assessment of financial governance and future resilience critical.
- 9.3 The Local Government Act 2003 (Section 25) requires that the Chief Finance Officer reports the following matters to members when agreeing its annual budget and precept:
- The robustness of the estimates made for the purposes of the budget calculations, and
  - The adequacy of the proposed financial reserves.
- 9.4 For Members, the Section 25 statement provides critical context for budgetary discussions. Members should have regard to the report when making decisions in setting the Council's budget. The provision of this information is a legal requirement and ensures that all Members have regard to the professional advice provided by the authority's Chief Finance Officer when final budget decisions are being made.

### **CIPFA Financial Management Code**

- 9.5 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). There will always be scope for continuous improvement and progress against actions in 2023/24 and proposed actions for 2024/25 was reported to the Regulation, Audit and Accounts Committee as part of the Annual Governance Statement in December 2023.

### **2023/24 Finance Position**

- 9.6 The current year has been particularly challenging. Despite setting a robust and balanced budget in February 2023, significant financial pressures emerged in year in relation to children's social care placements and home to school transport. Full details are in the Quarter 2 Performance and Resources report and shows a forecast service



overspend of £17.4m. This can be mitigated partly through the use of contingency and mitigating actions across all services but some use of reserves may be required. The situation will be closely monitored for the remainder of the year. The Quarter 3 position will be reported to Cabinet in March 2024.

### 2024/25 Budget

- 9.7 All in year pressures in 2023/24 have been reviewed to consider any which are ongoing and therefore need to be considered as part of the 2024/25 budget setting process.
- 9.8 The Director of Finance and Support Services (s.151) has examined the assumptions used within the budget calculations and considered the associated risks which are set out in full in Section 5 and key financial risks summarised in the following table.

**Table 22: Risks and Mitigations**

Risk	Mitigation
Non-Delivery of Savings	Robust monitoring arrangements are in place to enable early mitigating action to be taken if savings are not deliverable as planned. Within Adult Services, a new governance process is in place through the improvement plan that will also monitor and track progress against previously approved and new savings. Progress on the delivery of all savings are reported quarterly through the Performance and Resources Report.
Increasing demand for social care – numbers, complexity of need and price of care / placements	Additional government funding for social care, the council tax precept and other Council resources have been used to provide more funding in both adult services and services for children and young people based on in year pressures and forecast future demand for 2024/25. A management action plan is in place to address the number of high cost children’s placements and use of unregistered placements. Progress will be monitored monthly to enable corrective action to take place as required.
Uncertainty of tax base - business rates and council tax	The increase in the Council Tax base has been lower than in previous years. In part this is due to increased reliance upon the Council Tax Support scheme operated by the boroughs and districts. This has led to an assumed reduction in resources of

Risk	Mitigation
	<p>£2.5m compared to that forecast in October. There is a risk this lower increase will remain in future years. The increase assumed for 2025/26 onwards has been reduced to 0.5%.</p> <p>In term of business rates, the de-coupling of the multiplier means it is difficult to forecast any growth in business rates income. Business rates for 2024/25 have been aligned to 2023/24 forecasts plus inflation but this remains a risk and for future years business rates income is assumed as baseline with no growth.</p> <p>Discussions with boroughs and districts who are accountable for the Collection Fund to continue to better understand drivers for future forecast.</p> <p>The Business Rates and Collection Fund Smoothing Reserve can be utilised to manage any fluctuations.</p>
<p>Delivery of a balanced budget beyond 2024/25</p>	<p>Longer term scenario planning has started to address the financial challenge from 2025/26 which is expected to be between £58m and £190m from 2025/26 to 2028/29.</p> <p>Full details will be set out in the updated Medium-Term Financial Strategy published in July 2024.</p>
<p>Overspend on significant capital projects</p>	<p>The Capital Strategy has been developed to ensure capital expenditure and investment decisions are in line with Council priorities and take account of value for money, deliverability and affordability.</p> <p>There are governance arrangements for decision making in place through the Capital and Assets Board (CAB). All capital schemes require a business case.</p> <p>The capital programme is reported quarterly to Executive Leadership Team and Cabinet.</p>
<p>Dedicated Schools Grant Deficit</p>	<p>The forecast deficit on the DSG by the end of March 2024 is £74m, increasing to</p>

Risk	Mitigation
	£154m by March 2025. The County Council is part of the Delivering Better Value Programme and is working with the DfE to identify mitigation and a deficit Management Plan was submitted in December 2023. Ongoing work will continue and lobbying to Government to identify a solution after March 2026 when the current statutory over-ride is expected to end.
IFRS9 (Pooled Funds) Deficit	The latest market value of the County Council's pooled investment funds is £7.8m at December 2023. In recognition of the statutory over-ride coming to an end in March 2025, an additional £5m has been transferred to the interest smoothing reserve to part fund any shortfall in fair value.

- 9.9 Financial Sustainability is a key risk on the Corporate risk register (CR22). The Director of Finance and Support Services is the owner of the risk and progress against actions and mitigations is reported quarterly to the Executive Leadership Team and the Regulation, Audit and Accounts Committee.

### **Adequacy of Reserves**

- 9.10 The County Council is required to maintain an adequate level of reserves to deal with future forecast or unexpected pressures. Sections 32 and 43 of the Local Government Finance Act 1992 require authorities to have regard to the level of reserves to meet estimated future spend when calculating the budget requirement.
- 9.11 The appropriate level of reserves needs to be considered alongside an assessment of the Council's risk and includes an assessment of the robustness of savings plans, levels of uncertainty in demand and price of services, policy changes and wider national economic and political factors. The level of reserves is reviewed as part of the budget setting process and monitored as part of the quarterly reporting process to senior managers and Members, as well as being reviewed as part of the closure of accounts.
- 9.12 Full details of current reserve balances is set out in Section 5 and **Appendix 5** and forecast use over the next five years is within Section 6.

### **CIPFA Resilience Index**

- 9.13 CIPFA has now released the data for 2022/23 for its financial resilience index. It includes a range of indicators but three are considered

particularly relevant – reserves, social care ratio and levels of debt and interest payable.

9.14 The 2023 index represents a slight decline in the resilience of the County Council as measured through three key indicators on reserves but continues to show that the County Council has good financial resilience in terms of a reasonable level of overall reserves (earmarked and general reserves). The percentage of net spend of social care has remained static and there has been a reduction in debt interest payments – demonstrating an improvement in financial resilience.

9.15 On the basis of the risks and issues set out in this report and in **Table 22**, in my opinion as Director of Finance and Support Services (s.151), the budget should be submitted to County Council for approval on the basis that:

- a) Known risks have been considered and mitigations identified where appropriate.
- b) The estimates are robust for the calculation of the budget within the confines of the many risks noted throughout this report.
- c) Known spending pressures of **£54.1m** have been built into service budgets based on the latest estimates and information on future demand but recognising the uncertainty and risk, the budget includes a social care contingency of £10m and other corporate contingency of £12m.
- d) The level of Council general earmarked reserves for managing risks and uncertainties is **£67.9m** at the end of March 2024 and the five year forecast is set out in Section 6. The use of the Budget Management Reserve for one-off spending pressures of £3.0m and the £3.6m for balancing the budget for 2024/25 will be replenished over the five-year medium term to ensure reserves remain at a prudent level.
- e) The recommended level of general balances for 2024/25 is £36m, which represents 5% of Net Revenue Expenditure. The level of the General Fund reserve held is felt to be prudent recognising the balance of other earmarked reserves that are held to mitigate specific risks.
- f) The Council embeds good practice in developing budget reductions and the £15.7m of reductions for 2024/25 are considered achievable and deliverable. The quarterly Performance and Resources Report will monitor and track progress to ensure budget reductions are achieved or alternative mitigations are identified.
- g) The County Council has started work to move towards longer term financial sustainability by developing longer term financial planning. An update will be provided in the next update of the Medium-Term Financial Strategy published in July 2024.

## Conclusion

9.16 The Director of Finance and Support Services (s151) 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 £36m.
- The County Council has arrangements to fulfil its statutory duties particularly the needs of vulnerable young people and adults. Proposals have been drawn up on the basis that Service Directors are confident they can continue to meet their statutory duties and the needs of the most vulnerable living in the County.

## Section Ten: Precept and Council Tax

10.1 The 2024/25 Council Tax base is **349,968.28** Band D equivalents and is set out across the district and borough councils in **Table 23** below. The table also shows the sums due under precepts from the respective authorities.

**Table 23 – Tax Base and Precept 2024/25\***

District/ Borough Council	2023/24 Tax base	2024/25 Tax base	Precept £	Increase/ decrease (%)
Adur	21,937.30	22,409.90	38,431,858.01	2.15
Arun	64,159.00	64,550.00	110,700,022.50	0.61
Chichester	56,330.10	56,163.00	96,316,736.85	(0.30)
Crawley	35,952.70	36,636.97	62,830,571.70	1.90
Horsham	64,792.00	65,173.20	111,768,779.34	0.59
Mid Sussex	64,664.10	65,704.50	112,679,932.28	1.61
Worthing	39,364.63	39,330.71	67,450,201.11	(0.09)
<b>Total</b>	<b>347,199.83</b>	<b>349,968.28</b>	<b>£600,178,101.79</b>	<b>0.80%</b>

\* Provisional

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 **£600.178m** and a Band D Council Tax level of **£1,714.95**.

- 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 Finance 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 £15.7m of savings and £3.6m one off use of reserves. 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 2024/25 the Council faces 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.

**Paul Marshall**

Leader

**Jeremy Hunt**

Cabinet Member for Finance and Property

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**Background papers**

None

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**APPENDIX 1**

**SUMMARY OF REVENUE BUDGET AND PRECEPT 2024/25**

Total Net Expenditure 2023/24		SERVICE	Total Net Expenditure 2024/25	
Amount	Amount per Council Taxpayer (Band D equivalent)		Amount	Amount per Council Taxpayer (Band D equivalent)
£000	£		£000	£
242,653	698.89	Adults Services	263,645	753.34
182,889	526.75	Children and Young People, Learning and Skills	220,205	629.21
47,768	137.58	Community Support, Fire and Rescue	51,905	148.31
73,867	212.75	Environment and Climate Change	80,392	229.71
28,058	80.81	Finance and Property	33,133	94.67
47,345	136.36	Highways and Transport	47,250	135.01
3,016	8.69	Leader	2,940	8.40
0	0.00	Public Health and Wellbeing	0	0.00
41,170	118.58	Support Services and Economic Development	33,500	95.72
<b>666,766</b>	<b>1,920.41</b>	<b>SERVICE TOTALS</b>	<b>732,970</b>	<b>2,094.39</b>
30,449	87.70	Capital Financing Costs	31,243	89.27
532	1.53	Revenue Contribution to Capital Outlay - Funded by County Council	0	0.00
590	1.70	Revenue Contribution to Capital Outlay - Funded by Reserves Held for Other Bodies or With Shared Responsibility	3,560	10.17
-6,962	-20.05	Investment Income	-10,962	-31.32
13,008	37.47	General Contingency	12,000	34.29
0	0.00	Contingency for Social Care	10,000	28.57
5,000	14.40	Additional Investment into Highways, Roads, Skills and Economic Development	0	0.00
10	0.03	Transfers to/from (-) Earmarked Reserves - County Council Service Transfers	-5,881	-16.80
0	0.00	Transfers to/from (-) Earmarked Reserves - County Council Contribution to Services	-11,968	-34.20
-590	-1.70	Transfers to/from (-) Earmarked Reserves - Held for Other Bodies or With Shared Responsibility	440	1.26
<b>42,037</b>	<b>121.08</b>	<b>NON-SERVICE TOTALS</b>	<b>28,432</b>	<b>81.24</b>
<b>708,803</b>	<b>2,041.49</b>	<b>NET EXPENDITURE</b>	<b>761,402</b>	<b>2,175.63</b>
-97,084	-279.62	Business Rates Retention Scheme	-109,994	-314.29
-1,200	-3.46	New Homes Bonus Grant	-1,266	-3.62
-42,138	-121.37	Social Care Support Grant	-49,460	-141.33
-3,079	-8.87	Services Grant	-504	-1.44
1,818	5.24	Collection Fund Surplus (-) / Deficit	0	0.00
<b>567,120</b>	<b>1,633.41</b>	<b>PRECEPT</b>	<b>600,178</b>	<b>1,714.95</b>
	<b>4.99%</b>	Increase in Council Tax Band D on Previous Year		<b>4.99%</b>
<b>347,199.83</b>		Council Tax Band D Equivalents	<b>349,968.28</b>	

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**APPENDIX 2  
ANALYSIS OF CHANGES**

<b>PORTFOLIO</b>	<b>Budget 2023/24 column 1 £000</b>	<b>Pay and Prices column 2 £000</b>	<b>Committed and Service Changes column 3 £000</b>	<b>Balancing the Budget (Appendix 3) column 4 £000</b>	<b>Total Change in Spending (col 2+3+4) <sup>1</sup> column 5 £000</b>	<b>Transfers between Portfolios column 6 £000</b>	<b>Overall Change in Spending (col 5+6) column 7 £000</b>	<b>Budget 2024/25 (col 1+7) column 8 £000</b>
Adults Services	242,653	7,896	15,677	-2,359	21,214	-222	20,992	263,645
Children and Young People, Learning and Skills	182,889	9,059	30,577	-6,622	33,014	4,302	37,316	220,205
Community Support, Fire and Rescue	47,768	2,300	2,325	-575	4,050	87	4,137	51,905
Environment and Climate Change	73,867	4,936	2,950	-1,470	6,416	109	6,525	80,392
Finance and Property	28,058	1,475	3,544	-640	4,379	696	5,075	33,133
Highways and Transport	47,345	1,060	1,221	-2,550	-269	174	-95	47,250
Leader	3,016	84	-33	0	51	-127	-76	2,940
Public Health and Wellbeing	0	0	0	0	0	0	0	0
Support Services and Economic Development	41,170	1,018	-2,189	-1,480	-2,651	-5,019	-7,670	33,500
<b>SERVICE TOTALS</b>	<b>666,766</b>	<b>27,828</b>	<b>54,072</b>	<b>-15,696</b>	<b>66,204</b>	<b>0</b>	<b>66,204</b>	<b>732,970</b>
Capital Financing Costs	30,449	0	794	0	794	0	794	31,243
Revenue Contribution to Capital Outlay - Funded by County Council	532	0	-532	0	-532	0	-532	0
Revenue Contribution to Capital Outlay - Funded by Reserves Held for Other Bodies or With Shared Responsibility	590	0	2,970	0	2,970	0	2,970	3,560
Investment Income	-6,962	0	-4,000	0	-4,000	0	-4,000	-10,962
General Contingency	13,008	0	-1,008	0	-1,008	0	-1,008	12,000
Contingency for Social Care	0	0	10,000	0	10,000	0	10,000	10,000
Additional Investment into Highways, Roads, Skills and Economic Development	5,000	0	-5,000	0	-5,000	0	-5,000	0
Transfers to/from (-) Earmarked Reserves - County Council Service Transfers	10	0	-5,891	0	-5,891	0	-5,891	-5,881
Transfers to/from (-) Earmarked Reserves - County Council Contribution to Services	0	0	-11,968	0	-11,968	0	-11,968	-11,968
Transfers to/from (-) Earmarked Reserves - Held for Other Bodies or With Shared Responsibility	-590	0	1,030	0	1,030	0	1,030	440
<b>NON-SERVICE TOTALS</b>	<b>42,037</b>	<b>0</b>	<b>-13,605</b>	<b>0</b>	<b>-13,605</b>	<b>0</b>	<b>-13,605</b>	<b>28,432</b>
<b>NET EXPENDITURE</b>	<b>708,803</b>	<b>27,828</b>	<b>40,467</b>	<b>-15,696</b>	<b>52,599</b>	<b>0</b>	<b>52,599</b>	<b>761,402</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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Appendix 3 - Balancing the Budget

Cabinet Portfolio	Current Budget £'000	2024/25 £'000	2025/26 £'000	Total £'000	Type of saving	Description	Director and Service Area	Consultation/EQIA required?	Reason and proposed approach
<b>Adults Services</b>									
Review of funding to promote care as a career	170	170		170	Efficiency	Since 2018/19 the County Council has funded a small team to promote care as a career and to support the recruitment and retention of staff within the sector. The need to retain that capacity no longer exists because this work has been covered by other posts in the restructure of the adults commissioning functions. These include the impact of the National Living Wage and the fee uplifts paid by the County Council in recent years as well as promotional campaigns organised by others and the new Great Care Employer Scheme.	Director of Adults and Health Service area: Adults	no	The reduced funding will not have any EQIA implications to be considered given the rationale for the proposal.
Review of carer information, advice, assessment and support contract	3,220	322		322	Efficiency	The County Council has a contract with Carers Support West Sussex for carer support. A wide range of services are provided, including carer assessments, welfare/benefit services, a response line, counselling, health and wellbeing payments and equipment for independence. Some of these fulfil statutory responsibilities, others are discretionary. The contract ends on 31st March 2024 and is in the process of being reprocedured. The specification for the new service has changed to being outcome focussed and as a result an expectation that efficiency savings equivalent to 10% of its current value will be achieved. Although there will be a reduction in the cost of the contract, the flexibility allowed in the new contract will mean that West Sussex carers will remain supported.	Director of Adults and Health Service area: Adults	Some user consultation an EQIA needed.	Given the nature of the proposal and the proposed nature of the reduction there would be benefit in providing input from those using the service or drawing on feedback held. There would then need to be an understanding of the impact of any changes through a limited EQIA. May also have supplier impact requiring focused engagement before implementation.
Review of the Quality, Practice and Development team	1,100	100		100	Efficiency	The Quality, Practice and Development Team functions are being reviewed. It is expected that this will identify some efficiency options that will enable a small reduction in posts to be made and allow the team to continue to deliver priority work areas.	Director of Adults and Health Service area: Adults	Staff consultation may be required.	Staff consultation may be needed, as identified.
Review of commissioning contracts	subject to specific contracts	1,767	1,521	3,288	Efficiency and Service reduction	Work has been undertaken over the past few months that has identified efficiency savings in a range of contracts that are managed by adults social care. This is expected to deliver just over £3.2m in efficiencies to the council.	Director of Adults and Health Service area: Adults	Consultation and EQIA required.	If proposal leads to reduction or loss of service currently received or that which definable groups could reasonably expect to continue to be available there should be focused customer group and stakeholder consultation supported by EQIA.
Commissioning	3,800		520	520	Efficiency	The new commissioning staffing structure that commenced earlier this year had an additional budget allocation to recognise the additional work that needs to be undertaken as part of the delivery of the adult social care improvement programme. As the programme delivers the agreed improvements and efficiencies the work of the team can be reduced and the additional budget allocation reduced. A re-alignment of the work and the functions of the team will be undertaken during the next year.	Director of Adults and Health Service area: Adults	Consultation and EQIA not required.	Internal resource changes only - usual HR consultation arrangements will be used if required.
Community Savings	subject to the cohort under review		2,500	2,500	Efficiency	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 strengths-based approach and to take account of revised policy and practice guidance.	Director of Adults and Health Service area: Adults	As per the current process underway - EQIA applied.	The process of review will always be consultative as it will directly involve the customer. As it assesses needs there will always be an EQIA approach to such reviews. No additional obligations will apply.
<b>Sub-total</b>		<b>2,359</b>	<b>4,541</b>	<b>6,900</b>					
<b>Children and Young People, Learning and Skills</b>									
Family Safeguarding model	26,700 placements 18,100 staffing	1,140	1,820	2,960	Efficiency	The Family Safeguarding model will improve the main statutory provision of Children's Social Care. Through implementing this new social work model of practice, savings are expected to arise through a reduction in demand for statutory services (for children under 12 years of age coming into care on becoming subject to a child protection plan). This will result in reduced demand and a consequent reduction in the number of social work teams required which will provide a staffing savings of £240k in 2024/25 and £520k in 2025/26. The reductions in the number of children entering care are also expected to lead to savings against placement budgets for those under the age of 12 of £0.9m in 2024/25 and £1.3m in 2025/26.  There will be no adverse impact on the quality of service provided or outcomes for vulnerable children because the reduction in staffing will be matched by reduced levels of demand that the family safeguarding model is expected to deliver.	Director of Children, Young People and Learning Service area: Children's SC	Consultation not required EQIA for decision report only.	Proposal is to extend current policy and systems for service provision to reduce demand for most costly provision. No impact on service users. No likely equality impact.

Appendix 3 - Balancing the Budget

Cabinet Portfolio	Current Budget £'000	2024/25 £'000	2025/26 £'000	Total £'000	Type of saving	Description	Director and Service Area	Consultation/EQIA required?	Reason and proposed approach
Fostering redesign	20,600	630	760	1,390	Efficiency	<p>The Fostering Service improvement programme has delivered a service re-design that will provide efficiency savings. This is achieved through increasing the market share of the Council provided in-house foster placements and reducing the need for foster placements that are provided by external agencies at significantly higher cost. The new Fostering Service will also include dedicated specialist foster carer placements that will prevent the need for more children with complex needs to be placed in higher cost residential care. The new service also offers enhanced support for foster carers to prevent foster care break down which is both a better outcome for the child and prevents an additional expensive placement. Keeping children in foster care rather than residential care delivers better outcomes and is more cost effective.</p> <p>Key risks to achieving the savings include:                      1) Unable to recruit enough foster carers to support the changes. There is currently a national shortage, but this has been mitigated by the enhanced fostering offer, improved advertising, assessment and registration process that the new service provides.                      2) Other external factors, such as demand growth, will adversely impact on the market share of in-house carers. Mitigation of this risk is in place by providing more placements to meet the increased demand.                      3) Delays in the recruitment of the specialist resource may delay the delivery of the full reductions planned. This will be monitored by senior managers.</p>	Director of Children, Young People and Learning Service area: Children's SC	No consultation unless services to be lost or reduced. EQIA for decision report.	If no loss of service provision or legitimate expectation of continuing support/ funding at current levels then no EQIA required. Any changes which lead to loss or reduction of service/fee levels, should include consultation with relevant providers.
In-house residential phase 2 - High Trees, Teasel Close and Orchard House	5,800	42	127	169	Efficiency	<p>This initiative is Phase 2 of the Council's own In-house residential placement redesign which will refurbish High Trees Children's Home. This will result in increased capacity at High Trees from the current 4 to a planned 5 beds. Although this will require an additional staffing cost this will be more than compensated for by a net saving compared to the average cost of an external residential placement.</p> <p>The key risks are:                      1) Construction delays due to industry problems in recruiting available staff which will impact on the building works being completed in time scale. Managers are working closely with colleagues in facilities management to limit this impact.                      2) That the new capacity in the home does not meet the target occupancy of 85% across all 5 beds. However existing occupancy targets are being met and there is confidence that there is sufficient demand to utilise the additional bed.</p> <p>Orchard House continues to progress, including work to progress the Contact Centre, which has suffered some delay due to pressures on contractor from dealing with RAAC issues across the country. However even with this delay we are only expecting practical completion to be delayed by 2-3months (original completion planned for easter 2024 so now likely early summer 2024).</p> <p>Planning process still ongoing in Crawley regarding Teasel Close – delays due to complexities of water neutrality and carbon sustainability of the designs. Planning permission originally requested for Crawley properties back in Jul-22 – has caused significant delay to projects, but now appear to be progressing.</p>	Director of Children, Young People and Learning Service area: Children's SC	Consultation and EQIA not required.	No change to services received or adverse impact.
In-house residential phase 3	26,700		30	30	Efficiency	<p>This initiative is Phase 3 of the redesign of residential services and cost reductions are expected to arise through greater use of further in-house capacity and reducing the need for external placements. However, these changes will require capital investment.</p> <p>The key risks are the same as those for phase 2:                      1) Construction delays due to industry problems in recruiting available staff which will impact on the building works being completed in time scale. Managers are working closely with colleagues in facilities management to limit this impact.                      2) That the new capacity does not meet the target occupancy of 85%. However existing occupancy targets are being met and there is confidence that there is sufficient demand to utilise any additional beds.</p>	Director of Children, Young People and Learning Service area: Children's SC	Consultation and EQIA not required.	No change to services received or adverse impact.
Reduction in inspection team following positive Ofsted inspection	250		130	130	Efficiency	<p>As a result of the Ofsted ILACS outcome being announced in May 2023 which now judges Children's Services as 'requires improvement to be good', it is anticipated that the level of resources in the inspection team can be reduced from 2025/26. The programme of improvement has continued and will do so through 2024/25. It is anticipated that the service will be in a further improved position by 2025/26 and can therefore reduce the amount of resource required to meet regulatory demands of inspection readiness.</p> <p>Any reduction will be dependent on meeting performance standards so the main risks will be limited to not achieving the quality of service predicted. Performance management is strong within the service to mitigate this.</p>	Director of Children, Young People and Learning Service area: Children's Services	Consultation and EQIA not required.	Internal resource changes only - usual HR consultation arrangements will be used if required.
Review of Multi Agency Safeguarding Hub (MASH)	2,900	410	90	500	Efficiency	<p>The structure and the processes of the Integrated Front Door and Multi Agency Safeguarding Hub (MASH) has been reviewed during 2023/24. More effective management of thresholds and demand have meant that staffing costs can be reduced safely with no impact on the service quality or provision. This financial saving can be delivered during 2024/25 (£410,000) as outlined in the MTFs that was agreed in February 2023. A further review is planned for next year to consider a potential further staffing cost reduction in 2025/26 which is expected to deliver an additional £90,000 saving.</p>	Director of Children, Young People and Learning Service area: Children's SC	Consultation and EQIA not required. Assumed partnership engagement is planned.	Proposal is structural, organisational and internal to service. It will require partner engagement as MASH is multi-agency but no direct impact on current or future service users.

Appendix 3 - Balancing the Budget

Cabinet Portfolio	Current Budget £'000	2024/25 £'000	2025/26 £'000	Total £'000	Type of saving	Description	Director and Service Area	Consultation/EQIA required?	Reason and proposed approach
Review of arrangements for children with complex needs	2,000	300		300	Efficiency	A review of arrangements for supporting children with complex emotional and wellbeing needs has been undertaken to provide a more effective and efficient service and to remove duplication in our processes. This will result in a realignment of the work of the Emotional Wellbeing & Mental Health Team, Intensive Planning Team and Neurodevelopmental Pathway Service. Alongside the insourcing of the Child and Adolescent Multi-disciplinary Service and practice interface with Youth Emotional Support Service will provide a more effective service offer. These changes will be complimented by further reviews across the service to ensure they provide the best outcomes to our children and young people.  All key risks have been addressed and mitigated within the aforementioned individual service reviews and where applicable the appropriate consultation processes.	Director of Children, Young People and Learning Service area: Children's SC	Consultation with service groups and stakeholders, EQIA required.	Any proposal to alter current and established service provision and reasonable expectations that they will carry on will require consultation with those affected and other stakeholders involved in service provision. Protected characteristics groups likely to be affected.
Improved use of kinship placements	11,300	2,000		2,000	Efficiency	The placement recovery plan has been implemented to address a reduction in the number of kinship placements which provide a better outcome for children and prevent the need for other types of care placement. The expansion in the number of kinship placements will specifically help to reduce the number and proportion of agency residential placements for looked after children. This initiative will also help to reduce the number of Independent Fostering Agency (IFA) placements by supporting more children to be placed through Kinship arrangements. The plans will increase the number of Kinship placements from the current 79 to 126. Each placement attracts an average weekly saving on the placements budget of £820 whilst also an improved outcome for the young person.  The main risk is related to ensuring families can provide the increased numbers in kinship placements. This is mitigated by the improvements in the fostering service to provide more timely assessments and effective support arrangements to the carers.	Director of Children, Young People and Learning Service area: Children's SC, Fostering & CLA	No consultation required but consider focus on current users to help develop the proposal. EQIA for decision only.	No loss of current service, amenity or legitimate expectation. Need to ensure proposals equitable in terms of those with protected characteristics. May wish to consider consulting current kinship carers to help inform details of proposals.
Second Local House Project in the Coastal region	22,400	1,000		1,000	Efficiency	The Council has already successfully adopted and implemented a Local House Project in the Crawley area which has been extremely successful. This is a scheme which helps to provide young people leaving care with a safe home, support to live independently and teaches them life skills such as cooking and money management. This proposal sees the implementation of a second Local House Project in the Coastal region, in response to the demand for this type of service in that area of the county.  The proposal duplicates the first House project, and a successful implementation will result in fewer residential placements being required. The reductions and efficiency savings are based on supporting 12 young people through the project.  The main risk is related to the mobilisation of the property, but work is underway with colleagues in facilities management to mitigate this and the service is confident that the expansion of the project will go ahead as planned.	Director of Children, Young People and Learning Service area: Children's SC	Consultation and EQIA required focused on service users/stakeholders.	Likely to be limited to those affected where service provision will change living arrangements or service levels. EQIA to ensure equitable and fair proposals.
Improved joint working with Health	600 income	250		250	Income Generation	Improved joint working with Health in relation to Continuing Health Care packages is expected to reduce the costs on supporting children with eligible health needs.  Low risk as the work is already underway and agreements being developed with Health partners.	Director of Children, Young People and Learning Service area: Children's SC and SEND	Consultation and EQIA not required.	No planned changes for service users or removal or reduction in expected service levels. Need to review likely scope of impact of changes arising from the dialogue with Health to see if consultation or EQIA suggested.
Historic teacher pension payments	1,200	50	50	100	Efficiency	The number of historic teacher pension payments funded through the General Fund has been in decline over the last three years. The level of decline seen over this time is expected to continue and as a result, the budget set aside can be reduced. Low risk.	Director of Children, Young People and Learning Service area: Education	Consultation and EQIA not required.	Engagement with affected individuals and representative groups and related EQIA already undertaken through development of proposals.
Review of Home to School Transport	25,300	800		800	Efficiency	There are a range of initiatives which are being progressed which are expected to reduce the cost to the Council of providing home to school transport. This includes the increasing take up of independent travel training; review of single occupancy transport; pick up points; more efficient routes; increasing take-up of personal transport budgets; and income generation through greater use of the fleet during 'off peak' periods.  Risks are related to the take up of the options and the plans are being progressed with a view to mitigate these.	Director of Place Services and Director of Children, Young People and Learning Service area: Highways and Transport	Consultation and EQIA required.	The proposal will mean changes to established service provision and loss of amenity. Likely to affect protected characteristic groups specifically. Focused consultation on service users/families/ schools and stakeholders advised.
<b>Sub-total</b>		<b>6,622</b>	<b>3,007</b>	<b>9,629</b>					
<b>Community Support, Fire and Rescue</b>									
Prevention and Protection - Review of risk reduction areas	3,078	150		150	Efficiency	Review to look at efficiencies between the two service areas.	Chief Fire Officer Service area: Fire and Rescue Service	EQIA needed. No consultation required.	This is an operational review of procedures and their application. If there is likely to be an impact on the scope and impact on residents or customers any changes will need to be considered against EQIA guidance.

Appendix 3 - Balancing the Budget

Cabinet Portfolio	Current Budget £'000	2024/25 £'000	2025/26 £'000	Total £'000	Type of saving	Description	Director and Service Area	Consultation/EQIA required?	Reason and proposed approach
Record office - opening hours	853	100		100	Efficiency	Following a review of visitor numbers to the Record Office since its full re-opening after the pandemic, there is scope to reduce opening times to better reflect the use of the in-person services provided, by removing Saturday openings.	Director of Place Services Service area: Libraries and Archives	Consultation required with current service users.	Suggests loss of or reduction in current service levels. Not likely to affect large numbers. Engagement with current service users or groups as part of remodelled service.
Staffing, training and equipment	36,760	175		175	Efficiency	The service will review their structure and operational design to identify efficiencies and streamlining opportunities whilst minimising impact on services supported. This is expected to result in the deletion of vacant posts or other posts no longer required as a result of improved processes. All changes will be subject to full consultation in line with the Council's HR processes.	Chief Fire Officer Service area: Fire and Rescue Service	May require staff consultation as HR advise. No EQIA	Impact is staff related only.
Fire and Rescue - Additional income from Horsham Training Centre	N/A	150		150	Income generation	The new fire and rescue service training centre in Horsham can be utilised to generate income by providing external training opportunities for neighbouring services and across the country. A syllabus and prospectus is being prepared and marketing opportunities will be developed.  The key risks are: 1) Demand for the new facilities is lower than expected as training requirements for other FRS may be more than available capacity, work is ongoing to look at a more flexible offer to support other services around their existing arrangements. 2) Capacity if not sufficient to meet the demand of external requirements - work is being undertaken in the planning of training and use of the facilities to understand the capacity available so that this is maximised. 3) Costs incurred cannot be fully covered - there is a known level of fixed and variable cost outlaid to enable the commercial use of the facility. This has been considered and factored into the cost of hire to ensure this is understood.	Chief Fire Officer Service area: Fire and Rescue Service	Consultation and EQIA not required.	No impact on service users or residents.
<b>Sub-total</b>		<b>575</b>	<b>0</b>	<b>575</b>					
<b>Environment and Climate Change</b>									
Introduction of booking system extension to all Waste & Recycling Sites across the County	23,100	200		200	Efficiency	Since April 2021 a booking system has been in use at six Recycling Centres in West Sussex - Bognor Regis, Crawley, Horsham, Littlehampton, Shoreham and Worthing. Residents are able to book up to five visits per month up to 14 days in advance, same day bookings are also offered which means a booking can be made the same day and in most cases 10-20 minutes before arrival. The service has proved popular with residents with over 1.5m bookings being made and customers enjoy not having to queue at sites. This proposal is to expand the booking system to all West Sussex Recycling Centres so that Billingshurst, Burgess Hill, East Grinstead, Midhurst and Westhampnett would also be part of the scheme. This will mean less overall visits and a reduction in the overall tonnage which the County Council has to pay to dispose of through these sites. A recent review has shown that booking systems do not lead to increased fly tipping.  There are two risks to highlight with this proposal: 1) The booking system is not available because the third party website is down - the system has been available for 99.99% of the time since being live and therefore this risk is considered very small. If a serious issue did exist, the booking scheme could be suspended whilst the issue was resolved. 2) Resident arrives without a booking - same day bookings are available.	Director of Place Services Service area: Waste	Consultation and EQIA already undertaken	Changes to the service levels already implemented following public consultation and EQIA. This extension can use feedback from previous engagement.
Refuse-derived Fuel Contract Retender	48,552	1,000		1,000	Efficiency	Renew contract with an extended contract term and provisions to provide loose RDF in addition to the current baled solution.	Director of Place Services Service area: Waste	No requirement for EQIA or consultation.	Contractual matter.
Implementation of Smarter Working Arrangements	3,306	220		220	Efficiency	Reduced estate running costs as a result of the move to hybrid working post pandemic.	Director of Place Services Service area: Energy	Staff consultation may be required but mainly completed. No EQIA required	Most activity has fully engaged staff already.
Solar Panel and Battery Project	2,700	50	200	250	Income generation	The County Council has been delivering energy, carbon and financial benefits from solar PV for over 10 years. The County Council is currently procuring a new provider for the Solar PV & Battery Storage Programme which will deliver new solar PV & Battery Storage installations to schools and academies across West Sussex. The County Council has undertaken market testing to develop this offer to schools and academies, liaising with a range of partners and Government bodies to ensure the business model is robust, sustainable and replicable. The proposal is to apply the Solar PV & Battery Storage model in a more commercial setting across the county and support 3rd party businesses to decarbonise their energy supply by hosting solar panel installations resulting in increase income.	Director of Place Services Service area: Energy	Consultation and EQIA not required.	No impact on service users or residents.
<b>Sub-total</b>		<b>1,470</b>	<b>200</b>	<b>1,670</b>					
<b>Finance and Property</b>									
Review of operational estate - Early Help	4,300	100		100	Income generation/Efficiency	In 2021, a decision was taken to close 41 Children and Family Centres and youth centres. This resulted in opportunities for income generation, lease handbacks, savings on operational costs, community asset transfers or disposal resulting in savings on business rates and rents. This will be the final savings to be achieved and all 41 properties have now been resolved.  The risk associated with this proposal is outcomes are delayed by the completion of legal agreements.	Director of Place Services Service area: Property and Assets	Consultation and EQIA not required.	Planned use of capital assets following earlier decisions. No impact on residents.



