

Adur
District
Council

BUDGET BOOK

Worthing
Borough
Council

2018-2019

Adur &
Worthing
Councils

CIVIC BUDGET 2018/2019

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INTRODUCTION

BUDGET BOOK FORMAT

The Budget Book is presented in line with the operational service block structure of the three 'organisations'; Adur, Worthing and Joint. The colour of the page identifies the organisation.

Each service budget is identified by Executive Member Portfolio for Adur and Worthing Councils within the service blocks.

The budget reports submitted to Adur and Worthing Executives and the Joint Committee are reproduced within the Introduction and Reports section of this Budget Book.

BUDGET STRATEGY FOR 2018/19

Detailed budget strategies for Adur and Worthing Councils were agreed in July 2017, to underpin the budget process:

Revenue Budget Strategy

- The Councils aim to be self-sufficient by 2020/21 and reliant only on income from fees and charges, commercial rents, Council Tax and Business Rates
- The Councils will aim to keep Council Tax increases to a minimum;
- The Councils will seek to increase income from business rates and council tax by facilitating the creation of new homes and employment space.
- Growth in expenditure is to be restricted to unavoidable expenditure to satisfy the delivery of the Councils' Key Priorities and other legislative requirements. The key items of growth identified to date have been included in the outline 5-year forecast;
- Any other growth to be accompanied by proposals for equivalent on-going savings and not to be funded from reserves;
- Income is to be increased in line with the inflationary pressures upon the Councils (2.5%) or such higher increase as the individual markets can bear;
- Expenditure is to be increased by: 2% for pay (plus an allowance has been made for increments which are a contractual commitment) and 2.5% for all other expenditure (except for inflation arising from contractual indexation provisions and energy for which an appropriate provision is to be made);
- The Council aims to set a balanced budget. Any proposed use of reserves is to have regard to the adequacy of such reserves and any such policy must be sustainable in the longer term. In addition, the Council aims not to have any planned call upon the General Fund Working Balance;
- Officers are to identify 'cashable' efficiency savings, options for reducing non-priority services, and undertake a critical review of income.

INTRODUCTION

BUDGET STRATEGY FOR 2018/19

Capital Investment Programme

- A maximum level of funding is to be made available per year for the next 5 years to fund new General Fund schemes as follows:

Adur District Council:	£1m core funding (plus £3.6m for the Housing Investment Programme)
Worthing Borough Council:	£2.0m core funding.
- The funding of the programme is to be comprised of prudential borrowing and capital receipts. This reflects concerns about affordability; however Members need to be aware that the number, age and condition of the Council's assets continue to be a cause for concern and that the programmes may need to be increased if any unavoidable expenditure that cannot be accommodated within the programme is identified.
- Additional capital expenditure to be only agreed where additional funding from capital grants, contributions, earmarked receipts approved additional prudential borrowing or use of reserves has been secured.

JOINT SHARED SERVICES (JSC)

In July 2007, both Adur District and Worthing Borough Councils took the decision to work in partnership and to create a single officer structure and provide shared services to their two communities.

This partnership of shared services sits within a non-legal entity of a joint committee. The joint committee has to meet all the accounting requirements of a public sector body. For budget purposes the following key processes apply:-

- The joint committee has a separate general ledger.
- As each service moves across to the joint committee their respective budgets are pooled.
- The pooled joint budgets are recharged back to Adur and Worthing Councils as part of the cost allocation recharge process.

INTRODUCTION

RECHARGES

The rationale for recharges is sometimes queried.

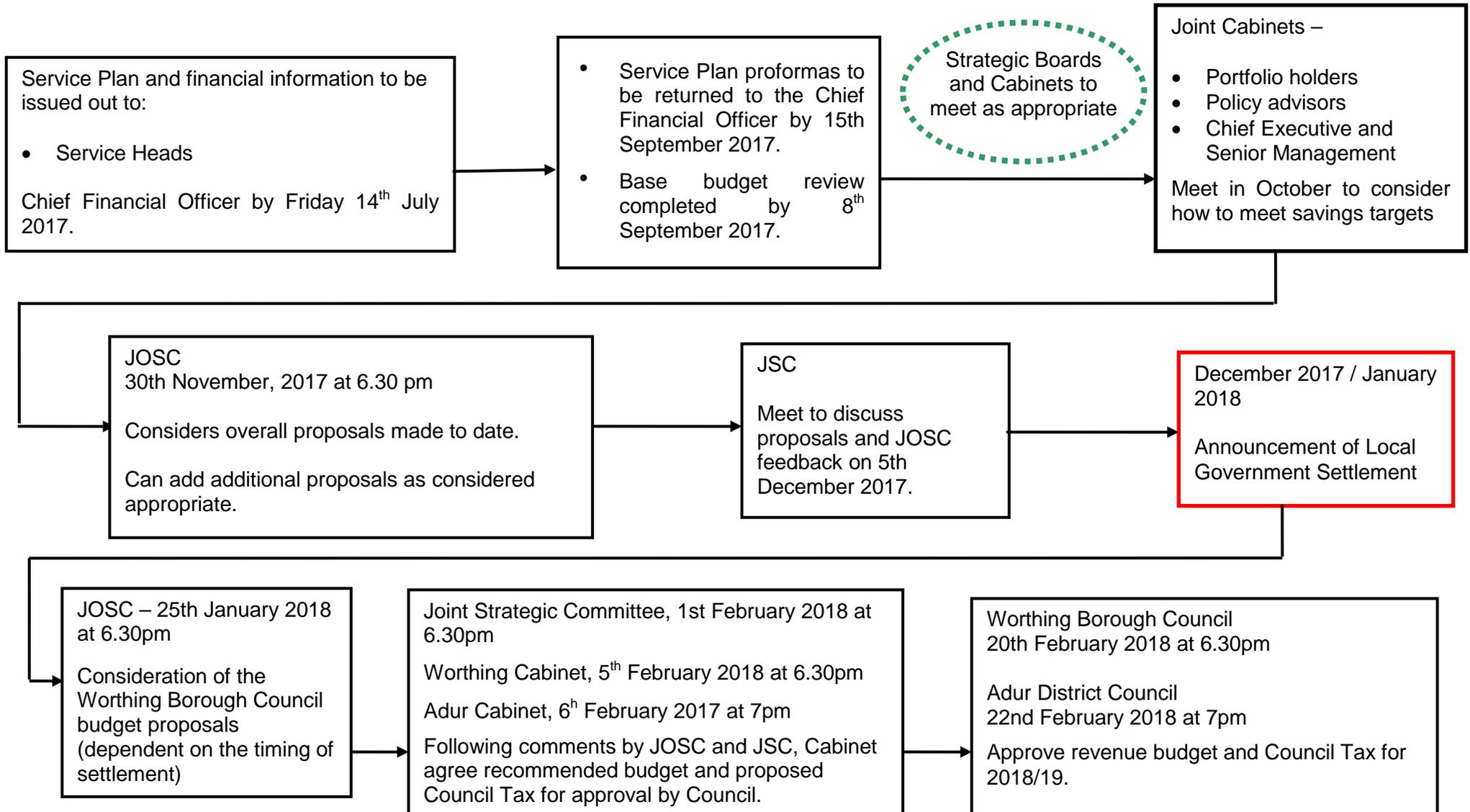
The concept of recharging 'back office functions' to 'front line services' is based on the CIPFA Service Reporting Code of Practice for Local Authorities. The accounting principle is that the 'total cost' for a service should follow a consistent approach across local authorities and that total cost includes an appropriate share of all support services and other overheads. Support service costs and overheads should be charged, allocated or apportioned across users and other beneficiaries in accordance with CIPFA principles.

At Adur and Worthing the "back office" functions comprise of the support service and departmental management costs.

Therefore to comply with Accountancy Guidance and best practice, Adur and Worthing Councils' "back office" support services are recharged so that they are included within front line service costs.

INTRODUCTION

BUDGET REPORTING FLOWCHART 2018/19





ADUR & WORTHING
COUNCILS

Joint Strategic
Date: 1st February, 2018
Agenda Item: 5
Key Decision: xx
Ward(s) Affected:

REVENUE BUDGET ESTIMATES FOR 2018/19

REPORT BY: DIRECTOR OF DIGITAL AND RESOURCES

1. EXECUTIVE SUMMARY

1.1 This report is the final budget report of the year resulting from the culmination of the annual budgeting exercise and asks members to consider:

- The final revenue estimates for 2018/19 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and

These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals and any committed growth.

1.2 Members are asked to consider the proposals to invest in services outlined in Appendix 2, these are also included in the individual Councils budget reports being considered next week.

1.3 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2018/19 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.4 The respective Adur and Worthing 2018/19 Estimates and Council Tax setting reports are due to be considered by the Worthing Executive on Monday 5th February 2018 and the Adur Executive on Tuesday 6th February 2018. Both the Estimates for Adur District Council and Worthing Borough Council include their respective share of the cost of the Joint Strategic Committee.

1. EXECUTIVE SUMMARY

1.5 The following appendices have been attached to this report:

- (i) **Appendix 1** 5 year forecast for the Joint Strategic Committee
- (ii) **Appendix 2** Proposals for investment in services
- (iii) **Appendix 3** Summary of Executive Member Portfolio budgets for 2018/19

2. RECOMMENDATIONS

2.1 The Executive is recommended to:

- (a) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 2;
- (b) Agree to the proposed 2018/19 budget detailed in Appendix 3 subject to any growth proposals approved by members.

3.0 SUMMARY

3.1 The Joint Strategic Committee considered the 'Outline 5-year forecast for 2018/19 to 2022/23 and the Budget Strategy' on 11th July 2017. This report outlined the Financial Context, the Key Budget Pressures, the Options for Addressing the Budget Gap and the Budget Strategy for Adur and Worthing Councils. The report built on the strategy first proposed in 2015/16 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax and business rates.

3.2 On 5th December the "*Sustainable Councils: 5 year forecast 2018/19 – 2022/23 and savings proposals*" was approved by the Joint Strategic Committee, this report updated the members on the latest budget forecast, the options for addressing the budget shortfalls and considered any unavoidable growth. The report updated members on the work of the strategic boards who were responsible for taking key strands of work forward as follows:

- **The Major Projects Board** will lead on delivering projects to increase employment space and additional housing;

3.0 SUMMARY

- **The Service Redesign Board** (previously the Digital Programme Board) will lead on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work.
- **The Strategic Asset Management Board** will lead on delivering the income growth associated with the Strategic Property Fund; and
- **The Customer and Commercial Board** will lead on the delivery of the income growth from commercial services and seek to improve the customer experience.

For 2018/19 the Service Re-design Board, the Customer and Commercial Board and the Strategic Asset Management Board have been set explicit targets as part of the budget strategy.