Appendix 3 - Balancing the Budget

Cabinet Portfolio	Current Budget £'000	2024/25 £'000	2025/26 £'000	Total £'000	Type of saving	Description	Director and Service Area	Consultation/EQIA required?	Reason and proposed approach
Review of operational estate - Corporate Estate	4,300	240		240	Income generation/Efficiency	Vacant properties provide opportunities for new income generation, lease handbacks, savings on operational costs, community asset transfers or disposal resulting in savings on business rates and rents. Disposal of properties declared surplus to operational requirements, resulting in a capital receipt. This will reduce the costs for operational estate spend, such as business rates and utility bills and result in increased rental income.  There are two risks associated with this proposal: 1) Services bring forward business cases to reoccupy vacant properties which may be the best use of the building but will negate these planned savings. 2) Properties are not vacated on time and therefore delaying savings or income generating opportunities.	Director of Place Services Service area: Property and Assets	Consultation and EQIA not required.	Planned use of capital assets following earlier decisions. No impact on residents.
Review of support services	5,801	300		300	Efficiency	A number of support services are subject to review on their structure and operational design to identify efficiencies and streamlining opportunities whilst minimising impact on services supported. This is expected to result in some staff reductions across such services through the deletion of vacant posts or other posts no longer required as a result of improved processes. All changes will be subject to full consultation in line with the Council's HR processes.	Director of Finance and Support Services Service area: Finance and Support Services	Staff consultation but no EQIA.	Staff consultation needed in specific areas as advised by HR. No impact on residents or outside the Council. There will be some member engagement as appropriate.
<b>Sub-total</b>		<b>640</b>	<b>0</b>	<b>640</b>					
<b>Highways and Transport</b>									
Increased Street Works Enforcement	4,900	300	300	600	Income generation	The County Council can impose fixed penalties on utility companies and other organisations for non compliance of rules relating to working on highways. Additional resource will be allocated to increase monitoring and additional income is anticipated.	Director of Place Services Service area: Highways and Transport	Consultation and EQIA not required.	The proposal is a method of income generation which looks unlikely to impact on services that residents receive.
Potential new parking restrictions (CPZs)	4,200	50	50	100	Efficiency	The County Council can introduce parking restrictions on the highway network. This proposal would increase the length of road managed through a controlled parking zone. Additional income raised will be used to support traffic management and transport budgets. The location of these new zones will be subject to full consultation with local members, residents and businesses.	Director of Place Services Service area: Highways and Transport	Consultation and EQIA required focused on groups or areas directly affected.	It will have direct impact on identifiable groups/residents within a defined area. Suggests need to consult those likely to be affected and any relevant stakeholders. May also have more impact for some protected characteristic groups.
Street Lighting LED conversion	9,400	200	300	500	Efficiency	The Street Lighting LED Conversion Programme and Remote Monitoring System Programme will change all street lights to LED lanterns which will deliver the following benefits: 1) reduction in energy consumption 2) reduction in frequency of maintenance visits and traffic management 3) reduction in upward light emissions from improved design supporting dark sky policy 4) reduction in carbon emissions in line with the County Council's Climate Change Strategy. There remains a risk around securing legal agreement with all parties to the Deed of Variation.	Director of Place Services Service area: Highways and Transport	Consultation and EQIA not required.	No impact on residents.
Reduction in the budget for removal of Ash trees	1,600	900		900	Use of Reserves	An annual budget for the removal of Ash trees was put in place in 2021/22 together with a reserve of £1.2m. A stable programme is in place and can now be partly funded through the reserve that remains until 2026/27 and therefore the base budget can be reduced over the next two years.  The budget and the use of the reserve will be reviewed annually to ensure there is sufficient funding to meet the need for the number of trees to be removed.	Director of Place Services Service area: Environment	Consultation and EQIA not required.	No impact on residents.
Increase in parking fees and charges	4,200	100	100	200	Efficiency	Additional income raised through raised fees will be used to support traffic management and transport budgets.	Director of Place Services Service area: Highways and Transport	No EQIA required for decision report.	Fee increases are planned, expected and standard as part of this type of service. Provided increases reasonable and within expected range should be no need for consultation.
Reduction in the demand for concessionary fares travel	11,200	1,000		1,000	Efficiency	Bus companies are currently reimbursed for journeys made under the English National Concessionary Travel Scheme based on pre-Covid patronage. This is in line with DfT guidance. The current underspend at the end of 2022/23 is expected to continue with reduced journey numbers remaining and therefore the budget can be reduced with no impact on those using buses across the County.  If bus patronage increases in the future, the County Council would need to fund and this would be considered as part of future budget setting processes.	Director of Place Services Service area: Highways and Transport	Consultation and EQIA not required, review need to engage with suppliers.	No impact on service users or legitimate expectations. Budget changes reflect reduced service use. May require stakeholder engagement if changes have impact on supplier arrangements or funding.
<b>Sub-total</b>		<b>2,550</b>	<b>750</b>	<b>3,300</b>					
<b>Support Services and Economic Development</b>									
Review of support services	3,113	680	80	760	Efficiency	A number of support services are subject to review on their structure and operational design to identify efficiencies and streamlining opportunities whilst minimising impact on services supported. This is expected to result in some staff reductions across such services through the deletion of vacant posts or other posts no longer required as a result of improved processes. All changes will be subject to full consultation in line with the Council's HR processes.	Director of Law and Assurance and Chief Executives Office Service area: General staffing	Consultation and EQIA not required.	Staff consultation needed in specific areas as advised by HR. No impact on residents or outside the Council. There will be some member engagement as appropriate.

Appendix 3 - Balancing the Budget

Cabinet Portfolio	Current Budget £'000	2024/25 £'000	2025/26 £'000	Total £'000	Type of saving	Description	Director and Service Area	Consultation/EQIA required?	Reason and proposed approach
IT services – following transfer from Capita	500	500		500	Efficiency	In 2021, the IT service was transferred from Capita. At the time, budget was set aside for any changes required. The transfer of staff is now complete and the remaining budget can now be released as a saving. Any future changes in requirements that may arise from the implementation of the Council's IT and digital strategies will be considered as part of future budget setting processes.	Director of Finance and Support Services Service area: Finance and Support Services	Consultation and EQIA not required.	No impact on residents.
SSO (Support Services Outsource) contract – following transfer from Capita	300	300		300	Efficiency	In October 2022, the final services were insourced from Capita into the County Council when the SSO contract ended. This process is now complete and therefore the remaining budget provision set aside for the insourcing of all services included in the 2022/23 budget can be released now as a saving.	Director of Finance and Support Services Service area: Finance and Support Services	Consultation and EQIA not required.	No impact on residents.
<b>Sub-total</b>		<b>1,480</b>	<b>80</b>	<b>1,560</b>					
<b>Overall total</b>		<b>15,696</b>	<b>8,578</b>	<b>24,274</b>					

Portfolio Summary	2024/25 £'000	2025/25 £'000	Total £'000
Adults Services	2,359	4,541	6,900
Children and Young People, Learning and Skills	6,622	3,007	9,629
Community Support, Fire and Rescue	575	0	575
Environment and Climate Change	1,470	200	1,670
Finance and Property	640	0	640
Highways and Transport	2,550	750	3,300
Support Services and Economic Development	1,480	80	1,560
<b>Total</b>	<b>15,696</b>	<b>8,578</b>	<b>24,274</b>

**APPENDIX 4**  
**GRANTS TOWARDS SPECIFIC SERVICES**

Specific Government Grants by Portfolio <sup>1</sup>	2023/24	2024/25	Change from	
	Budget	Budget	2023/24 Budget	
	£000	£000	£000	%
<b>Adults Services</b>				
Local Reform and Community Voices	158	157	-1	-0.6
Social Care in Prison	49	51	2	4.1
Domestic Abuse	1,500	1,500	0	0.0
Public Health	300	300	0	0.0
Improved Better Care Fund	20,512	20,612	100	0.5
Market Sustainability and Fair Cost of Care	7,700	14,453	6,753	87.7
Social Care Grant	4,309	4,309	0	0.0
Adult Social Care Discharge Fund	2,900	4,815	1,915	66.0
War Pensions Scheme Disregard	135	134	-1	-0.7
	<b>37,563</b>	<b>46,331</b>	<b>8,768</b>	<b>23.3</b>
<b>Children and Young People, Learning and Skills</b>				
Child Asylum Seekers	4,150	4,250	100	2.4
Adoption Support Fund	300	300	0	0.0
Asylum - Leaving Care	2,630	2,850	220	8.4
Public Health	12,565	12,850	285	2.3
Think Family	2,174	2,370	196	9.0
Staying Put	372	372	0	0.0
Youth Justice Good Practice	678	709	31	4.6
Reducing Parental Conflict Workforce Development	66	66	0	0.0
Leaving Care Allowance Uplift Implementation	0	179	179	N/A
Support for Care Leavers at Risk of Rough Sleeping	0	34	34	N/A
Implementation of Supported Accommodation Reforms	0	1,228	1,228	N/A
Turnaround Programme	0	171	171	N/A
Improved Better Care Fund	100	0	-100	-100.0
Teaching Partnership	70	0	-70	-100.0
Extending Personal Advisor Offer (Care Leavers)	144	144	0	0.0
Dedicated Schools	775,817	850,293	74,476	9.6
Mainstream Schools Additional Grant	19,367	0	-19,367	-100.0
16-19 Sixth Form	10,829	11,279	450	4.2
Pupil Premium	14,313	15,019	706	4.9
Crawley Schools PFI	4,532	4,532	0	0.0
Extended Rights to Free Travel	742	707	-35	-4.7
Higher Education Funding Council for England	82	82	0	0.0
PE & Sports	3,231	3,143	-88	-2.7
Universal Free School Meals	6,559	5,716	-843	-12.9
Skills Funding Agency	3,020	3,190	170	5.6
Moderation and Phonics Key Stage 2	27	27	0	0.0
Recovery Premium	820	764	-56	-6.8
School Led Tutoring	1,219	332	-887	-72.8
Virtual School Head Role Extension - Looked after Children	214	214	0	0.0
European Structural and Investment Fund Grant	141	0	-141	-100.0
Multiply - Adult Numeracy	1,287	1,287	0	0.0
Holiday Activities and Food Programme	1,746	1,746	0	0.0
Wraparound Childcare Programme	0	3,306	3,306	N/A
Teachers Pension Grant	0	411	411	N/A
National Professional Qualification	0	29	29	N/A
Early Career Framework Mentor Training	0	626	626	N/A
Teachers Pay Additional Grant	0	6,447	6,447	N/A
	<b>867,195</b>	<b>934,673</b>	<b>67,478</b>	<b>7.8</b>

## APPENDIX 4 GRANTS TOWARDS SPECIFIC SERVICES

Specific Government Grants by Portfolio <sup>1</sup>	2023/24	2024/25	Change from	
	Budget	Budget	2023/24 Budget	
	£000	£000	£000	%
<b>Community Support, Fire and Rescue</b>				
Public Health	832	832	0	0.0
Syrian Vulnerable Persons Resettlement Scheme	439	439	0	0.0
Afghan Relocations and Assistance Policy	132	132	0	0.0
Afghanistan Resettlement Grant	215	215	0	0.0
Ukraine Response	266	1,586	1,320	496.2
Fire Revenue	2,140	415	-1,725	-80.6
	<b>4,024</b>	<b>3,619</b>	<b>-405</b>	<b>-10.1</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	2,560	3,002	442	17.3
Electric Vehicle Infrastructure	0	256	256	N/A
Public Health	50	50	0	0.0
	<b>9,115</b>	<b>9,813</b>	<b>698</b>	<b>7.7</b>
<b>Public Health and Wellbeing</b>				
Supplemental Substance Misuse Treatment and Recovery:				
Housing Support	0	664	664	N/A
Public Health	21,161	21,105	-56	-0.3
Rough Sleeping Drug and Alcohol Treatment	640	0	-640	-100.0
Supplemental Substance Misuse Treatment and Recovery	0	1,403	1,403	N/A
Stop Smoking	0	1,076	1,076	N/A
Local Reform and Community Voices	316	316	0	0.0
	<b>22,117</b>	<b>24,564</b>	<b>2,447</b>	<b>11.1</b>
<b>Support Services and Economic Development</b>				
Public Health	1,336	4,093	2,757	206.4
	<b>1,336</b>	<b>4,093</b>	<b>2,757</b>	<b>206.4</b>
<b>TOTAL SPECIFIC GOVERNMENT GRANTS</b>	<b>943,622</b>	<b>1,025,365</b>	<b>81,743</b>	<b>8.7</b>

<sup>1</sup> Where final grant confirmations are outstanding, provisional 2023/24 allocations have been budgeted

Memo: Other Non-Service and Financing Grants	2023/24	2024/25	Change from	
	Budget	Budget	2023/24 Budget	
	£000	£000	£000	%
Business Rate Retention Scheme	97,084	109,994	12,910	13.3
New Homes Bonus Grant	1,200	1,266	66	5.5
Services Grant	3,079	504	-2,575	-83.6
Social Care Support Grant	42,138	49,460	7,322	17.4
<b>TOTAL OTHER NON-SERVICE AND FINANCING GRANTS</b>	<b>143,501</b>	<b>161,224</b>	<b>17,723</b>	<b>12.4</b>

## APPENDIX 5 RESERVES

The projected reserve balances at March 2025 in this table reflect the budgeted transfers to/from reserves as presented in Appendix 1 and the relevant portfolio budgets. Further reserve transactions may arise during 2024/25 subject to the approval of the Director of Finance and Support Services and will be reported via the Performance and Resources Report accordingly.

Reserve	Balance at 31 March 2023 £000	Projected Balance at 31 March 2024 £000	Projected Balance at 31 March 2025 £000	Description
<b>Reserves to Fund Contractual Commitments</b>				
Crawley Schools PFI	-267	-179	-179	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	-10,428	-10,264	-10,100	
Street Lighting PFI	-23,019	-23,050	-21,169	
Waste Materials Resource Management Contract	-22,597	-20,997	-16,997	An investment fund to meet the 25-year Materials Resource Management Contract (MRMC) with Biffa Waste Services Ltd for the treatment and disposal of waste, including the development of appropriate facilities.
<b>Total Reserves to Fund Contractual Commitments</b>	<b>-56,311</b>	<b>-54,490</b>	<b>-48,445</b>	
<b>Reserves to Fund Service Commitments</b>				
Ash Dieback	-1,200	-1,200	-800	Held to mitigate against budgetary pressures arising from the need to accelerate critical tree felling work. 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 Infrastructure	-312	0	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.
Contracts	-349	0	0	Provides for potential claims arising from the settlement of contractual arrangements.
Economic Growth	-1,792	-1,359	-1,359	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	-200	-400	-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.
Highways Commuted Sums	-8,366	-8,859	-7,323	This reserve holds contributions received from developers in respect of future maintenance costs of non-standard highways infrastructure.
Highways On-Street Parking	-1,342	-1,242	-1,242	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	-4,787	0	0	Created using the unspent element of the base contingency budget in 2021/22. Held to supplement the inflation allowance built into subsequent years' base budgets, in recognition of accelerating inflationary pressures and general economic uncertainty. In 2023/24, the reserve will be utilised to fund the pay award.
Infrastructure Works Feasibility	-2,041	-2,564	-2,564	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.
Investment Property Sinking Fund	-300	-400	-500	This reserve is held to meet one off expenses associated with the maintenance of the Council's commercial investment property portfolio.
Miscellaneous Service Carry Forwards	-730	-80	-80	Unspent budget in a year can be carried forward in exceptional cases and by agreement with the Director of Finance and Support Services. These miscellaneous carry forwards are individually immaterial and plans are in place for the monies to be spent in future years.

**APPENDIX 5  
RESERVES**

<b>Reserve</b>	<b>Balance at 31 March 2023 £000</b>	<b>Projected Balance at 31 March 2024 £000</b>	<b>Projected Balance at 31 March 2025 £000</b>	<b>Description</b>
One Public Estate	-222	-122	-122	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	-11,825	-5,286	-7,286	This reserve is held to meet the cost of major organisational change and service redesign. 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. Whilst no application is budgeted in 2024/25, the Council is facing a significant financial challenge over the medium term, and delivering cost reductions of this scale will require changes in the way services are delivered. £2m has been diverted from the Budget Management Reserve for this purpose.
Statutory Duties Reserve	-2,114	-1,694	-1,344	Holds funding to meet statutory obligations over and above that which the Authority has made provision for.
Street Works Permit Scheme	-376	-176	-176	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 Reserves to Fund Service Commitments</b>	<b>-35,956</b>	<b>-23,382</b>	<b>-23,196</b>	
<b>Reserves for Government Grants</b>				
Covid-19 Fund	-1,351	0	0	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.
Domestic Abuse	-2,775	-3,350	-3,350	Holds the unspent balance of grant monies received from central government to support the Authority in its duties to provide support to victims of domestic violence and their children under the Domestic Abuse Act 2021.
Unapplied Revenue Grants	-2,492	-467	-467	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>-6,618</b>	<b>-3,817</b>	<b>-3,817</b>	
<b>Reserves to Manage Risk and Uncertainty</b>				
Adult Social Care Reform Risk	-19,963	0	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 was re-purposed to manage the pressures and risks within social care as part of the 2023/24 budget.
Budget Management	-40,380	-42,429	-25,811	This reserve is held to guard against uncertainty and volatility over future Local Government Finance Settlements, as well as mitigation towards the risk of slippage and re-phasing of savings and unforeseen service pressures. Planned application of the reserve in 2024/25 includes £3m towards an additional investment into highways and roads, and a further £3m to meet one-off spending pressures. Additionally, £5m is being transferred into the Interest Smoothing Account and £2m into the Service Transformation Fund, and £3.6m is to be used to balance the budget.
Business Rates & Collection Fund Smoothing	-11,657	-16,311	-16,311	Held to manage short-term fluctuations in income from council tax and business rates which may vary as a result of factors outside of the Council's control, such as changes in the tax base, collection rates or economic conditions. The reserve may also be used to mitigate the outturn 2023/24 overspend, which was projected in the Q2 Performance and Resources Report to be £4.4m.
Insurance	-6,408	-5,000	-5,000	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.

**APPENDIX 5  
RESERVES**

<b>Reserve</b>	<b>Balance at 31 March 2023 £000</b>	<b>Projected Balance at 31 March 2024 £000</b>	<b>Projected Balance at 31 March 2025 £000</b>	<b>Description</b>
Interest Smoothing Account	-2,778	-2,778	-7,778	Held to meet temporary shortfalls arising from fluctuations in interest rates, such as a reduction in investment returns or increased costs of borrowing. £5m is to be transferred from the Budget Management Reserve in 2024/25 as contingency for realisable losses on pooled investment funds, with the statutory override due to expire in March 2025.
Schools Sickness & Maternity Insurance Scheme	-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 Pressures	-5,028	0	0	Reserve established as part of 2022/23 budget preparation to guard against volatile and uncertain demographic and market pressures and adults and children's social care. The balance was applied to offset overspending within the Children and Young People portfolio during 2023/24.
<b>Total Reserves to Manage Risk and Uncertainty</b>	<b>-87,617</b>	<b>-67,921</b>	<b>-56,303</b>	
<b>TOTAL EARMARKED RESERVES (COUNTY COUNCIL)</b>	<b>-186,502</b>	<b>-149,610</b>	<b>-131,761</b>	
<b>Reserves Held for Other Bodies or With Shared Responsibility</b>				
Business Rates Pilot Fund	-16,707	-16,632	-15,072	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.
Lane Rental Scheme	-1,153	-5,653	-7,653	The Lane Rental Scheme reserve holds the proceeds of charges raised to promoters of street and road works for the time their works occupy the highway network, pending application of those proceeds towards eligible highways network improvement schemes.
School Balances	-24,171	-23,487	-23,487	The School Balances reserve holds net underspending on locally managed school budgets.
<b>Total Reserves Held for Other Bodies or With Shared Responsibility</b>	<b>-42,031</b>	<b>-45,772</b>	<b>-46,212</b>	
<b>TOTAL EARMARKED RESERVES</b>	<b>-228,533</b>	<b>-195,382</b>	<b>-177,973</b>	
General Fund	-20,286	-36,286	-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 approximately 5% of gross expenditure which is considered to be a prudent level.
<b>Capital</b>				
Capital Receipts Reserve	-6,020	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	-21,346	0	0	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>-27,366</b>	<b>0</b>	<b>0</b>	
<b>TOTAL USABLE RESERVES</b>	<b>-276,185</b>	<b>-231,668</b>	<b>-214,259</b>	

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**APPENDIX 6**

**ADULTS SERVICES**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Older People</b>								
<i>Commissioned Costs</i>								
<b>17,538</b>	0	39,810	0	39,810	-15,989	0	0	<b>23,821</b>
<b>33,662</b>	0	91,776	0	91,776	-27,337	-199	-26,394	<b>37,846</b>
<b>755</b>	0	603	0	603	0	0	0	<b>603</b>
<b>22,067</b>	0	43,174	2,075	45,249	-12,876	-16,296	-4,001	<b>12,076</b>
<b>5,348</b>	0	0	7,414	7,414	-1,402	-63	-32	<b>5,917</b>
<i>Other Costs</i>								
<b>2,010</b>	13,313	0	-10,755	2,558	-52	0	0	<b>2,506</b>
<b>12,787</b>	23,532	0	-656	22,876	-38	-2,462	-6,398	<b>13,978</b>
<b>94,167</b>	36,845	175,363	-1,922	210,286	-57,694	-19,020	-36,825	<b>96,747</b>
<b>Physical and Sensory Impairment</b>								
<i>Commissioned Costs</i>								
<b>1,297</b>	0	2,080	0	2,080	-301	0	0	<b>1,779</b>
<b>5,066</b>	0	6,897	0	6,897	-581	0	0	<b>6,316</b>
<b>2,512</b>	0	3,534	0	3,534	-489	0	0	<b>3,045</b>
<b>5,100</b>	0	7,866	28	7,894	-859	0	0	<b>7,035</b>
<b>7,214</b>	0	0	9,848	9,848	-853	-34	-1,175	<b>7,786</b>
<b>672</b>	921	0	25	946	0	0	0	<b>946</b>
<b>21,861</b>	921	20,377	9,901	31,199	-3,083	-34	-1,175	<b>26,907</b>
<b>Learning Disabilities</b>								
<b>1,409</b>	0	2,399	0	2,399	-160	0	0	<b>2,239</b>
<b>46,816</b>	0	58,628	0	58,628	-3,635	0	0	<b>54,993</b>
<b>36,212</b>	0	54,439	0	54,439	-4,559	0	0	<b>49,880</b>
<b>7,234</b>	0	5,639	2,788	8,427	0	0	0	<b>8,427</b>
<b>9,497</b>	0	0	10,111	10,111	-1,150	0	0	<b>8,961</b>
<b>0</b>	0	0	160	160	0	0	0	<b>160</b>
<b>11,463</b>	0	0	11,884	11,884	0	0	0	<b>11,884</b>
<b>3,722</b>	0	1,844	0	1,844	0	0	0	<b>1,844</b>
<i>Other Costs</i>								
<b>3,899</b>	2,798	0	1,268	4,066	0	0	0	<b>4,066</b>
<b>0</b>	0	0	0	0	0	-160	-4,967	<b>-5,127</b>
<b>-23,472</b>	0	0	0	0	0	-26,425	0	<b>-26,425</b>
<b>96,780</b>	2,798	122,949	26,211	151,958	-9,504	-26,585	-4,967	<b>110,902</b>

**APPENDIX 6**

**ADULTS SERVICES**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Working Age Mental Health</b>								
<i>Commissioned Costs</i>								
<b>2,688</b>	0	2,760	0	2,760	-40	0	0	<b>2,720</b>
<b>11,165</b>	0	13,610	0	13,610	-400	0	0	<b>13,210</b>
<b>5,836</b>	0	10,050	30	10,080	-450	0	0	<b>9,630</b>
<b>0</b>	0	1,000	180	1,180	0	0	0	<b>1,180</b>
<b>1,926</b>	0	0	1,490	1,490	-100	0	0	<b>1,390</b>
<b>-21,615</b>	0	0	0	0	0	-28,130	0	<b>-28,130</b>
<i>Other Costs</i>								
<b>1,513</b>	3,964	16	267	4,247	0	-2,898	0	<b>1,349</b>
<b>10,373</b>	0	10,889	0	10,889	0	0	0	<b>10,889</b>
<b>11,886</b>	3,964	38,325	1,967	44,256	-990	-31,028	0	<b>12,238</b>
<b>Assistive Equipment and Technology</b>								
<b>0</b>	0	10,696	300	10,996	0	-10,996	0	<b>0</b>
<b>0</b>	4	1,211	1	1,216	0	-1,216	0	<b>0</b>
<b>0</b>	4	11,907	301	12,212	0	-12,212	0	<b>0</b>
<b>Universal Services</b>								
<b>0</b>	0	3,817	0	3,817	0	-3,817	0	<b>0</b>
<b>5,611</b>	7,256	0	151	7,407	0	0	-1,407	<b>6,000</b>
<b>0</b>	0	1,080	0	1,080	-1,080	0	0	<b>0</b>
<b>1,924</b>	0	4,923	-30	4,893	0	-4,893	0	<b>0</b>
<b>0</b>	0	0	427	427	0	-427	0	<b>0</b>
<b>7,535</b>	7,256	9,820	548	17,624	-1,080	-9,137	-1,407	<b>6,000</b>
<b>Other Responsibilities</b>								
<i>Independent Mental Capacity Act/</i>								
<b>1,718</b>	761	373	584	1,718	0	-157	-157	<b>1,404</b>
<b>105</b>	0	73	35	108	0	0	0	<b>108</b>
<b>2,498</b>	0	1,609	0	1,609	0	-376	0	<b>1,233</b>
<b>975</b>	1,616	0	46	1,662	0	-273	0	<b>1,389</b>
<b>3,991</b>	5,543	278	-494	5,327	0	-283	0	<b>5,044</b>
<b>291</b>	721	15	123	859	-162	0	0	<b>697</b>
<b>846</b>	1,552	356	1,308	3,216	0	-440	-1,800	<b>976</b>
<b>10,424</b>	10,193	2,704	1,602	14,499	-162	-1,529	-1,957	<b>10,851</b>
<b>242,653</b>	<b>61,981</b>	<b>381,445</b>	<b>38,608</b>	<b>482,034</b>	<b>-72,513</b>	<b>-99,545</b>	<b>-46,331</b>	<b>263,645</b>

<sup>1</sup> Internal recharging may result in negative running costs at an individual division of service level

**ADULTS SERVICES****CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £20.992m or 8.7%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		7,896	3.3
<b>Committed and Service Changes</b>			
Additional demand pressures 2024/25	8,100		
National Living Wage	10,177		
Existing demand pressures	4,117		
Funding from the Market Sustainability and Improvement Fund	<u>-6,717</u>		
		15,677	6.5
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-2,359	-1.0
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		<u>-222</u>	<u>-0.1</u>
<b>TOTAL CHANGE IN SPENDING</b>		<b><u>20,992</u></b>	<b><u>8.7</u></b>

**APPENDIX 6**

**CHILDREN AND YOUNG PEOPLE, LEARNING AND SKILLS**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Local Authority Funding</b>								
<b>Services for Children with Disabilities</b>								
<b>6,381</b>	5,910	212	587	6,709	0	0	0	<b>6,709</b>
<b>6,414</b>	0	6,760	0	6,760	0	0	0	<b>6,760</b>
<b>1,214</b>	0	1,125	130	1,255	0	0	0	<b>1,255</b>
<b>4,412</b>	0	5,644	0	5,644	0	0	0	<b>5,644</b>
<b>801</b>	0	1,707	331	2,038	0	-689	0	<b>1,349</b>
<b>3,414</b>	3,978	44	-164	3,858	0	-400	0	<b>3,458</b>
<b>22,636</b>	9,888	15,492	884	26,264	0	-1,089	0	<b>25,175</b>
<b>Services for Children without Disabilities</b>								
<b>8,879</b>	2,836	6,692	426	9,954	0	0	0	<b>9,954</b>
<b>36,198</b>	0	51,679	-354	51,325	0	0	0	<b>51,325</b>
<b>7,001</b>	0	7,541	318	7,859	0	0	-300	<b>7,559</b>
<b>944</b>	0	88	891	979	0	0	0	<b>979</b>
<b>1,262</b>	1,370	0	68	1,438	0	0	0	<b>1,438</b>
<b>20,798</b>	20,815	664	2,114	23,593	0	-1,060	-1,228	<b>21,305</b>
<b>75,082</b>	25,021	66,664	3,463	95,148	0	-1,060	-1,528	<b>92,560</b>
<b>Services for Asylum Seekers</b>								
<b>231</b>	0	320	0	320	0	0	0	<b>320</b>
<b>5,757</b>	0	6,249	0	6,249	0	0	0	<b>6,249</b>
<b>846</b>	0	12	805	817	0	0	0	<b>817</b>
<b>725</b>	742	0	23	765	0	0	0	<b>765</b>
<b>-6,780</b>	0	0	0	0	0	0	-7,100	<b>-7,100</b>
<b>779</b>	742	6,581	828	8,151	0	0	-7,100	<b>1,051</b>
<b>6,522</b>	2,249	4,896	1,635	8,780	0	0	-729	<b>8,051</b>
<b>21,243</b>	16,890	839	3,830	21,559	0	0	0	<b>21,559</b>
<b>Early Help &amp; Prevention</b>								
<b>7,084</b>	12,088	35	-195	11,928	0	0	-4,232	<b>7,696</b>
<b>0</b>	0	11,013	41	11,054	0	0	-11,054	<b>0</b>
<b>1,954</b>	711	1,418	62	2,191	0	-160	0	<b>2,031</b>
<b>9,038</b>	12,799	12,466	-92	25,173	0	-160	-15,286	<b>9,727</b>

**APPENDIX 6**

**CHILDREN AND YOUNG PEOPLE, LEARNING AND SKILLS**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Other Social Care Services</b>								
<b>953</b> Youth Offending Service	2,216	51	35	2,302	0	-389	-880	<b>1,033</b>
<b>1,295</b> Child & Adolescent Mental Health Services	1,071	117	331	1,519	0	-251	0	<b>1,268</b>
<b>2,248</b>	<b>3,287</b>	<b>168</b>	<b>366</b>	<b>3,821</b>	<b>0</b>	<b>-640</b>	<b>-880</b>	<b>2,301</b>
<b>Education and Skills</b>								
<b>7,599</b> Schools and Pupil Support	13,083	0	-98	12,985	0	-3,507	-241	<b>9,237</b>
<b>1,204</b> School Pensions	2,387	0	-916	1,471	0	0	-82	<b>1,389</b>
<b>-50</b> Adult Education	971	0	3,582	4,553	0	0	-4,527	<b>26</b>
<b>0</b> Holiday Activities and Food	164	0	1,582	1,746	0	0	-1,746	<b>0</b>
<b>0</b> Wraparound Childcare	45	3,261	0	3,306	0	0	-3,306	<b>0</b>
<b>-1,208</b> Overheads & Recharges	0	0	-1,134	-1,134	0	0	0	<b>-1,134</b>
<b>7,545</b>	<b>16,650</b>	<b>3,261</b>	<b>3,016</b>	<b>22,927</b>	<b>0</b>	<b>-3,507</b>	<b>-9,902</b>	<b>9,518</b>
<b>School Transport</b>								
<b>20,515</b> SEND Transport	1,597	239	26,038	27,874	0	-154	-707	<b>27,013</b>
<b>4,942</b> Mainstream and Post-16 Transport	25	0	6,244	6,269	-235	-25	0	<b>6,009</b>
<b>486</b> Staffing	112	0	370	482	0	0	0	<b>482</b>
<b>333</b> School Crossing Patrols	362	0	11	373	0	-1	0	<b>372</b>
<b>26,276</b>	<b>2,096</b>	<b>239</b>	<b>32,663</b>	<b>34,998</b>	<b>-235</b>	<b>-180</b>	<b>-707</b>	<b>33,876</b>
<b>Support to Schools</b>								
<b>29</b> School Catering	778	0	5,320	6,098	-147	-209	-5,716	<b>26</b>
<b>3,157</b> Crawley Private Finance Initiative (PFI)	62	0	10,120	10,182	0	-1,453	-4,532	<b>4,197</b>
<b>0</b> Pupil Premium (Children Looked After)	139	1,457	76	1,672	0	0	-1,672	<b>0</b>
<b>0</b> Government Grants to Schools	0	314	24,910	25,224	0	0	-25,224	<b>0</b>
<b>3,186</b>	<b>979</b>	<b>1,771</b>	<b>40,426</b>	<b>43,176</b>	<b>-147</b>	<b>-1,662</b>	<b>-37,144</b>	<b>4,223</b>
<b>Other Responsibilities</b>								
<b>5,588</b> Safeguarding, Quality and Practice	5,716	146	208	6,070	0	-226	0	<b>5,844</b>
<b>5,227</b> Management & Business Support	8,825	0	-24	8,801	0	0	0	<b>8,801</b>
<b>10,815</b>	<b>14,541</b>	<b>146</b>	<b>184</b>	<b>14,871</b>	<b>0</b>	<b>-226</b>	<b>0</b>	<b>14,645</b>
<b>185,370</b> Local Authority Funding	<b>105,142</b>	<b>112,523</b>	<b>87,203</b>	<b>304,868</b>	<b>-382</b>	<b>-8,524</b>	<b>-73,276</b>	<b>222,686</b>

**APPENDIX 6**

**CHILDREN AND YOUNG PEOPLE, LEARNING AND SKILLS**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Dedicated Schools Grant Funding</b>								
<b>Mainstream Schools</b>								
<b>609,598</b>	0	627,763	9,436	637,199	0	0	-11,104	<b>626,095</b>
<b>3,298</b>	0	0	2,900	2,900	0	0	0	<b>2,900</b>
<b>938</b>	0	0	938	938	0	0	0	<b>938</b>
<b>10,287</b>	3,728	389	6,512	10,629	0	-180	0	<b>10,449</b>
<b>624,121</b>	3,728	628,152	19,786	651,666	0	-180	-11,104	<b>640,382</b>
<b>Special Educational Needs</b>								
<b>51,703</b>	0	862	53,805	54,667	0	0	0	<b>54,667</b>
<b>46,399</b>	0	100	94,433	94,533	0	0	0	<b>94,533</b>
<b>1,760</b>	0	0	1,760	1,760	0	0	0	<b>1,760</b>
<b>8,762</b>	0	0	9,807	9,807	0	0	0	<b>9,807</b>
<b>7,398</b>	0	133	7,871	8,004	0	-322	0	<b>7,682</b>
<b>11,281</b>	0	1,735	14,404	16,139	0	0	0	<b>16,139</b>
<b>648</b>	0	0	648	648	0	0	0	<b>648</b>
<b>3,767</b>	3,970	0	1,125	5,095	-18	-83	0	<b>4,994</b>
<b>131,718</b>	3,970	2,830	183,853	190,653	-18	-405	0	<b>190,230</b>
<b>Early Years</b>								
<b>2,319</b>	0	2,925	244	3,169	0	0	0	<b>3,169</b>
<b>52,081</b>	0	87,713	0	87,713	0	0	0	<b>87,713</b>
<b>2,508</b>	2,644	0	988	3,632	-65	-10	0	<b>3,557</b>
<b>56,908</b>	2,644	90,638	1,232	94,514	-65	-10	0	<b>94,439</b>
<b>Transfer from Reserves</b>								
<b>-20,578</b>	0	0	-77,239	-77,239	0	0	0	<b>-77,239</b>
<b>Government Grant</b>								
<b>-775,283</b>	0	0	0	0	0	0	-850,293	<b>-850,293</b>
<b>-19,367</b>	0	0	0	0	0	0	0	<b>0</b>
<b>-794,650</b>	0	0	0	0	0	0	-850,293	<b>-850,293</b>
<b>-2,481</b>	<b>10,342</b>	<b>721,620</b>	<b>127,632</b>	<b>859,594</b>	<b>-83</b>	<b>-595</b>	<b>-861,397</b>	<b>-2,481</b>
<b>182,889</b>	<b>115,484</b>	<b>834,143</b>	<b>214,835</b>	<b>1,164,462</b>	<b>-465</b>	<b>-9,119</b>	<b>-934,673</b>	<b>220,205</b>

<sup>1</sup> Internal recharging may result in negative running costs at an individual division of service level

**CHILDREN AND YOUNG PEOPLE, LEARNING AND SKILLS****CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £37.316m or 20.4%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		9,059	5.0
<b>Committed and Service Changes</b>			
Increased demand for Children We Care For	18,000		
Fostering service review	168		
In house residential strategy - Brick Kiln	474		
Special guardianship orders	750		
Children with disabilities - support at home packages	600		
Children with disabilities - direct payments	1,100		
New social worker pay scales	600		
Family contact time service	100		
Leaving care service	175		
Home to school transport - continuation of current in year pressure	4,000		
Home to school transport - demand for pupils with SEND	1,800		
Home to school transport - Education Health Care Needs Assessment backlog	1,660		
Education Health and Care Needs Assessments - ongoing additional staffing	1,200		
Education Health and Care Needs Assessments - short term staffing	450		
Continuing Healthcare - income received for eligible needs	150		
Utilisation of grant - supported accommodation	-650		
		30,577	16.7
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-6,622	-3.6
<b>Funding from Central Government</b>			
Expenditure:			
Directly allocated to mainstream schools	18,280		
Special educational needs	5,996		
Early years	37,488		
Other	5,429		
Financed by:			
Dedicated Schools Grant (DSG)	-74,476		
Mainstream Schools Additional Grant	19,367		
Teachers Pay Additional Grant	-6,447		
Wraparound Childcare Programme	-3,306		
Implementation of Supported Accommodation Reforms	-1,228		
Other government grants	-1,103		
		0	0.0
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		4,302	2.4
<b>TOTAL CHANGE IN SPENDING</b>		<b>37,316</b>	<b>20.4</b>

**APPENDIX 6**

**COMMUNITY SUPPORT, FIRE AND RESCUE**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fire &amp; Rescue</b>								
	Strategic Leadership, Governance and							
<b>3,239</b>	3,562	1,269	1,008	5,839	-448	0	-415	<b>4,976</b>
<b>3,282</b>	1,257	2	2,276	3,535	0	0	0	<b>3,535</b>
<b>2,794</b>	2,912	0	28	2,940	0	0	0	<b>2,940</b>
<b>929</b>	1,391	0	78	1,469	0	0	-477	<b>992</b>
<b>1,958</b>	1,979	0	107	2,086	0	0	0	<b>2,086</b>
<b>405</b>	413	0	10	423	0	0	0	<b>423</b>
<b>20,408</b>	20,547	0	344	20,891	0	0	0	<b>20,891</b>
<b>911</b>	947	0	0	947	0	0	0	<b>947</b>
<b>33,926</b>	<b>33,008</b>	<b>1,271</b>	<b>3,851</b>	<b>38,130</b>	<b>-448</b>	<b>0</b>	<b>-892</b>	<b>36,790</b>
<b>Information and Regulatory Services</b>								
<b>8,113</b>	8,365	0	1,031	9,396	-549	-69	-105	<b>8,673</b>
<b>853</b>	925	0	36	961	-63	-113	0	<b>785</b>
	Registration of Births, Deaths and							
<b>-807</b>	1,646	0	86	1,732	-2,463	-78	0	<b>-809</b>
<b>8,159</b>	<b>10,936</b>	<b>0</b>	<b>1,153</b>	<b>12,089</b>	<b>-3,075</b>	<b>-260</b>	<b>-105</b>	<b>8,649</b>
<b>Communities</b>								
<b>750</b>	877	0	212	1,089	0	0	0	<b>1,089</b>
<b>0</b>	1,697	18	657	2,372	0	0	-2,372	<b>0</b>
<b>1,699</b>	1,876	165	302	2,343	-454	-139	-250	<b>1,500</b>
<b>1,719</b>	1,075	0	1,475	2,550	0	-275	0	<b>2,275</b>
<b>89</b>	96	0	0	96	0	0	0	<b>96</b>
<b>1,426</b>	1,384	0	177	1,561	-41	-14	0	<b>1,506</b>
<b>5,683</b>	<b>7,005</b>	<b>183</b>	<b>2,823</b>	<b>10,011</b>	<b>-495</b>	<b>-428</b>	<b>-2,622</b>	<b>6,466</b>
<b>47,768</b>	<b>50,949</b>	<b>1,454</b>	<b>7,827</b>	<b>60,230</b>	<b>-4,018</b>	<b>-688</b>	<b>-3,619</b>	<b>51,905</b>

<sup>1</sup> Internal recharging may result in negative running costs at an individual division of service level



**COMMUNITY SUPPORT, FIRE AND RESCUE**

**CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £4.137m or 8.7%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		2,300	4.8
<b>Committed and Service Changes</b>			
Coroners - increase costs following transfer from Sussex Police to WSCC	200		
Coroners - increase staffing costs and ongoing higher number of deaths	300		
Fleet Supplies	100		
Fire Pensions Grant	<u>1,725</u>		
		2,325	4.9
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-575	-1.2
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		<u>87</u>	<u>0.2</u>
<b>TOTAL CHANGE IN SPENDING</b>		<b><u>4,137</u></b>	<b><u>8.7</u></b>

**APPENDIX 6**

**ENVIRONMENT AND CLIMATE CHANGE**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Environment and Public Protection</b>								
<b>2,909</b>	893	0	5,156	6,049	-2,489	-254	0	<b>3,306</b>
<b>21,330</b>	0	29,636	148	29,784	-3,625	-901	-2,124	<b>23,134</b>
<b>44,540</b>	0	42,713	6,111	48,824	-272	0	0	<b>48,552</b>
<b>1,247</b>	1,161	1	114	1,276	0	0	0	<b>1,276</b>
<b>70,026</b>	<b>2,054</b>	<b>72,350</b>	<b>11,529</b>	<b>85,933</b>	<b>-6,386</b>	<b>-1,155</b>	<b>-2,124</b>	<b>76,268</b>
<b>Other Responsibilities</b>								
<b>1,608</b>	950	0	875	1,825	-52	-45	0	<b>1,728</b>
<b>2,233</b>	2,903	0	254	3,157	-751	-10	0	<b>2,396</b>
<b>73,867</b>	<b>5,907</b>	<b>72,350</b>	<b>12,658</b>	<b>90,915</b>	<b>-7,189</b>	<b>-1,210</b>	<b>-2,124</b>	<b>80,392</b>
<b>PORTFOLIO TOTAL</b>								

<sup>1</sup> Internal recharging may result in negative running costs at an individual division of service level

**ENVIRONMENT AND CLIMATE CHANGE****CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £6.525m or 8.8%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		4,936	6.7
<b>Committed and Service Changes</b>			
Net increase in application of Waste Management Material Resource Management Contract (MRMC) reserve	2,400		
Delay in income from Solar and Battery Investments (Halewick Lane)	500		
Additional resources for protecting the environment	<u>50</u>		
		2,950	4.0
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-1,470	-2.0
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		<u>109</u>	0.1
<b>TOTAL CHANGE IN SPENDING</b>		<b><u>6,525</u></b>	<b><u>8.8</u></b>

**APPENDIX 6**

**FINANCE AND PROPERTY**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Finance</b>								
<b>6,149</b> Finance	7,650	0	-729	6,921	-633	-487	0	<b>5,801</b>
<b>653</b> Internal Audit	0	0	673	673	0	0	0	<b>673</b>
Strategic Procurement and Contract Management	2,714	0	156	2,870	-208	0	0	<b>2,662</b>
<b>1,339</b> Intelligence and Performance	1,366	0	19	1,385	0	0	0	<b>1,385</b>
<b>1,983</b> Contributions, Levies and Precepts	-713	1,704	1,736	2,727	0	0	-148	<b>2,579</b>
<b>365</b> Fees and Other Payments	436	0	5	441	0	-49	0	<b>392</b>
<b>40</b> Council Tax Hardship Fund	0	40	0	40	0	0	0	<b>40</b>
<b>1,241</b> Insurance	0	0	1,485	1,485	0	0	0	<b>1,485</b>
<b>14,138</b>	<b>11,453</b>	<b>1,744</b>	<b>3,345</b>	<b>16,542</b>	<b>-841</b>	<b>-536</b>	<b>-148</b>	<b>15,017</b>
<b>89 Catering Service</b>	426	0	-50	376	0	-123	0	<b>253</b>
<b>8,382 Facilities Management</b>	4,154	86	5,572	9,812	-192	-273	0	<b>9,347</b>
<b>5,649 Capital and Infrastructure (Property)</b>	1,608	0	9,714	11,322	-2,531	-75	0	<b>8,716</b>
<b>-200 Edes Estates</b>	0	0	0	0	0	-200	0	<b>-200</b>
<b>28,058 PORTFOLIO TOTAL</b>	<b>17,641</b>	<b>1,830</b>	<b>18,581</b>	<b>38,052</b>	<b>-3,564</b>	<b>-1,207</b>	<b>-148</b>	<b>33,133</b>

<sup>1</sup> Internal recharging may result in negative running costs at an individual division of service level

**FINANCE AND PROPERTY****CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £5.075m or 18.1%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		1,475	5.3
<b>Committed and Service Changes</b>			
Loss of Commercial Property Income - vacant property	1,947		
Holding costs for vacant properties	400		
Apprenticeship levy	170		
Audit fees	100		
Feasibility budget - reduction	-500		
Feasibility budget - reversal of transfer to reserve	1,523		
Littlehampton Harbour Precept	350		
Utilisation of Refugee Grant	-500		
School managed projects	54		
		3,544	12.6
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-640	-2.3
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		696	2.5
<b>TOTAL CHANGE IN SPENDING</b>		<b>5,075</b>	<b>18.1</b>

**APPENDIX 6**

**HIGHWAYS AND TRANSPORT**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>	
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Highways</b>									
<b>605</b>	Highways Service	7,896	0	625	8,521	-5,371	-1,393	0	<b>1,757</b>
<b>15,855</b>	Highways Maintenance	0	0	20,052	20,052	0	0	0	<b>20,052</b>
<b>1,635</b>	Ash Dieback Action Plan	176	0	984	1,160	0	0	0	<b>1,160</b>
<b>0</b>	West Sussex Lane Rental Scheme	451	0	549	1,000	-5,000	0	0	<b>-4,000</b>
<b>0</b>	West Sussex Permit Scheme	942	0	1,108	2,050	-2,050	0	0	<b>0</b>
<b>15,659</b>	Street Lighting PFI	0	0	21,431	21,431	0	-200	-6,069	<b>15,162</b>
<b>33,754</b>		9,465	0	44,749	54,214	-12,421	-1,593	-6,069	<b>34,131</b>
<b>Transport</b>									
<b>11,215</b>	National Concessionary Fares Scheme	0	10,815	249	11,064	0	-689	-19	<b>10,356</b>
<b>1,295</b>	Public Transport Support	0	2,635	82	2,717	0	-910	-355	<b>1,452</b>
<b>0</b>	Bus Service Improvement Plan	180	2,822	0	3,002	0	0	-3,002	<b>0</b>
<b>1,448</b>	Transport Co-ordination and Safety	5,395	0	-1,969	3,426	-781	-927	-112	<b>1,606</b>
<b>0</b>	Sussex Safer Roads Partnership	819	0	2,801	3,620	-3,500	-120	0	<b>0</b>
<b>0</b>	On Street Car Parking	0	2,720	2,038	4,758	-4,687	-71	0	<b>0</b>
<b>0</b>	Electric Vehicle Infrastructure	211	0	45	256	0	0	-256	<b>0</b>
<b>13,958</b>		6,605	18,992	3,246	28,843	-8,968	-2,717	-3,744	<b>13,414</b>
<b>Other Responsibilities</b>									
<b>-136</b>	Planning Services (Highways and Transport)	4	0	97	101	-144	-114	0	<b>-157</b>
<b>-231</b>	Management and Central	425	0	-466	-41	0	-97	0	<b>-138</b>
<b>-367</b>		429	0	-369	60	-144	-211	0	<b>-295</b>
<b>47,345</b>	<b>PORTFOLIO TOTAL</b>	<b>16,499</b>	<b>18,992</b>	<b>47,626</b>	<b>83,117</b>	<b>-21,533</b>	<b>-4,521</b>	<b>-9,813</b>	<b>47,250</b>

<sup>1</sup> Internal recharging may result in negative running costs at an individual division of service level

**HIGHWAYS AND TRANSPORT****CHANGE IN SPENDING**

As analysed in the table below, the decrease in spending is £0.095m or 0.2%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		1,060	2.2
<b>Committed and Service Changes</b>			
Highways - additional maintenance	4,000		
Net increase in application of the Street Lighting PFI reserve	792		
Net reduction in transfer to the Highways Commuted Sums reserve	29		
Transfer from the Ash Dieback reserve	400		
Transfer to the Lane Rental Innovation Fund reserve	<u>-4,000</u>		
		1,221	2.6
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-2,550	-5.4
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		<u>174</u>	<u>0.4</u>
<b>TOTAL CHANGE IN SPENDING</b>		<u><b>-95</b></u>	<u><b>-0.2</b></u>

**APPENDIX 6**

**LEADER**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Chief Executive</b>								
<b>732</b> Chief Executive	407	0	208	615	0	0	0	<b>615</b>
<b>306</b> Policy Team	312	0	0	312	0	0	0	<b>312</b>
<b>645</b> Personal Assistants	679	0	0	679	0	0	0	<b>679</b>
<b>1,683</b>	<b>1,398</b>	<b>0</b>	<b>208</b>	<b>1,606</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,606</b>
<b>Economy</b>								
<b>563</b> Economic Growth	909	0	2	911	-35	-389	0	<b>487</b>
<b>152</b> One Public Estate	0	0	151	151	0	0	0	<b>151</b>
<b>618</b> Economic Development	451	0	258	709	0	-13	0	<b>696</b>
<b>1,333</b>	<b>1,360</b>	<b>0</b>	<b>411</b>	<b>1,771</b>	<b>-35</b>	<b>-402</b>	<b>0</b>	<b>1,334</b>
<b>3,016</b> <b>PORTFOLIO TOTAL</b>	<b>2,758</b>	<b>0</b>	<b>619</b>	<b>3,377</b>	<b>-35</b>	<b>-402</b>	<b>0</b>	<b>2,940</b>

<sup>1</sup> Internal recharging may result in negative running costs at an individual division of service level



**LEADER****CHANGE IN SPENDING**

As analysed in the table below, the decrease in spending is £0.076m or 2.5%

	£000	%
<b>Allowance for Pay and Price Increases</b>		
Pay and price rise allowance	84	2.8
<b>Committed and Service Changes</b>		
Transfer to Economic Growth Reserve	-33	-1.1
<b>Balancing the Budget</b>		
As detailed in Appendix 3	0	0.0
<b>Transfers between Portfolios</b>		
Net cross portfolio transfers	-127	-4.2
<b>TOTAL CHANGE IN SPENDING</b>	<b>-76</b>	<b>-2.5</b>

**APPENDIX 6**

**PUBLIC HEALTH AND WELLBEING**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Public Health</b>								
0 Staffing & Development	4,642	17	211	4,870	0	-126	-4,744	0
Health Intelligence, Economic Evaluation & Needs Assessment	0	59	0	59	0	0	-59	0
0 Health Protection & Quality Programme	0	54	56	110	0	0	-110	0
0 Integrated Sexual Health Services	0	5,000	0	5,000	0	0	-5,000	0
0 Living Well	0	5,142	0	5,142	0	0	-5,142	0
0 Ageing Well	0	1,745	-110	1,635	0	-245	-1,390	0
0 Drugs and Alcohol Action Team	103	7,843	11	7,957	-15	-139	-7,803	0
0 Health Watch	0	316	0	316	0	0	-316	0
<b>0 PORTFOLIO TOTAL</b>	<b>4,745</b>	<b>20,176</b>	<b>168</b>	<b>25,089</b>	<b>-15</b>	<b>-510</b>	<b>-24,564</b>	<b>0</b>

<sup>1</sup> Internal recharging may result in negative running costs at an individual division of service level

**APPENDIX 6**

**SUPPORT SERVICES AND ECONOMIC DEVELOPMENT**

**REVENUE BUDGET 2024/25**

<b>Net Expenditure 2023/24</b>	<b>Employee Expenses 2024/25</b>	<b>Third Party Payments 2024/25</b>	<b>Other Running Costs<sup>1</sup> 2024/25</b>	<b>Gross Expenditure 2024/25</b>	<b>Sales, Fees and Charges 2024/25</b>	<b>Other Income 2024/25</b>	<b>Specific Government Grants 2024/25</b>	<b>Net Expenditure 2024/25</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Support Services</b>								
<b>14,239</b>	5,270	0	8,696	13,966	0	0	0	<b>13,966</b>
<b>7,281</b>	10,192	0	-2,221	7,971	-213	-36	0	<b>7,722</b>
<b>486</b>	15	0	15	30	0	0	0	<b>30</b>
<b>6,739</b>	5,758	0	1,781	7,539	-513	0	0	<b>7,026</b>
<b>1,208</b>	1,260	0	44	1,304	0	-122	0	<b>1,182</b>
<b>25</b>	0	0	240	240	0	0	0	<b>240</b>
<b>1,471</b>	6	0	1,506	1,512	0	0	0	<b>1,512</b>
<b>1,733</b>	1,354	0	283	1,637	0	0	0	<b>1,637</b>
<b>2,801</b>	3,580	0	-257	3,323	0	0	0	<b>3,323</b>
<b>-1,336</b>	0	0	0	0	0	0	-4,093	<b>-4,093</b>
<b>34,647</b>	<b>27,435</b>	<b>0</b>	<b>10,087</b>	<b>37,522</b>	<b>-726</b>	<b>-158</b>	<b>-4,093</b>	<b>32,545</b>
<b>6,128</b>	0	0	578	578	-22	0	0	<b>556</b>
<b>395</b>	906	0	10	916	0	-517	0	<b>399</b>
<b>41,170</b>	<b>28,341</b>	<b>0</b>	<b>10,675</b>	<b>39,016</b>	<b>-748</b>	<b>-675</b>	<b>-4,093</b>	<b>33,500</b>

<sup>1</sup> Internal recharging may result in negative running costs at an individual division of service level

**APPENDIX 6**

**SUPPORT SERVICES AND ECONOMIC DEVELOPMENT**

**CHANGE IN SPENDING**

As analysed in the table below, the decrease in spending is £7.67m or 18.6%

	£000	£000	%
<b>Allowance for Pay and Price Increases</b>			
Pay and price rise allowance		1,018	2.5
<b>Committed and Service Changes</b>			
Human Resources & Organisational Development - additional capacity to support recruitment	268		
Childrens Advocacy and Complaints - increase in stage two reviews for Education, Health and Care Needs Assessment/Plans and Section 19 duty to provide suitable education	100		
Utilisation of Grant - Public Health	-2,757		
Removal of elections transfer to reserves	200		
		-2,189	-5.3
<b>Balancing the Budget</b>			
As detailed in Appendix 3		-1,480	-3.6
<b>Transfers between Portfolios</b>			
Net cross portfolio transfers		-5,019	-12.2
<b>TOTAL CHANGE IN SPENDING</b>		<b>-7,670</b>	<b>-18.6</b>

## Appendix 7

### 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 2024/25 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 has resulted in some bespoke updates. The RPI rate as at September 2023 increased by 8.9%.

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 2024**, unless otherwise stated.

A full list of the West Sussex Fees and Charges for 2024/25 will be published separately on the County Council's website in April.

#### Adult's Services Fees and Charges

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Adult Services	Meeting Space Letting: Small Room (1)	Hour	9.50	9.50	Exempt (0%)	<b>10.00</b>	<b>10.00</b>	5.3%	Cost Recovery
Adult Services	Meeting Space Letting: Medium Room (1)	Hour	12.50	12.50	Exempt (0%)	<b>14.00</b>	<b>14.00</b>	12.0%	Cost Recovery
Adult Services	Meeting Space Letting: Large Room (1)	Hour	15.50	15.50	Exempt (0%)	<b>17.00</b>	<b>17.00</b>	9.7%	Cost Recovery
Adult Services	Care Act 2014: Support Brokerage	One-off Discretionary Fee	195.00	195.00	Non-Business (0%)	<b>212.00</b>	<b>212.00</b>	8.7%	Cost Recovery
Adult Services	Care Act 2014: Support Brokerage	Review Request	195.00	195.00	Non-Business (0%)	<b>212.00</b>	<b>212.00</b>	8.7%	Cost Recovery
Adult Services	Care Act 2014: Support Brokerage	Weekly Administration Fee	6.00	6.00	Non-Business (0%)	<b>6.50</b>	<b>6.50</b>	8.3%	Cost Recovery
Adult Services	Care Act 2014: Deferred Payment Agreements	Set-up, One-off Fee	615.00	615.00	Non-Business (0%)	<b>670.00</b>	<b>670.00</b>	8.9%	Cost Recovery
Adult Services	Care Act 2014: Deferred Payment Agreements	Property Evaluation - One-off Fee	299.60	299.60	Non-Business (0%)	<b>326.00</b>	<b>326.00</b>	8.8%	Cost Recovery
Adult Services	Care Act 2014: Deferred Payment Agreements	Weekly Administration Fee	8.90	8.90	Non-Business (0%)	<b>10.00</b>	<b>10.00</b>	12.4%	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%

**Children and Young People, Learning and Skills Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Education & Skills	Services For Schools: Range of Review and Consultancy Services	Various	Various	Various	Non-Business (0%)	Various	Various	Various	Cost Recovery
Education & Skills	Services For Schools: Range of Professional Learning and Development Courses	Various	Various	Various	Non-Business (0%)	Various	Various	Various	Cost Recovery
Education & Skills	Services For Schools: Products and Services for Children (e.g. Careers Team West Sussex)	School	Various	Various	Outside scope (0%)	Various	Various	Various	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	1,191.00	1,191.00	Exempt (0%)	<b>1,266.00</b>	<b>1,266.00</b>	6.3%	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.	1,308.00	1,308.00	Exempt (0%)	<b>1,390.00</b>	<b>1,390.00</b>	6.3%	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	1,551.00	1,551.00	Exempt (0%)	<b>1,649.00</b>	<b>1,649.00</b>	6.3%	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.	1,669.00	1,669.00	Exempt (0%)	<b>1,774.00</b>	<b>1,774.00</b>	6.3%	Cost Recovery
Education & Skills	Schools SLA: Outdoor Education: Charge to Academies, Further Education Colleges, etc.	Pupil	1.60	1.60	Exempt (0%)	<b>1.80</b>	<b>1.80</b>	12.5%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - Secondary School Teacher	Weighted Pupil Numbers	61.00	61.00	Non-Business (0%)	<b>73.60</b>	<b>73.60</b>	20.7%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - Primary School Teacher	Weighted Pupil Numbers	43.00	43.00	Non-Business (0%)	<b>46.00</b>	<b>46.00</b>	7.0%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme -Nursery / Planned Places - Teacher	Weighted Pupil Numbers	50.00	50.00	Non-Business (0%)	<b>52.90</b>	<b>52.90</b>	5.8%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - Special School Teachers	Weighted Pupil Numbers	201.00	201.00	Non-Business (0%)	<b>213.90</b>	<b>213.90</b>	6.4%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - NJC Grades 3/4	Flat rate, pro-rated for hours	6.50	6.50	Non-Business (0%)	<b>6.80</b>	<b>6.80</b>	4.6%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - NJC Grades 5/6	Flat rate, pro-rated for hours	7.20	7.20	Non-Business (0%)	<b>7.55</b>	<b>7.55</b>	4.9%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - NJC Grades 7/8	Flat rate, pro-rated for hours	7.90	7.90	Non-Business (0%)	<b>8.30</b>	<b>8.30</b>	5.1%	Cost Recovery
Education & Skills	Schools SLA: Sickness Maternity Scheme - NJC Grades 9/10	Flat rate, pro-rated for hours	8.60	8.60	Non-Business (0%)	<b>9.00</b>	<b>9.00</b>	4.7%	Cost Recovery
Education & Skills	Schools SLA: Schools' Information Services and Financial Management System (Bromcom)	School	Various	Various	Non-Business (0%)	<b>Pass through contract costs</b>	<b>Pass through contract costs</b>	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 Mainstream School	Pass through contract costs	Pass through contract costs	Outside Scope (0%)	<b>Pass through contract costs</b>	<b>Pass through contract costs</b>	N/A	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	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 Academy School	Pass through contract costs	Pass through contract costs	Standard Rated (20%)	Pass through contract costs	Pass through contract costs	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	Pass through contract costs	Pass through contract costs	Outside scope (0%)	Pass through contract costs	Pass through contract costs	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	Pass through contract costs	Pass through contract costs	Standard Rated (20%)	Pass through contract costs	Pass through contract costs	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	Pass through contract costs	Pass through contract costs	Outside scope (0%)	Pass through contract costs	Pass through contract costs	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	Pass through contract costs	Pass through contract costs	Outside scope (0%)	Pass through contract costs	Pass through contract costs	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	Pass through contract costs	Pass through contract costs	Standard Rated (20%)	Pass through contract costs	Pass through contract costs	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	Pass through contract costs	Pass through contract costs	Outside scope (0%)	Pass through contract costs	Pass through contract costs	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	Pass through contract costs	Pass through contract costs	Standard Rated (20%)	Pass through contract costs	Pass through contract costs	N/A	Cost Recovery
Education & Skills	Schools SLA: Employment Support Services	School, Per Annum	Various	Various	Non-Business (0%)	Various	Various	5.0%	Cost Recovery
Education & Skills	Schools SLA: Health and Safety	Per School and Per Pupil	Various	Various	Non-Business (0%)	Various	Various	5.0%	Cost Recovery
Education & Skills	Schools SLA: Headteacher Recruitment	Item	N/A	N/A	Standard Rated (20%)	Various	Various	NEW	Cost Recovery
Education & Skills	Schools SLA: DBS Charges for Academies	Item	N/A	N/A	Standard Rated (20%)	Various	Various	NEW	Cost Recovery
Education & Skills	Schools SLA: Safe Digital Life - Online	School	N/A	N/A	Outside Scope (0%)	125.00	125.00	NEW	Cost Recovery
Education & Skills	Schools SLA: Safe Digital Life - Online for Academies and Free Schools	School	N/A	N/A	Standard Rated (20%)	125.00	150.00	NEW	Cost Recovery
Education & Skills	Schools SLA: Safe Digital Life - Bespoke Requests	School	N/A	N/A	Outside Scope (0%)	Various	Various	NEW	Cost Recovery
Education & Skills	Schools SLA: Safe Digital Life - Bespoke Requests for Academies and Free Schools	School	N/A	N/A	Outside Scope (0%)	Various	Various	NEW	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Education & Skills	Charges to Schools for Services Provided in Converting to Academy Status	School	8,000.00	8,000.00	Exempt (0%)	<b>9,000.00</b>	<b>9,000.00</b>	12.5%	Cost Recovery
Education & Skills	Home to School Transport: Primary School Children Living Within Walking Distance	Year	350.00	350.00	Non-Business (0%)	<b>389.00</b>	<b>389.00</b>	11.1%	Cost Recovery
Education & Skills	Home to School Transport: Primary School Children Living Beyond Walking Distance	Year	378.00	378.00	Non-Business (0%)	<b>389.00</b>	<b>389.00</b>	2.9%	Cost Recovery
Education & Skills	Home to School Transport: Secondary School Children Living Within Walking Distance	Year	518.00	518.00	Non-Business (0%)	<b>570.00</b>	<b>570.00</b>	10.0%	Cost Recovery
Education & Skills	Home to School Transport: Secondary School Children Living Beyond Walking Distance	Year	546.00	546.00	Non-Business (0%)	<b>570.00</b>	<b>570.00</b>	4.4%	Cost Recovery
Education & Skills	Home to School Transport: Post 16 Students (Concessionary and Special Educational Needs)	Year	770.00	770.00	Non-Business (0%)	<b>826.00</b>	<b>826.00</b>	7.3%	Cost Recovery
Education & Skills	Early Years Training: Webinar 1 -2 Hours	Training Attendee	17.00	17.00	Exempt (0%)	<b>Pass through contract costs</b>	<b>Pass through contract costs</b>	N/A	Cost Recovery
Education & Skills	Early Years Training: Webinar or Face to Face - Half Day	Training Attendee	27.00	27.00	Exempt (0%)	<b>Pass through contract costs</b>	<b>Pass through contract costs</b>	N/A	Cost Recovery
Education & Skills	Early Years Training: Webinar or Face to Face - Full Day	Training Attendee	54.00	54.00	Exempt (0%)	<b>Pass through contract costs</b>	<b>Pass through contract costs</b>	N/A	Cost Recovery
Education & Skills	Early Years Training: Online Course - Log In	Training Attendee	10.00	10.00	Exempt (0%)	<b>Pass through contract costs</b>	<b>Pass through contract costs</b>	N/A	Cost Recovery
Education & Skills	Early Years Training: Conference - Face to Face	Training Attendee	82.00	82.00	Exempt (0%)	<b>Pass through contract costs</b>	<b>Pass through contract costs</b>	N/A	Cost Recovery
Education & Skills	Early Years Training: Paediatric First Aid - Full 12 Hour Course	Training Attendee	83.00	83.00	Exempt (0%)	<b>Pass through contract costs</b>	<b>Pass through contract costs</b>	N/A	Cost Recovery

**Catering Services Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Catering Service	Schools SLA: Catering Support Services (Nursery)	Nursery	430.00	430.00	Outside Scope (0%)	<b>468.00</b>	<b>468.00</b>	8.8%	Cost Recovery
Catering Service	Schools SLA: Catering Support Services (Primary)	School	811.00	811.00	Outside Scope (0%)	<b>883.00</b>	<b>883.00</b>	8.9%	Cost Recovery
Catering Service	Schools SLA: Catering Support Services (Secondary/Special)	School	905.00	905.00	Outside Scope (0%)	<b>986.00</b>	<b>986.00</b>	9.0%	Cost Recovery
Catering Service	Schools SLA: Catering Support Services (Primary Academies/ Free School)	School	811.00	973.20	Standard Rated (20%)	<b>883.00</b>	<b>1,059.60</b>	8.9%	Cost Recovery



Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Catering Service	Schools SLA: Catering Support Services (Secondary / Special Academies and Free Schools)	School	905.00	1,086.00	Standard Rated (20%)	<b>986.00</b>	<b>1,183.20</b>	9.0%	Cost Recovery
Catering Service	Schools SLA: Delivery of a School Meals Service (Primary Schools - DIH Easy Lunch only)	FSM Headcount	15.50	15.50	Outside Scope (0%)	<b>16.38</b>	<b>16.38</b>	5.7%	Cost Recovery
Catering Service	Schools SLA: Delivery of a School Meals Service (Primary Schools - DIH Easy Lunch only) - Academies	FSM Headcount	15.50	18.60	Standard Rated (20%)	<b>16.38</b>	<b>19.66</b>	5.7%	Cost Recovery
Catering Service	Schools SLA: Delivery of a School Meals Service (Primary Schools)	FSM Headcount	60.40	60.40	Outside Scope (0%)	<b>64.20</b>	<b>64.20</b>	6.3%	Cost Recovery
Catering Service	Schools SLA: Delivery of a School Meals Service (Primary Schools)- Academies and Free Schools	FSM Headcount	60.40	72.48	Standard Rated (20%)	<b>64.20</b>	<b>77.04</b>	6.3%	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>	6.3%	Cost Recovery
Catering Service	Schools SLA: Free School Meals (FSM) Eligibility Assessment - Academies and Free Schools	School Headcount	0.55	0.66	Standard Rated (20%)	<b>0.55</b>	<b>0.66</b>	0.0%	Cost Recovery

#### Legal Services Fees and Charges

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Legal Services	Fee to Copy a Common Land or Town or Village Green Register Entry	Copy	28.00	28.00	Non-Business (0%)	<b>30.00</b>	<b>30.00</b>	7.1%	Cost Recovery
Legal Services	Fee for the Supply of a Definitive Map/Statement Extract	Copy	13.00	13.00	Non-Business (0%)	<b>14.00</b>	<b>14.00</b>	7.7%	Cost Recovery
Legal Services	Fee for Copy Orders/Agreements	Copy	7.00	7.00	Non-Business (0%)	<b>8.00</b>	<b>8.00</b>	14.3%	Cost Recovery
Legal Services	Fee for Copy Orders/ Agreements	Copy	1.20	1.20	Non-Business (0%)	<b>1.30</b>	<b>1.30</b>	8.3%	Cost Recovery
Legal Services	Fee to process a Highways or CROW Act Landowner Deposit	Deposit	481.00	481.00	Non-Business (0%)	<b>524.00</b>	<b>524.00</b>	8.9%	Cost Recovery
Legal Services	Fee to Process a Corrective Application Made under the Commons Act 2006	Course	1,011.00	1,011.00	Non-Business (0%)	<b>1,100.00</b>	<b>1,100.00</b>	8.8%	Cost Recovery
Legal Services	Legal Agreements Linked to S106 Contributions	Hour	235.00	235.00	Non-Business (0%)	<b>256.00</b>	<b>256.00</b>	8.9%	Cost Recovery
Legal Services	Highway Agreement Works	Hour	235.00	235.00	Non-Business (0%)	<b>256.00</b>	<b>256.00</b>	8.9%	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?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Trading Standards	Weights and Measures Act 1985 - Inspector of Weights & Measures	Hour	88.20	105.80	Standard Rated (20%)	<b>96.00</b>	<b>115.20</b>	8.8%	Cost Recovery
Trading Standards	Weights and Measures Act 1985 - Support Officer	Hour	56.30	67.60	Standard Rated (20%)	<b>61.00</b>	<b>73.20</b>	8.3%	Cost Recovery
Trading Standards	Hourly Charge For Demand Led Discretionary Business Support Services	Hour	88.20	105.80	Standard Rated (20%)	<b>96.00</b>	<b>115.20</b>	8.8%	Cost Recovery
Trading Standards	Variation of Licence - Other Than Name or Address	Hour	88.20	105.80	Standard Rated (20%)	<b>96.00</b>	<b>115.20</b>	8.8%	Cost Recovery