- 3.3 Since the meeting on 5th December, the Joint Strategic Committee budget has been finalised and the last adjustments have been included. Overall, therefore, the current financial position of the Joint Strategic Committee for 2018/19 can be summarised as:

	£'000
Original shortfall in funding	2,022
Changes identified in December 2017:	
Net committed growth items identified by budget holders and approved in December 2017	38
Impact of Homeless Reduction Act	125
Removal of contingency budget	-100
Budget shortfall as at 5th December 2017	2,082
Change to public convenience cleaning arrangements	43
Final adjustment to inflation calculations and pension costs including the impact of increments and regradings	100
Revised budget shortfall	2,225
Less: Net savings identified in Adur and Worthing Council reducing the savings required within the Joint Strategic Committee	-649
Less: Net savings approved in December	-1,565
Remaining shortfall to be addressed	-

3.0 SUMMARY

- 3.4 This has been an unprecedented period of change for Local Government. The level of funding provided by Central Government has reduced by significantly over the last few years. Revenue Support Grant has now ceased to be a source of funding for either Council in line with the 4-year offer announced in 2016/17.
- 3.5 The Secretary of State for the Department for Communities and Local Government (DCLG) Sajid Javit delivered the provisional Local Government Finance Settlement on the 19th December 2017. Consultation on the provisional settlement closed on the 16th January 2018.
- 3.6 A full update on both the Autumn Statement and Settlement is included in the Budget Estimate reports for both Councils. However, the key issues which will affect the future funding for the Joint Strategic Committee include:
- i) An increase to the amount which can be raised via Council Tax. The new referendum limit has been set at 3% which is in line with the current inflation rate (CPI) of 3.1%
 - ii) The impact of ‘negative Revenue Support Grant’ in 2019/20 which will decrease the amount of business rates each Council can retain. However, the Secretary of State proposes to consult on this issue in 2018 recognising the controversial nature of the proposals.
 - iii) A proposed reform to both the Business Rate Retention Scheme and the Fairer Funding Review which will consider how much of business rates each Council should keep via the tariff and top-up system. This is likely to reduce the Councils share of Business Rate income from 2020/22.
- 3.7 This will have inevitable consequences for the services of the Joint Strategic Committee which will need to reduce its budget in line with the challenges faced by the constituent Councils.

4.0 DRAFT REVENUE ESTIMATES 2018/19

- 4.1 Detailed budgetary work for the Joint Strategic Committee is now complete (subject to any decisions arising from the Adur and Worthing Executives in February) and the estimate of the budget requirement is £22,120,240. This includes the savings agreed by Joint Strategic Committee on 5th December 2017. The budget already contains a number of spending commitments including:

4.0 DRAFT REVENUE ESTIMATES 2018/19

- Increases to the Housing Services budget to ensure that the service is adequately resourced to meet the challenges of the new Homelessness Reduction Act and increasing demand (£125k)
- The impact of changing the cleansing arrangements for public conveniences. The toilets will now be cleaned in-house improving the quality for the benefit of the user (£43k)
- Investment in new refuse and recycling rounds to meet the demands of our growing communities retaining the current weekly refuse round and fortnightly recycling round (£255k).

Attached at Appendix 2 are some additional proposals for investment into services for member consideration.

- 4.2 Details of all of the main changes in the base budget from 2017/18 to 2018/19 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 3. The changes can be summarised briefly as follows:

	£'000	£'000
2017/18 Original Estimate		20,744
Budget transfers in year (revenues and benefits service)		1,756
2017/18 Adjusted budget		22,500
Add: General Pay and Price Increases		817
		23,317
Add: Committed and Unavoidable Growth:	461	
Less: Compensatory Savings	-93	
Less: Net savings identified in December	-1,565	-1,197
		22,120
Net cost to be reallocated to the Councils		22,120
Allocated as follows:		
- Adur District Council		9,173
- Worthing Borough Council		12,947
Cost reallocated to both Councils		22,120

4.0 DRAFT REVENUE ESTIMATES 2018/19

4.3 The Joint Strategic Committee budget will be reflected in both the Adur and Worthing Estimates, which will be approved by their respective Executives on 5^h and 6th February 2018. The allocation of the costs of joint services under the remit of the JSC has again been reviewed this year. There is no significant swing of costs between the two Councils this year.

4.4 However, as part of the review of the allocation of support services there have been some changes to how the support services are allocated to individual services which are reflected in the detailed budgets. Support costs are now no longer allocated within the Joint Strategic Committee but allocated directly to Adur and Worthing. It is important to note that this does not change the overall cost of the support services to each Council, but that it does influence the size of the share that each service takes, and the proportion borne by the General Fund, the Housing Revenue Account and the Capital Investment Programme.

Further details can be provided by request from the Emma Thomas (Chief Accountant) or Sarah Gobey (Chief Financial Officer).

5.0 IMPACT ON FUTURE YEARS

5.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown at Appendix 1. However, following settlement, it is clear that the Councils will continue to have budget shortfalls for at least the next 2 - 5 years. Consequently, the Joint Strategic Committee is likely to show the following shortfalls in line with that experienced by the Constituent Councils:

	Expected shortfall (Cumulative)				
	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	1,565	2,456	3,816	4,424	5,492
Less:					
Net savings agreed in December and January	-1,565	-1,565	-1,565	-1,565	-1,565
Adjusted cumulative budget shortfall	-	891	2,251	2,859	3,927
Savings required each year	-	891	1,360	608	1,068

5.2 To ensure that the Joint Strategic Committee continues to balance the budget there will need to be a continuing emphasis on efficiency and value for money in the annual savings exercise.

6.0 SIGNIFICANT RISKS

6.1 Members will be aware that there are several risks to the Joint Strategic Committee's overall budget. These can be summarised as follows:-

(i) **Income**

The Committee receives income from a number of services which will be affected by demand. Whilst known reductions in income have been built into the proposed budgets for 2018/19, income may fall further than expected.

(ii) **Withdrawal of funding by partners**

All budgets within the public sector continue to come under intense scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, either council might lose funding for key priorities, which would leave the Joint Committee with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.

(iii) **Inflation**

A provision for 2.5% inflation has been built into non-pay budgets. Pay budgets include an inflationary allowance of 2.0%. Each 1% increase in inflation is equivalent to the following amount:

	1% increase
	£'000
Pay	216
Non-pay	54

6.2 To help manage these risks, both councils have working balances and other earmarked reserves although these reserves are becoming depleted.

7.0 CONSULTATION

7.1 The Council ran a consultation exercise last year which support the Council's five year budget strategy. In light of this, no consultation exercise was undertaken this year.

7.2 Officers and members have been consulted on the content of this report.

8.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

8.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Financial Officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report when making their decisions.

8.2 As Members are aware, the Joint Strategic Committee must set its Estimates in advance of the start of the financial year. This is because both Councils must decide every year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. This includes a share of the cost of the Joint Strategic Committee. Because they decide on the council tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

- making prudent allowance in the estimates for each of the services, and in addition;
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates. The exceptions relate to:

- (1) The provision of estimates for items outside of the direct control of the Council:
 - Income from fees and charges in volatile markets, and income from grants.
 - External competition and declining markets, particularly during a recession.
- (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
- (3) Initiatives and risks not specifically budgeted for.

8.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

8.3 Overall view on the robustness of the estimates:

It will therefore be important for members to maintain a diligent budget monitoring regime during 2018/19.

8.4 The Chief Financial Officer and Section 151 Officer's overall view of the robustness of the estimates is, therefore, as follows:

The processes followed are sound and well established and identical to those that produced robust estimates in the past. The Joint Strategic Committee has also demonstrated that it has a sound system of financial management in place.

9.0 CONCLUSION

9.1 The Councils are implementing a budget strategy which plans for the eventual removal of all general government grant by 2019/20. The strategy outlines a series of proactive steps which would contribute significantly to meeting the financial challenge by increasing income or by promoting business efficiency through the use of digital technology. Overall the Committee has successfully contributed to this strategy by identifying savings of £1.6m to meet the current year's shortfall.

9.2 Looking further ahead, 2019/20 will continue to be challenging as both Councils expect further reductions in government funding, will have to address declining shares of business rate income, and have only limited opportunities to lever in New Homes Bonus. Consequently, the strategy of delivering commercial income growth and business efficiencies through the digital agenda assumes a greater importance. The Joint Strategic Committee will make a vital contribution to delivering the strategy.

9.3 However, provided we meet this challenge, the Councils will become increasingly financially resilient over the next 5 years as we become largely funded by our community through Council Tax and Business Rates and income from our commercial services.

Local Government Act 1972 Background Papers:

Report to the Joint Strategic Committee 13th July 2017 'Towards a sustainable future – Budget strategy for the 2018/19 budget'

**Local Government Act 1972
Background Papers:**

Report to the Joint Strategic Committee 5th December 2017 'Sustainable Councils: 5 year forecast 2018/19 – 2022/23 and savings proposals'

Local Authority Finance (England) Settlement Revenue Support Grant for 2018/19 and Related Matters: DCLG Letters and associated papers of 19th December 2017.

Autumn Budget 2017 - HM Treasury

Autumn Budget 2017 – On-the-day Briefing by CIPFA Financial Advisory Service

Local Government Act 2003 and Explanatory Note

Statement of Accounts 2016/17

Report to Joint Strategic Committee 5th December 2017 – 2nd Revenue Budget Monitoring 2017/18

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

JOINT:
Revenue Budget Report



ADUR & WORTHING
COUNCILS

JOINT STRATEGIC COMMITTEE - APPENDIX 1
Revenue Budget Summary Statement 2017/18 - 2022/23

	2017/18 Base	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	24,495	20,744	20,744	20,744	20,744	20,744
Net transfer in of budgets principally relating to revenues and benefits services		1,756	1,756	1,756	1,756	1,756
(a) Annual Inflation						
Estimated inflation		817	1,590	2,352	3,088	3,831
(b) Committed Growth						
Impact of Pension contribution increase		(93)	(95)	(97)	(99)	(101)
Impact of Homelessness Reduction Act		125	125	125	125	125
New 2020 recycling targets		-	500	1,000	1,000	1,000
Additional waste and recycling round		255	255	255	255	255
Impact of new public convenience cleaning service		43	43	43	43	43
Committed growth items identified by Heads of Service and approved in December 2017		38				
Contingency		-	100	200	300	400
Total Budget Requirements	24,495	23,685	25,018	26,378	27,212	28,053
Less: Recharges within the Joint Strategic Committee	(3,751)	-	-	-	-	-
Net cost to be reallocated to the Councils	20,744	23,685	25,018	26,378	27,212	28,053
Adur District Council	8,464	9,173	9,356	9,356	9,450	9,356
Worthing Borough Council	12,280	12,947	13,206	13,206	13,338	13,205
Total income for services provided to the constituent councils	20,744	22,120	22,562	22,562	22,788	22,561
(Surplus) / Shortfall in Resources	-	1,565	2,456	3,816	4,424	5,492
Savings identified to date:						
Commercial activities and commissioning						
Commercial and Customer Board		324	324	324	324	324
Efficiency Measures						
Digital Strategy Board		181	181	181	181	181
Restructures and service plan savings not included above		1,060	1,060	1,060	1,060	1,060
Total savings identified		1,565	1,565	1,565	1,565	1,565
Savings still to be found/ (surplus)		-	891	2,251	2,859	3,927
Savings required in each year		1,565	891	1,360	608	1,068