**Property Services Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Property Services	Schools SLA: Tree Inspection Service (Small) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	171.00	171.00	Non-Business (0%)	<b>156.00</b>	<b>156.00</b>	-8.8%	Cost Recovery
Property Services	Schools SLA: Tree Inspection Service (Medium) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	220.00	220.00	Non-Business (0%)	<b>189.00</b>	<b>189.00</b>	-14.1%	Cost Recovery
Property Services	Schools SLA: Tree Inspection Service (Large) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	229.00	229.00	Non-Business (0%)	<b>221.00</b>	<b>221.00</b>	-3.5%	Cost Recovery
Property Services	Schools SLA: Tree Inspection Service (Small) Primary Academy & Secondary Academy Schools	Service Level Agreement	171.00	205.20	Standard Rated (20%)	<b>156.00</b>	<b>187.20</b>	-8.8%	Cost Recovery
Property Services	Schools SLA: Tree Inspection Service (Medium) Primary Academy & Secondary Academy Schools	Service Level Agreement	220.00	264.00	Standard Rated (20%)	<b>189.00</b>	<b>226.80</b>	-14.1%	Cost Recovery
Property Services	Schools SLA: Tree Inspection Service (Large) Primary Academy & Secondary Academy Schools	Service Level Agreement	229.00	274.80	Standard Rated (20%)	<b>221.00</b>	<b>265.20</b>	-3.5%	Cost Recovery
Property Services	Schools SLA: Level 3 Tree Inspection - Maintained Schools	Service Level Agreement	N/A	N/A	Non-Business (0%)	<b>Various</b>	<b>Various</b>	8.9%	Cost Recovery
Property Services	Schools SLA: Level 3 Tree Inspection - Academy Schools	Service Level Agreement	N/A	N/A	Standard Rated (20%)	<b>Various</b>	<b>Various</b>	8.9%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections x 3 (Small) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	202.00	202.00	Non-Business (0%)	<b>221.00</b>	<b>221.00</b>	9.4%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections x3 (Medium) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	223.00	223.00	Non-Business (0%)	<b>238.00</b>	<b>238.00</b>	6.7%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections x3 (Large) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	244.00	244.00	Non-Business (0%)	<b>254.00</b>	<b>254.00</b>	4.1%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Property Services	Schools SLA: Annual Playground Inspections x 3 (Small) Nursery, Primary, Secondary & Special Schools - Academy Schools	Service Level Agreement	202.00	202.00	Standard Rated (20%)	<b>221.00</b>	<b>265.20</b>	9.4%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections x3 (Medium) Nursery, Primary, Secondary & Special Schools - Academy Schools	Service Level Agreement	223.00	223.00	Standard Rated (20%)	<b>238.00</b>	<b>285.60</b>	6.7%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections x3 (Large) Nursery, Primary, Secondary & Special Schools - Academy Schools	Service Level Agreement	244.00	244.00	Standard Rated (20%)	<b>254.00</b>	<b>304.80</b>	4.1%	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections	Service Level Agreement	N/A	N/A	Non-Business (0%)	<b>192.00</b>	<b>192.00</b>	NEW	Cost Recovery
Property Services	Schools SLA: Annual Playground Inspections - Academy Schools	Service Level Agreement	N/A	N/A	Standard Rated (20%)	<b>192.00</b>	<b>230.40</b>	NEW	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Small) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	201.00	201.00	Non-Business (0%)	<b>189.00</b>	<b>189.00</b>	-6.0%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Medium) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	234.00	234.00	Non-Business (0%)	<b>205.00</b>	<b>205.00</b>	-12.4%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Large) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	317.00	317.00	Non-Business (0%)	<b>271.00</b>	<b>271.00</b>	-14.5%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Small) Primary Academy & Secondary Academy	Service Level Agreement	201.00	241.20	Standard Rated (20%)	<b>189.00</b>	<b>226.80</b>	-6.0%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Medium) Primary Academy & Secondary Academy	Service Level Agreement	234.00	280.80	Standard Rated (20%)	<b>205.00</b>	<b>246.00</b>	-12.4%	Cost Recovery
Property Services	Schools SLA: Grounds Review & Development Plan (Large) Primary Academy & Secondary Academy	Service Level Agreement	317.00	380.40	Standard Rated (20%)	<b>271.00</b>	<b>325.20</b>	-14.5%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Small) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	578.00	578.00	Non-Business (0%)	<b>672.00</b>	<b>672.00</b>	16.3%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Medium) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	794.00	794.00	Non-Business (0%)	<b>848.00</b>	<b>848.00</b>	6.8%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Large) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	1,050.00	1,050.00	Non-Business (0%)	<b>1,125.00</b>	<b>1,125.00</b>	7.1%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Small) Primary Academy & Secondary Academy	Service Level Agreement	578.00	693.60	Standard Rated (20%)	<b>672.00</b>	<b>806.40</b>	16.3%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Medium) Primary Academy & Secondary Academy	Service Level Agreement	794.00	952.80	Standard Rated (20%)	<b>848.00</b>	<b>1,017.60</b>	6.8%	Cost Recovery
Property Services	Schools SLA: Buildings Review & Development Plan (Large) Primary Academy & Secondary Academy	Service Level Agreement	1,050.00	1,260.00	Standard Rated (20%)	<b>1,125.00</b>	<b>1,350.00</b>	7.1%	Cost Recovery
Property Services	Schools SLA: Swimming Pool Management (S/M/L) Nursery, Primary, Secondary & Special Schools - Seasonal	Service Level Agreement	270.00	270.00	Non-Business (0%)	<b>280.00</b>	<b>280.00</b>	3.7%	Cost Recovery
Property Services	Schools SLA: Swimming Pool Management (S/M/L) Nursery, Primary, Secondary & Special Schools - Seasonal	Service Level Agreement	270.00	324.00	Standard Rated (20%)	<b>280.00</b>	<b>336.00</b>	3.7%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Property Services	School SLA: Swimming Pool Management (S/M/L) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	439.00	270.00	Non-Business (0%)	<b>444.00</b>	<b>444.00</b>	1.1%	Cost Recovery
Property Services	School SLA: Swimming Pool Management (S/M/L) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	439.00	526.80	Standard Rated (20%)	<b>444.00</b>	<b>532.80</b>	1.1%	Cost Recovery
Property Services	School SLA: Recruitment Support (S/M/L Nursery, Primary, Secondary & Special Schools	Service Level Agreement	709.00	709.00	Non-Business (0%)	<b>709.00</b>	<b>709.00</b>	0.0%	Cost Recovery
Property Services	Schools SLA: Recruitment Support (S/M/L) Primary Academy & Secondary Academy	Service Level Agreement	709.00	850.80	Standard Rated (20%)	<b>709.00</b>	<b>850.80</b>	0.0%	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>	8.9%	Cost Recovery
Property Services	Schools SLA: Funding Bid Application Support (S/M/L) Primary Academy & Secondary Academy	Service Level Agreement	Various	Various	Standard Rated (20%)	<b>Various</b>	<b>Various</b>	8.9%	Cost Recovery
Property Services	Schools SLA: Core SLA Subscription (S/M/L) Nursery, Primary, Secondary & Special Schools	Service Level Agreement	948.00	948.00	Non-Business (0%)	<b>1,081.00</b>	<b>1,081.00</b>	14.0%	Cost Recovery
Property Services	Schools SLA: Core SLA subscription (S/M/L) Primary Academy & Secondary Academy	Service Level Agreement	948.00	1,137.60	Standard Rated (20%)	<b>1,081.00</b>	<b>1,297.20</b>	14.0%	Cost Recovery
Property Services	Lettings - Main Conference Room and Park Suite - (Both Rooms Booked Together)	Service Level Agreement	1,810.00	1,810.00	Non-Business (0%)	<b>2,150.00</b>	<b>2,150.00</b>	18.8%	Cost Recovery
Property Services	Lettings - Park Suite	Day	905.00	905.00	Non-Business (0%)	<b>1,100.00</b>	<b>1,100.00</b>	21.5%	Cost Recovery
Property Services	Lettings - Main Conference Room	Day	905.00	905.00	Non-Business (0%)	<b>1,100.00</b>	<b>1,100.00</b>	21.5%	Cost Recovery
Property Services	Lettings - Cowdray Room	Day	305.00	305.00	Non-Business (0%)	<b>350.00</b>	<b>350.00</b>	14.8%	Cost Recovery
Property Services	Lettings - Goodwood Room	Day	305.00	305.00	Non-Business (0%)	<b>350.00</b>	<b>350.00</b>	14.8%	Cost Recovery
Property Services	Lettings - Parham Room	Day	305.00	305.00	Non-Business (0%)	<b>350.00</b>	<b>350.00</b>	14.8%	Cost Recovery
Property Services	Lettings - Cowdray/ Goodwood Rooms (Set Up of Rooms Joined Together)	Day	610.00	610.00	Non-Business (0%)	<b>750.00</b>	<b>750.00</b>	23.0%	Cost Recovery
Property Services	Lettings - Bodium Room	Day	230.00	230.00	Non-Business (0%)	<b>280.00</b>	<b>280.00</b>	21.7%	Cost Recovery
Property Services	Lettings - Hastings/Knepp Rooms (As One Room)	Day	150.00	150.00	Non-Business (0%)	<b>180.00</b>	<b>180.00</b>	20.0%	Cost Recovery
Property Services	Lettings - Lewes Room	Day	125.00	125.00	Non-Business (0%)	<b>150.00</b>	<b>150.00</b>	20.0%	Cost Recovery
Property Services	Lettings - General Meeting Room Bookings For Less Than 10 People	Per Hour	40.00	40.00	Non-Business (0%)	<b>45.00</b>	<b>45.00</b>	12.5%	Cost Recovery
Property Services	Lettings - General Meeting Room Bookings For Between 11 and 20 People	Per Hour	48.00	48.00	Non-Business (0%)	<b>55.00</b>	<b>55.00</b>	14.6%	Cost Recovery
Property Services	Lettings - General Meeting Room Bookings For Over 21 People	Per Hour	88.00	88.00	Non-Business (0%)	<b>100.00</b>	<b>100.00</b>	13.6%	Cost Recovery

**Planning Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Planning Services	Implementation S38 & S278 Highway Agreements	Agreement	Various	Various	Non-Business (0%)	Various	Various	0.0%	Cost Recovery
Planning Services	Monitoring and Records Local Land Charge Fees	Search	26.00	0.00	Standard Rated (20%)	27.00	32.40	3.8%	Cost Recovery
Planning Services	Monitoring and Records Local Land Charge Search Follow-up	Request	Various	Various	Standard Rated (20%)	Various	Various	8.9%	Cost Recovery
Planning Services	Monitoring and Records Highway Boundaries Information	Request	Various	Various	Standard Rated (20%)	Various	Various	8.9%	Cost Recovery
Planning Services	Monitoring and Records S106 Agreement Enquiries	Hour	60.00	0.00	Standard Rated (20%)	65.00	78.00	8.3%	Cost Recovery
Planning Services	Planning and Transport Policy Access to traffic modelling	Request	Various	Various	Standard Rated (20%)	Various	Various	8.9%	Cost Recovery
Planning Services	Planning and Transport Policy Copies of Highway Scheme Plans	Plan	Various	Various	Standard Rated (20%)	Various	Various	8.9%	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	8.9%	Cost Recovery
Planning Services	Monitoring and Records Monitoring of S106 Contributions	Per Trigger	240.00	0.00	Outside Scope (0%)	260.00	260.00	8.3%	Cost Recovery
Planning Services	Monitoring and Records Highway Boundaries – Bespoke Enquiries	Hour	60.00	0.00	Standard Rated (20%)	65.00	78.00	8.3%	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	8.9%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Householder Search	115.00	0.00	Standard Rated (20%)	125.00	150.00	8.7%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Standard Search	190.00	0.00	Standard Rated (20%)	205.00	246.00	7.9%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Priority Search	300.00	0.00	Standard Rated (20%)	325.00	390.00	8.3%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Statutory Undertaker Standard Search	195.00	0.00	Standard Rated (20%)	210.00	252.00	7.7%	Cost Recovery
Planning Services	Environment & Heritage Historic Environment Record - Searches	Statutory Undertaker Priority Search	405.00	0.00	Standard Rated (20%)	440.00	528.00	8.6%	Cost Recovery
Planning Services	Environment & Heritage Advice and Support to Statutory Undertakers	Hours	105.00	0.00	Standard Rated (20%)	115.00	138.00	9.5%	Cost Recovery
Planning Services	Environment & Heritage Pre-application Advice Fees	Written Response or Meeting/Site Visit & Written Response	Various	Various	Standard Rated (20%)	Various	Various	8.9%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Planning Services	Environment & Heritage Contribution by District and Borough Councils to maintenance of the HER	Annual Fee	3,000.00	0.00	Non-Business (0%)	3,000.00	3,000.00	0.0%	Cost Recovery
Planning Services	Flood Risk Management Pre-application Advice Fees	Hectares of development - banded	Various	Various	Standard Rated (20%)	Various	Various	8.9%	Cost Recovery

**Countryside and Rights of Way Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Countryside Facilities	Rental of Land and Fishing Rights	Agreement	Various	Various	Exempt (0%)	Various	Various	8.9%	Cost Recovery
Countryside Services	All Guided Walks/ Night Hike/ Food For Free With/ Without Hot Drink	Per Person	7.80	0.00	Exempt (0%)	8.00	8.00	2.6%	Cost Recovery
Countryside Services	Craft Events e.g. Christmas Wreaths (Includes Materials/Drinks)	Per Person	25.40	0.00	Exempt (0%)	28.00	28.00	10.2%	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)	25.40	0.00	Exempt (0%)	28.00	28.00	10.2%	Cost Recovery
Countryside Services	Schools and Hire of Forest School Area (Per Child)	Per Child	2.60	0.00	Exempt (0%)	3.00	3.00	15.4%	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	2,746.00	0.00	Non-Business (0%)	2,990.00	2,990.00	8.9%	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	1,553.00	0.00	Non-Business (0%)	1,691.00	1,691.00	8.9%	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	478.00	0.00	Non-Business (0%)	521.00	521.00	9.0%	Cost Recovery
Rights of Way	Public Path Orders Administrative Fees - Temporary Traffic Regulation Order (Path Closure) (21 days emergency/ unplanned orders)	Path Order	657.00	0.00	Non-Business (0%)	715.00	715.00	8.8%	Cost Recovery
Rights of Way	Public Path Orders Administrative Fees - Temporary Traffic Regulation Order (Path Closure) (5 days planned works orders)	Path Order	657.00	0.00	Non-Business (0%)	715.00	715.00	8.8%	Cost Recovery

**Waste Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Waste Recycling & Disposal	Co-mingled Recyclate	Tonne	126.70	152.04	Standard Rated (20%)	<b>138.00</b>	<b>165.60</b>	8.9%	Cost Recovery
Waste Recycling & Disposal	Trade Waste Disposal	Tonne	177.30	212.76	Standard Rated (20%)	<b>193.00</b>	<b>231.60</b>	8.9%	Cost Recovery
Waste Recycling & Disposal	Green Waste Disposal	Tonne	74.10	88.92	Standard Rated (20%)	<b>81.00</b>	<b>97.20</b>	9.3%	Cost Recovery
Waste Recycling & Disposal	WEEE Category A Recycling	Tonne	173.60	208.32	Standard Rated (20%)	<b>189.00</b>	<b>226.80</b>	8.9%	Cost Recovery
Waste Recycling & Disposal	WEEE Category B Recycling	Tonne	486.10	583.32	Standard Rated (20%)	<b>529.00</b>	<b>634.80</b>	8.8%	Cost Recovery
Waste Recycling & Disposal	WEEE Category C Recycling	Tonne	486.10	583.32	Standard Rated (20%)	<b>529.00</b>	<b>634.80</b>	8.8%	Cost Recovery
Waste Recycling & Disposal	WEEE Category D Recycling	Tonne	486.10	583.32	Standard Rated (20%)	<b>529.00</b>	<b>634.80</b>	8.8%	Cost Recovery
Waste Recycling & Disposal	WEEE Category E Recycling	Tonne	173.60	208.32	Standard Rated (20%)	<b>189.00</b>	<b>226.80</b>	8.9%	Cost Recovery
Waste Recycling & Disposal	Single Stream Recyclate	Tonne	15.00	18.00	Standard Rated (20%)	<b>16.00</b>	<b>19.20</b>	6.7%	Cost Recovery
Waste Recycling & Disposal	Motor Vehicle Tyre Disposal	Tyre	4.90	6.00	Standard Rated (20%)	<b>4.90</b>	<b>6.00</b>	0.0%	Cost Recovery
Waste Recycling & Disposal	Trade Waste Mattress Disposal	Mattress	14.80	17.75	Standard Rated (20%)	<b>17.00</b>	<b>20.40</b>	14.9%	Cost Recovery

**Energy Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Energy Services	School SLA: Schools Display Energy Certificates	Per Certificate	59.00	59.00	Non-Business (0%)	<b>63.00</b>	<b>63.00</b>	6.8%	Cost Recovery
Energy Services	School SLA: Schools Display Energy Certificates - Academy	Per Certificate	59.00	70.80	Standard Rated (20%)	<b>63.00</b>	<b>75.60</b>	6.8%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 1	1-5 Meters	373.40	373.40	Non-Business (0%)	<b>399.00</b>	<b>399.00</b>	6.9%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 1. Academy	1-5 Meters	373.40	448.10	Standard Rated (20%)	<b>399.00</b>	<b>478.80</b>	6.9%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 2	6-9 Meters	435.80	435.80	Non-Business (0%)	<b>469.00</b>	<b>469.00</b>	7.6%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Energy Services	School SLA: Schools Energy Management Service. Band 2. Academy	6-9 Meters	435.80	523.00	Standard Rated (20%)	<b>469.00</b>	<b>562.80</b>	7.6%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 3	10+ Meters	540.80	540.80	Non-Business (0%)	<b>585.00</b>	<b>585.00</b>	8.2%	Cost Recovery
Energy Services	School SLA: Schools Energy Management Service. Band 3. Academy	10+ Meters	540.80	649.00	Standard Rated (20%)	<b>585.00</b>	<b>702.00</b>	8.2%	Cost Recovery

**Finance Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Schools Financial Services	Schools SLA: Schools Financial Services - Nursery, Primary, Secondary and Special Schools	School, Per Annum	£1,090 per school plus £0.54 per pupil	£1,090 per school plus £0.54 per pupil	Non-Business (0%)	<b>£1,250 per school plus £0.57 per pupil</b>	<b>£1,250 per school plus £0.57 per pupil</b>	14.6%	Cost Recovery
Schools Financial Services	Schools SLA: Schools Financial Services - Year-end Financial Closedown - Minimum of 4 Hours	Fixed (4 hours)	160.00	160.00	Non-Business (0%)	<b>168.00</b>	<b>168.00</b>	5.0%	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	144.00	144.00	Non-Business (0%)	<b>151.00</b>	<b>151.00</b>	4.9%	Cost Recovery
Schools Financial Services	Schools Financial Services - Pre-booked Dial-ups to Schools	Hour	40.00	40.00	Non-Business (0%)	<b>42.00</b>	<b>42.00</b>	5.0%	Cost Recovery
Schools Financial Services	Schools SLA: Schools Financial Services - School Fund support	Fixed	100.00	100.00	Non-Business (0%)	<b>105.00</b>	<b>105.00</b>	5.0%	Cost Recovery

**Fire Service Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Fire and Rescue Service - Special Services	Major appliance/Large Vehicle & Crew (e.g. Aerial Ladder Platform, Bulk Water Carrier)	Hour	405.00	486.00	Standard Rated (20%)	<b>441.00</b>	<b>529.20</b>	8.9%	Cost Recovery
Fire and Rescue Service - Special Services	Pumping Appliance	Hour	450.00	540.00	Standard Rated (20%)	<b>490.00</b>	<b>588.00</b>	8.9%	Cost Recovery



Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Fire and Rescue Service - Special Services	Small Vehicle (e.g. 4x4, Community Engagement Vehicle)	Hour	340.00	408.00	Standard Rated (20%)	<b>370.00</b>	<b>444.00</b>	8.8%	Cost Recovery
Fire and Rescue Service - Special Services	Copy of IRS report	Report	110.00	132.00	Standard Rated (20%)	<b>120.00</b>	<b>144.00</b>	9.1%	Cost Recovery
Fire and Rescue Service - Special Services	Fire Investigation Interview	Hour	165.00	198.00	Standard Rated (20%)	<b>180.00</b>	<b>216.00</b>	9.1%	Cost Recovery
Fire and Rescue Service - Special Services	Copy of Fire Report	Report	510.00	612.00	Standard Rated (20%)	<b>555.00</b>	<b>666.00</b>	8.8%	Cost Recovery
Fire and Rescue Service - Special Services	Labour (dependent on role) - First Hour or Part Thereof	Hour	85.00	102.00	Standard Rated (20%)	<b>95.00</b>	<b>114.00</b>	11.8%	Cost Recovery
Fire and Rescue Service - Special Services	Labour (dependent on role) - Each Subsequent 30 Minutes	Half Hour	50.00	60.00	Standard Rated (20%)	<b>55.00</b>	<b>66.00</b>	10.0%	Cost Recovery
Fire and Rescue Service - Special Services	Event Charges	Hour	400.00	480.00	Standard Rated (20%)	<b>450.00</b>	<b>540.00</b>	12.5%	Cost Recovery
Fire and Rescue Service - Special Services	Primary Authority Scheme (PAS) - Hourly Fee	Hour	N/A	N/A	Exempt (0%)	<b>90.00</b>	<b>90.00</b>	NEW	Cost Recovery
Fire and Rescue Service - Special Services	Open Course Face to Face Training - Fire Safety - Various	Per Head	140.00	140.00	Exempt (0%)	<b>145.00</b>	<b>145.00</b>	3.6%	Cost Recovery
Fire and Rescue Service - Special Services	On-Site Face to Face Training - Fire Safety Awareness	Course - Max 20 people.	385.00	385.00	Exempt (0%)	<b>395.00</b>	<b>395.00</b>	2.6%	Cost Recovery
Fire and Rescue Service - Special Services	On-Site Face to Face Training - Fire Extinguisher	Course - Max 15 people.	485.00	485.00	Exempt (0%)	<b>495.00</b>	<b>495.00</b>	2.1%	Cost Recovery
Fire and Rescue Service - Special Services	On-Site Face to Face Training - Fire Warden	Course - Max 15 people.	645.00	645.00	Exempt (0%)	<b>660.00</b>	<b>660.00</b>	2.3%	Cost Recovery
Fire and Rescue Service - Commercial Training	On-Site Face to Face Training - Manual Handling	Course - Max 15 people.	645.00	645.00	Exempt (0%)	<b>660.00</b>	<b>660.00</b>	2.3%	Cost Recovery
Fire and Rescue Service - Commercial Training	On-Site Face to Face Training - Management of Fire Risk	Course - Max 15 people.	645.00	645.00	Exempt (0%)	<b>660.00</b>	<b>660.00</b>	2.3%	Cost Recovery
Fire and Rescue Service - Commercial Training	Fire Extinguisher Maintenance	Extinguisher	Various	Various	Exempt (0%)	<b>Various</b>	<b>Various</b>	2.0%	Cost Recovery

#### Records Office Fees and Charges

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Record Office	Room Hire of Work Room (Up to 12 People)	Full Day	100.00	100.00	Exempt (0%)	<b>110.00</b>	<b>110.00</b>	10.0%	Cost Recovery
Record Office	Publication Fees for National Media/Periodicals	Photograph	27.08	32.50	Standard Rated (20%)	<b>27.08</b>	<b>32.50</b>	0.0%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Record Office	Record Office 'Surgeries'	Hour	37.50	45.00	Standard Rated (20%)	<b>37.50</b>	<b>45.00</b>	0.0%	Cost Recovery
Record Office	Publication Fees for Other Commercial Publications	Photograph	37.50	45.00	Standard Rated (20%)	<b>37.50</b>	<b>45.00</b>	0.0%	Cost Recovery
Record Office	Publication Fees for Local Media	Photograph	8.33	10.00	Standard Rated (20%)	<b>10.00</b>	<b>12.00</b>	20.0%	Cost Recovery
Record Office	Not For Profit or Scholarly Publication (up to 1,000 copies)	Photograph	N/A	N/A	Standard Rated (20%)	<b>4.17</b>	<b>5.00</b>	NEW	Cost Recovery
Record Office	Commercial Publications (Print Run Over 1,000 Copies)	Photograph	N/A	N/A	Standard Rated (20%)	<b>33.33</b>	<b>40.00</b>	NEW	Cost Recovery
Record Office	Front or Back Cover (Additional, Per Image)	Photograph	N/A	N/A	Standard Rated (20%)	<b>16.67</b>	<b>20.00</b>	NEW	Cost Recovery
Record Office	E-Book (Additional, Per Image)	Photograph	N/A	N/A	Standard Rated (20%)	<b>8.33</b>	<b>10.00</b>	NEW	Cost Recovery
Record Office	Website: Not For Profit (Web-Optimised Image)	Photograph	N/A	N/A	Standard Rated (20%)	<b>4.17</b>	<b>5.00</b>	NEW	Cost Recovery
Record Office	Website: Commercial (Web-Optimised Image)	Photograph	N/A	N/A	Standard Rated (20%)	<b>33.33</b>	<b>40.00</b>	NEW	Cost Recovery
Record Office	Film or TV Feature: Local or Regional	Photograph	N/A	N/A	Standard Rated (20%)	<b>41.67</b>	<b>50.00</b>	NEW	Cost Recovery
Record Office	Film or TV Feature: UK (or Single Country)	Photograph	N/A	N/A	Standard Rated (20%)	<b>62.50</b>	<b>75.00</b>	NEW	Cost Recovery
Record Office	Film or TV Feature: International and Streaming	Photograph	N/A	N/A	Standard Rated (20%)	<b>83.33</b>	<b>100.00</b>	NEW	Cost Recovery
Record Office	Conservation Work (Per Hour, Excluding Materials)	Hour	N/A	N/A	Standard Rated (20%)	<b>29.17</b>	<b>35.00</b>	NEW	Cost Recovery
Record Office	Exhibition: Local (West Sussex) or Temporary	Photograph	N/A	N/A	Standard Rated (20%)	<b>33.33</b>	<b>40.00</b>	NEW	Cost Recovery
Record Office	Exhibition: Commercial or Permanent	Photograph	N/A	N/A	Standard Rated (20%)	<b>21.67</b>	<b>26.00</b>	NEW	Cost Recovery
Record Office	Scanned Image and Print A3	Sheet	20.00	24.00	Standard Rated (20%)	<b>21.67</b>	<b>26.00</b>	8.4%	Cost Recovery
Record Office	Scanned Image and Print A3-A1	Sheet	40.00	48.00	Standard Rated (20%)	<b>43.33</b>	<b>52.00</b>	8.3%	Cost Recovery
Record Office	Scanned Image and Print A4	Sheet	10.00	12.00	Standard Rated (20%)	<b>10.83</b>	<b>13.00</b>	8.3%	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

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
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	7.08	8.50	Standard Rated (20%)	<b>7.08</b>	<b>8.50</b>	0.0%	Cost Recovery
Record Office	Car Parking - Half Day	Half Day	3.54	4.25	Standard Rated (20%)	<b>3.54</b>	<b>4.25</b>	0.0%	Cost Recovery
Record Office	Daytime Tours of Record Office	Tour	40.00	40.00	Exempt (0%)	<b>40.00</b>	<b>40.00</b>	0.0%	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	Evening Tours of Record Office	Tour	75.00	75.00	Exempt (0%)	<b>80.00</b>	<b>80.00</b>	6.7%	Cost Recovery
Record Office	Out of Office Talks	Talk	62.50	75.00	Standard Rated (20%)	<b>66.67</b>	<b>80.00</b>	6.7%	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
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>0.50</b>	<b>0.60</b>	19.0%	Cost Recovery
Record Office	Self-service Printing from Computer	Sheet	0.42	0.50	Standard Rated (20%)	<b>0.50</b>	<b>0.60</b>	19.0%	Cost Recovery
Record Office	A3 and A4 Photocopies	Sheet	0.54	0.65	Standard Rated (20%)	<b>0.63</b>	<b>0.75</b>	16.7%	Cost Recovery
Record Office	Coffee Time Sessions	Person	7.50	7.50	Exempt (0%)	<b>8.00</b>	<b>8.00</b>	6.7%	Cost Recovery
Record Office	Photocopies - A3 Colour	Sheet	4.17	5.00	Standard Rated (20%)	<b>4.17</b>	<b>5.00</b>	0.0%	Cost Recovery
Record Office	Photocopies - A4 Colour	Sheet	2.08	2.50	Standard Rated (20%)	<b>2.08</b>	<b>2.50</b>	0.0%	Cost Recovery
Record Office	Digital Copy of Tithe Map (One Format)	Document	20.83	25.00	Standard Rated (20%)	<b>20.83</b>	<b>25.00</b>	0.0%	Cost Recovery
Record Office	Filming On-site	Day	250.00	300.00	Standard Rated (20%)	<b>291.67</b>	<b>350.00</b>	16.7%	Cost Recovery
Record Office	Room Hire of Work Room (up to 12 people)	Half Day	50.00	50.00	Exempt (0%)	<b>60.00</b>	<b>60.00</b>	20.0%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Record Office	Certified Copies of Documents	Document	16.67	20.00	Standard Rated (20%)	<b>16.67</b>	<b>20.00</b>	0.0%	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	26.67	32.00	Standard Rated (20%)	<b>28.33</b>	<b>34.00</b>	6.2%	Cost Recovery

**Library Service Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Library Service	Audiobooks (up to 8 cassettes/CDs)	3 Weeks	1.50	1.50	Non-Business (0%)	<b>1.50</b>	<b>1.50</b>	0.0%	Cost Recovery
Library Service	Audiobooks (9+ cassettes/CDs)	3 Weeks	3.00	3.00	Non-Business (0%)	<b>3.00</b>	<b>3.00</b>	0.0%	Cost Recovery
Library Service	Audiobooks (Playaway - digital audio)	3 Weeks	3.00	3.00	Non-Business (0%)	<b>3.00</b>	<b>3.00</b>	0.0%	Cost Recovery
Library Service	CDs - Other	1 Week	1.50	1.50	Non-Business (0%)	<b>1.50</b>	<b>1.50</b>	0.0%	Cost Recovery
Library Service	DVDs (General)	1 Week	2.25	2.25	Non-Business (0%)	<b>2.25</b>	<b>2.25</b>	0.0%	Cost Recovery
Library Service	Reservation Fees - Books reserved directly online	Item	0.75	0.75	Non-Business (0%)	<b>0.75</b>	<b>0.75</b>	0.0%	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	8.00	8.00	Non-Business (0%)	<b>8.50</b>	<b>8.50</b>	6.3%	Cost Recovery
Library Service	Reservation Fees - Books from British Library	Item	12.00	12.00	Non-Business (0%)	<b>13.00</b>	<b>13.00</b>	8.3%	Cost Recovery
Library Service	Overdue Charges (Administration Charge for overdue letter)	Letter	2.00	2.00	Non-Business (0%)	<b>2.00</b>	<b>2.00</b>	0.0%	Cost Recovery
Library Service	Overdue Charges (Adult Books)	Day	0.30	0.30	Non-Business (0%)	<b>0.32</b>	<b>0.32</b>	6.7%	Cost Recovery
Library Service	Overdue Charges (Audio Books)	Day	0.30	0.30	Non-Business (0%)	<b>0.32</b>	<b>0.32</b>	6.7%	Cost Recovery
Library Service	Overdue Charges (General DVDs)	Day	0.60	0.60	Non-Business (0%)	<b>0.65</b>	<b>0.65</b>	8.3%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Library Service	Overdue Charges (Music CDs)	Day	0.30	0.30	Non-Business (0%)	<b>0.32</b>	<b>0.32</b>	6.7%	Cost Recovery
Library Service	Membership Card Replacement	Card	2.00	2.00	Non-Business (0%)	<b>2.00</b>	<b>2.00</b>	0.0%	Cost Recovery
Library Service	Exhibition Booking Fee	Per week, When Items Are For Sale	15.00	15.00	Exempt (0%)	<b>15.00</b>	<b>15.00</b>	0.0%	Cost Recovery
Library Service	Fax: to UK	Per Page	1.88	2.25	Standard Rated (20%)	<b>1.88</b>	<b>2.25</b>	0.0%	Cost Recovery
Library Service	Fax: to Europe	Per Page	2.50	3.00	Standard Rated (20%)	<b>2.50</b>	<b>3.00</b>	0.0%	Cost Recovery
Library Service	Fax: to Rest of World	Per Page	3.17	3.80	Standard Rated (20%)	<b>3.17</b>	<b>3.80</b>	0.0%	Cost Recovery
Library Service	Fax: Receiving Fax	Per Page	1.25	1.50	Standard Rated (20%)	<b>1.25</b>	<b>1.50</b>	0.0%	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	1.88	2.25	Standard Rated (20%)	<b>1.88</b>	<b>2.25</b>	0.0%	Cost Recovery
Library Service	Reading Groups - Subscription	Year	29.17	35.00	Standard Rated (20%)	<b>30.83</b>	<b>37.00</b>	5.7%	Cost Recovery
Library Service	Lost and damaged book - admin fee (in addition to replacement cost)	Item	2.00	2.00	Non-Business (0%)	<b>2.00</b>	<b>2.00</b>	0.0%	Cost Recovery
Library Service	Lettings - Community Use	1 Hour	10.00	10.00	Exempt (0%)	<b>11.00</b>	<b>11.00</b>	10.0%	Cost Recovery
Library Service	Lettings - SME Business	1 Hour	20.00	20.00	Exempt (0%)	<b>22.00</b>	<b>22.00</b>	10.0%	Cost Recovery
Library Service	Lettings - Commercial Use	1 Hour	40.00	40.00	Exempt (0%)	<b>44.00</b>	<b>44.00</b>	10.0%	Cost Recovery
Library Service	Lettings - Crawley Library Meeting Rooms - Community Use	1 Hour	12.00	12.00	Exempt (0%)	<b>13.00</b>	<b>13.00</b>	8.3%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Library Service	Lettings - Crawley Library Meeting Rooms - SME Business Use	1 Hour	24.00	24.00	Exempt (0%)	<b>26.00</b>	<b>26.00</b>	8.3%	Cost Recovery
Library Service	Lettings - Crawley Library Meeting Rooms - Commercial Use	1 Hour	48.00	48.00	Exempt (0%)	<b>52.00</b>	<b>52.00</b>	8.3%	Cost Recovery
Library Service	Lettings - Longley Exhibition Room - Community Use	1 Hour	22.00	22.00	Exempt (0%)	<b>24.00</b>	<b>24.00</b>	9.1%	Cost Recovery
Library Service	Lettings - Longley Exhibition Room - SME Business Use	1 Hour	44.00	44.00	Exempt (0%)	<b>48.00</b>	<b>48.00</b>	9.1%	Cost Recovery
Library Service	Lettings - Longley Exhibition Room - Commercial Use	1 Hour	88.00	88.00	Exempt (0%)	<b>96.00</b>	<b>96.00</b>	9.1%	Cost Recovery
Library Service	Lettings - Worthing Library Lecture Theatre - Community Use	1 Hour	22.00	22.00	Exempt (0%)	<b>24.00</b>	<b>24.00</b>	9.1%	Cost Recovery
Library Service	Lettings - Worthing Library Lecture Theatre - SME Business Use	1 Hour	44.00	44.00	Exempt (0%)	<b>48.00</b>	<b>48.00</b>	9.1%	Cost Recovery
Library Service	Lettings - Worthing Library Lecture Theatre - Commercial Use	1 Hour	88.00	88.00	Exempt (0%)	<b>96.00</b>	<b>96.00</b>	9.1%	Cost Recovery
Library Service	Libraries - Sale of Merchandise	Per Item	Various	Various	Standard Rated (20%)	<b>Various</b>	<b>Various</b>	Various	Cost Recovery
Library Service	Schools SLA - School Library Service (Under 110 Pupils)	Per School	899.00	899.00	Exempt (0%)	<b>944.00</b>	<b>944.00</b>	5.0%	Cost Recovery
Library Service	Schools SLA - School Library Service (Under 110 Pupils) Academies and Free Schools	Per School	899.00	1078.80	Standard Rated (20%)	<b>944.00</b>	<b>1,132.80</b>	5.0%	Cost Recovery
Library Service	Schools SLA - School Library Service (Over 110 Pupils)	Per School & Per Pupil	4.00	4.00	Exempt (0%)	<b>4.20</b>	<b>4.20</b>	5.0%	Cost Recovery
Library Service	Schools SLA - School Library Service (Over 110 Pupils) Academies and Free Schools	Per Pupil	4.00	4.80	Standard Rated (20%)	<b>4.20</b>	<b>5.04</b>	5.0%	Cost Recovery

**Registration Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Registration Service	Individually organised Citizenship ceremony for one person at a registration office or virtually	Ceremony	104.17	125.00	Standard Rated (20%)	<b>113.33</b>	<b>136.00</b>	8.8%	Cost Recovery
Registration Service	Individually organised Citizenship ceremony for a family at a registration office or virtually	Family Ceremony	135.83	163.00	Standard Rated (20%)	<b>148.33</b>	<b>178.00</b>	9.2%	Cost Recovery
Registration Service	Individually organised Citizenship ceremony for one person at a registration office or virtually on a Saturday	Ceremony	117.50	141.00	Standard Rated (20%)	<b>128.33</b>	<b>154.00</b>	9.2%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Registration Service	Individually organised Citizenship ceremony for a family at a registration office or virtually on a Saturday	Family Ceremony	145.83	175.00	Standard Rated (20%)	<b>158.33</b>	<b>190.00</b>	8.6%	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	11.67	14.00	Standard Rated (20%)	<b>12.50</b>	<b>15.00</b>	7.1%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony) To register a marriage/ civil partnership Monday - Thursday	Ceremony	237.00	237.00	Non-Business (0%)	<b>258.00</b>	<b>258.00</b>	8.9%	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	306.00	306.00	Non-Business (0%)	<b>333.00</b>	<b>333.00</b>	8.8%	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	338.00	338.00	Non-Business (0%)	<b>368.00</b>	<b>368.00</b>	8.9%	Cost Recovery
Registration Service	Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony) To register a marriage/ civil partnership Public Holiday	Ceremony	441.00	441.00	Non-Business (0%)	<b>480.00</b>	<b>480.00</b>	8.8%	Cost Recovery
Registration Service	Non statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A) Monday - Thursday	Ceremony	215.83	259.00	Standard Rated (20%)	<b>235.00</b>	<b>282.00</b>	8.9%	Cost Recovery
Registration Service	Non statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A) Friday	Ceremony	273.33	328.00	Standard Rated (20%)	<b>298.33</b>	<b>358.00</b>	9.1%	Cost Recovery
Registration Service	Non statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A) Saturday / Sunday	Ceremony	300.00	360.00	Standard Rated (20%)	<b>326.67</b>	<b>392.00</b>	8.9%	Cost Recovery
Registration Service	Non statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A) Public Holiday	Ceremony	385.83	463.00	Standard Rated (20%)	<b>420.00</b>	<b>504.00</b>	8.9%	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 Monday - Thursday	Ceremony	284.00	284.00	Non-Business (0%)	<b>309.00</b>	<b>309.00</b>	8.8%	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 Friday	Ceremony	346.00	346.00	Non-Business (0%)	<b>377.00</b>	<b>377.00</b>	9.0%	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 Saturday / Sunday	Ceremony	410.00	410.00	Non-Business (0%)	<b>446.00</b>	<b>446.00</b>	8.8%	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 Public Holiday	Ceremony	535.00	535.00	Non-Business (0%)	<b>583.00</b>	<b>583.00</b>	9.0%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B) Monday - Thursday	Ceremony	255.00	306.00	Standard Rated (20%)	<b>278.33</b>	<b>334.00</b>	9.1%	Cost Recovery
Registration Service	Non Statutory Ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B) Friday	Ceremony	306.67	368.00	Standard Rated (20%)	<b>334.17</b>	<b>401.00</b>	9.0%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B) Saturday / Sunday	Ceremony	360.00	432.00	Standard Rated (20%)	<b>391.67</b>	<b>470.00</b>	8.8%	Cost Recovery
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B) Public Holiday	Ceremony	464.17	557.00	Standard Rated (20%)	<b>505.00</b>	<b>606.00</b>	8.8%	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 Monday - Thursday	Ceremony	473.00	473.00	Non-Business (0%)	<b>515.00</b>	<b>515.00</b>	8.9%	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	525.00	525.00	Non-Business (0%)	<b>572.00</b>	<b>572.00</b>	9.0%	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	643.00	643.00	Non-Business (0%)	<b>700.00</b>	<b>700.00</b>	8.9%	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	709.00	709.00	Non-Business (0%)	<b>772.00</b>	<b>772.00</b>	8.9%	Cost Recovery
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C) Monday - Thursday	Ceremony	412.50	495.00	Standard Rated (20%)	<b>449.17</b>	<b>539.00</b>	8.9%	Cost Recovery
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C) Friday	Ceremony	455.83	547.00	Standard Rated (20%)	<b>495.83</b>	<b>595.00</b>	8.8%	Cost Recovery
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C) Saturday / Sunday	Ceremony	554.17	665.00	Standard Rated (20%)	<b>604.17</b>	<b>725.00</b>	9.0%	Cost Recovery
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C) Public Holiday	Ceremony	609.17	731.00	Standard Rated (20%)	<b>663.33</b>	<b>796.00</b>	8.9%	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	126.00	126.00	Non-Business (0%)	<b>137.00</b>	<b>137.00</b>	8.7%	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	806.00	806.00	Non-Business (0%)	<b>878.00</b>	<b>878.00</b>	8.9%	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	859.00	859.00	Non-Business (0%)	<b>935.00</b>	<b>935.00</b>	8.8%	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	940.00	940.00	Non-Business (0%)	<b>1024.00</b>	<b>1,024.00</b>	8.9%	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	1020.00	1020.00	Non-Business (0%)	<b>1111.00</b>	<b>1,111.00</b>	8.9%	Cost Recovery



Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D) Monday - Thursday	Ceremony	690.00	828.00	Standard Rated (20%)	<b>750.83</b>	<b>901.00</b>	8.8%	Cost Recovery
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D) Friday	Ceremony	734.17	881.00	Standard Rated (20%)	<b>799.17</b>	<b>959.00</b>	8.9%	Cost Recovery
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D) Saturday / Sunday	Ceremony	801.67	962.00	Standard Rated (20%)	<b>873.33</b>	<b>1,048.00</b>	8.9%	Cost Recovery
Registration Service	Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D) Public Holiday	Ceremony	868.33	1042.00	Standard Rated (20%)	<b>945.83</b>	<b>1,135.00</b>	8.9%	Cost Recovery
Registration Service	Attendance of Registrars at an outside venue to register a marriage / civil partnership Monday - Thursday	Ceremony	473.00	473.00	Non-Business (0%)	<b>515.00</b>	<b>515.00</b>	8.9%	Cost Recovery
Registration Service	Attendance of Registrars at an outside venue to register a marriage / civil partnership Friday	Ceremony	525.00	525.00	Non-Business (0%)	<b>572.00</b>	<b>572.00</b>	9.0%	Cost Recovery
Registration Service	Attendance of Registrars at an outside venue to register a marriage / civil partnership Saturday / Sunday	Ceremony	643.00	643.00	Non-Business (0%)	<b>700.00</b>	<b>700.00</b>	8.9%	Cost Recovery
Registration Service	Attendance of Registrars at an outside venue to register a marriage / civil partnership Public Holiday	Ceremony	709.00	709.00	Non-Business (0%)	<b>772.00</b>	<b>772.00</b>	8.9%	Cost Recovery
Registration Service	Non-Statutory ceremonies such as Baby Naming & Renewal of vows at Outside Venues and non-licenced premises Monday - Thursday	Ceremony	412.50	495.00	Standard Rated (20%)	<b>449.17</b>	<b>539.00</b>	8.9%	Cost Recovery
Registration Service	Non-Statutory ceremonies such as Baby Naming & Renewal of vows at Outside Venues and non-licenced premises Friday	Ceremony	455.83	547.00	Standard Rated (20%)	<b>495.83</b>	<b>595.00</b>	8.8%	Cost Recovery
Registration Service	Non-Statutory ceremonies such as Baby Naming & Renewal of vows at Outside Venues and non-licenced premises Saturday / Sunday	Ceremony	554.17	665.00	Standard Rated (20%)	<b>604.17</b>	<b>725.00</b>	9.0%	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 Monday - Thursday	Ceremony	400.00	480.00	Standard Rated (20%)	<b>435.83</b>	<b>523.00</b>	9.0%	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 Friday	Ceremony	443.33	532.00	Standard Rated (20%)	<b>483.33</b>	<b>580.00</b>	9.0%	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 Saturday / Sunday	Ceremony	546.67	656.00	Standard Rated (20%)	<b>595.83</b>	<b>715.00</b>	9.0%	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	605.00	726.00	Standard Rated (20%)	<b>659.17</b>	<b>791.00</b>	9.0%	Cost Recovery
Registration Service	Registrar to register a civil partnership at a religious building Monday - Thursday	Ceremony	187.00	187.00	Non-Business (0%)	<b>204.00</b>	<b>204.00</b>	9.1%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Registration Service	Registrar to register a civil partnership at a religious building Friday	Ceremony	251.00	251.00	Non-Business (0%)	<b>273.00</b>	<b>273.00</b>	8.8%	Cost Recovery
Registration Service	Registrar to register a civil partnership at a religious building Saturday / Sunday	Ceremony	284.00	284.00	Non-Business (0%)	<b>309.00</b>	<b>309.00</b>	8.8%	Cost Recovery
Registration Service	Registrar to register a civil partnership at a religious building Public Holiday	Ceremony	378.00	378.00	Non-Business (0%)	<b>412.00</b>	<b>412.00</b>	9.0%	Cost Recovery
Registration Service	Attendance of Registrars at a venue subject to specific partnership arrangement to Register a marriage/civil partnership	Ceremony	361.00	361.00	Non-Business (0%)	<b>393.00</b>	<b>393.00</b>	8.9%	Cost Recovery
Registration Service	Category A Room Crawley - Small ceremonies on Thursday morning	Ceremony	172.00	172.00	Non-Business (0%)	<b>187.00</b>	<b>187.00</b>	8.7%	Cost Recovery
Registration Service	Small Basic Marriage or Civil Partnership in Small Worthing Ceremony Room	Ceremony	139.00	139.00	Non-Business (0%)	<b>151.00</b>	<b>151.00</b>	8.6%	Cost Recovery
Registration Service	Amendment Fee for Ceremonies (Dates, Times etc)	Amendment	35.00	35.00	Non-Business (0%)	<b>38.00</b>	<b>38.00</b>	8.6%	Cost Recovery
Registration Service	Venue Licensing Licence valid for three years for a venue to hold Marriages & CPs.	License	2202.00	2202.00	Non-Business (0%)	<b>2398.00</b>	<b>2,398.00</b>	8.9%	Cost Recovery
Registration Service	Licensing a Religious Building to hold civil partnerships Appeal against a refusal to grant a license.	Appeal	440.00	440.00	Non-Business (0%)	<b>479.00</b>	<b>479.00</b>	8.9%	Cost Recovery
Registration Service	Venue Licensing License valid for three years for a venue to hold Marriages & CPs: Fee for Additional room	Additional Room	379.00	379.00	Non-Business (0%)	<b>413.00</b>	<b>413.00</b>	9.0%	Cost Recovery

**Gypsy and Traveller Sites**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Gypsy and Travellers Sites	Gypsy Roma Traveller Site Plot Rental – Fairplace Hill (4 X Double Pitch Plot Rental)	Week	116.00	116.00	Exempt (0%)	<b>126.00</b>	<b>126.00</b>	8.6%	Subsidised
Gypsy and Travellers Sites	Gypsy Roma Traveller Site Plot Rental – Fairplace Hill (5 X Single Pitch Plot Rental)	Week	93.00	93.00	Exempt (0%)	<b>101.00</b>	<b>101.00</b>	8.6%	Subsidised
Gypsy and Travellers Sites	Gypsy Roma Traveller Site Plot Rental – Fairplace Hill (1 X Single Pitch Plot Rental)	Week	111.00	111.00	Exempt (0%)	<b>121.00</b>	<b>121.00</b>	9.0%	Subsidised
Gypsy and Travellers Sites	Gypsy Roma Traveller Site Plot Rental – Withy Park (16 X Plot Rental)	Week	72.00	72.00	Exempt (0%)	<b>78.00</b>	<b>78.00</b>	8.3%	Subsidised
Gypsy and Travellers Sites	Plot Rental - All Other Sites	Week	63.00	63.00	Exempt (0%)	<b>69.00</b>	<b>69.00</b>	9.5%	Subsidised
Gypsy and Travellers Sites	West Sussex Transit Site Plot Rental (9 plots)	Week	85.00	85.00	Non-Business (0%)	<b>91.00</b>	<b>91.00</b>	7.1%	Subsidised

**Highways Fees and Charges**

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Highways Services	Hoarding Application	M2 per 6 weeks	31.90	31.90	Non-Business (0%)	<b>35.00</b>	<b>35.00</b>	9.7%	Cost Recovery
Highways Services	Hoarding Application - Extension	M2 per 8 weeks	31.90	31.90	Non-Business (0%)	<b>35.00</b>	<b>35.00</b>	9.7%	Cost Recovery
Highways Services	Hoarding Application - Retrospective	Additional Fee Per License	360.70	360.70	Non-Business (0%)	<b>393.00</b>	<b>393.00</b>	9.0%	Cost Recovery
Highways Services	Scaffold License	Month	226.90	226.90	Non-Business (0%)	<b>247.00</b>	<b>247.00</b>	8.9%	Cost Recovery
Highways Services	Scaffold License - Extension	Extra Months	151.70	151.70	Non-Business (0%)	<b>165.00</b>	<b>165.00</b>	8.8%	Cost Recovery
Highways Services	Scaffold License - Retrospective	Additional Fee Per License	360.70	360.70	Non-Business (0%)	<b>393.00</b>	<b>393.00</b>	9.0%	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	2,561.50	2,561.50	Non-Business (0%)	<b>2,789.00</b>	<b>2,789.00</b>	8.9%	Cost Recovery
Highways Services	Temporary Traffic Orders: by Notice - only if agreed with Streetworks Section (S14 (2))	Notice	511.10	511.10	Non-Business (0%)	<b>557.00</b>	<b>557.00</b>	9.0%	Cost Recovery
Highways Services	Temporary Traffic Orders: by Notice followed by full Order (NOTICE + 2nd public notice) (S14 (1))	Order	2,561.50	2,561.50	Non-Business (0%)	<b>2,789.00</b>	<b>2,789.00</b>	8.9%	Cost Recovery
Highways Services	Public Path Orders administrative fees - Temporary Traffic Regulation Order (path closure) (6-month Orders)	Path Order	2,388.40	2,388.40	Non-Business (0%)	<b>2,601.00</b>	<b>2,601.00</b>	8.9%	Cost Recovery
Highways Services	Public Path Orders administrative fees - Temporary Traffic Regulation Order (path closure) (Extensions)	Path Order	2,388.40	2,388.40	Non-Business (0%)	<b>2,601.00</b>	<b>2,601.00</b>	8.9%	Cost Recovery
Highways Services	Vehicle Crossover Licence - Application Fee	Application Fee	183.90	183.90	Non-Business (0%)	<b>200.00</b>	<b>200.00</b>	8.8%	Cost Recovery
Highways Services	Vehicle Crossover Licence - Works Permission Fee	Works Permission Fee	263.80	263.80	Non-Business (0%)	<b>287.00</b>	<b>287.00</b>	8.8%	Cost Recovery
Highways Services	Letter to support VCO legality - Part of house sale	Per Letter	59.80	59.80	Non-Business (0%)	<b>65.00</b>	<b>65.00</b>	8.7%	Cost Recovery
Highways Services	Section 50 - New Roads and Street Works Act 1991: Private apparatus in the Highway	Units of 200m per Street	699.80	699.80	Non-Business (0%)	<b>762.00</b>	<b>762.00</b>	8.9%	Cost Recovery
Highways Services	Local Land charges -Provision of site drawing, electronic	Number	61.00	73.20	Standard Rated (20%)	<b>66.00</b>	<b>79.20</b>	8.2%	Cost Recovery
Highways Services	Local Land charges -Provision of controller specification	Number	63.00	75.60	Standard Rated (20%)	<b>69.00</b>	<b>82.80</b>	9.5%	Cost Recovery
Highways Services	Local Land Charges -Provision of SCOOT, UTC or MOVA data	Number	118.00	141.60	Standard Rated (20%)	<b>129.00</b>	<b>154.80</b>	9.3%	Cost Recovery
Highways Services	Access Protection Lines - Road markings to deter parking across private access - per set	New Lines	161.00	193.20	Standard Rated (20%)	<b>175.00</b>	<b>210.00</b>	8.7%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Highways Services	Access Protection Lines - Road markings to deter parking across private access - per set	Refurbishment	161.00	193.20	Standard Rated (20%)	<b>175.00</b>	<b>210.00</b>	8.7%	Cost Recovery
Highways Services	Moving Elevated Work Platform - Notice required	Up to 10 Working Days	122.80	122.80	Non-Business (0%)	<b>134.00</b>	<b>134.00</b>	9.1%	Cost Recovery
Highways Services	Tourist & Private Directional Signs – Survey and admin fees (Design and Manufacture costs in addition to this)	Application	381.50	381.50	Non-Business (0%)	<b>415.00</b>	<b>415.00</b>	8.8%	Cost Recovery
Highways Services	Tourist & Private Directional Signs - Non-refundable vetting fee	Application	152.80	152.80	Non-Business (0%)	<b>166.00</b>	<b>166.00</b>	8.6%	Cost Recovery
Highways Services	Temporary Direction Signs (New Developments) - First 5 signs	Up to 5 Signs	670.00	670.00	Non-Business (0%)	<b>730.00</b>	<b>730.00</b>	9.0%	Cost Recovery
Highways Services	Temporary Direction Signs (New Developments) - Additional signs	Additional Sign	133.70	133.70	Non-Business (0%)	<b>146.00</b>	<b>146.00</b>	9.2%	Cost Recovery
Highways Services	TROs required as a consequence of development or another promoter	TRO	9,370.60	9,370.60	Non-Business (0%)	<b>10,205.00</b>	<b>10,205.00</b>	8.9%	Cost Recovery
Highways Services	Skip License - Initial 14-day license	14 days	74.40	74.40	Non-Business (0%)	<b>81.00</b>	<b>81.00</b>	8.9%	Cost Recovery
Highways Services	Skip License - 14-day extension	14 days	74.40	74.40	Non-Business (0%)	<b>81.00</b>	<b>81.00</b>	8.9%	Cost Recovery
Highways Services	Skip License - Over run fee cost recovery	License	109.90	109.90	Non-Business (0%)	<b>120.00</b>	<b>120.00</b>	9.2%	Cost Recovery
Highways Services	Skip License - Retrospective	Application	122.80	122.80	Non-Business (0%)	<b>134.00</b>	<b>134.00</b>	9.1%	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	107.50	107.50	Non-Business (0%)	<b>117.00</b>	<b>117.00</b>	8.8%	Cost Recovery
Highways Services	Licence 171 Excavation	Licence 1 to 5 days	699.80	699.80	Non-Business (0%)	<b>762.00</b>	<b>762.00</b>	8.9%	Cost Recovery
Highways Services	Moving Elevated Work Platform - Overrun Fee	Day	183.90	183.90	Non-Business (0%)	<b>200.00</b>	<b>200.00</b>	8.8%	Cost Recovery
Highways Services	Moving Elevated Work Platform - Admin fee for change of date	One Off	43.00	43.00	Non-Business (0%)	<b>47.00</b>	<b>47.00</b>	9.3%	Cost Recovery
Highways Services	Scaffold - Fine for over run or failure to notify removal complete	Application	285.90	285.90	Non-Business (0%)	<b>311.00</b>	<b>311.00</b>	8.8%	Cost Recovery
Highways Services	Materials on a Highway - Licence to temporarily deposit building materials - Over run per day	Day	43.00	43.00	Non-Business (0%)	<b>47.00</b>	<b>47.00</b>	9.3%	Cost Recovery
Highways Services	Temp Vehicle Crossover Licence: Developer Applications - 1 to 5 Properties (Dwellings) on site	Application	667.60	667.60	Non-Business (0%)	<b>727.00</b>	<b>727.00</b>	8.9%	Cost Recovery
Highways Services	Temp Vehicle Crossover Licence: Developer Applications - 6 to 25 (Dwellings) Properties on site	Application	1,335.10	1,335.10	Non-Business (0%)	<b>1,454.00</b>	<b>1,454.00</b>	8.9%	Cost Recovery

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
Highways Services	Temp Vehicle Crossover Licence: Developer Applications - 25+ Properties (Dwellings)	Application	3,336.50	3,336.50	Non-Business (0%)	<b>3,633.00</b>	<b>3,633.00</b>	8.9%	Cost Recovery
Highways Services	Temporary Direction Signs (New Developments) - Unauthorised sign removal	Each Sign Removal	123.00	123.00	Non-Business (0%)	<b>134.00</b>	<b>134.00</b>	8.9%	Cost Recovery
Highways Services	Crane Licence	Licence 4 weeks	413.80	413.80	Outside Scope (0%)	<b>451.00</b>	<b>451.00</b>	9.0%	Cost Recovery
Highways Services	Crane Licence - Extension	Licence 4 weeks	195.20	195.20	Outside Scope (0%)	<b>213.00</b>	<b>213.00</b>	9.1%	Cost Recovery
Highways Services	Traffic Survey Licence (per USRN)	Licence 2 weeks	84.50	84.50	Outside Scope (0%)	<b>92.00</b>	<b>92.00</b>	8.9%	Cost Recovery
Highways Services	Temporary Switch Off for Pedestrian Crossing	Each	728.70	728.70	Non-Business (0%)	<b>832.00</b>	<b>832.00</b>	14.2%	Cost Recovery
Highways Services	Temporary Switch Off for Signalised Junction	Each	949.70	949.70	Non-Business (0%)	<b>1,085.00</b>	<b>1,085.00</b>	14.2%	Cost Recovery
Highways Services	Tree Planting Contribution	Application	236.20	236.20	Outside Scope (0%)	<b>257.00</b>	<b>257.00</b>	8.8%	Cost Recovery
Highways Services	Various Licences -Under s115E of Highways Act and Consents to temporary activities- Admin fee	Application	Various	Various	Non-Business (0%)	<b>Various</b>	<b>Various</b>	8.9%	Cost Recovery
Highways Services	S59 Licence Agreements	Application	590.60	590.60	Non-Business (0%)	<b>643.00</b>	<b>643.00</b>	8.9%	Cost Recovery

#### Transport Fees and Charges

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	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

Service	Fee or Charge	Per What?	2023/24 Fee or Charge - Exclusive of VAT (£)	2023/24 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	VAT Type	Proposed 2024/25 Fee or Charge - Exclusive of VAT (£)	Proposed 2024/25 Fee or Charge - Inclusive of VAT (Where Applicable) (£)	% Increase 2024/25	Type of Charge
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
Transport Bureau	Removal of Damage to Trees on the Highway by Third Parties	Per Site	N/A	N/A	Outside Scope (0%)	<b>Various</b>	<b>Various</b>	NEW	Cost Recovery
Transport Bureau	Admin Fees for Management Recoverable (Green Claims)	Per Site	N/A	N/A	Outside Scope (0%)	<b>Various</b>	<b>Various</b>	NEW	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

## **Our Council Plan and KPIs**

### **Introduction**

**The importance of the services provided by this Council has once again been evident over the past year, particularly the crucial support for those in our county who are most vulnerable.**

The global economic situation and the legacy of the pandemic have continued to have significant impact on local people, places and on the local economy. We have continued to focus on delivering our residents' priorities, including significant investment in highways maintenance, all while continuing to balance our budget.

We are in a period of growing demand for our services. With inflation pushing up costs, difficulties in recruiting and retaining staff for us and our providers, having to meet changes in inspection regimes, government policy and funding, we are facing a very challenging picture.

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 priorities and delivering the outcomes we set. As we approach a General Election, we are also seeking to influence and respond to a range of significant national policy developments which will have implications for the Council's services and role in our community, particularly work to take the lead on supporting economic growth in the County from 1 April 2024.

Our ambitions are captured each year in a detailed Council Plan. It sets out what we aim to achieve for our communities. It covers what we will do and the targets we will use to judge our performance during the year. The Council Plan, revenue budget and capital programme are integrated through our business planning process. The Plan is based around four priority outcomes, with an underlying commitment to protect our environment:

- Keeping people safe from vulnerable situations;
- A sustainable and prosperous economy;
- Helping people and communities fulfil their potential; and
- Making best use of resources.

We consulted West Sussex residents on our priorities – to ensure we are focusing our efforts in the right places. 68% strongly agreed or tended to agree with the County Council's priorities. We are therefore confident that our priorities are right, and they will continue to inform how we prioritise competing demands for our resources in the coming year.

The real progress we have made over the last few years on our improvement journey, which has been recognised by Ofsted and HM's Inspectorate of Constabulary and Fire & Rescue Services, puts us in a strong position to deal with the challenges. We know we have more to do and will continue to seek ever 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 as a convener for place;
- Work closely with communities and partners;
- Invest in and value the staff that work for us 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 how close and effective partnerships are key to being able to deliver our priorities and to maximise our value 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 Sussex Integrated Care System, with schools and with care providers. We will also build on our work with businesses, employers and other economic partners as we take on the functions of the Local Enterprise Partnership.

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

- Prioritise our key outcomes;
- Carefully manage the demand on our services;
- Make sure our resources go to where they are needed most;
- Continue to get the best value for money from our resources, in the short and long term; and
- Lobby Government to understand the pressures we are facing, and the difficult decisions needed about the services we provide, if adequate, sustainable, long-term funding is not provided.

The Council Plan, and the way we have put it together, reflects the range of what we do – as deliverer, convener or enabler to put in place what is needed to serve our communities. It acts as a framework for us to deliver on our ambitions in a way that means we are clear on what we want to achieve and how to do so 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.

### **Keeping people safe from vulnerable situations**

We know that there will be times in people's lives when they need more help. We will be there to ensure timely support to manage risk and prevent 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 family life and reduce reliance on costly short-term placements. Where this is not 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, we will prevent fire wherever possible, through fire safety checks targeted at those who need it most and our wider public awareness campaigns.
- We will continue to act on behalf of the Government, supporting refugees and displaced families.
- Trading standards will respond to residents' reports of predatory trading and prevent them from becoming repeat victims.
- Adult Social Care will work with its partners to ensure that those with care and support needs who may be experiencing or are at risk of abuse or neglect are safeguarded. We will continue to increase our effectiveness and through our



strength-based working ensure that residents are supported to live independently at home.

- 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 work with partners to provide early support in the community and close to home, including support to unpaid 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.

### **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. 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 young people achieving their potential. We will focus our activity in the following areas:

- We will take on the functions of the Local Enterprise Partnership on 1 April 2024 and will work to ensure that the business voice in West Sussex is heard and the Government understands the need to invest in West Sussex to grow the economy.
- We will deliver the Council's Economic Plan, focussing on the challenges faced by different places in the county; on supporting new and existing businesses; on employment and skills activities to support and create jobs and on digital technology to boost growth. Protecting 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 a sustainable economy and jobs growth across the county, including taking advantage of all available 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 to maximise the use of local suppliers in our supply chains and secure economic, social and environmental benefits for our residents. This includes jobs and opportunities for local people and access to education, training and support.
- We will work with social care providers to deliver our new market sustainability plan which supports the delivery of affordable and sustainable care provision to meet residents needs to maintain their independence.
- West Sussex Transport Plan – we are delivering the objectives and strategic priorities for improving the transport network up to 2036 set out in our West Sussex Transport Plan of 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 continue to invest in and 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 continue to work with the Department for Digital, Culture, Media and Sport and the telecoms market to accelerate gigabit-capable infrastructure; support economic growth and innovation and 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.
- As part of our overarching commitment to protecting our environment 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 Government grants and 'green finance' options. We will also seek to 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.

### **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 West Sussex. To achieve this, we need to improve and sustain the conditions that will enable people to be independent, and communities to feel 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 259 of 284 West Sussex schools currently rated by Ofsted as good or outstanding (91%).
- We will ensure that there are sufficient school places where they are needed, and work with schools and parents to review places where they are not.
- Careers advice – we will continue to support 500 young people not in education, employment or training and provide apprenticeships with the Council and encourage others to do the same.
- We will evaluate our School Streets Active Travel Initiative and consider further roll out across the county.
- Lifelong learning – we will work with education providers to support them in running accessible learning and development opportunities.
- As part of the health and care partnership commitment to tackle health inequality we will support the continued development of 'local neighbourhood community networks' across the county. The aim is to empower communities to deliver change through collaborative working between primary care, local government, public health and local voluntary sector enterprises, and improve digital inclusion, health & wellbeing.
- 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 that is person-centred and addresses health inequality.

- With our Adult Social Care Strategy, we will work with communities and partners to embed 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 additional 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. 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.

### **Making the best use of resources**

In all of our business planning and delivery we will be making the best use of our resources, ensuring value for money and cost effective services. We will use the data and information available on our residents’ and communities’ 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 continue to improve the way

we work to get the best from the 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 ensures effective governance, supporting sound decision making and management across the County Council. This will mean we deliver the best for our residents, with transparency and openness.
- 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 and will have consistent and high-quality performance and development conversations. We will attract, recruit and retain the staff we need to deliver our services and we will underpin staff development with equality, diversity and inclusion.
- We will maximise the use and value of our assets by looking creatively at how we might use them to support economic growth, financial planning and social value (for example, sharing space in our buildings with start-ups). We will reduce our overall energy consumption and decarbonise as far as possible to meet our aim of being a net carbon zero organisation by 2030. We will consider a wide range of measures to protect and safeguard the environment to achieve this ambition.
- 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 identify opportunities to deliver the same or better for less.
- We will look to combine or share approaches and services to achieve greater efficiency.
- We will work with Districts and Boroughs to implement Simpler Recycling – to enable food waste to be collected and disposed of.

## Key Performance Indicators

### KPIs for Removal

KPI	Portfolio	Service	Measure reference and description	Reasons for deletion
8	Children and Young People, Learning and Skills	Children – Education	Percentage of care-leavers aged 17-21 who are in Employment, Education or Training (EET).	WSSC are performing very well and above national, regional, and statistical neighbours' average. Propose to replace this measure with a new KPI that continues to focus on Care Leavers.  Benchmarking 22/23 WSSC - 65% National - 58% South East - 59% Statistical Neighbours - 59%.
51	Support Services and Economic Development	Customer Experience	Reduction in percentage of Customer Service Centre Telephone calls that could have been resolved through digital channels.	Work is underway to develop the Council's Digital Strategy and this includes the development of the customer experience focussed KPI proposed in the KPIs to add table.
4	Community Support, Fire and Rescue	Trading Standards	Percentage of interventions to identified West Sussex residents that demonstrate an increase in ability for resident to deal with scams.	This area of work has been scaled back since the National Trading Standards Scams Team has reduced the number of referrals we receive. Although it remains important and performance will continue to be monitored, it will be replaced.
50	Finance and Property	Finance	The aggregated unit cost of our services compared to our statistical neighbours.	The VFM indicator is proposed for deletion pending further review of a more suitable measure.
17	Highways & Transport	Highways	Length of new cycle paths across the County	This measure does not report on usage of the paths, only the infrastructure in place. Measure being updated following the new Active Travel Strategy currently out for consultation. (See KPIs for Adding #17 for updated measure)
54	Public Health and Wellbeing	Public Health	HIV late diagnosis in people first diagnosed with HIV in the UK.	Recommend removal of this target given national policy implications. An HIV action plan in place but national policy decisions likely to impact rates.

**KPIs for Adding**

<b>KPI</b>	<b>Portfolio</b>	<b>Service</b>	<b>Measure reference and description</b>	<b>Baseline and baseline date</b>	<b>2024-25 Target</b>	<b>Reasons for adding</b>
	Children and Young People, Learning and Skills	Children – Education	Young people aged 19- 21 who were looked after aged 16 who were in higher education.	3.9% March 2023	5%	Whilst WSCC are performing well with EET, WSCC are below national average (7%) and Stat Neighbour average (6%) for care leavers accessing Higher Education.
	Support Services and Economic Development	Customer Experience	% Customers are satisfied with the service they receive from the Customer Service Centre	No baseline, historic data over 3 years old	>=80%	This KPI will drive how effective our officers, training and quality assurance is, highlighting areas to improve based on feedback and scoring, as well as celebrating success.
	Support Services and Economic Development	Customer Experience	% How easy was it to find and access the council service you need	No baseline, historic data over 3 years old	>=80%	Ease of access will be an important measure as WSCC shift to digital channels. The County Council needs to understand how easy it is for our customers to access services and information.
	Support Services and Economic Development	Customer Experience	% How easy was it to get the help you wanted from the council today	No baseline, historic data over 3 years old	>=80%	Ease of access will be an important measure as WSCC shift to digital channels. Once the Council understands how easy it is to access services and information, they will need to understand if our customers found it easy to get the support they needed. This insight will help to improve services.

<b>KPI</b>	<b>Portfolio</b>	<b>Service</b>	<b>Measure reference and description</b>	<b>Baseline and baseline date</b>	<b>2024-25 Target</b>	<b>Reasons for adding</b>
	Community Support, Fire and Rescue	Trading Standards	Percentage of identified targets receiving intervention by Trading Standards in relation to regulating the supply of tobacco and alcohol.	83%	100%	The new KPI relates to a two-year initiative that has just started between Trading Standards and Public Health looking at illicit vapes, tobacco, alcohol, and age restricted sales.
<b>50</b>	Finance and Property	Finance	New Value for money indicator to be developed.	TBC	TBC	To provide a more suitable measure of WSCC Value for Money performance than existing KPI 50.
<b>17</b>	Highways & Transport	Highways	To maintain or improve proportion of adults who walk or cycle for any purpose at least once per week against the regional & national benchmark.	74.1% - 2022	74.10%	Following steer from Active Travel England to move to a usage measure, that not only relates to cycling but also walking. Current performance is good against neighbouring authorities and the national and regional averages; the proposed target is to maintain that position.

KPI	Portfolio	Service	Measure reference and description	Baseline and baseline date	2024-25 Target	Reasons for adding
	Leader	Economic Growth	Achievement of Gatsby Benchmarks, the national framework for careers excellence, in West Sussex schools and colleges in the Careers Hub.	5.3 out of 8 September 2023.	5.5 out of 8	The Careers Hub covering West Sussex transferred from Coast to Capital Local Enterprise Partnership to WSCC on 1 Sept 2023. The Hub is part of a national network of hubs funded by Department for Education through the national Careers and Enterprise Company, matched by funding from the West Sussex local authorities. The decision to host the Careers Hub is a key step in the County Council's employment and skills reset, and the Hub is high profile across the county with secondary schools, colleges, businesses, and partner organisations.

**KPIs to Amend**

KPI	Portfolio	Service	Measure reference and description	Baseline and baseline date	2024-25 Target	Reasons for amending
<b>38</b>	Adults Services	Adults	Percentage of users of adults' services and their carers that are reviewed and/or assessed in the last 12 months. Performance reported will also include the number of completed reviews within the quarter.		New: 60% Old: 80%  <i>Proposed to apply new target to this measure immediately</i>	Reviews and/or assessments for users of adult services and their carers are currently not being prioritised in date order, on which this measure is based and therefore, the change will reflect all reviews and/or assessments completed by adult social care operational team within a 12-month period.



KPI	Portfolio	Service	Measure reference and description	Baseline and baseline date	2024-25 Target	Reasons for amending
						A reduction in the target reflects a recognition that strength-based reviews take additional time to complete, which is an approach being embedded across the service. This approach is contributing to the achievement of strategic ambitions as set out in the Adult Social Care Strategy.
<b>39</b>	Adults Services	Adults	The percentage of all working age users of adults' services in employment (paid/unpaid).	Target - TBC once baseline position for 23/24 is confirmed	3.80%	This measure has been removed from the Adult Social Care Outcomes Framework (ASCOF) 2023/24 and will not be replaced. Reflecting on comments from the Health and Adult Social Care Scrutiny Committee, it is proposed to amend this measure to include all users of adults' services who are in paid employment, rather than a focus on those who have a learning disability.
<b>40</b>	Adults Services	Adults	The proportion of people who receive long-term support who live in their home or with family.	Target - TBC once baseline position for 23/24 is confirmed	60%	This measure has been removed from the Adult Social Care Outcomes Framework (ASCOF) 2023/24 and will not be replaced. It is proposed to replace it with a new ASCOF measure, 'the proportion of people who receive long-term support who live in their home or with family', which has been added for 2023/24 and will reflect all customer groups rather than a focus on those who have a learning disability.