JOINT:
Revenue Budget Report

<u>Bids for investment into services</u>	2018/19						APPENDIX 2 Notes
	Joint (memo)	Adur	Worthing	Total	2019/20	2020/21	
	£	£	£	£	£	£	
<p>Additional capacity for Major Projects Team Creation of a new Head of Major Projects (Grade 10) to manage the existing team. This will also add to capacity to take major projects forward which form an important part of 'Platforms for our Places'.</p>	68,750	3,440	65,310	68,750	68,750	68,750	This links to Commitment 1.6 'Investment in and delivery of Major Projects and key infrastructure' in the Financial Economies Platform. The majority of the work is being undertaken on Worthing sites.
<p>Additional capacity in the Communications Team The Communications Team has significantly increased awareness of Councils' activities. It has increased internal awareness of the need for good story-telling and engagement across services. It has challenged all directorates to make communication a core of all strategic thinking. In addition it has begun to win contracts from internal and external bodies. There is considerable opportunity both enhance and improve Councils engagement and communications and bring in more revenue from other public bodies.</p>	43,230	17,290	25,940	43,230	33,230	23,230	Net of additional income of £10k per year. This links to commitment 4.7 in the 'Services and Solutions for our Places' platform: 'Develop a communications service that champions the places, people, councils and projects of Adur and Worthing creatively, professionally and cost effectively (4.7.3). The service has a specific commitment to 'Oversee the development of a sales and sponsorship package which will help the Councils create new revenue opportunities and open up affordable, attractive promotional packages for local businesses, with a target of £200,000 of revenue generated within 3 full

JOINT: Revenue Budget Report

<u>Bids for investment into services</u>	2018/19						APPENDIX 2
	Joint (memo)	Adur	Worthing	Total	2019/20	2020/21	Notes
	£	£	£	£	£	£	
<p>Investment in Digital Team</p> <p>The Councils have successfully established platform technology that allows us to design and build our own applications. This is proving to be by far the best way to redesign and transform our services, providing better solutions than those from third party suppliers, and we continue to be viewed as a national leader. Following the success of work in waste management, where response times have been reduced from days to hours through process automation, the digital team delivered several time saving internal applications in 2017 alongside significant solutions in housing options and housing repairs that are delivering large efficiencies (in contact centre and service teams) and significantly improved customer experience. With this success, high demand has followed from teams, and we have a significant project pipeline.</p> <p>The time is right to invest in resources to help the Councils do more, faster, now that we have a clearly proven approach. This bid for growth seeks revenue to fund one full time Project Manager and full time Senior Developer. The additional expertise in the team will assist in the delivery of the Service Redesign Programme and reduce reliance on external staff. In terms of Platforms for Our Places it will:</p> <ul style="list-style-type: none"> i) Support our continued redesigning of services around individuals ii) Enable us to develop our digital capacity and capabilities and begin to support others in building the platforms on our digital foundations. 	48,623	19,450	29,170	48,620	64,830	64,830	This links to the delivery of specific commitments in both the 'Social Economies' and 'Services and Solutions for our Places' platforms (commitments 2.2.7, 4.1.1 and 4.3.7)
	160,603	40,180	120,420	160,600	166,810	156,810	

APPENDIX 3
CIVIC BUDGET TABLE 2018/19
Summary of Executive Member Requirements

INDIVIDUAL MEMBER PORTFOLIOS
Summary and Variance Pages

**These pages have been updated for the
growth items approved by the
constituent Councils**

JOINT SERVICE BLOCK ACTIVITY RECHARGED TO ADUR AND WORTHING COUNCILS



ADUR & WORTHING
COUNCILS

APPENDIX 3

SERVICE BLOCKS	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
Chief Executive, Organisational Development & Communications	664,740	432,610
Director for Communities	9,181,130	7,423,710
Director for Digital & Resources	10,477,650	11,006,380
Director for the Economy	4,171,790	3,418,140
TOTAL SERVICES	24,495,310	22,280,840
ALLOCATION OF COSTS		
Recharged to other joint services	(3,751,090)	-
	20,744,220	22,280,840
Adur District Council	(8,464,000)	(9,213,250)
Worthing Borough Council	(12,280,220)	(13,067,590)
TOTAL SERVICE BLOCK ALLOCATIONS	(20,744,220)	(22,280,840)

JOINT SUMMARY SERVICE BLOCK:
Chief Executive & Communications



ADUR & WORTHING
 COUNCILS

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
CHIEF EXECUTIVE		
Chief Executive Office	444,080	196,290
Vacancy Provision		(16,660)
Director for Customer Services office	25,310	-
	469,390	179,630
Head of Communications		
Head of Communications - Office	61,140	68,980
Communications	134,210	184,000
	195,350	252,980
TOTAL FOR CEO AND COMMUNICATIONS	664,740	432,610

**JOINT - CHIEF EXECUTIVE AND COMMUNICATIONS DIRECTORATE - 2018/2019 -
SUBJECTIVE ANALYSIS**



SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Services	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE										
Chief Executive Office	3	342,760	-	4,460	12,080	-	(179,670)	179,630	-	179,630
Director for Customer Services office	0	-	-	-	-	-	-	0	-	0
Head of Communications										
Head of Communications - Office	1	137,960	-	-	-	-	(68,980)	68,980	-	68,980
Communications	4	392,800	-	820	37,560	-	(247,180)	184,000	-	184,000
	8									
TOTAL COST		873,520	0	5,280	49,640	0	(495,830)	432,610	0	432,610
Percentage Direct Cost		94%	0%	1%	5%	0%				
An explanation of the changes to the budget since last year is provided on the previous page - the Variation page Staff FTE = Number of staff based on full time equivalent										

JOINT CHIEF EXECUTIVE OFFICER - 2018/2019 - VARIANCE ANALYSIS



SERVICE / ACTIVITY	Original Budget 2017/18	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFP other changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE										
Chief Executive Office	444,080	310	-	-	(216,360)	-	-	-	(48,400)	179,630
Director for Customer Services office	25,310	-	-	-	(25,190)	-	-	-	(120)	0
Head of Communications										
Head of Communications Office	61,140	-	-	-	-	-	-	-	7,840	68,980
Communications	134,210	220	-	-	(12,000)	-	-	43,230	18,340	184,000
TOTAL COST	664,740	530	0	0	(253,550)	0	0	43,230	(22,340)	432,610

JOINT SUMMARY SERVICE BLOCK:
Communities Directorate



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR COMMUNITIES		
Director for Communities office	184,350	167,890
Directorate Vacancy Provision		(329,350)
	184,350	(161,460)
HEAD OF HOUSING		
Head of Housing	153,110	246,400
Housing Solutions	806,730	824,350
Housing - Environmental Health / Protection Team	322,650	305,610
Housing Strategy	326,530	197,270
	1,609,020	1,573,630
HEAD OF ENVIRONMENT		
Head of Environment	113,100	101,280
Parks	1,015,700	719,330
Foreshores	203,770	202,650
Dog Warden	99,660	91,150
Waste Management	306,620	290,800
Commerce Way Depot	105,700	105,200
Clinical Waste Collection	(6,750)	(8,590)
Recycling	(1,114,830)	(1,368,150)
Refuse Collection	1,573,810	1,615,390
Street Sweeping & Cleansing	1,497,210	1,478,110
Trade Refuse Collection	451,600	439,040
Vehicle Workshop	610,660	516,640
Waste Strategy	261,090	78,190
Off Street Parking	390,470	343,240
	5,507,810	4,604,280
Less: Vehicle Works Trading A/c - recharged to services per job	(584,540)	(516,640)
HEAD OF WELLBEING		
Head of Wellbeing	125,340	78,910
Community Wellbeing	791,050	546,940
Environmental Health - Domestic	961,640	799,710
Licensing	257,210	229,890
Democratic Services	329,250	268,450
	2,464,490	1,923,900
TOTAL FOR COMMUNITIES	9,181,130	7,423,710

JOINT - DIRECTOR FOR COMMUNITIES - 2018/2019 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Income	Service Controlled Budget	Support	TOTAL BUDGET
		£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES									
Director of Communities Office	2	(165,270)	-	-	3,810	-	(161,460)	-	(161,460)
Head of Housing									
Head of Housing	2.6	147,240	-	760	98,400	-	246,400	-	246,400
Housing Solutions	14	806,330	-	10,540	7,480	-	824,350	-	824,350
Housing - Environmental Health / Protection Team	6	291,620	-	7,380	6,610	-	305,610	-	305,610
Housing Strategy	4.46	193,140	-	2,140	1,990	-	197,270	-	197,270
Head of Environment									
Head of Environment	1	101,280	-	-	-	-	101,280	-	101,280
Parks	54.8	1,766,110	-	253,160	283,300	(1,583,240)	719,330	-	719,330
Foreshores	5.9	208,080	-	-	-	(5,430)	202,650	-	202,650
Environmental Health	2.4	76,390	-	3,770	15,370	(4,380)	91,150	-	91,150
Waste Management	6	289,130	100	3,980	17,060	(19,470)	290,800	-	290,800
Commerce Way Depot	0	-	154,430	50	10,910	(60,190)	105,200	-	105,200
Clinical Waste Collection	1	26,770	-	7,170	12,010	(54,540)	(8,590)	-	(8,590)
Recycling	22	766,920	-	168,710	83,960	(2,387,740)	(1,368,150)	-	(1,368,150)
Refuse Collection	40	1,423,280	-	291,650	21,530	(121,070)	1,615,390	-	1,615,390
Street Sweeping & Cleansing	50	1,537,500	-	223,720	122,570	(405,680)	1,478,110	-	1,478,110
Trade Refuse Collection	9.8	321,840	-	94,350	28,120	(5,270)	439,040	-	439,040
Vehicle Workshop	8.4	218,590	270	9,360	323,180	(34,760)	516,640	-	516,640
Waste Strategy	5.7	66,800	-	11,390	-	-	78,190	-	78,190
Off Street Parking	13	343,240	-	-	-	-	343,240	-	343,240
Less: Vehicle Works Trading Account - recharged to services per job		-	-	-	-	(516,640)	(516,640)	-	(516,640)
Head of Wellbeing									
Head of Wellbeing	1	62,440	-	-	16,470	-	78,910	-	78,910
Community Wellbeing	33.5	1,319,940	-	5,850	37,340	(816,190)	546,940	-	546,940
Environmental Health- Domestic	14.9	772,050	-	16,550	11,110	-	799,710	-	799,710
Licensing	6.3	220,310	-	4,620	4,960	-	229,890	-	229,890
Democratic Services	6	251,020	-	170	17,260	-	268,450	-	268,450
	320.4								
TOTAL COST		11,044,750	154,800	1,115,320	1,123,440	(6,014,600)	7,423,710	0	7,423,710
Percentage Direct Cost		82%	1%	8%	8%				