<b>KPI</b>	<b>Portfolio</b>	<b>Service</b>	<b>Measure reference and description</b>	<b>Baseline and baseline date</b>	<b>2024-25 Target</b>	<b>Reasons for amending</b>
<b>1</b>	Children and Young People, Learning and Skills	Children – Social Care/Corporate Parenting	Percentage of re-referrals to Childrens Social Care within 12 months of the previous referral.	20%	25%	<p>The proposed new target brings WSCC in line with the overall increases to this measure that has happened at both national and Statistical Neighbour level.</p> <p>Target reduction. WSCC performance 25% (Jun 23)</p> <p>Benchmarking 21/22: WSCC - 23% Statistical Neighbours – 27% National – 22%</p>
<b>2</b>	Children and Young People, Learning and Skills	Children – Education	<p>Percentage of Early Help Plans closed with outcomes met.</p> <p>Replace with the following similar measure: Number of successful family outcomes that meet DLUHC targets.</p>	N/A	1,037	<p>WSCC have advanced funding of £1.3m a year to deliver the programme and a target of 1037 families to support at a rate of £800 per family. The DLUHC can reduce or delay funding in future years to areas failing significantly behind in their numbers of successful family outcomes.</p>
<b>7</b>	Children and Young People, Learning and Skills	Children – Social Care/Corporate Parenting	Stability of children looked after placements – (3 or more placements during the year).	10%	12%	<p>The proposed new target brings us in line with the overall increases to this measure that has happened at both national, regional and Statistical Neighbour level.</p> <p>Target reduced. WSCC performance 13% (Jun 23) Benchmarking 21/22: WSCC– 11% Statistical Neighbours – 9%</p>

KPI	Portfolio	Service	Measure reference and description	Baseline and baseline date	2024-25 Target	Reasons for amending
						National – 10% South East – 12%
<b>25</b>	Children and Young People, Learning and Skills	Children – Education	Percentage of schools with OFSTED rating 'good' or 'outstanding'.	91%	91%	Measure description revised. Percentage of <b>Maintained</b> Schools with OFSTED rating 'good' or 'outstanding'.  The Local Authority has a statutory duty to challenge and undertake timely interventions in schools to raise standards. It is the role of the Regional Schools Commissioner for Free Schools and Academies.
<b>26</b>	Children and Young People, Learning and Skills	Children – Education	Percentage of pupils and students accessing Ofsted 'good' or 'outstanding' schools.	91%	91%	Measure description revised. Percentage of pupils and students accessing Ofsted 'good' or 'outstanding' <b>in all schools</b> .  Our aspiration is that children receive good or outstanding education in all of our schools regardless of it being a Maintained, Free or Academy.
<b>27</b>	Children and Young People, Learning and Skills	Children – Education	Percentage achieving expected standard in reading, writing and maths combined at the end of Key Stage 2.	72%	59%	Proposing a more realistic target that brings us in line with South-East averages.  Target reduced. Benchmarking 21/22: WSSC -55% Statistical Neighbours – 58.7% National –58.7% South East – 58.9%

<b>KPI</b>	<b>Portfolio</b>	<b>Service</b>	<b>Measure reference and description</b>	<b>Baseline and baseline date</b>	<b>2024-25 Target</b>	<b>Reasons for amending</b>
<b>29</b>	Children and Young People, Learning and Skills	Children – Education	Percentage attainment gap of disadvantaged pupils compared with non-disadvantaged peers at the end of Key Stage 2.	14%	23%	<p>Whilst we are above South East and Stat Neighbour averages our current target is unrealistic and therefore propose to bring it in line with National average.</p> <p>Target reduced. Benchmarking 21/22: WSCC – 24% SN – 27.4% National – 23.0% SE – 27.0%</p>
<b>30</b>	Children and Young People, Learning and Skills	Children – Education	Combined percentage of 16-17 year-olds that are Not in Education, Education or Training or whose activity is not known.	5.5%	30a 2.7% 30b 2.8%	<p>Propose to split out the NEETs from the Unknowns and measure separately.</p> <p>30a. percentage of 16-17-year olds that are Not in Education, Education or Training.</p> <p>30b. Percentage of 16-17-year olds whose activity is not known.</p> <p>Latest WSCC performance at 9.5% (2% NEET, 7.5% unknown).</p> <p>Benchmarking (Av. of Dec 22, Jan and Feb 23): South East: 6.9% (2.5% NEET &amp; 4.3% Unknown) Stat Neighbour: 4.8% (2.7% NEET &amp; 2.1% Unknown) National: 5.2% (2.8% NEET &amp; 2.4% Unknown).</p>

KPI	Portfolio	Service	Measure reference and description	Baseline and baseline date	2024-25 Target	Reasons for amending
						Whilst our NEET figure is currently lower than national and regional comparators, our Unknowns are significantly higher. It is likely that by reducing the number of Unknowns it will increase the number of NEETs and this is why we have raised this target slightly.
57	Children and Young People, Learning and Skills	Children – Education	Children and young people with Education, Health, and Care Plans (EHCPs) accessing mainstream education.	39.5%	50%	Target increased.  WSCC performance 47.6% (ages 4-16) (Jun 23)  Already exceeding next year’s target and propose a stretch target.
59	Children and Young People, Learning and Skills	Children – Education	Number of New Pupil places created from the Schools Capital Programme to meet Basic Need and SEND.	772	59a-97 59b-67	Split out SEND places from non-SEND places and measure separately.  59a number of SEND places 59b number of non-SEND places  This is a measure of the number of new places (whether they are provided through additional capacity or within existing buildings) and it is reporting only on those places newly created and not places being removed.
59	Finance and Property	Property and Assets	Number of school places – number of new pupil places created from the Schools Capital Programme to meet basic need and SEND.			Property and Assets are working with Education to develop this KPI, it will consider those additions as a result of refurbishment,

KPI	Portfolio	Service	Measure reference and description	Baseline and baseline date	2024-25 Target	Reasons for amending
						expansion, new build, and internal reorganisation.
<b>49</b>	Finance and Property	Property & Assets	Square metres of operational property minus – <ul style="list-style-type: none"> <li>• Schools (education property)</li> <li>• Land Only sites</li> <li>• Vacant Property</li> <li>• Vacant Pending Sale</li> <li>• Externally operated (e.g. properties leased out or tenanted)</li> </ul>		106,000 m <sup>2</sup>	Amendment to confirm the target value for 24/25.  Target end 2024 /25: 106,000 m <sup>2</sup> Target end 2025/26: 100,700 m <sup>2</sup> Target end 2026/27: 95,600 m <sup>2</sup>
<b>18a</b>	Highways & Transport	Highways	Percentage of A roads in good condition	Change to baseline – 68.2%	68.90%	From reviewing the condition data over the last few years, current improvement targets are not realistic. Road conditions have declined significantly over the last few years due to variables out of our control, such as significant weather events of extreme heat and rainfall.
<b>18b</b>	Highways & Transport	Highways	Percentage of B and C roads in good condition	Change to baseline – 68.4%	68.80%	From reviewing the condition data over the last few years, current improvement targets are not realistic. Road conditions have declined significantly over the last few years due to variables out of our control, such as significant weather events of extreme heat and rainfall.
<b>19</b>	Highways & Transport	Highways	Highways defects repaired within required timescale	Change to baseline – 86.1%	No change	Baseline updated using the last 3 years data

KPI	Portfolio	Service	Measure reference and description	Baseline and baseline date	2024-25 Target	Reasons for amending
41	Highways & Transport	Highways	<p>Reduce Killed and seriously injured.</p> <p>Unit of measure is changing to 'number of killed and seriously injured casualties due to road collisions' from 'number per billion miles'.</p>	Change to baseline – 497 (average from 2015-2019)	Change to target for 2024/2025– reduce by 11 KSIs	<p>Unit of measure changing to make the figure easier to interpret and to remove fluctuation caused by significant events.</p> <p>Baseline recalculated because of the change to the unit of measure using the most recent, full set of data that wasn't affected by COVID (2015 – 2019).</p> <p>Target was re-evaluated at the Traffic Management &amp; Road User Safety Executive Task and Finish Group (TFG) where an overall target of 30% reduction to no. of persons killed and seriously injured in road traffic collisions by 2036 was agreed, which would show more ambition in reaching vision zero of no persons killed or seriously injured in road traffic collisions by 2050.</p>
6	Public Health and Wellbeing	Public Health	Healthy weight of 10-11-year-olds	Top quartile of councils in the South East	Top quartile of councils in the South East	<p>Measure description and baseline amendment.</p> <p><b>% of children in Year 6 measuring within the healthy weight range.</b></p> <p>Healthy weight is defined as a BMI above the 2nd and below the 85th centile of the UK90 growth reference.</p> <p>National Child Measurement Programme (NCMP)</p>

KPI	Portfolio	Service	Measure reference and description	Baseline and baseline date	2024-25 Target	Reasons for amending
60	Public Health and Wellbeing	Public Health	Smoking quits	480 Annually	720	<p>Measure description update to <b>Smoking quits.</b></p> <p>Smokers that have successfully quit at four weeks.</p> <p>These changes align with the national reporting requirements for the smoking cessation monies allocated.</p>
61	Public Health and Wellbeing	Public Health	Smoking – prevalence in adults (18+)	12.5% in 2022 (published 2023)	10.2%	<p>Update Baseline. This has already been amended with Cabinet approval, due to the national change in methodology and revising up of current prevalence figures.</p> <p>Annual smoking prevalence is measured by the Annual Population Survey, which is reported annually and published in arrears. Consequently, the impact of tobacco control activity undertaken in 2023/24 will be measurable in 2025/26 as the survey will be undertaken in 2024, with results published in 2025.</p>
20	Support Services and Economic Development	Digital Infrastructure	KPI – Percentage of premises able to access gigabit-capable connectivity by 2025 (working towards government target of 85% by the end of 2025 <b>and nationwide by 2030</b> ).	Target 23/24 – 63% (we are on 64.82% so this target has now been achieved)	72%	Previous target achieved. Note target for 2025/26 updated to be 85%



<b>KPI</b>	<b>Portfolio</b>	<b>Service</b>	<b>Measure reference and description</b>	<b>Baseline and baseline date</b>	<b>2024-25 Target</b>	<b>Reasons for amending</b>
<b>47</b>	Support Services and Economic Development	Human Resources and Organisational Development	Leadership and management - percentage positive response to the question: "I am part of a supportive team where we regularly reflect on our successes and challenges enabling us to improve continuously".	81% (Sept 23)	82%	Whilst the target for 2023/24 was met, results for the last 3 surveys have all been 81%. A target of 82% continues to demonstrate ambition to make improvements in this area but is more realistic.

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## **Council Plan and Budget Consultation and Engagement**

The priorities in the Council Plan and draft budget proposals were subject to consultation and engagement during November and December 2023. This included an online public consultation, an all Member briefing on 18 October, by all Scrutiny Committees during November and by all key stakeholders (partners, voluntary sector, business representatives) at the event on 7 December 2023. The feedback is summarised in this Appendix and has been considered by Cabinet in putting together the final budget for 2024/25.

### **Online Public Consultation**

A public consultation was conducted between Monday 30 October and Sunday 10 December 2023.

The consultation gathered views on WSCC priorities and vital services, where people would like the County Council to consider increasing and decreasing spend and options to achieve a balanced budget.

The consultation included a survey questionnaire, available from the WSCC website. Paper copies were made available if requested, and there was an Easy Read version of the survey where the text was presented in an accessible, easy to understand format.

In total, the survey received 3,397 responses, of which:

- 94% were residents in West Sussex, 3% West Sussex business owners and 3% other.
- 49% were female, 45% male and 6% preferred not to say.
- 52% were retired/not working and 48% of working age. Only 0.1% were aged under 18.
- 20% of respondents reported to have a disability.

The key findings include:

- General agreement (68%) with the West Sussex County Council priorities.
- Respondents were asked to add priorities they thought were missing, this was a free text question and the word clouds below summarise the key points made from both the general survey and easy read survey.

**Figure 1: General Survey Responses**



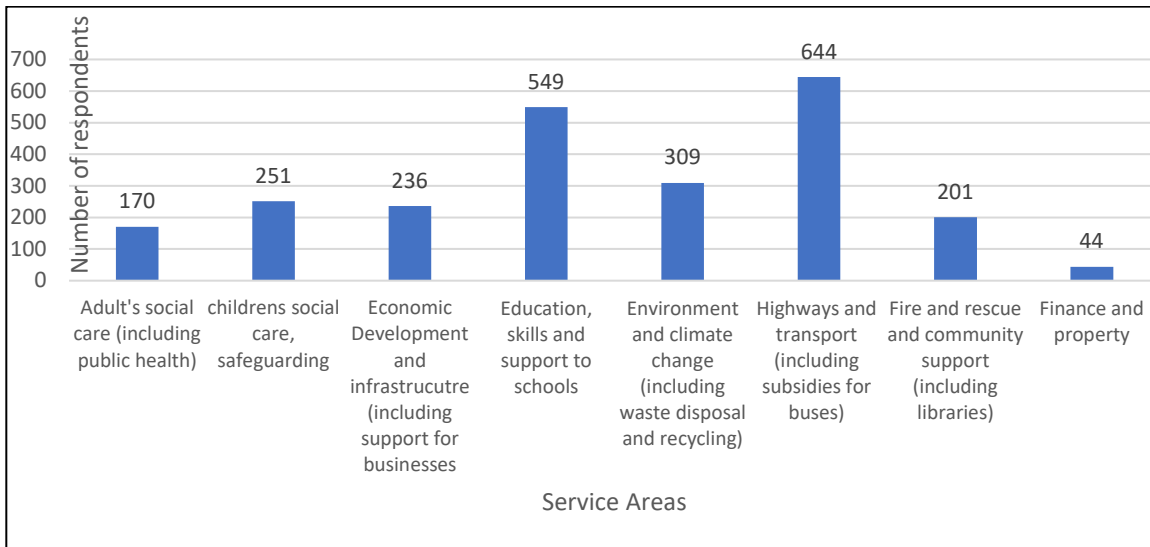
**Figure 2: Easy Read Survey Responses**



- In total 37% of respondents disagreed with where the council spends its money, compared to 28% who agreed.
- As shown in the Chart 1 below, the service area most commonly selected across all respondents for a need to increase funding was highways and

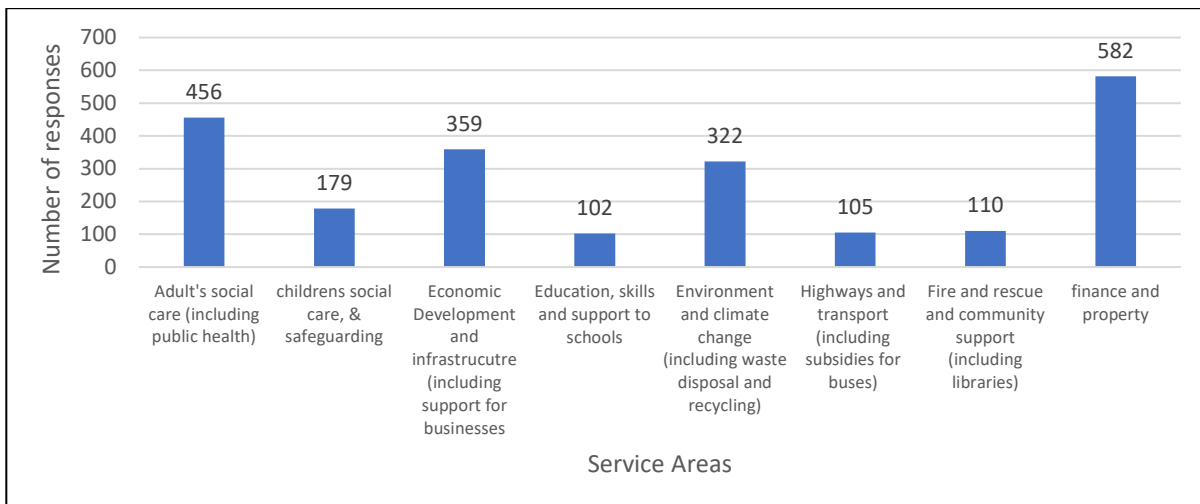
transport (including subsidies for buses) followed by education, skills and support to schools.

**Chart 1: Services areas selected for increase in funding**



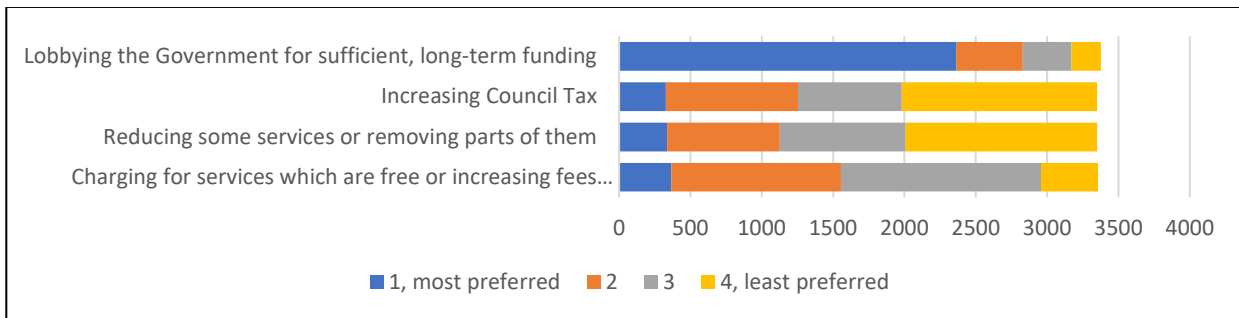
- The service areas most commonly selected for a decrease in funding included finance and property, followed by adults’ social care (including Public Health) as shown in Chart 2.
- Highways and transport and fire and rescue and community support (including libraries) were areas least selected to decrease spending on.

**Chart 2: Services areas selected for decrease in funding**



- Lobbying Government for additional funding was the most preferred option for balancing the budget with increasing Council Tax and reducing services being the least preferred.

### Chart 3: Options for balancing the budget



- The services used the most by respondents over the last 12 months were waste services, such as household waste and recycling centres, followed by rights of way, footpaths, cycleways or country parks and libraries and archive services.

### All Member Session (18 October)

An all member event was held on 18 October which updated on the budget proposals, including estimated pressures and proposed budget reductions.

### November Scrutiny Committees

The draft budget proposals (pressures, budget reductions and changes to the Capital Programme) were discussed at each scrutiny committee meeting in November for relevant cabinet portfolios that fall under the remit of each committee.

In addition, the full budget proposals were discussed at Performance and Finance Scrutiny Committee on 27 November.

### Performance and Finance Scrutiny Committee – 24 January

Feedback is included in Annex 4.

### Stakeholder Events

Feedback from 7 December Stakeholder Engagement Session and 11 December Voluntary and Community Sector Engagement Session

- **Engagement on the Council Plan and Budget is welcome** as it allows transparent understanding of the pressures the County Council is facing and the difficult choices that need to be made.
- **All sectors facing unprecedented pressures** – working in partnership to manage these challenges is more important than ever.
- **Complexity of need** is having a real impact on joint commissioning arrangements and planning. More work is needed to ensure best use is made of voluntary sector resource and capacity, as well as funding opportunities.
- **Early engagement** – would allow for greater cross-sector collaboration to address the challenges faced.

- **Use of reserves/level of reserves** – it would be preferable for the County Council to dip into reserves rather than put increasing financial pressure on partners.
- **National Living Wage increase** will put further pressure on the County Council's budget as it needs to be reflected in the social care uplift.
- **Economic development and productivity** – need to ensure we maximise the opportunity from LEP transition and any funding that comes with that to ensure we address economic development needs and productivity issues in the county.

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## **West Sussex Capital Strategy 2024-2029**

### **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.

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, schools and education, local transport infrastructure and the environment. 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 emphasise that a local authority must not borrow to invest solely for financial return.

1.7. The investment in the capital programme 2024-2029 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 sets out that councils are required to plan and manage the use of council assets, in-particular infrastructure assets because this is vital in delivering council priorities and being financially resilient. In line with the Financial Management (FM) code, the review of the strategy and programme continues to move towards establishing a longer term strategy horizon, including consideration of schemes in the pre-pipeline and the timescales of the schemes coming forward.

## 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 sets out further details.

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

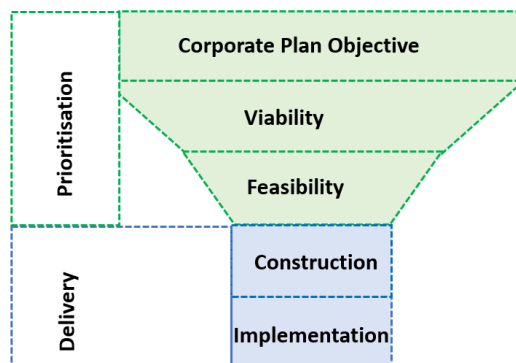
- 3.1. The Council Plan sets out the Council's vision and priority areas for the county. Individual Service Business Plans at departmental and directorate level identify objectives for each service to deliver the Council Plan priorities for their area of responsibility. Directorate-owned Asset Management Strategies set out the asset requirements to deliver those objectives.
- 3.2. The Programme includes the following areas of asset management and because 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 which 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 and the prioritisation of delivery resources. 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 growth deals
  - 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.
- 3.6. The County Council entered into a Joint Venture Partnership with Lovell Partnerships Limited (now established as Kinsted LLP) during 2021 in order to manage surplus assets held by the County Council and support the delivery of its priorities. West Sussex is a 50% partner in the LLP with this interest secured through its Wholly Owned Company, Edes Estate. The objectives of Kinsted LLP include:
- To support Edes Estate in achieving its objectives and the Council in achieving its key priorities for the period to 2026 as set out in the Council Plan, particularly a sustainable and prosperous economy and making best use of resources
  - In line with the underlying theme of protecting our environment, deliver the developments to a high quality that are appropriate to agreed design and sustainability standards, including electric vehicle charging points, air source heat pumps, feature porches and composite windows

- To respond to demand by delivering housing to boost the local economy in a timely manner on sites that may otherwise not be commercially viable
- 3.7. Kinsted LLP will prepare business cases for the development of the 10 parcels of land currently optioned to the Joint Venture and any parcels which may be optioned in future. 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.
  - 3.8. The County Council's initial capital commitment is the land value whilst Lovell's is the additional work to secure planning consent. In some cases, additional funding may be required to ensure viability against the requirements of the partnership.
  - 3.9. The requirement for additional funds would be met in the form of a loan from one of the partners, the County Council having the first choice whether to provide a loan, although the Partnership Agreement assumes that both parties will take an equal share.
  - 3.10. The Capital Programme provides funding of up to £5m towards the County Council's commitment to the Joint Venture as set out in the Partnership Agreement. The exact timing and amount of the actual draw down required will be impacted by the time taken to reach planning consent and the completion of the business cases for each site. The business plan for Edes Estate is currently being prepared and any impact on the Capital Programme will be considered as part of the 2025/26 programme.

#### 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

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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

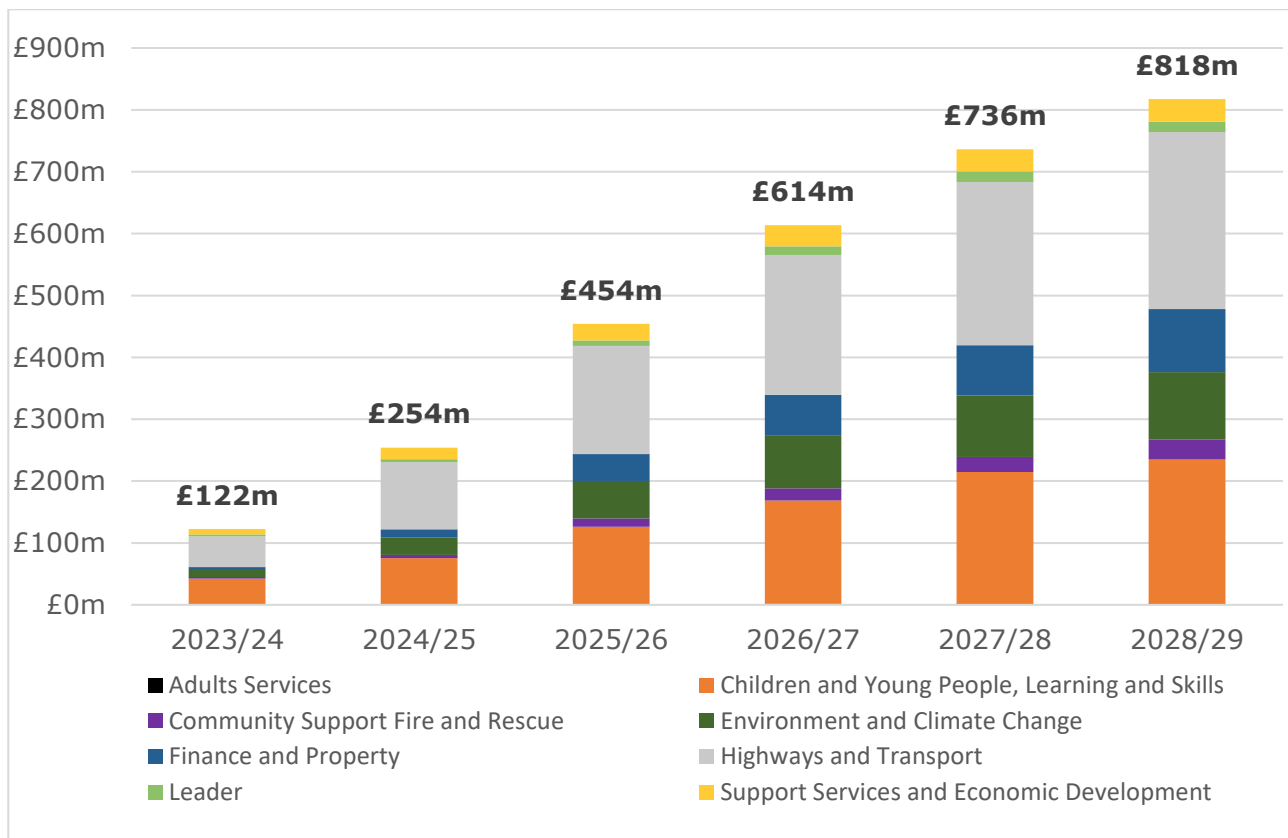
and project changes are reviewed at the officer Capital Programme Board meetings before being recommended to the relevant decision-maker for approval.

4.10. The Capital Programme is monitored as part of the Performance and Resources Report and 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 2024/25–2028/29 Capital Programme is £695.3m. 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.

**Figure 1: Capital programme expenditure 2023/24 to 2028/29 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,

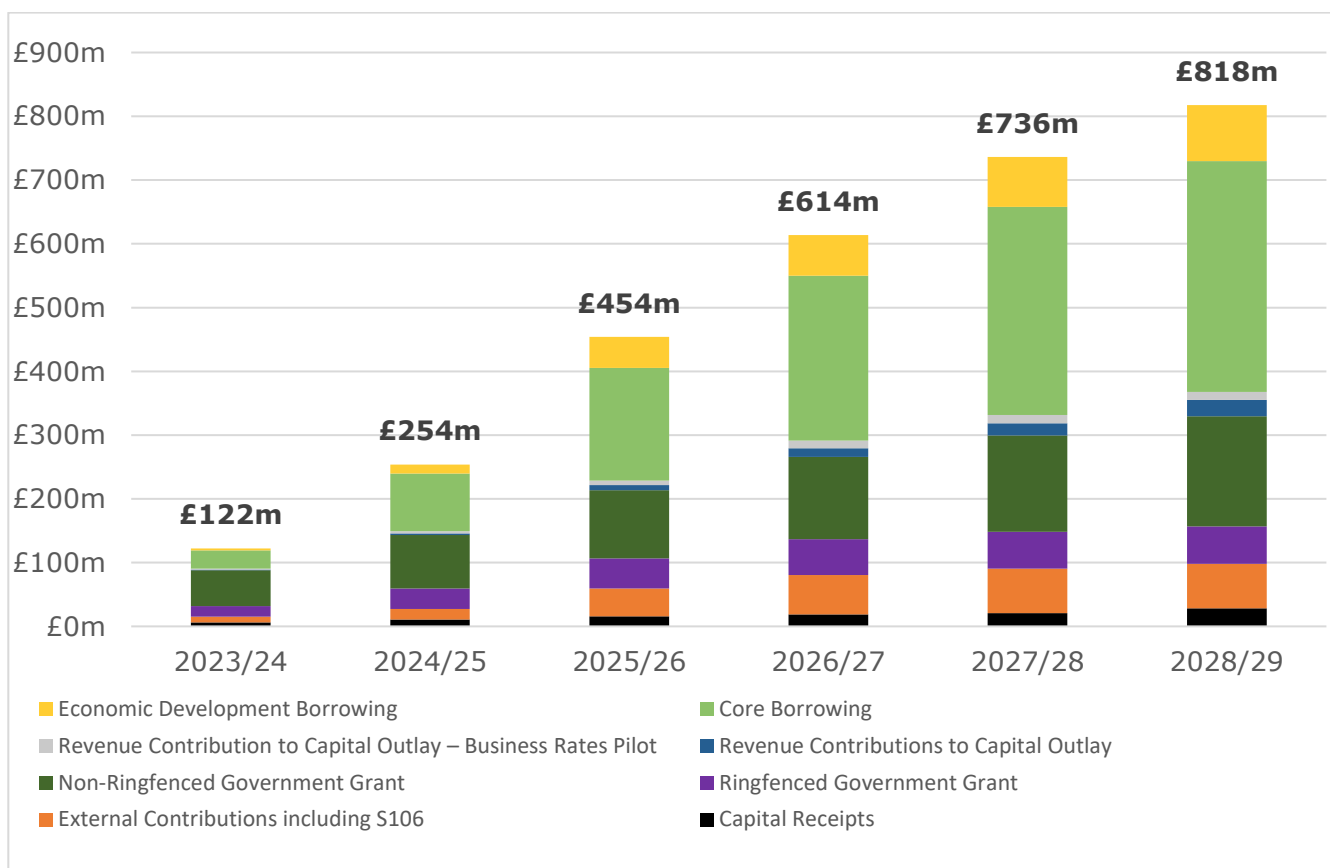
**Commercial** – procurement arrangements and any deal structure have been considered

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

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 2024/25 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 for the period 2024/25 to 2028/29 is shown in Figure 2. The borrowing figures are split between core capital programme and Economic Development projects. Core borrowing covers the whole of the capital programme excluding Economic Development.

**Figure 2: Capital programme funding 2023/24 to 2028/29 and subsequent years**



- 5.4. Capital plans, outlined in Appendix A, show a total borrowing requirement of £72.8m is required to finance the Council’s capital expenditure plans in 2024/25.
- 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 2024/25.

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

	<b>2024/245 Estimate £m</b>	<b>2025/26 Estimate £m</b>	<b>2026/27 Estimate £m</b>	<b>2027/28 Estimate £m</b>	<b>2028/29 Estimate £m</b>
Net Revenue Expenditure	761.4	759.0	762.0	765.0	768.1
Capital Programme Financing Charges					
- MRP	13.8	14.9	15.9	17.5	19.0
- Interest	17.4	27.0	29.1	31.8	31.0
<b>Total</b>	<b>31.2</b>	<b>41.9</b>	<b>45.0</b>	<b>49.3</b>	<b>50.0</b>
% Ratio	4.1%	5.5%	5.9%	6.4%	6.5%

- 5.6. The implications of the Capital Programme outlined in paragraphs 5.1 to 5.4 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 2024 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 2074 and assumes that from 2029/30 onwards the Council has an annual core programme borrowing requirement of £20m.
- 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 the application of the annual MRP contribution. Additionally, some projects generate revenue returns to reduce the associated revenue borrowing costs, as set out in Table 2 below.
- 5.9. The Council will be required to externally borrow for the capital programme in 2025/26. Additionally, based on the forecast DSG deficit as set out in the DfE DSG Deficit Management Plan, cash reserves previously funding the County Council's internal borrowing will be fully utilised from 2026/27 in funding future DSG deficits (as set out in the DSG Deficit Management Plan). From 2026/27 therefore, no internal borrowing for the County Council's capital programme is available until such time that a funding solution for the ongoing DSG deficit is agreed. This is also illustrated graphically in Appendix D.
- 5.10. Relevant Prudential Indicators for 2024/25 to 2028/29 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 £0.5m in 2024/25 as shown in Table 2.

**Table 2: Financial performance of Commercial and Economic Development projects 2024/25**

<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	27.558	1.262	0.580	-0.682
Tangmere solar farm	9.750	n/a	0.795	0.795
All other solar & battery storage projects	24.656	1.328	1.694	0.366
<b>Total</b>	<b>61.694</b>	<b>2.590</b>	<b>3.069</b>	<b>0.479</b>

(i) As per the County Council's 2022/23 unaudited Balance Sheet (Gross Book Value); plus forecast Capital Expenditure (Your Energy Sussex projects) in 2023/24.

## **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 will be instances where the Council may wish to provide a loan in 2024/25, including:
- loans to the Council's Joint Venture (JV) Partnership (Kinsted LLP) 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 Regeneration 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 £25m and this will be subject to the Council's approval of business cases for each site.
- 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 in line with the Council Plan;
- 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 2024 to include loans to third parties and all loans must comply with the Financial Regulations. The approval limits for loans are:

- For loan amounts funded from the approved capital programme in line with an approved business case, authority is delegated to the Section 151 Officer to authorise where there is no adverse impact on Council Policy or service delivery. Decisions taken by the Section 151 Officer will be published in the Members' Bulletin and will not be subject to additional governance or publication;
- 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 as part of the usual capital programme governance as described in Section 4.

## **8. Flexible Use of Capital Receipts Strategy 2023/24 & 2024/25**

- 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 until 2030 was announced in the provisional settlement in December 2023. A call for views was launched on 18 December on a set of options with respect to capital flexibilities and borrowing to support invest-to-save activity and more flexibilities to use capitalisation without the requirement to approach Government.
- 8.2 The Statutory Guidance published in 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 2023/24 that was agreed by County Council in February 2023. Any use will be determined as part of the year end outturn position.
- 8.3 For 2024/25, 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.