JOINT COMMUNITIES DIRECTORATE - 2018/2019 - VARIANCE ANALYSIS



SERVICE / ACTIVITY	Original Budget 2017/18	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFP other changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES										
Director of Communities Office	184,350	100	-	-	-	-	-	-	(345,910)	(161,460)
Head of Housing										
Head of Housing	153,110	480	-	-	-	-	-	-	92,810	246,400
Housing	806,730	1,190	-	54,000	-	-	-	-	(37,570)	824,350
Environmental Health - Domestic	322,650	240	-	-	-	-	-	-	(17,280)	305,610
Housing Strategy	326,530	1,970	-	-	-	-	-	-	(131,230)	197,270
Head of Environment										
Head of Environment	113,100	-	-	-	(6,520)	-	-	-	(5,300)	101,280
Parks	1,015,700	(24,240)	-	-	(203,620)	-	-	-	(68,510)	719,330
Foreshores	203,770	40	-	-	(920)	-	-	-	(240)	202,650
Environmental Health	99,660	340	-	-	(8,350)	-	-	-	(500)	91,150
Waste Management	306,620	40	-	-	2,660	-	-	-	(18,520)	290,800
Commerce Way Depot	105,700	2,500	-	-	-	-	-	-	(3,000)	105,200
Clinical Waste Collection	(6,750)	(870)	-	-	(20)	-	-	-	(950)	(8,590)
Recycling	(1,114,830)	(20,330)	-	127,500	(259,500)	-	-	-	(100,990)	(1,368,150)
Refuse Collection	1,573,810	6,060	-	127,500	(27,360)	-	-	-	(64,620)	1,615,390
Street Sweeping & Cleansing	1,497,210	5,010	-	-	(28,130)	-	-	-	4,020	1,478,110
Trade Refuse Collection	451,600	3,150	-	-	22,800	-	-	-	(38,510)	439,040
Vehicle Workshop	26,120	(7,340)	-	-	-	-	-	-	(18,780)	0
Waste Strategy	261,090	230	-	-	(98,570)	-	-	-	(84,560)	78,190
Off Street Parking	390,470	-	-	-	(48,780)	-	-	-	1,550	343,240
Less: Vehicle Works Trading Account - recharged to services per job	-	-	-	-	-	-	-	-	-	0
Head of Wellbeing										
Head of Wellbeing	125,340	650	-	25,000	(50,490)	-	-	-	(21,590)	78,910
Community Wellbeing	791,050	960	-	-	-	-	-	-	(245,070)	546,940
Environmental Health- Domestic	961,640	750	-	-	(15,840)	-	-	-	(146,840)	799,710
Licensing	257,210	210	-	-	-	-	-	-	(27,530)	229,890
Democratic Services	329,250	420	-	-	-	-	-	-	(61,220)	268,450
TOTAL COST	9,181,130	(28,440)	0	334,000	(722,640)	0	0	0	(1,340,340)	7,423,710

**JOINT SUMMARY SERVICE BLOCK:
Digital and Resources Directorate**



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Director for Digital and Resources office	185,040	(154,160)
Directorate Vacancy Provision		-
	185,040	(154,160)
Chief Finance Officer		
Head of Finance office	(683,900)	159,580
Management, Technical and Strategic Accounting	1,093,940	916,150
Exchequer and Fraud	687,180	423,640
Procurement	144,840	146,740
Internal Audit	490	-
	1,242,550	1,646,110
Head of Legal Services		
Legal Services	830,590	700,160
	830,590	700,160
Head of Human Resources		
Human Resources	423,300	404,460
Organisational Development	227,710	230,920
	651,010	635,380
Head of Business and Technical Services		
Head of Business and Technical Services	99,960	96,980
Business Services	371,420	291,240
Engineers	727,760	575,270
Surveyors and Sustainability	951,360	825,520
Facilities - Admin Buildings	675,910	521,120
Centralised Costs	354,930	363,810
	3,181,340	2,673,940
Head of Customer & Digital Services		
Head of Digital and Design	101,620	94,600
ICT, Systems Support and Development Team	2,121,980	2,019,740
Customer Services	1,341,160	1,249,950
Parking Services	254,770	155,260
Business Support	254,070	124,130
Elections	217,150	167,670
	4,290,750	3,811,350
Head of Revenues & Benefits		
Revenues & Benefits	96,370	1,693,600
	96,370	1,693,600
TOTAL for DIGITAL AND RESOURCES	10,477,650	11,006,380

JOINT - DIGITAL AND RESOURCES DIRECTORATE - 2018/2019 - SUBJECTIVE ANALYSIS


SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	TOTAL BUDGET
		£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES									
Director Office	1	(168,600)	-	680	13,770	-	(10)	(154,160)	(154,160)
Head of Finance									
Head of Finance office	2	131,680	-	560	27,370	-	(30)	159,580	159,580
Management, Technical & Strategic Accounting	21	881,140	-	660	79,600	-	(45,250)	916,150	916,150
Exchequer and Fraud	15	434,110	-	90	78,200	-	(88,760)	423,640	423,640
Procurement	3	146,740	-	-	-	-	-	146,740	146,740
Internal Audit	0	-	-	-	-	-	-	0	0
Head of Legal Services									
Legal Services	18	781,830	-	1,780	50,480	-	(133,930)	700,160	700,160
Head of Human Resources									
Human Resources	9	384,550	-	2,490	17,420	-	-	404,460	404,460
Organisational Development	2	228,520	-	30	2,370	-	-	230,920	230,920
Head of Business & Technical Services									
Head of Business & Technical Services	1	96,980	-	-	-	-	-	96,980	96,980
Business Services	9	329,760	50	2,040	72,500	-	(113,110)	291,240	291,240
Engineers	13	607,120	-	7,960	11,100	-	(50,910)	575,270	575,270
Surveyors	17	817,340	-	5,320	21,250	-	(18,390)	825,520	825,520
Facilities - Admin Buildings	0	-	570,910	-	26,570	-	(76,360)	521,120	521,120
Centralised Costs	0	-	-	-	363,810	-	-	363,810	363,810
Head of Customer and Digital Services									
Head of Digital and Design	1	94,530	-	-	70	-	-	94,600	94,600
ICT, Systems Support and Development Team	22	1,074,440	-	1,920	882,880	60,500	-	2,019,740	2,019,740
Customer Services	33	1,238,670	-	50	11,230	-	-	1,249,950	1,249,950
Parking Services	17	155,260	-	-	-	-	-	155,260	155,260
Business Support	7	130,380	-	-	81,190	-	(87,440)	124,130	124,130
Elections	4.9	164,970	-	510	2,190	-	-	167,670	167,670
Head of Revenues & Benefits									
Head of Revenues & Benefits	2	1,689,590	-	4,010	-	-	-	1,693,600	1,693,600
TOTAL COST		9,219,010	570,960	28,100	1,742,000	60,500	(614,190)	11,006,380	11,006,380
Percentage Direct Cost		79%	5%	0%	15%	1%			
An explanation of the changes to the budget since last year is provided on the previous page - the Variation page Staff FTE = Number of staff based on full time equivalent									

JOINT DIGITAL AND RESOURCES DIRECTORATE - 2018/2019 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Budget 2017/18	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFP other changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES										
Director Office	185,040	360	-	-	-	-	-	-	(339,560)	(154,160)
Head of Finance										
Head of Finance office	(683,900)	(170)	-	(88,810)	(2,270)	-	-	-	934,730	159,580
Management, Technical & Strategic Accounting	1,093,940	1,210	-	-	(16,290)	-	-	-	(162,710)	916,150
Exchequer and Fraud	687,180	1,180	-	-	(48,010)	-	-	-	(216,710)	423,640
Procurement	144,840	-	-	-	-	-	-	-	1,900	146,740
Internal Audit	490	-	-	-	(490)	-	-	-	-	0
Head of Legal Services										
Legal Services	830,590	(1,650)	-	9,000	(23,000)	-	-	-	(114,780)	700,160
Head of Human Resources										
Human Resources	423,300	1,870	-	-	(11,580)	-	-	-	(9,130)	404,460
Organisational Development	227,710	4,730	-	-	-	-	-	-	(1,520)	230,920
Head of Business & Technical Services										
Head of Business & Technical Services	99,960	-	-	-	-	-	-	-	(2,980)	96,980
Business Services	371,420	1,210	-	-	(7,460)	-	-	-	(73,930)	291,240
Engineers	727,760	(890)	-	-	(500)	-	-	-	(151,100)	575,270
Surveyors	951,360	530	-	-	(680)	-	-	-	(125,690)	825,520
Facilities - Admin Buildings	675,910	12,910	-	-	(1,490)	-	-	-	(166,210)	521,120
Centralised Costs	354,930	8,880	-	-	-	-	-	-	-	363,810
Head of Customer & Digital Services										
Head of Digital and Design	101,620	-	-	-	-	-	-	-	(7,020)	94,600
ICT, Systems Support and Development Team	2,121,980	39,710	-	-	(153,000)	-	-	48,620	(37,570)	2,019,740
Customer Services	1,341,160	360	-	-	10,600	-	-	-	(102,170)	1,249,950
Parking Services	254,770	-	-	-	(56,000)	-	-	-	(43,510)	155,260
Business Support	254,070	(160)	-	-	(32,600)	-	-	-	(97,180)	124,130
Elections	217,150	60	-	-	-	-	-	-	(49,540)	167,670
Head of Revenues & Benefits										
Head of Revenues & Benefits	96,370	-	-	-	-	-	-	-	1,597,230	1,693,600
TOTAL COST	10,477,650	70,140	0	(79,810)	(342,770)	0	0	48,620	832,550	11,006,380

JOINT SUMMARY SERVICE BLOCK:
Economy Directorate



ADUR & WORTHING
 COUNCILS

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR ECONOMY		
Director of Economy Office	182,910	168,220
Directorate Vacancy Provision	-	(92,710)
Growth		
Head of Growth	107,890	98,860
Planning Policy	615,000	662,020
Estates	432,800	356,480
Development Control	1,343,550	1,015,770
Building Control	684,890	496,600
LLPG	20,970	23,350
Land Charges	144,710	108,440
	3,349,810	2,761,520
Place & Investment		
Head of Place & Investment	90,390	93,900
Economic Development	449,430	384,130
	539,820	478,030
Culture		
Head of Culture	99,250	103,080
Tourism	-	-
	99,250	103,080
TOTAL for ECONOMY	4,171,790	3,418,140

JOINT ECONOMY DIRECTORATE - 2018/2019 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£
DIRECTOR OF ECONOMY											
Director of Economy Office	2	73,960	-	-	100	1,450	-	-	75,510	-	75,510
Growth											
Head of Growth	1	97,580	-	-	520	760	-	-	98,860	-	98,860
Planning Policy	10.42	675,790	-	-	4,710	84,810	-	(103,290)	662,020	-	662,020
Estates	6.5	350,000	-	-	3,590	2,890	-	-	356,480	-	356,480
Development Control	24.57	945,890	-	-	5,470	64,410	-	-	1,015,770	-	1,015,770
Building Control	10.9	469,160	-	2,950	11,710	48,000	-	(35,220)	496,600	-	496,600
LLPG	1	49,370	-	-	530	16,430	-	(42,980)	23,350	-	23,350
Land Charges	3.4	104,980	-	-	-	3,460	-	-	108,440	-	108,440
Place & Investment											
Head of Place & Investment	1	93,900	-	-	-	-	-	-	93,900	-	93,900
Economic Development	6.19	355,020	-	-	4,410	36,380	-	(11,680)	384,130	-	384,130
Culture											
Head of Culture	1	103,080	-	-	-	-	-	-	103,080	-	103,080
Tourism and Events	2.81	-	-	-	-	-	-	-	0	-	0
	70.79										
TOTAL COST		3,318,730	0	2,950	31,040	258,590	0	(193,170)	3,418,140	0	3,418,140
Percentage Direct Cost		92%	0%	0%	1%	7%	0%				