- 8.4 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**

Key Risk	Mitigations
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>• Availability 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>
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>

<b>Key Risk</b>	<b>Mitigations</b>
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:
- Atkins Realis (formerly Faithfull + Gould) (multi-disciplinary consultant)
  - WSP (highways and public realm consultant)
  - Savills (property advisory services)
  - Montagu Evans (valuers)
  - Link (treasury management advisor)
- 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 2024/25

Appendix C - Illustrative External Debt/Internal Borrowing Projections

Appendix D – Graphical Illustration of Debt Projections to March 2074

Appendix E – Flexible Use of Capital Receipts 2023/24

Appendix F – Flexible Use of Capital Receipts 2024/25

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**CAPITAL PROGRAMME 2024/25 to 2028/29**

2023/24 £000	CAPITAL PROGRAMME (Expenditure)	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
0	Adults Services	0	772	1,000	455	0	2,227
42,568	Children & Young People, Learning and Skills	32,820	50,224	41,374	45,515	20,409	190,342
2,266	Community Support Fire and Rescue	3,025	7,800	6,300	4,850	7,462	29,437
11,716	Environment and Climate Change	16,853	32,415	24,846	13,700	9,900	97,714
4,466	Finance and Property	8,266	30,358	22,189	15,855	20,473	97,141
49,517	Highways and Transport	59,106	66,222	51,638	37,605	22,127	236,698
3,055	Leader	1,514	4,311	5,070	2,800	0	13,695
8,822	Support Services and Economic Development	9,987	8,079	6,950	2,000	1,000	28,016
<b>122,410</b>	<b>TOTAL CAPITAL PROGRAMME</b>	<b>131,571</b>	<b>200,181</b>	<b>159,367</b>	<b>122,780</b>	<b>81,371</b>	<b>695,270</b>

2023/24 £000	FINANCING	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
6,000	Capital Receipts	5,000	5,000	3,000	2,000	7,500	22,500
9,187	External Contributions including S106	7,273	26,989	17,940	8,150	0	60,352
16,449	Ringfenced Government Grant	15,483	15,209	9,300	1,300	1,300	42,592
56,585	Non-Ringfenced Government Grant	27,447	22,716	22,319	21,942	21,584	116,008
625	Revenue Contributions to Capital Outlay	2,000	5,532	5,532	5,532	6,032	24,628
1,575	Revenue Contribution to Capital Outlay – Business Rates Pilot	1,560	4,032	4,735	1,000	0	11,327
28,774	Core Borrowing	61,630	86,058	82,194	67,756	35,455	333,093
3,215	Economic Development Borrowing	11,178	34,645	14,347	15,100	9,500	84,770
<b>122,410</b>	<b>TOTAL PROGRAMME</b>	<b>131,571</b>	<b>200,181</b>	<b>159,367</b>	<b>122,780</b>	<b>81,371</b>	<b>695,270</b>

**CAPITAL PROGRAMME 2024/25**

FINANCED FROM	£000	£000	%
<b>External Sources</b>			
<b>Ringfenced Government Grant</b>			
Children & Young People, Learning and Skills	7,671		
Environment and Climate Change	507		
Highways and Transport	7,305		
		15,483	11.77%
<b>Non-Ringfenced Government Grant</b>	27,447		
		27,447	20.86%
<b>External Contributions</b>			
Children & Young People, Learning and Skills	4,200		
Environment and Climate Change	26		
Highways and Transport	2,680		
Leader	200		
Support Services and Economic Development	167		
		7,273	5.53%
<b>Total External Sources</b>		50,203	38.16%
<b>Corporate Funding</b>			
- Capital Receipts	5,000		
- Revenue Contributions to Capital Outlay	2,000		
- Revenue Contribution to Capital Outlay – Business Rates Pilot	1,560		
- Borrowing	72,808		
<b>Total Corporate Funding</b>		81,368	61.84%
<b>TOTAL CAPITAL PAYMENTS</b>		<b>131,571</b>	<b>100%</b>

**Adults Services**

**CAPITAL PROGRAMME 2024/25 to 2028/29**

Project	Approved Budget Profiled						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
<b>In-Flight Projects</b>							
Choices For The Future Part B	0	0	27	0	0	0	27
<b>Total In-Flight Approved Projects</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>
<b>Proposed Projects*</b>							
Supporting People With a Disability To Live Independently	0	0	745	1,000	455	0	2,200
<b>Total Proposed Starts List</b>	<b>0</b>	<b>0</b>	<b>745</b>	<b>1,000</b>	<b>455</b>	<b>0</b>	<b>2,200</b>
<b>TOTAL PROGRAMME</b>	<b>0</b>	<b>0</b>	<b>772</b>	<b>1,000</b>	<b>455</b>	<b>0</b>	<b>2,227</b>
<b>Financing</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>2028/29 £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>							
NHS Capital Grant	0	0	745	0	0	0	745
Corporate Resources	0	0	27	1,000	455	0	1,482
<b>Total Funding</b>	<b>0</b>	<b>0</b>	<b>772</b>	<b>1,000</b>	<b>455</b>	<b>0</b>	<b>2,227</b>

\* All projects approved subject to business case

**Children & Young People, Learning and Skills**

**CAPITAL PROGRAMME 2024/25 to 2028/29**

Project	Approved Budget Profiled						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
<b>In-Flight Projects</b>							
Seaside (now Breakwater) Children's Home	3	0	0	0	0	0	0
May House (now Blue Cove) Children's Home	0	19	0	0	0	0	19
High Trees Children's Home	22	608	1,000	0	0	0	1,608
Orchard House Children's Home	3,782	1,108	250	0	0	0	1,358
Teasel Close Children's Home	10	175	800	0	0	0	975
West Green Family Time Hub	60	300	439	0	0	0	739
Extensions and Adaptations to Foster Carer Properties	118	88	0	0	0	0	88
Emergency Accommodation - Worthing Fire Station House	40	41	0	0	0	0	41
Basic Need	5,955	3,315	3,401	3,000	6,000	0	15,716
Special School Sufficiency	8,025	3,771	1,200	0	0	0	4,971
Woodlands Mead College	8,190	1,550	0	0	0	0	1,550
Bedelands Academy (Secondary School)	4,494	3,695	19,142	12,000	15,000	0	49,837
All Weather Pitches	209	1,058	0	0	0	0	1,058
Schools Access Initiative	300	300	300	300	197	0	1,097
Community Schools Capital Maintenance Grant	9,000	9,357	911	0	0	0	10,268
Devolved Formula Capital Grant	1,900	1,900	1,263	0	0	0	3,163
Section 106 Infrastructure Programme	460	1,034	2,175	1,500	1,150	0	5,859
Section 106 FFE & IT	0	101	0	0	0	0	101
<b>Total In-Flight Approved Projects</b>	<b>42,568</b>	<b>28,420</b>	<b>30,881</b>	<b>16,800</b>	<b>22,347</b>	<b>0</b>	<b>98,448</b>
<b>Proposed Projects*</b>							
Early Help	0	0	500	1,000	1,000	1,000	3,500
The House Project	0	0	100	0	0	0	100
Extensions and Adaptations to Foster Carer Properties	0	100	160	160	220	302	942
Childcare Expansion Programme	0	300	700	872	0	0	1,872
Future Years Basic Need	0	2,000	4,523	7,500	10,000	11,000	35,023
Future Years Community Schools Capital Maintenance Grant	0	0	7,939	7,542	7,165	6,807	29,453
Future Years Devolved Formula Capital Grant	0	0	1,300	1,300	1,300	1,300	5,200
Schools Capital Maintenance Block (Additional)	0	0	200	200	170	0	570
Special School Sufficiency Development Programme	0	2,000	3,921	6,000	3,313	0	15,234
<b>Total Proposed Starts List</b>	<b>0</b>	<b>4,400</b>	<b>19,343</b>	<b>24,574</b>	<b>23,168</b>	<b>20,409</b>	<b>91,894</b>
<b>TOTAL PROGRAMME</b>	<b>42,568</b>	<b>32,820</b>	<b>50,224</b>	<b>41,374</b>	<b>45,515</b>	<b>20,409</b>	<b>190,342</b>
<b>Financing</b>							
	£000	£000	£000	£000	£000	£000	£000
<b>Sources of Funding</b>							
Basic Need Grant	10,449	7,010	4,503	0	0	0	11,513
Capital Maintenance Grant	8,797	8,357	7,939	7,542	7,165	6,807	37,810
Devolved Formula Capital Grant	1,900	1,900	2,563	1,300	1,300	1,300	8,363
Special Educational Needs & Disability Grant (SEND)	7,601	5,771	5,121	6,000	0	0	16,892
Childcare Expansion Grant	0	300	700	872	0	0	1,872
Corporate Resources	6,547	5,282	9,893	21,160	29,900	12,302	78,537
External Contributions including S106	7,274	4,200	19,505	4,500	7,150	0	35,355
<b>Total Funding</b>	<b>42,568</b>	<b>32,820</b>	<b>50,224</b>	<b>41,374</b>	<b>45,515</b>	<b>20,409</b>	<b>190,342</b>

\* All projects approved subject to business case

### Community Support, Fire and Rescue

**CAPITAL PROGRAMME 2024/25 to 2028/29**

Project	Approved Budget Profiled						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
<b>In-Flight Projects</b>							
Fleet	500	1,572	2,000	0	0	0	3,572
Fire and Rescue Equipment	263	344	0	0	0	0	344
Live Training Centre and Horsham Fire Station	1,423	0	250	0	0	0	250
Worthing Community Hub	50	109	0	0	0	0	109
Libraries are for Everyone	30	0	0	0	0	0	0
<b>Total In-Flight Approved Projects</b>	<b>2,266</b>	<b>2,025</b>	<b>2,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,275</b>
<b>Proposed Projects*</b>							
Future Years Fire and Rescue Equipment	0	0	350	350	350	700	1,750
Future Years Fleet	0	0	3,500	4,500	4,500	6,762	19,262
Records Office	0	0	200	800	0	0	1,000
Fire and Rescue Estates Improvement Programme	0	1,000	1,500	650	0	0	3,150
<b>Total Proposed Starts List</b>	<b>0</b>	<b>1,000</b>	<b>5,550</b>	<b>6,300</b>	<b>4,850</b>	<b>7,462</b>	<b>25,162</b>
<b>TOTAL PROGRAMME</b>	<b>2,266</b>	<b>3,025</b>	<b>7,800</b>	<b>6,300</b>	<b>4,850</b>	<b>7,462</b>	<b>29,437</b>
<b>Financing</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>2028/29 £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>							
Library On Grant - Arts Council	30	0	0	0	0	0	0
Corporate Resources	2,236	3,025	7,800	6,300	4,850	7,462	29,437
<b>Total Funding</b>	<b>2,266</b>	<b>3,025</b>	<b>7,800</b>	<b>6,300</b>	<b>4,850</b>	<b>7,462</b>	<b>29,437</b>

\* All projects approved subject to business case

**Environment and Climate Change**

**CAPITAL PROGRAMME 2024/25 to 2028/29**

Project	Approved Budget Profiled						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
<b>In-Flight Projects</b>							
Waste General After Care Works	17	14	0	0	0	0	14
Faygate - Gas Scheme	20	567	30	0	0	0	597
Carbon Reduction Programme	93	88	0	0	0	0	88
Transformation Projects	303	0	0	0	0	0	0
Property Maintenance - Carbon Net Zero	1,759	892	900	0	0	0	1,792
Asset Decarbonisation - Carbon Net Zero	5,549	2,313	0	0	0	0	2,313
Flood Management	159	92	114	0	0	0	206
Operation Watershed	600	409	0	0	0	0	409
Energy Services - Schools Solar PV Programme	35	240	240	0	0	0	480
Energy Services - Solar PV and Battery Storage	1,562	1,638	4,500	0	0	0	6,138
Energy Services - Halewick Lane	519	5,000	8,000	5,046	0	0	18,046
Littlehampton Harbour	1,100	0	0	0	0	0	0
<b>Total In-Flight Approved Projects</b>	<b>11,716</b>	<b>11,253</b>	<b>13,784</b>	<b>5,046</b>	<b>0</b>	<b>0</b>	<b>30,083</b>
Baystone Farm	0	0	150	400	0	0	550
Brookhurst Wood - Site HA	0	0	1,000	1,000	1,000	1,500	4,500
Energy Services - Solar Farms and Battery Storage	0	0	2,721	7,000	7,000	6,000	22,721
Asset Decarbonisation - Carbon Net Zero	0	1,000	2,460	0	0	0	3,460
Climate Change - Carbon Net Zero	0	0	855	1,000	1,000	2,000	4,855
Littlehampton Recycling Centre Expansion/ Improvement	0	600	1,045	2,000	0	0	3,645
Chichester and Horsham Recycling Centre Improvements	0	0	2,500	5,000	1,300	0	8,800
Future Years Operation Watershed	0	0	400	400	400	400	1,600
Waste Strategic Options	0	2,000	5,500	0	0	0	7,500
Protecting the Environment	0	2,000	2,000	3,000	3,000	0	10,000
<b>Total Proposed Starts List</b>	<b>0</b>	<b>5,600</b>	<b>18,631</b>	<b>19,800</b>	<b>13,700</b>	<b>9,900</b>	<b>67,631</b>
<b>TOTAL PROGRAMME</b>	<b>11,716</b>	<b>16,853</b>	<b>32,415</b>	<b>24,846</b>	<b>13,700</b>	<b>9,900</b>	<b>97,714</b>
<b>Financing</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>2028/29 £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>							
Corporate Resources	10,504	16,309	27,756	16,846	12,700	8,400	82,011
External Contributions including S106	0	26	3,659	7,000	0	0	10,685
Flood & Coastal Erosion Grant	159	92	0	0	0	0	92
Salix Grant	971	415	0	0	0	0	415
Revenue Contribution to Capital Outlay (RCCO)	82	11	1,000	1,000	1,000	1,500	4,511
<b>Total Funding</b>	<b>11,716</b>	<b>16,853</b>	<b>32,415</b>	<b>24,846</b>	<b>13,700</b>	<b>9,900</b>	<b>97,714</b>

\* All projects approved subject to business case

**Finance and Property**

**CAPITAL PROGRAMME 2024/25 to 2028/29**

Project	Approved Budget Profiled						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
<b>In-Flight Projects</b>							
Structural Maintenance	2,227	3,054	242	242	242	241	<b>4,021</b>
Staff Capitalisation - Property	940	958	0	0	0	0	<b>958</b>
Gypsy and Travellers Sites Improvements Programme	200	200	175	100	0	0	<b>475</b>
Targeted Minor Asset Improvement Plan (CLOG)	45	13	0	0	0	0	<b>13</b>
Chichester High School Demolition	11	26	0	0	0	0	<b>26</b>
Accessibility Audit	100	300	600	390	384	0	<b>1,674</b>
Broadbridge Heath Park	500	2,000	14,500	1,419	0	0	<b>17,919</b>
Orchard Street Development	0	0	102	0	0	0	<b>102</b>
Horsham Enterprise Park	165	165	165	229	0	0	<b>559</b>
Latent Defects	50	50	97	0	0	0	<b>147</b>
Halnaker Windmill	228	0	0	0	0	0	<b>0</b>
<b>Total In-Flight Approved Projects</b>	<b>4,466</b>	<b>6,766</b>	<b>15,881</b>	<b>2,380</b>	<b>626</b>	<b>241</b>	<b>25,894</b>
<b>Proposed Projects*</b>							
Invest to Save/Future Economic Development	0	1,000	2,000	4,000	5,000	6,000	<b>18,000</b>
Future Years Gypsy and Travellers Sites Improvements Programme	0	0	400	400	400	700	<b>1,900</b>
Future Years Staff Capitalisation - Property	0	0	978	997	1,017	1,220	<b>4,212</b>
Future Years Structural Maintenance	0	0	1,000	2,300	2,300	2,300	<b>7,900</b>
Joint Venture - Property	0	0	1,000	1,000	1,000	2,000	<b>5,000</b>
Corporate Contingency (including inflation)	0	0	2,000	2,000	2,000	4,000	<b>10,000</b>
Structural Maintenance Uplift	0	0	1,812	512	512	512	<b>3,348</b>
One Public Estate Brownfield Land Release Grant	0	0	987	0	0	0	<b>987</b>
Littlehampton County Buildings	0	0	500	600	0	0	<b>1,100</b>
Capital Improvements Programme	0	500	3,800	8,000	3,000	3,500	<b>18,800</b>
<b>Total Proposed Starts List</b>	<b>0</b>	<b>1,500</b>	<b>14,477</b>	<b>19,809</b>	<b>15,229</b>	<b>20,232</b>	<b>71,247</b>
<b>TOTAL PROGRAMME</b>	<b>4,466</b>	<b>8,266</b>	<b>30,358</b>	<b>22,189</b>	<b>15,855</b>	<b>20,473</b>	<b>97,141</b>
<b>Financing</b>							
<b>Sources of Funding</b>							
Corporate Resources	4,466	8,266	29,371	22,189	15,855	20,473	<b>96,154</b>
Revenue Contributions to Capital Outlay	0	0	0	0	0	0	<b>0</b>
One Public Estate Brownfield Land Release Grant	0	0	987	0	0	0	<b>987</b>
<b>Total Funding</b>	<b>4,466</b>	<b>8,266</b>	<b>30,358</b>	<b>22,189</b>	<b>15,855</b>	<b>20,473</b>	<b>97,141</b>

\* All projects approved subject to business case

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Highways and Transport

CAPITAL PROGRAMME 2024/25 to 2028/29

Project	Approved Budget Profiled						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
<b>In-Flight Projects</b>							
Annual Works Programme	29,558	31,300	17,906	6,882	2,848	0	<b>58,936</b>
A2300 Corridor Capacity Enhancement, Burgess Hill	281	0	0	0	0	0	<b>0</b>
A259 Corridor Capacity Enhancement, Arun	2,554	607	0	0	0	0	<b>607</b>
A259 Bognor to Littlehampton Corridor Enhancement, Arun	2,026	2,395	73	0	0	0	<b>2,468</b>
A284 Lyminster Bypass, Arun	8,191	10,915	11,386	6,101	0	0	<b>28,402</b>
A29 Re-alignment, Arun, Phase 1	1,404	1,522	5,392	8,000	6,200	0	<b>21,114</b>
Active Travel Fund	250	350	300	0	0	0	<b>650</b>
Electric Vehicle Chargepoints	804	500	500	0	0	0	<b>1,000</b>
On Street Parking	72	80	100	100	150	0	<b>430</b>
Staff Capitalisation	1,743	1,442	0	0	0	0	<b>1,442</b>
Street Lighting LED	434	2,135	3,398	5,153	7,100	1,500	<b>19,286</b>
Bus Service Improvement Plan	1,000	4,060	4,920	2,000	0	0	<b>10,980</b>
Halogen Bulb Replacement Programme	1,200	1,800	2,000	1,500	0	0	<b>5,300</b>
<b>Total In-Flight Approved Projects</b>	<b>49,517</b>	<b>57,106</b>	<b>45,975</b>	<b>29,736</b>	<b>16,298</b>	<b>1,500</b>	<b>150,615</b>
<b>Proposed Projects*</b>							
A29 Re-alignment, Arun, Phase 2	0	0	0	0	0	0	<b>0</b>
Haywards Heath South Road	0	0	0	1,625	1,000	0	<b>2,625</b>
Future Years Annual Works Programme	0	0	14,777	14,777	14,777	14,777	<b>59,108</b>
Revenue Contributions to Capital Outlay - Lane Rental	0	2,000	4,000	4,000	4,000	4,000	<b>18,000</b>
Future Years Staff Capitalisation - Highways	0	0	1,470	1,500	1,530	1,850	<b>6,350</b>
<b>Total Proposed Starts List</b>	<b>0</b>	<b>2,000</b>	<b>20,247</b>	<b>21,902</b>	<b>21,307</b>	<b>20,627</b>	<b>86,083</b>
<b>TOTAL PROGRAMME</b>	<b>49,517</b>	<b>59,106</b>	<b>66,222</b>	<b>51,638</b>	<b>37,605</b>	<b>22,127</b>	<b>236,698</b>
<b>Financing</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>2028/29 £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>							
Local Maintenance and Transport Grant	26,108	16,938	14,777	14,777	14,777	14,777	<b>76,046</b>
Department for Transport A259 Bognor to Littlehampton	0	2,395	73	0	0	0	<b>2,468</b>
Department for Transport A284 Lyminster Bypass	3,714	0	0	0	0	0	<b>0</b>
Bus Service Improvement Plan Grant (DFT)	1,000	4,060	4,920	2,000	0	0	<b>10,980</b>
Natural England	30	0	0	0	0	0	<b>0</b>
On-street Residential Chargepoint Scheme	804	500	500	0	0	0	<b>1,000</b>
Emergency Active Travel Fund	238	350	300	0	0	0	<b>650</b>
Corporate Resources	16,027	30,183	41,182	26,423	17,828	3,350	<b>118,966</b>
Revenue Contributions to Capital Outlay	0	2,000	4,000	4,000	4,000	4,000	<b>18,000</b>
External Contributions including S106	1,596	2,680	470	4,438	1,000	0	<b>8,588</b>
<b>Total Funding</b>	<b>49,517</b>	<b>59,106</b>	<b>66,222</b>	<b>51,638</b>	<b>37,605</b>	<b>22,127</b>	<b>236,698</b>

\* All projects approved subject to business case

\*\* A29 Re-alignment, Arun, Phase 2 to be delivered outside of the current 5 year capital programme

**Leader**

**CAPITAL PROGRAMME 2024/25 to 2028/29**

Project	Approved Budget Profiled						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
<b>In-Flight Projects</b>							
Crawley Growth Programme	1,696	400	0	0	0	0	400
Burgess Hill Growth Programme	1,359	714	0	0	0	0	714
Bold Ideas, Creative Bognor	0	0	19	0	0	0	19
<b>Total In-Flight Approved Projects</b>	<b>3,055</b>	<b>1,114</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,133</b>
<b>Proposed Projects*</b>							
Burgess Hill Growth Programme	0	200	1,900	2,070	0	0	4,170
Crawley Growth Programme	0	200	2,392	3,000	2,800	0	8,392
<b>Total Proposed Starts List</b>	<b>0</b>	<b>400</b>	<b>4,292</b>	<b>5,070</b>	<b>2,800</b>	<b>0</b>	<b>12,562</b>
<b>TOTAL PROGRAMME</b>	<b>3,055</b>	<b>1,514</b>	<b>4,311</b>	<b>5,070</b>	<b>2,800</b>	<b>0</b>	<b>13,695</b>
<b>Financing</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>2028/29 £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>							
Corporate Resources	3,038	1,314	956	3,068	2,800	0	8,138
External Contributions including S106	17	200	3,355	2,002	0	0	5,557
<b>Total Funding</b>	<b>3,055</b>	<b>1,514</b>	<b>4,311</b>	<b>5,070</b>	<b>2,800</b>	<b>0</b>	<b>13,695</b>

\* All projects approved subject to business case



**Support Services and Economic Development**

**CAPITAL PROGRAMME 2024/25 to 2028/29**

Project	Approved Budget Profiled						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
<b>In-Flight Projects</b>							
Worthing Public Realm	559	628	1,400	0	0	0	2,028
Adur Growth Programme	100	466	0	0	0	0	466
Arun Growth Programme	684	465	0	0	0	0	465
Transformation Projects	4,248	4,805	0	0	0	0	4,805
Converged Fibre	76	160	0	0	0	0	160
Gigabit Voucher Scheme	1,575	1,500	442	500	0	0	2,442
District and Borough Council Gigabit Projects	0	0	2,890	2,750	0	0	5,640
Connected Spaces - WI-FI	300	167	0	0	0	0	167
Investment in Technology	1,280	1,280	0	0	0	0	1,280
<b>Total In-Flight Approved Projects</b>	<b>8,822</b>	<b>9,471</b>	<b>4,732</b>	<b>3,250</b>	<b>0</b>	<b>0</b>	<b>17,453</b>
<b>Proposed Projects*</b>							
Arun Growth Programme	0	346	800	500	0	0	1,646
Adur Growth Programme	0	170	500	400	0	0	1,070
Worthing Public Realm	0	0	347	300	0	0	647
Digital Infrastructure (Business Rates Pilot)	0	0	530	500	0	0	1,030
Regional Connectivity (Business Rates Pilot)	0	0	170	1,000	1,000	0	2,170
Future Years Investment in Technology	0	0	1,000	1,000	1,000	1,000	4,000
<b>Total Proposed Starts List</b>	<b>0</b>	<b>516</b>	<b>3,347</b>	<b>3,700</b>	<b>2,000</b>	<b>1,000</b>	<b>10,563</b>
<b>TOTAL PROGRAMME</b>	<b>8,822</b>	<b>9,987</b>	<b>8,079</b>	<b>6,950</b>	<b>2,000</b>	<b>1,000</b>	<b>28,016</b>
<b>Financing</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>2028/29 £000</b>	<b>Total £000</b>
<b>Sources of Funding</b>							
Corporate Resources	6,947	8,260	4,047	2,215	1,000	1,000	16,522
Economic Recovery Fund Grant	300	167	0	0	0	0	167
Revenue Contribution to Capital Outlay - Business Rates Pilot	1,575	1,560	4,032	4,735	1,000	0	11,327
<b>Total Funding</b>	<b>8,822</b>	<b>9,987</b>	<b>8,079</b>	<b>6,950</b>	<b>2,000</b>	<b>1,000</b>	<b>28,016</b>

\* All projects approved subject to business case

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## **Minimum Revenue Provision (MRP) Statement – 2024/25**

- 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 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.
- 1.5 Government has launched a consultation on changes to MRP regulations and statutory guidance. The proposed changes to the regulations remain substantively the same as previously consulted on in the June 2022 which aimed to strengthen the duty to make a minimum revenue provision, with some minor changes to reflect responses. The guidance provides detailed interpretation and outlines the government's expectations of how the regulation requirements should work in practice. Details are being considered by officers and the County Council's response will be submitted by the deadline of 16 February 2024. The Council does not expect the outcome of the consultation to have any impact on the Council's current working practices.

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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 2028/29. Additionally, in the table below the Core Borrowing (New) includes £20m annual borrowing for the capital programme (excluding Economic Development schemes) from 2029/30 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 County Council's Liability Benchmark projections forecast that the Council will be required to externally borrow for the capital programme in 2025/26. Additionally, based on the forecast DSG deficit as set out in the DfE Management Plan, cash reserves previously funding the County Council's internal borrowing will be fully utilised from 2026/27 in funding future DSG deficits (as set out in the Management Plan). From 2026/27 therefore, no internal borrowing for the County Council's capital programme is available until such time that a funding solution for the ongoing DSG deficit is agreed.

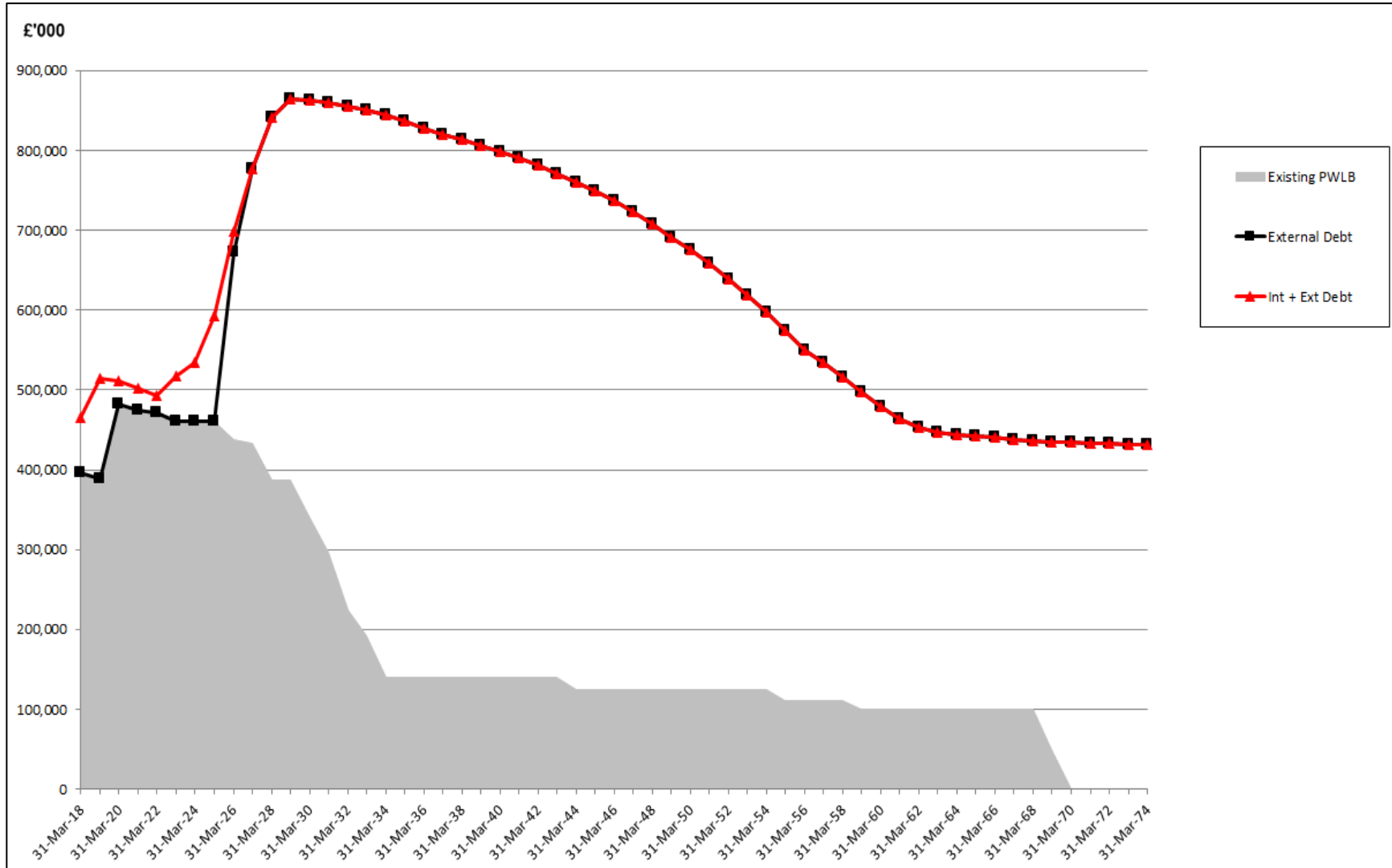
The Council's capital financing budget is set in line with the assumptions above and any change to these assumptions will have an impact on the Council's revenue budget.

Year Ending	Existing PWLB Debt £'m	Core Borrowing (New) £'m	Other Borrowing (New) £'m	New Borrowing (Total) £'m	Internal Borrowing £'m	Total Borrowing £'m
31 March 2023	461.3	0.0	0.0	0.0	55.4	516.7
31 March 2024	461.3	0.0	0.0	0.0	73.5	534.8
31 March 2025	461.3	0.0	0.0	0.0	131.7	593.0
31 March 2026	437.2	108.9	126.0	234.9	25.7	697.8
31 March 2027	432.5	201.3	143.4	344.7	0.0	777.2
31 March 2028	386.4	298.8	155.7	454.5	0.0	840.9
31 March 2029	386.4	316.6	162.1	478.7	0.0	865.1
31 March 2030	339.2	364.9	158.7	523.6	0.0	862.8
31 March 2031	295.9	408.6	155.2	563.8	0.0	859.7
31 March 2032	224.9	479.0	151.6	630.6	0.0	855.5
31 March 2033	192.2	510.0	147.9	657.9	0.0	850.1
31 March 2034	140.0	559.8	144.1	703.9	0.0	843.9
31 March 2035	140.0	556.5	140.2	696.7	0.0	836.7
31 March 2036	140.0	552.0	136.1	688.1	0.0	828.1
31 March 2037	140.0	548.4	131.9	680.3	0.0	820.3
31 March 2038	140.0	545.5	127.5	673.0	0.0	813.0
31 March 2039	140.0	542.7	123.1	665.8	0.0	805.8
31 March 2040	140.0	540.3	118.4	658.7	0.0	798.7
31 March 2041	140.0	537.1	113.6	650.7	0.0	790.7
31 March 2042	140.0	532.7	108.8	641.5	0.0	781.5
31 March 2043	140.0	527.3	103.9	631.2	0.0	771.2
31 March 2044	125.0	536.3	99.0	635.3	0.0	760.3
31 March 2045	125.0	529.3	94.8	624.1	0.0	749.1
31 March 2046	125.0	521.1	90.4	611.5	0.0	736.5

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31 March 2047	125.0	511.6	86.1	597.7	0.0	722.7
31 March 2048	125.0	500.8	81.5	582.3	0.0	707.3
31 March 2049	125.0	489.7	76.8	566.5	0.0	691.5
31 March 2050	125.0	478.5	72.0	550.5	0.0	675.5
31 March 2051	125.0	466.0	67.0	533.0	0.0	658.0
31 March 2052	125.0	452.1	61.9	514.0	0.0	639.0
31 March 2053	125.0	436.7	57.2	493.9	0.0	618.9
31 March 2054	125.0	420.3	52.4	472.7	0.0	597.7
31 March 2055	110.0	417.5	47.4	464.9	0.0	574.9
31 March 2056	110.0	398.0	42.2	440.2	0.0	550.2
31 March 2057	110.0	387.3	36.9	424.2	0.0	534.2
31 March 2058	110.0	375.2	31.4	406.6	0.0	516.6
31 March 2059	100.0	371.3	25.8	397.1	0.0	497.1
31 March 2060	100.0	358.6	20.1	378.7	0.0	478.7
31 March 2061	100.0	348.5	14.8	363.3	0.0	463.3
31 March 2062	100.0	342.0	11.3	353.3	0.0	453.3
31 March 2063	100.0	338.4	8.7	347.1	0.0	447.1
31 March 2064	100.0	337.1	6.8	343.9	0.0	443.9
31 March 2065	100.0	336.6	5.5	342.1	0.0	442.1
31 March 2066	100.0	336.1	4.1	340.2	0.0	440.2
31 March 2067	100.0	335.5	2.7	338.2	0.0	438.2
31 March 2068	100.0	335.0	1.4	336.4	0.0	436.4
31 March 2069	50.0	384.4	0.1	384.5	0.0	434.5
31 March 2070	0.0	433.8	0.1	433.9	0.0	433.9
31 March 2071	0.0	433.1	0.1	433.2	0.0	433.2
31 March 2072	0.0	432.5	0.0	432.5	0.0	432.5
31 March 2073	0.0	431.8	0.0	431.8	0.0	431.8
31 March 2074	0.0	431.1	0.0	431.1	0.0	431.1

### Graphical Illustrative of Debt Projections (Capital Programme) to 31 March 2074



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## Flexible Use of Capital Receipts Strategy 2023/24 – 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. The current extension of the flexibility will cease in March 2025 but in December 2023, Government launched a consultation to extend the flexibility to 2030 and broaden the definition of the flexibility. The details of the consultation are being considered by officers and a response will be submitted by the deadline of 31 January 2024.

The revised Statutory Guidance, published on 4<sup>th</sup> 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.

The original Strategy agreed by Full Council in February 2023 proposed the use of flexibility of up to £10m. Following a review of the 2023/24 plan, it is now proposed that the Council uses flexibility of up to £4.6m of qualifying transformation expenditure. The table below has been updated to provide the latest estimated expenditure.

### Updated Position - Projects To Be Funded Through The Flexible Use of Capital Receipts 2023/24

The Council intends to apply £4.6m 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	£4.048m	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	£0.200m	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)	£0.303m	Reductions in demand pressure and contract efficiencies to achieve savings in 2023-2025
<b>Total</b>		<b>£4.551m</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 £4.6m Capital Expenditure in 2023/24 due to its Flexible use of Capital Receipts Strategy is as follows.

<b>Prudential Indicators</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>
Capital Financing Requirement	+£4.6m	£0.0m	-£0.1m	-£0.1m	-£0.1m
Operational Boundary	£0.0m	£0.0m	+£4.5m	-£0.1m	-£0.1m
Authorised Borrowing Limit	£0.0m	+£4.5m	£0.0m	-£0.1m	-£0.1m

## Flexible Use of Capital Receipts Strategy 2024/25

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 current extension of the flexibility will cease in March 2025 but in December 2023, Government launched a consultation to extend the flexibility to 2030 and broaden the definition of the flexibility. The details of the consultation are being considered by officers and a response will be submitted by the deadline of 31 January 2024.

For 2024/25, the Council proposes to use the flexibility to fund up to £10m of qualifying transformation expenditure. The table below sets out specific projects which could qualify for the use of capital receipts. Further schemes maybe identified during the year which meet the use of capital receipts criteria. In this case, these schemes will be reported through the Performance and Resources Report (PRR).

The Council's use of 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 need to 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.

### Potential 2024/25 Projects To Be Funded from Flexible Use of Capital Receipts

The Council intends to apply capital receipts of up to £10m in 2024/25. Projects which are likely to qualify for the capital receipts flexibility include:

Project Description	Qualifying Expenditure	Expected Savings *
Smartcore	Investment in transformational project that supports HR, Procurement and Finance processes to enable automation and improved efficiency.	Efficiencies and savings through improved processes, automation and enabling more tasks to be undertaken via self-service.
Smarter Ways of Working	Investment in transformational project to support the transition of smarter ways of working to ensure that emerging organisational requirements and benefits are realised.	Efficiencies and savings through a reduced corporate estate and improved business practices.
Adults Improvement Programme	Investment in transformational project which supports the Adult Social Care Strategy 2022-2025 to improve service delivery and produce long-term savings.	Efficiencies and savings generated through improved and effective service delivery.

*\*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 £10.0m additional Capital Expenditure in 2024/25 due to its Flexible use of Capital Receipts Strategy is as follows.

Prudential Indicators	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Capital Financing Requirement	+£10.0m	-£0.1m	-£0.1m	-£0.1m	-£0.2m
Operational Boundary	£0.0m	£9.9m	-£0.1m	-£0.1m	-£0.2m
Authorised Borrowing Limit	+£9.9m	£0.0m	-£0.1m	-£0.1m	-£0.2m

### Flexible Use of Capital Receipts – Status on Projects Relating to 2022/23 Expenditure

In 2022/23, the County Council incurred £4.2m of qualifying expenditure on eligible activities.

Project Description	Qualifying Expenditure	2022/23 Expenditure	Update on Position
Smartcore	Investment in transformational project, that supports HR, Procurement and Finance processes to enable automation and improved efficiency.	£4.1m	Project is in delivery.
Insource & Procurement of IT Services	Service redesign to improve efficiencies and achieve savings.	£0.2m	Project is expected to complete in 2023/24.
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).	(£0.1m)	Project is expected to complete in 2023/24. Project delivery has been directly affected by the pandemic.
<b>Total</b>		<b>£4.2m</b>	

#### Smartcore

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

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 2022/23, £4.0m of expenditure was incurred. Details on 2023/24 spend is set out in Appendix E. Costs associated with the programme delivery, project management, data migration and system creation are included within this expenditure total.

### **Insourcing and Procurement of IT Services**

The Council is in the process of setting 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 has been developed. The programme aims to future-proof 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.

The project is expected to conclude in 2023/24 with a procurement to replace the Security Information and Event Management solution and the commissioning of a data and digital maturity assessment to evaluate service level maturity and to reflect on the organisations digital service transformation.

As this project enters its final stages, the service have been successful in delivering on-going savings of £0.750m per year through the implementation of this new delivery model. During 2022/23, £0.2m 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 RDF contract with a price that ranges between £135- £145 per tonne against a maximum gate fee of £100 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 2022/23 the Council received £4.4m from sales.

Whilst the pandemic has impacted on the ability to drive this work forward, the County Council has continued 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 2022/23, reviews of the expenditure and outcomes of these projects were undertaken with district and borough partners and following challenge on what could be charged to capital receipts, a credit balance of £0.1m was returned to the Capital Receipts account.

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 refuse derived fuel (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.

New legislation is now in place and Section 45A of the Environment Act 2021 and the Government's Simpler Recycling policy requires food waste to be separately collected at the kerbside from other household waste from March 2026. Over the next 24 months, the County Council will work with district and boroughs, operator of the Mechanical and Biological Treatment plant and operators of the transfer stations to reconfigure facilities. The capital programme includes £7.5m to fund the required changes.

## **Treasury Management Strategy Statement (2024/25)**

### **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 occasions, 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. With the exception of pooled funds which are covered by a temporary statutory override until March 2025, 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 2024/25, the County Council will continue to consider the funding of its Climate Change Strategy and Action Plan to deliver on its commitment. This remains an integral part of the Medium Term Financial Strategy and Capital Strategy and includes Environmental, Social and Governance (ESG) considerations in 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. The updated Climate Change Action Plan is due to be published in Spring 2024.
- 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 will finalise the full review of its TMPs in 2024/25, including TMP1 ("Credit and Counterparty Risk Management") which has been updated to incorporate ESG considerations. This review ensures 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) are 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. 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 2024/25.
- 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 emphasise that a local authority must not borrow to invest solely 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 non-treasury 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. This updates 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 also receive quarterly reports on compliance with the treasury management strategy.
- (c) An Annual Treasury Management Report. This provides 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 2024/25 TMSS include:

**Capital Issues:**

- A summary of capital expenditure plans up to 31 March 2029; 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 and officers training needs are assessed regularly, with additional training being provided as and when there is a change in roles and responsibilities. This includes for members charged with governance and responsible for scrutiny of treasury management policies and reports.
- 3.2 Additionally, all officers involved in the treasury and investment management function will have access to relevant technical guidance and training to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills to undertake the duties and responsibilities allocated to them. Appropriate training will be reviewed as part of staff appraisals and personal development plans. Ongoing officer training options will 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 (2021) which came into full effect in 2023/24, requires the County Council to have 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". As a minimum the County Council will monitor and review the following:
- (1) 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) A requirement 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) Regular communication between officers and members encouraging training needs to be highlighted on an ongoing basis (facilitated through regular Treasury Management 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 (2024/25 to 2028/29)

- 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 2024/25 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 2024:

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

<b>Capital Expenditure by Service</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>2028/29 Estimate £'m</b>
Adults Services	0.0	0.0	0.8	1.0	0.5	0.0
Children and Young People, Learning and Skills	42.6	32.8	50.2	41.4	45.5	20.4
Community Support and Fire & Recue	2.3	3.0	7.8	6.3	4.8	7.5
Environment and Climate Change	11.7	16.9	32.4	24.8	13.7	9.9

<b>Capital Expenditure by Service</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>2028/29 Estimate £'m</b>
Finance and Property	4.4	8.3	30.4	22.1	15.9	20.5
Highways and Transport	49.5	59.1	66.2	51.7	37.6	22.1
Leader	3.1	1.5	4.3	5.1	2.8	0.0
Support Services and Economic Development	8.8	10.0	8.1	6.9	2.0	1.0
<b>Total Capital Expenditure</b>	<b>122.4</b>	<b>131.6</b>	<b>200.2</b>	<b>159.3</b>	<b>122.8</b>	<b>81.4</b>

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 2028/29, 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>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>2028/29 Estimate £'m</b>
<b>Capital Expenditure</b>	<b>122.4</b>	<b>131.6</b>	<b>200.2</b>	<b>159.3</b>	<b>122.8</b>	<b>81.4</b>
Government Grants	-73.0	-42.9	-37.9	-31.6	-23.2	-22.9
External Contributions	-9.2	-7.3	-27.0	-17.9	-8.2	0.0
Capital Receipts	-6.0	-5.0	-5.0	-3.0	-2.0	-7.5
Revenue Funding	-2.2	-3.6	-9.6	-10.3	-6.5	-6.0
<b>Financing (Excl. Borrowing)</b>	<b>-90.4</b>	<b>-58.8</b>	<b>-79.5</b>	<b>-62.8</b>	<b>-39.9</b>	<b>-36.4</b>
Borrowing (Core)	-28.8	-61.6	-86.0	-82.2	-67.8	-35.5
Borrowing (Economic Developments)	-3.2	-11.2	-34.7	-14.3	-15.1	-9.5
<b>Total Financing</b>	<b>-122.4</b>	<b>-131.6</b>	<b>-200.2</b>	<b>-159.3</b>	<b>-122.8</b>	<b>-81.4</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 2028/29 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 existing 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;
  - 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 2024/25. 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 2023, the County Council had external loans with the PWLB totalling £461.3m. In accordance with the approved 2023/24 Treasury Management Strategy no new external borrowing was arranged during the period April to December 2023. 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 2023/24 is forecast to be £73.5m (£55.4m on 31 March 2023) as set out in Table 7 (paragraph 6.19).
- 6.10 Capital plans (Table 2; paragraph 5.4) highlight that a borrowing requirement of £72.8m is required to finance the County Council's capital expenditure in 2024/25; of which £11.2m relates to economic development projects. This borrowing is expected to be temporarily funded internally.
- 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. 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 in Table 3 below:

**Table 3: The Capital Financing Requirement (CFR) to 2028/29**

<b>Balance Sheet Projections (on 31 March)</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>2028/29 Estimate £'m</b>
CFR (Core Borrowing)	538.9	585.6	652.3	708.8	754.3	765.3
CFR (Economic Developments)	84.0	93.4	126.0	143.4	155.7	162.1
<b>Capital Financing Requirement</b>	<b>622.9</b>	<b>679.0</b>	<b>778.3</b>	<b>852.2</b>	<b>910.0</b>	<b>927.4</b>

- 6.13 **Liability Benchmark:** As per the requirements of the updated Prudential and Treasury Management Code of Practice, the Liability Benchmark was a new CIPFA Prudential Indicator from 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 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>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>2028/29 Estimate £'m</b>
Existing Borrowing Profile (PWLB)	461.3	461.3	437.2	432.5	386.4	386.4
Short-Term Borrowing	6.5	6.5	6.5	6.5	6.5	6.5
<b>External Borrowing</b>	<b>467.8</b>	<b>467.8</b>	<b>443.7</b>	<b>439.0</b>	<b>392.9</b>	<b>392.9</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>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>2028/29 Estimate £'m</b>
Capital Financing Requirement	622.9	679.0	778.3	852.2	910.0	927.4
Less: PFI Schemes and Leases	-81.6	-79.5	-74.0	-68.5	-62.6	-55.8
<b>Loans CFR</b>	<b>541.3</b>	<b>599.5</b>	<b>704.3</b>	<b>783.7</b>	<b>847.4</b>	<b>871.6</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>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>2028/29 Estimate £'m</b>
Gross Borrowing (Loans CFR)	541.3	599.5	704.3	783.7	847.4	871.6
Usable Reserves	-231.7	-214.3	-178.4	-174.3	-173.3	-171.9
DSG Deficit (Forecast)	74.0	153.5	260.6	383.3	383.3	383.3
DSG Deficit (Cashflow Borrowing)	0.0	0.0	0.0	-119.1	-128.2	-129.6

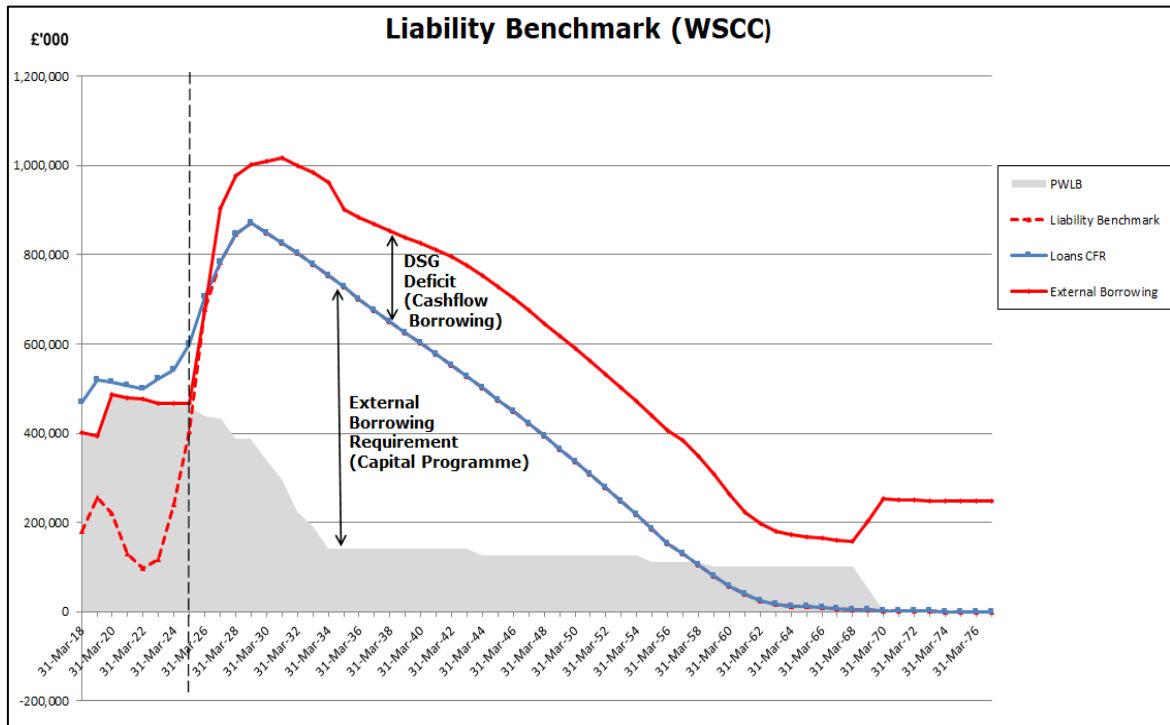
<b>Balance Sheet Projections (on 31 March)</b>	<b>2023/24 Estimate £'m</b>	<b>2024/25 Estimate £'m</b>	<b>2025/26 Estimate £'m</b>	<b>2026/27 Estimate £'m</b>	<b>2027/28 Estimate £'m</b>	<b>2028/29 Estimate £'m</b>
Capital Contributions (s106 Receipts)	-114.1	-106.8	-79.9	-61.9	-53.8	-53.8
Working Capital (creditors and debtors)	-80.0	-80.0	-80.0	-80.0	-80.0	-80.0
<b>Net Loans Requirement</b>	<b>189.5</b>	<b>351.9</b>	<b>626.6</b>	<b>731.7</b>	<b>795.4</b>	<b>819.6</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>241.5</b>	<b>403.9</b>	<b>678.6</b>	<b>783.7</b>	<b>847.4</b>	<b>871.6</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 As set out in Table 6, a forecast of the Dedicated Schools Grant (DSG) deficit reserve balance has been included which is based on the draft DSG Deficit Management Plan which was submitted to the Department for Education (DfE) in December 2023. The DSG deficit is currently subject to a DLUHC statutory override that allows the County Council to hold the deficit balance as an unusable reserve to the end of March 2026, therefore not impacting the balance sheet. Funding arrangements after 2026 remain under review. The DSG deficit is forecast to be £74m by the end of March 2024, £153.5m to the end of March 2025, £260.6m to the end of March 2026, when the statutory override ends, and then increasing to £383.3m by the end of March 2027 which is the end of the period required for the DfE Management Plan. Whilst the statutory override allows the County Council to hold the deficit as an unusable reserve during 2024/25, any balance held in unusable reserves impacts the Council's cash flow. Therefore, the DSG deficit does equate to a potential loss of £114m in average cash balances in 2024/25 which is a loss of investment income of £5.7m.
- 6.16 Based on the figures in the draft DSG Management Plan, the County Council will need to externally borrow £119.1m to generate cash to fund the DSG expenditure in 2026/27. The Liability Benchmark shows the cashflow borrowing continuing over the longer term and assumes no solution is found for managing the deficit after 2026 when the temporary statutory override ends. Additionally, the model assumes that available cash balances are held to fund the DSG deficit, resulting in the bringing forward of external borrowing for the County Council's capital plans. There is a risk that ongoing working capital estimates are overstated (Table 6) which would have the impact of decreasing the County Council's future cash balances and could bring forward the timing of external borrowing for cashflow purposes. 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 2028/29). From 2026/27 the Liability Benchmark is the same as the Loans CFR due to the need to borrow for cashflow purposes, as set out in Figure 1 below.

**Figure 1: The Liability Benchmark**



- 6.17 Under the County Council’s updated Liability Benchmark projections, it is forecast that the Council will be required to externally borrow for the approved Capital Programme in 2025/26 (unchanged from the approved 2023/24 Treasury Management Strategy); that being the point at which the Liability Benchmark exceeds the level of maturing PWLB debt as shown above. Working capital balances are estimated and may therefore be higher (or lower) during each financial year than shown in Table 6 (Paragraph 6.14).
- 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 2024/25 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 2028/29**

<b>Debt Projections</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>2028/29 Estimate £'m</b>
<b>Gross External Debt (1-April)</b>	<b>552.8</b>	<b>549.4</b>	<b>547.3</b>	<b>752.6</b>	<b>852.2</b>	<b>910.0</b>
Repayment of Existing Debt	0.0	0.0	-24.1	-4.7	-46.1	0.0
Chichester Harbour Conservancy Movement	0.2	0.0	0.0	0.0	0.0	0.0
External Debt Core Borrowing	0.0	0.0	108.9	92.4	97.5	17.8
External Debt Economic Developments	0.0	0.0	126.0	17.4	12.3	6.4
PFI/Finance Lease Movement	-3.6	-2.1	-5.5	-5.5	-5.9	-6.8
<b>Gross External Debt (31-Mar)</b>	<b>549.4</b>	<b>547.3</b>	<b>752.6</b>	<b>852.2</b>	<b>910.0</b>	<b>927.4</b>
Cumulative Internal Borrowing (on 31 March)	73.5	131.7	25.7	0.0	0.0	0.0
<b>Capital Financing Requirement</b>	<b>622.9</b>	<b>679.0</b>	<b>778.3</b>	<b>852.2</b>	<b>910.0</b>	<b>927.4</b>
<b>Internal Borrowing (%)</b>	<b>11.8%</b>	<b>19.4%</b>	<b>3.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</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>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>2028/29 Estimate £'m</b>
Net Revenue Expenditure	708.8	761.4	759.0	762.0	765.0	768.1
Capital Financing Charges	30.3	31.2	41.9	45.0	49.3	50.0
<b>% Ratio</b>	<b>4.3%</b>	<b>4.1%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>6.4%</b>	<b>6.5%</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 2024/25 will be:
- PWLB Borrowing: £18.8m (unchanged from 2023/24); of which £1.4m will be service funded from economic development schemes.
  - PFI schemes and finance leases: £10.4m (£10.5m in 2023/24)
- 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). There is no current borrowing in advance of need and it is not planned for 2024/25.
- 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 2024/25 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 2023/24 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>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>2028/29 Estimate £'m</b>
External Debt (including CHC)	467.8	467.8	552.6	640.3	691.7	709.5
Economic Developments	0.0	0.0	126.0	143.4	155.7	162.1
<b>External Debt for Capital Programme</b>	<b>467.8</b>	<b>467.8</b>	<b>678.6</b>	<b>783.7</b>	<b>847.4</b>	<b>871.6</b>
PFI Schemes/ Finance Leases	81.6	79.5	74.0	68.5	62.6	55.8

<b>Operational Boundary</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>2028/29 Estimate £'m</b>
<b>Operational Boundary</b>	<b>549.4</b>	<b>547.3</b>	<b>752.6</b>	<b>852.2</b>	<b>910.0</b>	<b>927.4</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>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>2028/29 Estimate £'m</b>
Capital Borrowing (i)	524.1	783.7	847.4	871.6	871.6	871.6
Cashflow Borrowing (DSG Deficit)	0.0	0.0	0.0	119.1	128.2	129.6
Cashflow Borrowing (Other)	40.0	40.0	40.0	40.0	40.0	40.0
PFI Schemes/ Finance Leases	81.6	79.5	74.0	68.5	62.6	55.8
<b>Authorised Borrowing Limit (ii)</b>	<b>645.7</b>	<b>903.2</b>	<b>961.4</b>	<b>1,099.2</b>	<b>1,102.4</b>	<b>1,097.0</b>

(i) Gross debt estimates allow for external borrowing in advance of need for up to a maximum of two years. For example, the 'Authorised Borrowing Limit' for 2024/25 includes the maximum borrowing forecast for the County Council's Capital Programme in any one financial year over a three year period (i.e. the maximum "external debt for capital programme" as reported in the 'Operational Boundary' over the period 2024/25 to 2026/27; therefore £783.7m for 2026/27).

(ii) The 2023/24 Authorised Borrowing Limit remains as approved by County Council in February 2023.

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 2024/25 (with actual split as of 31 December 2023 included for comparison) are set out below:

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

<b>Debt Maturity</b>	<b>Actual 31/12/23</b>	<b>Lower Limit 2024/25</b>	<b>Upper Limit 2024/25</b>
Over 30 Years		0%	50%
Over 25 to 30 Years		0%	25%
Over 20 to 25 Years		0%	25%
Over 15 to 20 Years		0%	25%
Over 10 to 15 Years		0%	50%
Over 5 to 10 Years		0%	60%
Over 1 to 5 Years		0%	35%
Under 12 Months		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, as governed by the Authorised Borrowing Limit as set out in Table 10, 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 may be considered whilst PWLB premature redemption rates are forecast to remain elevated in 2024/25. 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 2024/25; subject to the following changes.
- (1) Given long-term cash flow forecasts and the significant borrowing required to fund capital expenditure plans as reported in the County Council's Authorised Borrowing Limit (Table 10, paragraph 6.27), there is a reduction in the approved maximum investment durations for loans agreed with other local authorities and AAA credit-rated deposits placed with banks on a secured basis. Both reduced to 5-years from 20- and 10-years respectively.
- 7.4 On 31 December 2023, the County Council's investments amounted to £350.8m (**Appendix A**) which represents the balances on the usable earmarked reserves, funding received ahead of spend and working capital balances. During the remainder of 2023/24 the County Council's average investment balance is forecast to average at around £425m, higher than the original £340m 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 £300m throughout 2024/25.
- 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 2024/25 comprises:
- (1) BGC Group (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 2023, 73.5% 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 2023/24 TMSS. The Director of Finance and Support Services confirms that the County Council will not be holding any investment on 31 March 2024 that will be in breach of the recommended 2024/25 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 2023) 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) Ultra-Short-Dated Pooled Funds (enhanced cash 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. 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.
- 7.24 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
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	5 Years
AAA	£25m	5 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>
Ultra-Short Dated Bond Funds	See Note (v)	No Defined Maturity. Withdrawals made on liquidity requirements
Longer Term Pooled Funds	See Note (v)	No Defined Maturity. Withdrawals made on fund performance

(v) Maximum monetary limits for ultra-short dated bond funds (AAA rated) will be approved as £25m. Longer term pooled funds (existing multi-asset income and property funds) will be approved as £15m 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.
- 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 **Ultra-Short Dated Bond Funds:** Ultra-short dated bond funds (enhanced cash funds with AAA credit rating) 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.
- 7.44 **Externally Managed Pooled Funds:** Shares in long-term 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. Existing investments have allowed the County Council to diversify its 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). The Fund Manager for existing investments are a confirmed signatory to the UN’s Principles of Responsible Investment (UNPRI). 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. The County Council does not intend to invest in any new externally managed pooled funds during 2024/25.
- 7.45 All externally managed pooled funds may experience times of displaying capital losses when viewed over a short-term horizon, contravening ‘SLY’ investment principles. 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 2023, 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 2023/24 the Council introduced a “Hardship Loan Scheme” (replacing the “Financial Support for Recruitment and Retention Employee Loan” scheme) whereby employee eligibility is reviewed on a case-by-case basis and approved by senior officers.
- 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 2024/25, 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 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	£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 (2024/25)**

8.1 Interest forecasts provided by Link Group (**Appendix B**) indicate that the MPC will keep Bank Rate at 5.25% for the remainder of 2023 and the first half of 2024 to combat on-going inflationary and wage pressures, with no expectation of the Bank Rate increasing above 5.25%. From the second half of 2024, forecasts show the MPC cutting the Bank Rate down to 4% by March 2025.

8.2 The Director of Finance and Support Services has recommended a £11m investment income revenue budget in 2024/25 (increased from £7m in 2023/24) based on the Bank Rate forecast for the year 2024/25 as provided by Link Group, for approval by County Council. 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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**Director of Finance and Support Services**

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**Appendices**

Appendix A – West Sussex County Council - Treasury Portfolio (31/12/2023)  
Appendix B – Economic and Interest Rate Forecast (Link Group)

**Background Papers:**

None

## West Sussex County Council - Treasury Portfolio (31/12/2023)

### Gross External Debt

<b>External Borrowing</b>	<b>31/12/23 £'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 ( <i>Chichester Harbour Conservancy</i> )	5.6
<b>Total External Borrowing</b>	<b>466.9</b>

<b>Other Long Term Liabilities (i)</b>	<b>31/12/23 £'m</b>
Private Finance Initiatives (PFI)	79.7
Finance Leases	1.9
<b>Total Other Long-Term Liabilities</b>	<b>81.6</b>

<b>Total Gross External Debt</b>	<b>548.5</b>
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(i) Other Long Term Liabilities: Expected position on 31 March 2024.

### Investments

<b>Treasury Investments</b>	<b>31/12/23 £'m</b>
Bank Secured: Covered Bonds	10.0
Bank Unsecured: Short-Term Cash Deposits (Current Accounts)	0.1
Bank Unsecured: Short-Term Cash Deposits (Fixed-Term)	74.5
Bank Unsecured: Short-Term Certificate of Deposits	74.9
Bank Unsecured: Money Market Funds	81.0
Local Authority: Short-Term Investments	65.0
UK Government (Debt Management Account Deposit Facility)	0.0
<b>Total Treasury Investments (Internally Managed)</b>	<b>305.5</b>

<b>Commercial Investments</b>	<b>31/12/23 £'m</b>
Multi-Asset Income Funds (Externally Managed)	23.3
Property Funds (Externally Managed)	20.9
Littlehampton Harbour Board Loan	0.2
WSSC Employee Hardship / Recruitment & Retention Loans	0.9
<b>Total Commercial Investments</b>	<b>45.3</b>

<b>Total Investments</b>	<b>350.8</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 November 2023) and reflects PWLB borrowing calculated at the 0.80% margin over gilt yields (PWLB Certainty Rate) available to local authorities:

Rate (%)	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Sep 2026	Dec 2026
Link Forecast Bank Rate	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3-Month (i)	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6-Month (i)	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12-Month (i)	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5-Yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10-Yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25-Yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50-yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

(i) Link Group's forecast for average investment earnings; 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 further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least the second half of 2024. Link expect rate cuts to start when both the Consumer Price Index (CPI) inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall UK economy enduring at least a mild recession over the coming months, although most recent Gross Domestic Product (GDP) releases have surprised with their on-going robustness. The exact timing on this matter will however remain 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.

1.3 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 UK Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

1.4 On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is

performing somewhat better at this stage of the economic cycle than may have been expected. However, most of those excess savings are being held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

- 1.5 **Borrowing (PWLB) Rates:** The overall longer-run trend is for UK gilt yields and PWLB rates to fall back over the timeline of Link’s forecasts, as inflation starts to fall through the remainder of 2023 and into 2024. More recently however, gilt yield curve movements have broadened and whilst the short part of the curve has not moved too far, the longer-end continues to ease. At the time of writing there is 50 basis points difference between the 2- and 50-year parts of the curve.
- 1.6 **Balance of Risks to the UK Economy:** The overall balance of risks to economic growth in the UK is to the downside. 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, could keep gilt yields high for longer).</li> <li>• <b>The Bank of England</b> has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession 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> <li>• <b>Geopolitical risks</b>, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.</li> </ul>	<ul style="list-style-type: none"> <li>• Despite the recent tightening to 5.25%, the <b>Bank of England proves too timid</b> in its pace and strength of increases in Bank Rate, and therefore allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.</li> <li>• <b>The pound weakens</b> because of a lack of confidence in the UK Government’s pre-election 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 remains more stubborn there than the market currently anticipates, consequently pulling UK gilt yields up higher (we saw some movements of this type through October).</li> <li>• Projected <b>UK gilt issuance, inclusive of natural maturities and Quantitative Tightening</b>, could be too much for the markets to comfortably digest without higher yields compensating.</li> </ul>



## 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. 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 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 are set-out below:

Average Earnings per Financial Year	Dec-23 Forecast
2024/25	4.70%
2025/26	3.20%
2026/27	3.00%
2027/28	3.25%
2028/29 to 2032/33	3.25%
Long-term (periods over 10 years in the future)	3.25%

- 3.2 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.
- 3.3 **Borrowing Advice:** Link Group's long-term (beyond 10 years) forecast for Bank Rate currently stands at 3% reflecting research that suggests general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Currently, 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 will however remain elevated in 2024/25 but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back in 2025/26.

PRUDENTIAL INDICATORS (2024/25 TO 2028/29)							
Capital Programme	Actual 31-Mar-23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Estimate 2028/29 £000
<b>Capital Expenditure (i)</b>	<b>126,040</b>	<b>122,410</b>	<b>131,571</b>	<b>200,181</b>	<b>159,367</b>	<b>122,780</b>	<b>81,371</b>
Capital Financing Requirement (CFR) - Service	525,666	538,878	585,607	652,239	708,762	754,276	765,357
CFR - Economic Developments	82,572	84,049	93,413	126,064	143,418	155,678	162,045
<b>Capital Financing Requirement (Closing Balance)</b>	<b>608,238</b>	<b>622,928</b>	<b>679,019</b>	<b>778,303</b>	<b>852,180</b>	<b>909,954</b>	<b>927,402</b>
Gross External Debt	467,566	467,772	467,756	552,614	640,247	691,745	709,482
Economic Developments	0	0	0	126,064	143,418	155,678	162,045
PFI Schemes and Finance Leases	85,228	81,662	79,517	73,951	68,515	62,531	55,875
<b>Actual Debt/Operational Boundary (ii)</b>	<b>552,794</b>	<b>549,434</b>	<b>547,273</b>	<b>752,629</b>	<b>852,180</b>	<b>909,954</b>	<b>927,402</b>
Gross External Debt (Capital)		524,096	783,665	847,423	871,527	871,527	871,527
Gross External Debt (Other)		40,000	40,000	40,000	159,117	168,230	169,598
PFI Schemes and Finance Leases		81,662	79,517	73,951	68,515	62,531	55,875
<b>Authorised Borrowing Limit</b>	<b>N/A</b>	<b>645,758</b>	<b>903,182</b>	<b>961,374</b>	<b>1,099,159</b>	<b>1,102,288</b>	<b>1,097,000</b>
(i) 2022/23 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 for the Capital Programme (including PFI and Finance Lease liabilities)							
Revenue Impact	Actual 31-Mar-23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Estimate 2028/29 £000
Capital Financing Costs (Corporately Funded)	29,721	30,314	31,243	41,883	45,045	49,257	50,032
Net Revenue Expenditure	648,342	708,803	761,402	758,963	761,979	765,010	768,056
<b>Ratio (%)</b>	<b>4.6%</b>	<b>4.3%</b>	<b>4.1%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>6.4%</b>	<b>6.5%</b>
Commercial Investments (iii)	Actual 31-Mar-23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Estimate 2028/29 £000
Forecast Income	5,777	3,594	3,069	3,191	5,819	7,939	8,359
Net Revenue Expenditure	648,342	708,803	761,402	758,963	761,979	765,010	768,056
<b>Income to Net Service Ratio (%)</b>	<b>0.9%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.8%</b>	<b>1.0%</b>	<b>1.1%</b>
Forecast Income	5,777	3,594	3,069	3,191	5,819	7,939	8,359
Cost of Borrowing (Capital Financing)	2,392	2,591	2,723	3,131	3,987	4,634	5,008
<b>Investment Cover Ratio</b>	<b>2.4</b>	<b>1.4</b>	<b>1.1</b>	<b>1.0</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</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 2024/25 Treasury Management Strategy (Budget Report Annex 2(b), Section 6; paragraphs 6.13 to 6.17).							
Maximum % Gross Borrowing at Fixed and Variable Rates	Actual 31-Mar-23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Estimate 2028/29 £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-23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Estimate 2028/29 £000
Under/Over(-) Borrowing (iv)	55,444	73,494	131,746	25,674	0	0	0
Under/Over(-) Borrowing as a % of CFR	9.1%	11.8%	19.4%	3.3%	0.0%	0.0%	0.0%
Maturity Structure of External Debt	Actual 31-Mar-23	Lower Limit 2023/24	Upper Limit 2023/24	Lower Limit 2024/25	Upper Limit 2024/25		
Debt Maturity (v):							
Over 30 Years	27%	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	11%	0%	50%	0%	50%		
Over 5 to 10 Years	42%	0%	60%	0%	60%		
Over 1 to 5 Years	16%	0%	35%	0%	35%		
Under 12 months	1%	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.							
Upper Limit for Principal Sums Invested over 365 Days	Actual 31-Mar-23	Upper Limit 2023/24	Upper Limit 2024/25	Upper Limit 2025/26	Upper Limit 2026/27	Upper Limit 2027/28	Upper Limit 2028/29
Maximum invested for a year or longer (vi)	£45.6m	£100m	£100m	£100m	£100m	£100m	£100m
(vi) Limits for future years to be reviewed on an annual basis.							

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## **Equality Impact Report: Council Plan and Budget 2024/25**

Implementation date      1 April 2024 – 31 March 2025  
EIR completed by:        Rebecca Taylor

### **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. This includes 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 Consultation and engagement events were carried out during November and December 2024, including an online public consultation, an all member briefing, review by all Scrutiny Committees during November and a stakeholder event with partners, voluntary sector and business representatives. The consultation and engagement was designed to be equality duty compliant, to pick up any relevant information to the discharge of the duty and to collate data to help support the understanding of the distribution of persons with protected characteristics within our community and users.
- 1.4 Different levels of assessment or different forms of data gathering are used dependent upon the needs of the particular service plan under consideration. 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 will be 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.
- 1.5 The background to the budget for 2024/25 is continued demand pressure for 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 and planned use of reserves is essential to ensure the Council achieves its legal duty to approve a realistic and balanced budget.

- 1.6 The savings planned for 2024/25 are £15.7m and need to be viewed in the context of a draft overall net revenue budget of around £761.4m. 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).
- 1.7 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 £15.7m savings planned for 2024/25 are a continuation of savings from last year, business as usual or operational decisions and these were subject to the consultations and engagement events held during November and December.
- 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 2024/25 to 2028/29. 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 any further 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 2024/25 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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## **Feedback from Performance and Finance Scrutiny Committee (24 January 2024)**

The Committee thanked officers for the work undertaken in producing the detailed report. Special thanks was given to officers for the Treasury Management Strategy.

The Committee sought clarity on how the Equality Impact Assessments will be completed as part of the budget process and the commitment agreed by the Council to consider care leavers when completing these. Recognised that work is still to be undertaken in completing these assessments.

The Committee understood and supported the s151 officer's opinion around risks and issues as set out in the budget pack on pages 68-69.

### **Council Plan**

Questioned the change in wording for the cross-cutting priority theme of tackling climate change to a commitment to protect our environment. The committee heard that the priority had been reviewed in order to widen its focus, concentrate on the county of West Sussex and to give residents a greater understanding of what the priority encompasses. Projects included within the Capital Programme support this remaining an important priority for the Council. Two members of the Committee did not support the change of wording for the priority.

With regard to the budget consultation exercise the Committee noted that the majority of respondents agreed with the priorities set in the Council Plan but did not agree with how the budget was allocated across services. Clarity was sought on whether a distinction was made between statutory and discretionary services and whether this could be made clearer in future consultations so respondents have a fuller understanding of the services provided.

Noted the importance of any change to Gatwick airport on the economy and whether greater emphasis was need on this in the Council Plan.

### **Draft Budget 2024/25**

Queried the Council Tax growth rate assumptions and recognised the need for these to be re-visited and reviewed at the appropriate time when further information is received from the district and borough councils.

Recognised the risks and pressures being experienced across the whole Council, but particularly in Adults and Children's Services, and the work being done to manage both these pressures and the continually increasing demand for services. Supported the continued monitoring of these issues and risks by each of the scrutiny committees through the quarterly Performance and Resources Report (PRR) during 2024/25.

Recognised the risks to the budget assumptions included in the report if any Adult Social Care reforms are announced.

Queried the increase in cycle training course fees in respect of how this aligns with the promotion of the Council's Active Travel schemes but understood the need for cost recovery.

## Agenda Item 7 Annex4

Noted the increase in savings for 'support services' in both the Finance and Property and Support Services and Economic Development portfolio areas since the committee reviewed the budget proposals in November 2023.

Welcomed the up-date in relation to the Local Enterprise Partnership (LEP) funding and requested more information on this in due course.

Welcomed the explanation of the Public Health Grant and how this is spent to support a range of Council services.

Queried the impact of the proposal to close the Record Office on a Saturday and welcomed the consultation exercise and on-line improvements being undertaken to mitigate against these.

Sought assurance that the savings in the Fire and Rescue Service would not have an adverse impact on service performance.

Heard how extra resources would be used to protect the environment.

Heard how the extra highway maintenance funding would be spent across the whole network to maintain the highway network in a more appropriate and efficient way.

Expressed great concern over the level of the Dedicated School Grant (DSG) deficit and the impact this has on the investment income for the Council. Recognised this as a big risk for the Council and await government guidance on how this will be dealt with.

### **Reserves**

Sought clarity on the Interest Smoothing Reserve and whether this is sufficient to cover any impact of interest rate changes and any loss of investment income.

Heard how reserves would be replenished in future years and welcomed this prudent approach to maintain financial resilience and sustainability.

Sought reassurance over the use of reserves for one-off funding and to balance the budget and the risk involved with this approach going forwards. Welcomed the prudent approach and assumptions currently being made.

### **Capital Programme**

Recognised that the Capital Programme figures are a 'snap-shot' in time and would be reviewed each year with the expenditure figures for schemes included for future years being strengthened and clarified as certainty over scheme requirements are developed.