JOINT ECONOMY DIRECTORATE - 2018/2019 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Budget 2017/18	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFP other changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF ECONOMY										
Director of Economy Office	182,910	30	-	-	-	-	-	-	(107,430)	75,510
Growth										
Head of Growth	107,890	30	-	-	-	-	-	-	(9,060)	98,860
Planning Policy	615,000	2,190	-	-	-	-	-	68,750	(23,920)	662,020
Estates	432,800	120	-	-	(18,460)	-	-	-	(57,980)	356,480
Development Control	1,343,550	1,620	-	-	(10,000)	-	-	-	(319,400)	1,015,770
Building Control	684,890	750	-	-	(105,000)	-	-	-	(84,040)	496,600
LLPG	20,970	(630)	-	-	-	-	-	-	3,010	23,350
Land Charges	144,710	80	-	-	-	-	-	-	(36,350)	108,440
Place & Investment										
Head of Place & Investment	90,390	-	-	-	-	-	-	-	3,510	93,900
Economic Development	449,430	690	-	-	-	-	-	-	(65,990)	384,130
Culture										
Head of Culture	99,250	-	-	-	-	-	-	-	3,830	103,080
Tourism and Events	-	-	-	-	-	-	-	-	-	0
TOTAL COST	4,171,790	4,880	0	0	(133,460)	0	0	68,750	(693,820)	3,418,140



ADUR DISTRICT COUNCIL BUDGET ESTIMATES 2018/19 AND SETTING OF 2018/19 COUNCIL TAX

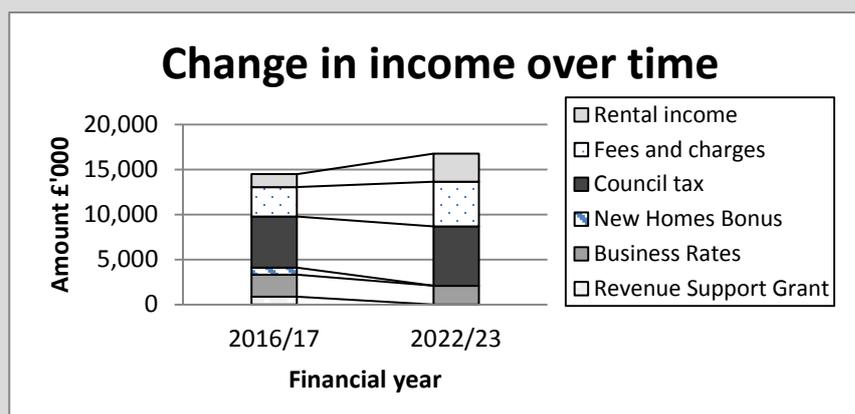
REPORT BY: DIRECTOR OF DIGITAL AND RESOURCES

1. EXECUTIVE SUMMARY

1.1 This report is the final report of the year resulting from the culmination of the annual budgeting exercise and asks members to consider:

- The final revenue estimates for 2018/19 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2018/19, prior to its submission to the Council for approval on the 22nd February 2018. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Executive.

1.2 The report outlines the medium term financial challenge through to 2022/23, and sets out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. The budget strategy initiated 2 years ago is having a significant effect on how the Councils will be funded in the future with increasing income generated from commercial income and rents.



1. EXECUTIVE SUMMARY

- 1.3 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals and any committed growth. The report also updates members about the impact of the draft 2018/19 settlement.
- 1.4 The major points raised within the report include:
- A full update on the impact of settlement. The Council should prepare itself for a continuation of the reduction in Government resources for another 2-5 years (see section 4.2) ;
 - The Executive will need to consider whether to increase Council Tax by maximum level possible 3% or by a lower amount (paragraph 5.10); and, finally
 - The Executive needs to consider the proposals to invest in services outlined in Appendix 2
- 1.5 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2018/19 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).
- 1.6 The Police and Crime Commissioner consulted on an increase to the Council Tax for 2018/19 of £5.00 or 3.25%. Following the greater flexibility on Council Tax levels announced as part of settlement, the final increase recommended to the Sussex Police and Crime Panel (PCP) was £12.00 which is equivalent to a 7.8% increase. The proposed 2018/19 budget was approved by the PCP on 19th January 2018.
- 1.7 The Chancellor's Autumn Budget in November 2017 contained very little new news on Local Government.
- 1.8 The draft Local Government Settlement allowed Councils to increase core Council Tax by up to 3% which is in addition to the 3% Council Tax increase allowed specifically to support adult social care services. Therefore a maximum Council Tax increase of 6% for Councils with social care responsibilities is allowed.
- 1.9 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 16th February 2018. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 22nd February 2018.
- 1.10 The following appendices have been attached to this report:
- (i) **Appendix 1** 5 year forecast for Adur District Council

1. EXECUTIVE SUMMARY

- (ii) **Appendix 2** Proposals for investment in services
- (iii) **Appendix 3** Estimated Reserves
- (iv) **Appendix 4** Council Tax base for 2018/19
- (v) **Appendix 5** Summary of Executive Member Portfolio budgets for 2018/19
- (vi) **Appendix 6** Glossary of terms used

2. RECOMMENDATIONS

2.1 The Executive is recommended to:

- (a) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 2;
- (b) Agree to recommend to Council the draft budgets for 2018/19 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £8,570,810 subject to any amendments above; and
- (c) Consider which band D Council Tax to recommend to Council for Adur District Council's requirements in 2018/19 as set out in paragraph 5.10.
- (d) Recommend to Council that special expenses of £18.54 per Band D equivalent to be charged in all areas of the District except Lancing

3.0 SUMMARY

- 3.1 The Joint Strategic Committee considered the 'Outline 5-year forecast for 2018/19 to 2022/23 and the Budget Strategy' on 11th July 2017. This report outlined the Financial Context, the Key Budget Pressures, the Options for Addressing the Budget Gap and the Budget Strategy for Adur and Worthing Councils. The report built on the strategy first proposed in 2015/16 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax and business rates.

3.0 SUMMARY

3.2 The Councils have set up several boards that are responsible for taking forward key strands of the budget strategy aimed at delivering savings for the future:

- **The Major Projects Board** will lead on delivering projects to increase employment space and additional housing;
- **The Service Redesign Board** (previously the Digital Programme Board) will lead on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work.
- **The Strategic Asset Management Board** will lead on delivering the income growth associated with the Strategic Property Fund; and
- **The Customer and Commercial Board** will lead on the delivery of the income growth from commercial services and seek to improve the customer experience.

For 2018/19 the Service Redesign Board, the Customer and Commercial Board and the Strategic Asset Management Board have been set explicit targets as part of the budget strategy.

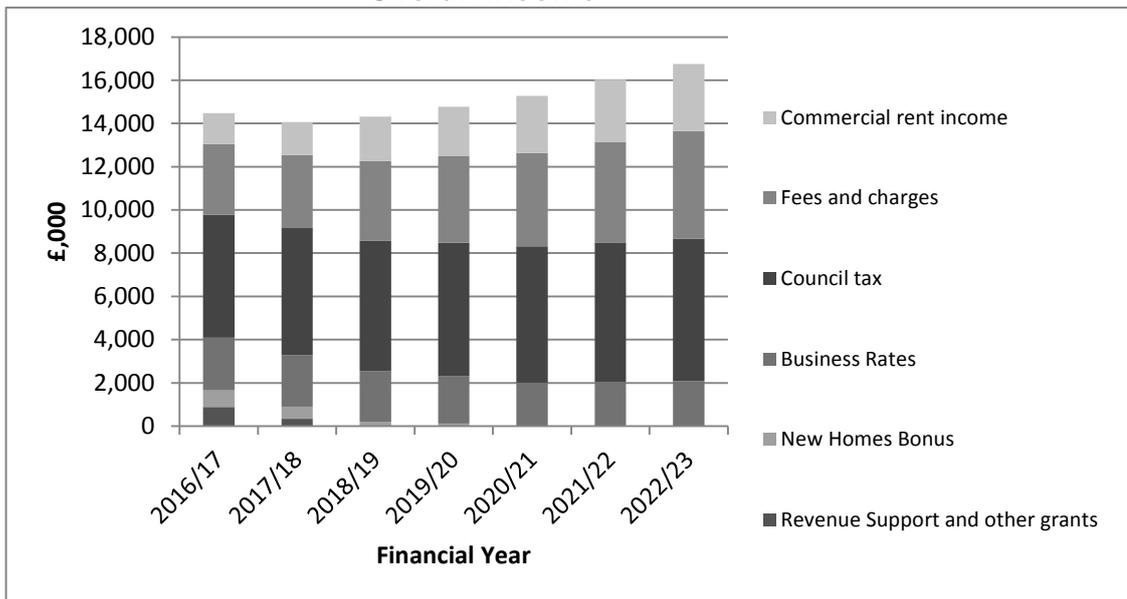
3.3 The successful delivery of our strategy fundamentally changes how the Council is funded. The Council is moving increasingly away from government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities over time.

Total budgeted income	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support and other grants	887	344	0	0	0	0	0
New Homes Bonus	767	553	202	116	1	0	0
Business Rates	2,436	2,386	2,337	2,202	2,010	2,051	2,090
Council Tax	5,690	5,883	6,031	6,163	6,301	6,442	6,587
Income from taxation	9,780	9,166	8,570	8,481	8,312	8,493	8,677

3.0 SUMMARY

Total budgeted income	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from taxation b/fwd	9,780	9,166	8,570	8,481	8,312	8,493	8,677
Fees and charges	3,265	3,371	3,692	4,002	4,318	4,640	4,969
Commercial rent income	1,431	1,528	2,051	2,292	2,643	2,896	3,104
Income from commercial activity	4,696	4,899	5,743	6,294	6,961	7,536	8,073
Total income excluding specific grants	14,476	14,065	14,313	14,775	15,273	16,029	16,750

Overall income



3.4 The subsequent report to the Joint Strategic Committee, on 5th December 2017 updated Members as to the latest budgetary information and the forecast shortfall, before savings or growth, was revised as follows:

3.0 SUMMARY

Adur District Council	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – July forecast	1,486	1,848	3,120	3,357	3,824
Overall shortfall – December forecast (including net approved growth)	1,392	1,796	3,096	3,308	3,725
Increase / Decrease(-) in shortfall	-94	-52	-24	-49	-99
Overall shortfall – December forecast	1,392	1,796	3,096	3,308	3,725
Savings identified in December 2017 report	-1,366	-1,526	-1,831	-2,031	-2,181
Revised budget shortfall/Surplus(-) as at December 2017	26	270	1,265	1,277	1,544

3.5 The 2018/19 savings proposals identified within the report amounted to £1,366,000.

3.6 Since the meeting in December, the Adur District Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any proposals to reinvest back into services. Overall, therefore, the current financial position of the Council for 2018/19 can be summarised as:

	£'000
Original shortfall as identified in September	1,486
Summary of changes identified in December 2017:	
(a) Improvements to the income from Council Tax	-51
(b) Further increase to cost of the homelessness service	7
(c) Reduction in Government Grants	26
(d) Net committed growth items identified by budget holders and other minor adjustments	61
(e) Reduction in capital programme financing costs	-7
(f) Removal of contingency budget	-130
Budget shortfall as at 5th December 2017 C/forward	1,392

3.0 SUMMARY

	£'000
Budget shortfall as at 5th December 2017 B/forward	1,392
Settlement	
Impact of provisional New Homes Bonus allocation	0
Adjustment for final items identified	
Changes to the capital programme	
- Impact of latest expected spend profile	-102
Change to Public Convenience cleaning arrangements	11
Improved forecast business rate income	-19
Adjustment to final inflation calculations, pension costs including the impact of increments and regradings	50
Reduction in forecast Investment Income	1
Final adjustment to allocations between the two Councils	
Revised budget shortfall – carried forward	1,333
Less: Net savings agreed in December	-1,366
Adjustment to final savings arising from finalisation of restructuring proposals and review of allocations	1
Budget surplus to be placed in reserves (before any further action is agreed)	-32

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.1 Autumn Budget Statement 2017

4.1.1 The Chancellor Philip Hammond delivered the 2017 Budget Statement on the 22nd November 2017. There were some significant announcements made in the budget relating to changes to economic forecasts, fundamental changes to the business rate system, and some high-profile funding announcements including additional resources for the NHS and housing.

4.1.2 There were significant changes to the prospects for growth, with Gross Domestic Product (GDP) likely to be 0.5% lower than originally expected at around 1.5% next year. The implication for public finances is that national taxation is likely to grow at a slower rate than previously forecast particularly from 2019/20 onwards with inevitable consequences for the funding available for public services. Nevertheless, public expenditure is still expected to grow albeit at a slower rate than anticipated.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.1 Autumn Budget Statement 2017

4.1.3 We are currently in a spending review period which is due to end in 2019/20, consequently there were very few changes to departmental budgets. Some additional funding was released for the National Health Services but beyond this there were no changes to the Departmental Expenditure Limits (DELs) or the Resources budget. The DELs are only confirmed until 2019/20, the new limits for 2020/21 onwards will only be published once the outcome of the next Comprehensive Spending Review is announced.

4.1.4 In the short term, there were no changes for the funding made available for Local Government. However the lower growth forecast may mean that local government spending will be lower than originally assumed following the next Comprehensive Spending Review. There were some significant announcements of particular interest to Local Authorities:

i) Business rates:

The inflation rate to be used for the business rate multiplier has been switched from the Retail Price Index (RPI) to the Consumer Price Index (CPI). This rate is generally 1% lower. Whilst the Council's baseline funding and tariff payment will be adjusted to reflect the loss of income, there are consequences for the Council due to the loss of potential income growth in its share of retained business rates over the medium term.

Valuations will now be on a three year cycle which will cause more upheaval but will lessen the impact of the revaluations when they occur both for businesses and local authorities.

The current £1,000 discount for pubs will be extended for one more year. The council will be compensated for the potential loss of income.

ii) Council Tax:

The Council will be given the power to charge 100% premium on empty properties. Currently the Council charges a 50% premium on homes that have been empty for more than two years. The Council is awaiting the relevant legislation to be laid before parliament before deciding whether to use this new power or not.

A report will be presented to the Joint Strategic Committee in due course regarding the use of this new power. It should be remembered that the Council has very few long term empty properties (19 as per the CTB1 form) and so the potential additional income is relatively small, although the additional premium would be an incentive to owners to bring the property back into use and improve the supply of housing.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.1 Autumn Budget Statement 2017

iii) Housing:

Housing was a major theme in the statement with many of the announcements affecting local government directly. These included:

- Homelessness taskforce and a commitment to halving rough sleeping by 2022.
- £630m fund to support the delivery of homes on small sites
- £2.7bn to increase the Housing Infrastructure Fund
- A lifting of the debt cap in high demand areas to help Councils build additional affordable homes. Councils will have to bid for increases to their borrowing caps from 2019/20 onwards. A total of £1bn has been made available in the period 2019/20 – 2021/22.

4.2 2018/19 Local Government Finance Settlement

4.2.1 The Secretary of State for the Department for Communities and Local Government (DCLG) Sajid Javit delivered the provisional Local Government Finance Settlement on the 19th December 2017. Consultation on the provisional settlement closed on the 16th January 2018.

4.2.2 The key features of the 2018/19 provisional settlement were outlined in the speech as:

- *Four year settlement*
- *Adjustments for the business rate retention system*
- *Negative Revenue Support Grant (RSG)*
- *New Homes Bonus*
- *Council Tax referendum thresholds*
- *Other minor settlement matters*
- *100% business rate pilots*
- *Changes to local government funding in 2020/21 Fair Funding review*

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

Taking each of these in turn:

4.2.3 Four Year Settlement

The multi-year settlements that were announced in 2016/17 were confirmed for 2018/19 and 2019/20.

The Council had received confirmation in 2016/17 that its efficiency plan had been accepted by the government as so have certainty about the level of government funding from revenue support grant for the period 2017/18 to 2019/20. However, as the Council is not receiving any revenue support grant from 2019/20 onwards this confirmation is now of academic interest only.

Adur District Council	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Draft settlement	1,348	774	271	0	0	0
Decrease year on year (£)		574	503	271	0	0
Decrease year on year (%)		42.58%	64.99%	100.00%		

4.2.4 Adjustments to the Business Rate Retention System

The Council's Tariff, Baseline Funding Level (BFL) and Revenue Support Grant (RSG) has been updated to reflect the new business rate multiplier which, from 2018-19 onwards, will be based on the CPI.

There have also been two changes to the way that the Government will adjust for the effect of the 2017 revaluation on the 2018/19 Tariff and BFL:

- The tariff calculation is based on the estimated growth in the overall business rate values between 2010 and 2017 as per the Valuation Office listings. In 2017/18 this was calculated using the values as at 31st March 2016. This calculation has now been revised for the values as at 31st March 2017. Consequently any properties that have been revalued during 2016/17 will have an impact on the calculation.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.4 Adjustments to the Business Rate Retention System

Adur	2010 valuation listing	2017 valuation listing	Growth	% growth
2017/18 calculation	46,072,922	46,833,283	760,361	1.65%
2018/19 calculation	44,794,000	46,153,000	1,359,000	3.03%
Change	1,278,922	680,283		

- Previously the intention was to revise the 2017-18 revaluation adjustment using the 2016-17 outturn (for Non-Domestic Rating Income). The Department is now proposing to “remove the one-off changes to the appeals provision in 2016-17”.

These adjustments have generated revised tariffs and top-ups for 2017-18. The adjustment is indexed (using the small business rate multiplier) to create a similar adjustment in 2018-19.

In 2018-19 (“exceptionally”) authorities will receive a backdated “adjustment” representing the difference between their provisional and revised top-up or tariff in 2017-18.

For Adur District Council, this change in methodology has a significant impact. Shoreham Power Station had a significant revaluation at the end of 2016/17 due to an appeal, its rateable value was reduced from 4,135,000 to 3,480,000. This has had a significant impact on the amount that Adur has to pay over to the government relating to 2017/18 in tariff which amounts to £142k.

However the impact for our partner Worthing Borough Council is only marginal. The Council will pay over an additional £7k in tariff to the Government relating to 2017-18.

Whilst it is legitimate to calculate the tariffs and BLF using the most up-to-date information available, it is questionable whether it is legitimate or fair to expect Councils to make a back payment as a result of changing methodology and data.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.4 Adjustments to the Business Rate Retention System

Where changes have been made in the past to government calculations to distribute funding, these have only applied to the new financial year, there have been no retrospective adjustments.

4.2.5 Negative RSG

When the multi-year settlements were announced, some authorities were given “negative RSG” allocations in 2018-19 and in 2019-20. This was where an authority’s Baseline Funding Level (BFL) is greater than its Settlement Funding Assessment (SFA) and, in order to ensure that these authorities were not ‘over-funded’, the authority’s tariff or top-up was adjusted. The adjustment is often referred to as “negative RSG”. Whilst this approach was technically correct, it was difficult to convince the sector about its legitimacy particularly in light of the business rate retention scheme which was intended to give Councils’ an element of control and reward over the income generated through local business rates.

In his statement, the Secretary of State referred to the “strength of feeling” in the sector. These representations were successful in 2018-19 (when the small number of negative RSG allocations were reversed).

The Government has announced that they will review the “negative RSG” allocations for 2019-20. Whilst it is by no means certain that they will be removed, it does strongly suggest that the Secretary of State is minded to address the issue.

If the Government decides to reverse the adjustment relating to negative RSG allocations then additional funding will need to be found for the sector. It should not to be funded from within the 2019-20 settlement itself. The cost nationally would be £152.9m.

For Adur District Council, the proposed adjustment to the Tariff will be £366,500. The overall impact on the income paid over to the Government via the tariff is expected to change as a result of the recalculation and the imposition of ‘Negative RSG’ as follows:

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.5 Negative RSG

Tariff payment	2017/18	2018/19	2019/20
	£	£	£
As per 2018/19 settlement	4,641,100	4,926,900	5,036,100
Add:			
Retrospective adjustment		142,000	
Negative RSG			366,500
Revised 2018/19 tariff	4,641,100	5,068,900	5,402,600
Annual increase		427,800	333,700
Percentage increase in payment		9.22%	7.19%

Although due to the impact of the levy calculation the financial impact is reduced to £183,250.

	2019/20	
	Without negative subsidy	Including negative subsidy
Council share of business rates and S31 grants	8,068,000	8,068,000
Less: Tariff	-5,036,100	-5,402,600
	3,031,900	2,665,400
Less: Base Line Funding	-1,737,600	-1,737,600
Additional business rates	1,294,300	927,800
Less: 50% Levy	-647,150	-463,900
Additional retained rates	647,150	463,900
Reduction due to negative subsidy		183,250

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.6 New Homes Bonus (NHB)

The Government has decided not to implement any further changes to the way that New Homes Bonus (NHB) is calculated. It had been proposed in a recent consultation paper (September 2017) that NHB payments might be reduced where the authority had refused planning permission which was subsequently granted on appeal, this change is now not being implemented.

This condition would have been in addition to the threshold on payments that had been set at 0.4% in 2017-18. The threshold meant that NHB payments would only be made on an increase in council tax base that exceeded 0.4%. There was an expectation that the threshold would be increased, partly to ensure that the total funding would remain within the control total of £938m in 2018-19 (down from £1bn in 2017-18). Instead the Secretary of State has announced that the threshold will remain at 0.4%. Overall the Council is expected to receive the following amounts in NHB over the next few years:

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Current assumption	1,388	1,184	1,058	540	306	120
Draft settlement						
Historic allocations	553	202	116	1	0	0
2018/19 allocation		0	0	0	0	0
Potential future allocations		0	0	0	0	0
Total New Homes Bonus	553	202	116	1	0	0
Increase / decrease (-) in grant from previous assumptions		0	0	0	0	0

The New Homes Bonus has been an important source of funding. The provisional 2018/19 allocation for this council is £202,440. It should be noted that the future allocations are indicative only as they are dependent on the level of house building.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.6 New Homes Bonus (NHB)

It is currently assumed that NHB will be phased out as part of the next CSR and the fairer funding review. Nationally, the amounts allocated to the scheme have been reduced year on year over the lifetime of the current CSR as follows:

	2015/16	2016/17	2017/18	2018/19	2019/20
	£bn	£bn	£bn	£bn	bBn
Total funding allocated nationally	1.200	1.485	1.251	0.946	0.900

4.2.7 Council Tax referendum thresholds

In parallel to the settlement, the proposed referendum criteria were published. Shire districts can increase council tax by 3% or £5.00 on Band D equivalent property whichever is higher. The higher threshold is justified on the grounds that it reflects the current inflation rate. CPI in November was 2.8%. It is possible that the Government will continue with a policy of setting the referendum criteria in the light of prevailing inflation rates in future years, however the impact of this will lessen if inflation falls back to the target rate of 2%.

The current 5-year forecast assumes an increase of 2%. The additional increase would enable the Council to re-invest back into priority services to meet the commitments detailed in Platforms for our places.

The options for the Council Tax increase are discussed in detail later in the report.

4.2.8 Other minor settlement matters

The Council will be able to increase their planning fees by 20% for 2018/19 if the proceeds are invested in their planning services. The planning service currently costs £739,520 so any proceeds will be invested in the service. This proposal was set out in the housing white paper earlier this year. Given that the fees budget has underachieved over the past few years, there will be no immediate financial benefit as a result of this change.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.8 Other minor settlement matters

No additional funding was announced for the proposed 2% two-year pay offer for local government workers. The Chancellor promised to fund costs of NHS pay award in the Autumn Budget but, as expected, there is no new money to do the same for local government.

4.2.9 100% business rate pilots

West Sussex was unsuccessful in its bid to be one of the pilot areas, however the scheme was heavily oversubscribed.

In the prospectus for 2018-19 pilots the Government had set out a criteria for selecting pilots. The pilots had to be affordable: the increase in the number of pilots will be costly to HM Treasury. Other criteria were:

- Wide geographic spread across England;
- Focus on rural areas and on two-tier areas;
- Wide variation of business rates represented.

The successful bids in the South East of England were Surrey and Kent.

There will be further pilots in 2019-20 and the Department will announce details in due course.

4.2.10 Changes to local government funding in 2020/21

Fair funding review

The Government is undertaking a Fair Funding Review, to thoroughly consider how to introduce a more up-to-date, more transparent and fairer needs assessment formula.

The review is looking at all the services provided by local government and will determine the starting point for local authorities under the new business rate retention scheme which is now due to be introduced across the Country by 2020/21.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.10 Changes to local government funding in 2020/21

Fair funding review

Consequently this review will not only influence the level of Revenue Support Grant received by each Council but also the amount of business rates each Council will be able to retain.

As part of settlement, the Government announced a consultation on the Fair Funding Review (FFR). The consultation will close on the 12th March 2018 and the Council will consider and respond to the document with a report being presented to the Joint Strategic Committee on 6th March 2018.

Reform of the Business Rate Retention Scheme

The Secretary of State has announced that the local share in the Business Rate Retention Scheme (BRRS) will increase from 50% (40% to the District Councils and 10% to the County Councils) to 75% in 2020-21. The increase in local share will be fiscally neutral and will be matched by transfers of Revenue Support Grant, public health grant and other grants. This is a significant change from previous plans with the local share now increasing to 75% rather than 100%.

This change has arisen because of the significant amount of legislation required for Brexit, it will be very difficult to introduce a Local Government Finance Bill before 2020-21. Government will be using existing legislation instead, but will continue to test the 100% system as well. Consequently the more radical change to the business rate scheme has been deferred but not abandoned.

Whilst it is not clear how this change will be dealt with in two tier areas, given the requirement for fiscal neutrality, it is likely that the County will be the beneficiary of the increased share of business rate income.

The Statement also appears to suggest that there will be a full baseline reset in 2020-21, however there is no decision has been made yet on whether there will be a full or partial reset:

“Local authorities will be able to keep that same share of growth on their baseline levels from 2020 to 2021, when the system is reset. So from 2020 to 2021 business rates will be redistributed according to the outcome of the new needs assessment subject to suitable transitional measures.”

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.10 Changes to local government funding in 2020/21

Reform of the Business Rate Retention Scheme

Within the 5 year forecast, it is assumed that the Council will lose at least 50% of any gain in the new system.

4.2.11 Summary of 2018/19 Local Government Settlement

In overall terms, the 2018/19 settlement revealed that District and Borough Councils received an overall cut in government funding of 7.10%, this is the lowest for some time. For districts, this is significantly less than last year's drop of 15.35% although this does reflect the lower reduction in overall funding which last year amounted to a 10.6% reduction, nearly double the current year's reduction.

YEAR-ON-YEAR CHANGE FOR THE 2018/19 SETTLEMENT			
Class of Local Authority	2017-18 Adjusted Settlement Funding Assessment	2018-19 Settlement Funding Assessment	Overall Reduction in funding
	£million	£million	%
England	17,904.97	16,937.59	-5.40%
London Area			
London Boroughs	3,078.33	2,901.23	-5.75%
GLA	2,117.15	2,151.37	1.62%
Metropolitan Areas			
Metropolitan Districts	4,545.09	4,355.80	-4.16%
Metropolitan Fire Authorities	229.95	222.43	-3.27%
Combined Authorities	60.95	60.95	0.00%
Shire Areas			
Shire unitaries with fire	315.78	294.47	-6.75%
Shire unitaries without fire	3,067.30	2,854.81	-6.93%
Shire counties with fire	1,426.86	1,294.50	-9.28%
Shire counties without fire	2,043.98	1,846.54	-9.66%
Shire districts	670.83	623.22	-7.10%
Combined fire authorities	348.75	332.27	-4.73%

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.12 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 16th January 2018 with final settlement expected by the middle of February.

4.2.13 In previous years, there were few significant change at this late stage. If there are any significant changes arising from the final information members will be briefed before Council.

4.3 Update on current Business Rate Retention Scheme

4.3.1 The business rate retention scheme has now been in place for several years. There are two key features which members are reminded of:

- There is a 'safety net' in place for any Council whose actual business rates income falls short of the target income for business rates. The safety net arrangements will be of 7.5% of Baseline Funding which is equivalent to a maximum fall in income below the baseline funding level of £127,500.
- A 'levy' is in place for any Council whose business rates exceed the target set. The levy will mean that the Council can keep 50p of every additional £1 generated over its share of the business rate target.

For each additional £100,000 raised the Council will keep the following amounts:

	Share of additional income	Additional Levy paid to Pool*	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	100	25	25

* Any levy is now retained by the business rate pool rather than paid over to the Treasury.

4.3.2 The forecast for 2018/19 is currently being finalised. The 2018/19 NNDR return which underpins this forecast is due to be submitted by the 31st January 2018 and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.3 Update on current Business Rate Retention Scheme

4.3.3 Looking further ahead, the generation of additional business rates is one of the solutions to the Council's ongoing financial pressures especially in light of the Government's commitment to return all of business rates to Local Government. Members will be aware that there are several schemes progressing within the Council which will create employment space. Examples include: The Parcelforce and Monks Farm sites.

4.3.4 The Council is now participating in a County based business rates pool which has been approved by DCLG. Participating in the pool enables the Councils involved to retain any 'levy' paid which will be set aside to fund economic regeneration initiatives within the County area. This equates to an estimated additional business rate income of over £2.6m retained locally each year to benefit the residents of West Sussex.

4.3.5 Finally, it should be appreciated that there are a number of risks associated with the business rate forecast:

- It is difficult to establish the number of appeals which are likely to come forward. There is no time limit on when an appeal might be lodged. This is particularly pertinent in a valuation year. In the first year of the 2010 valuation, the VOA received 170 appeals with an ultimate loss in rateable value of over £0.15m, however to date far fewer appeals have been received following the 2017 revaluation.
- There is a specific risk associated with schools becoming academies. If a school assumes academy status then it will become eligible for mandatory rate relief which will reduce the Council's business rate income.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

4.3.6 Consequently there could be significant swings in the amount of business rate income in any one year particularly following a rating revaluation. However, any shortfall in income will be recovered in the following financial year. The Council will fully provide for any known backdated business rates appeals at the 2017/18 year end.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.4 Long term implications of current government policy

4.4.1 The financing of local government continues to change. We are moving from a grant based on need (Revenue Support Grant) to funding based on performance in the delivery of homes (New Homes Bonus and additional Council Tax) and the creation of employment space (Business Rate Retention Scheme).

Consequently, the income from Council Tax forms an increasingly significant proportion of the Council's overall taxation income over the next 5 years and the decision regarding the annual increase has a greater strategic importance.

Breakdown of taxation income to the Council:

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	5,883	6,031	6,163	6,301	6,442	6,587
Business Rates *	2,386	2,337	2,202	2,010	2,051	2,090
New Homes Bonus	553	202	116	1	0	0
Revenue Support and other grants **	344	0	0	0	0	0
	9,166	8,570	8,481	8,312	8,493	8,677

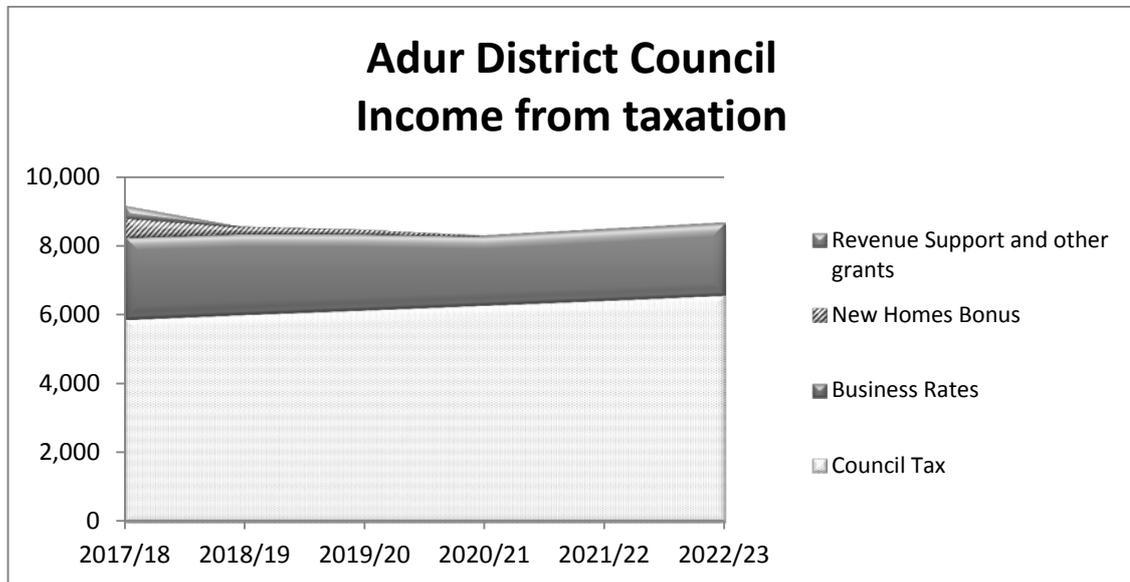
* Includes any surplus or deficit on the collection fund

** Includes the Transition Grant and other minor grants

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	64.18%	70.37%	72.67%	75.81%	75.85%	75.91%
Business Rates *	26.03%	27.27%	25.96%	24.18%	24.15%	24.09%
New Homes Bonus	6.04%	2.36%	1.37%	0.01%	0.00%	0.00%
Revenue Support and other grants **	3.75%	0.00%	0.00%	0.00%	0.00%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.4 Long term implications of current government policy



5.0 DRAFT REVENUE ESTIMATES 2018/19

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £8,570,810. This includes the savings and committed growth proposals agreed at Joint Strategic Committee in December. The budget already contains a number of spending commitments including:

- Increases to the Housing Services budget to address service pressures and to ensure that the service is adequately resourced to meet the challenges of the new Homelessness Reduction Act and increasing demand (£7k)
- The impact of changing the cleansing arrangements for public conveniences. The toilets will now be cleaned in-house improving the quality for the benefit of the user (£11k)
- Funding the investment in the Councils assets (£99k) including:
 - Improving the car parks
 - Acquisition of a Council owned supply of temporary and emergency accommodation

5.0 DRAFT REVENUE ESTIMATES 2018/19

- Investments in parks and opens spaces including play area improvements and improvements to tennis courts
- Shoreham air crash memorial project, to create a fitting and lasting memorial.
- Investment in new refuse and recycling rounds to meet the demands of our growing communities retaining the current weekly refuse round and fortnightly recycling round (£91k).

Attached at Appendix 2 are some additional proposals for investment into services.

- 5.2 The final budget will be dependent on Members consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.
- 5.3 The key question of how the net budget requirement of £8.570m translates into the Council Tax charge can now be determined as the proposed details of the Local Government Finance Settlement have been received. Any final changes arising from settlement will be dealt with through the reserves. However, if there is a significant reduction in government resources, in-year action will be needed to reduce the final impact on the reserves.
- 5.4 Details of all of the main changes in the base budget from 2017/18 to 2018/19 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 5. The changes can be summarised briefly as follows:

	£'000	£'000
2018/19 Original Estimate		9,166
Add: General Pay and Price Increases		374
Add: Committed and Unavoidable Growth:		
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	213	
Reduced Income as per 5 year forecast	118	
Impact of Capital Investment and Development Programme	99	430
Less: Compensatory savings/Additional Income:		
Compensatory savings	-33	
Additional income	-34	-67
2018/19 budget prior to agreed savings c/forward		9,903

5.0 DRAFT REVENUE ESTIMATES 2018/19

	£'000	£'000
2018/19 budget prior to agreed savings b/forward		9,903
Less: Savings agreed by members		
Approved in December		-1,366
Adjustments arising from finalisation of restructuring proposals and review of the commercial property income		1
Executive Member requirements		8,538
Potential contribution to reserves*		32
Potential budget requirement before external support		8,570
Collection fund surplus		-4
2018/19 BUDGET REQUIREMENT		8,566
<p>*The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the proposals to invest in services at Appendix 2 and the Council Tax increase.</p>		

5.5 The estimates reflect the Council's share of the Joint Strategic Committee budget. The allocation of the costs of joint services under the remit of the JSC has been the subject of an annual review this year.

5.6 As part of the review of the allocation of support services there have been some changes for individual services which are reflected in the detailed budgets. It is important to note that this does not change the overall cost of the support services to each Council, other than by agreed changes, but that it does influence the size of the share that each service takes, and the proportion borne by the General Fund and the Capital Investment Programme.

Further details can be provided by request from Emma Thomas (Chief Accountant) or Sarah Gobey (Chief Financial Officer).

5.0 DRAFT REVENUE ESTIMATES 2018/19

5.7 The current net estimated 2018/19 spend is lower than previously predicted in December and is mainly due to the following factors:

	£'000
Impact of latest expected capital spend on treasury management costs	-102
Latest forecast of business rate income (including any adjustments arising from settlement)	-19
Impact of bringing public convenience cleansing back in-house to improve quality of cleansing	11
Final adjustments to inflation (including the impact of increments and regradings)	50

5.8 The projected Council Tax surplus on the Collection Fund is estimated to be £25,127, of which £4,194 is the District Council share. This is a minor surplus in light of the overall income due of £35.4m, and is due a full review of the Single Person Discounts undertaken in 2017/18.

5.9 Members are now faced with two questions:

- What level of Council Tax to set?
- Whether to accept the growth items detailed in Appendix 2?

The decisions made today will be reflected in the budget papers presented to Council.

5.10 The Council Tax increase:

5.10.1 The Council Tax has only been increased in 2 out of the last 7 years. This, together with a 1% reduction applied in the same period, has generated an overall increase in the tax of 2.97%. Over the same period, inflation (CPI) has been 10.08%

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£	£	£	£	£	£	£	£
Band D tax	274.27	274.27	274.27	274.27	271.53	271.53	276.93	282.42
Annual Increase per year		0.00%	0.00%	0.00%	-1.00%	0.00%	1.99%	1.98%
Increase over 7 years								2.97%
Inflation over 7 years								10.08%

5.0 DRAFT REVENUE ESTIMATES 2018/19

5.10 The Council Tax increase:

5.10.2 The budget forecast currently assumes that Council Tax will increase by 2.0% in 2018/19. However the referendum criteria announced just before Christmas gives the Council the flexibility to raise the Council Tax by up to 3% if so desired. Members are reminded that the Consumer Price Index is currently 3.1%.

5.10.3 Even a 3% uplift would be a modest increase in the District council share of the bill for 2018/19. The table below details how the Council Tax will change as a result of 2%, 2.8% (the increase required to fund all of the growth proposals detailed in Appendix 2), and 2.96%

	2017/18	2%	2.80%	2.96%
	£	£	£	£
Council Tax Band D	282.42	288.09	290.34	290.79
Annual increase		5.67	7.92	8.37
Weekly increase		0.11	0.15	0.16
Council Tax Band C	251.04	256.08	258.08	258.48
Average annual increase		5.04	7.04	7.44
Average weekly increase		0.10	0.14	0.14
Additional Council Tax raised			47,077	56,492

Members should also be aware that the Police and Crime Commissioner is recommending a £12.00 increase (7.8%) increase for their share of the overall bill. There are indications that the County Council will set an increase close to the maximum permitted (6%). Consequently, the total overall increase in the Council Tax bill for a Band D property based on the Council opting to set the tax at the maximum allowed would be just over 5%:

	2017/18	2018/19 (Indicative only)	%
	£	£	
Adur District Council	282.42	290.79	2.96%
West Sussex County Council	1,231.46	1,304.10	5.90%
Sussex Police and Crime Commissioner	153.91	165.91	7.80%
	1,667.79	1,760.80	5.58%

5.0 DRAFT REVENUE ESTIMATES 2018/19

5.10 The Council Tax increase:

5.10.4 The decision to raise Council Tax should be considered alongside the projected budget shortfalls for the next 5 years, as there are long term consequences to setting a Council Tax increase significantly lower than the maximum permitted. This is particularly significant at the moment given the scale of the withdrawal of government funding the Council will contend with over the next 5 years. The impact of changing the Council Tax by 1% for 2018/19 would be as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Estimated Council Tax increase		2%	2%	2%	2%
Impact of 1% change to Council Tax in 2018/19	59.1	60.3	61.5	62.7	64.0

5.10.5 Members are asked to consider which level of Council Tax increase that they support. An increase of 2% would enable the Council to set a balanced budget. An increase of 2.96% will enable the Council to fund all of the new initiatives outlined in Appendix 2.

5.10.6 Increasing Council Tax by at least 2.0% will protect the longer term financial interests of the Council during a particularly challenging time.

5.11 Summary of budget position

Depending on the choices made regarding the Council Tax increase and the new growth items; the overall budget position will be at a 2% increase:

Net budget requirement	£'000	£'000
		8,538
Less: Baseline Funding	1,700	
Share of additional Business Rate income	637	
Council Tax (2.0% increase)	6,027	
New Homes Bonus	202	
Collection Fund surplus	4	-8,570
Balanced budget based on 2.00% Council Tax increase		-32
Maximum impact of accepting the growth items (Appendix 2)		80
		48
Maximum withdrawal from reserves if Council Tax increase remains at 2%		-48
		-

6.0 IMPACT ON FUTURE YEARS

6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown in Appendix 1 (which includes an assumed 2.00% tax increase for 2018/19 which is to be considered as part of this report). The settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

	Expected shortfall (Cumulative)				
	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall as per appendix 1	1,333	1,976	3,202	3,417	3,837
Less:					
Net savings	-1,365	-1,526	-1,831	-2,031	-2,181
Impact of accepting the growth items in paragraph 5.11	80	80	80	80	80
Potential contribution to reserves to be agreed	-48	-	-	-	-
Adjusted cumulative budget shortfall	-	530	1,451	1,466	1,736
Savings required each year	-	530	921	15	270

6.2 The continuation of the withdrawal of government funding has had significant consequences for the Council. Looking ahead, the stimulation of the local economy and provision of additional housing will be two of the measures which will help protect the Council's services. There are potentially three benefits which flow from an improving economy and which will directly improve the council's financial position:

- Increased income from business rates which is discussed fully in section 4 above;
- Reduced cost of Council Tax benefits from any new jobs created;
- Additional Council Tax income from each new home;

6.3 However, these measures are unlikely to be enough. The Council will also need to deliver on the strategy to generate £600k more commercial income per year and invest in property. Alongside this, there will need to be a continuing emphasis on efficiency in the annual savings exercise; whether this is through the digital strategy or by improving customer service. Overall, if the Council delivers upon the current budget strategy then the level of new initiatives required each year to balance the budget will reduce as follows:

6.0 IMPACT ON FUTURE YEARS

	Expected shortfall (Cumulative)			
	2019/20	2020/21	2021/22	2021/22
	£'000	£'000	£'000	£'000
Cumulative budget shortfall	530	1,451	1,466	1,736
Future savings from budget strategy:				
Customer and Commercial Board	-180	-360	-540	-720
Digital Programme Board	-80	-160	-240	-320
New savings initiatives to be identified	270	931	686	696
New initiatives required each year	270	661	-245	10

7.0 RESERVES

- 7.1 Sections 26 and 27 of The Local Government Act 2003 require the Council's Chief Financial Officer to comment on the adequacy of the Council's reserves. The reserves have therefore been reviewed in accordance with best practice as advised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in LAAP 99 'Local Authority Reserves and Balances'.
- 7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The **General Fund Working Balance** which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. unexpected increases in the demand for services); and **Earmarked Reserves** which are sums held for specific defined purposes and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.
- 7.3 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. This is even more important in the current economic climate when there are so many uncertainties. The balance as at 31st March 2017 was £407,000 which was 4.4% of net 2016/17 revenue expenditure –this is below the lower level set out in the policy set by the Council and was the result of spend arising from unforeseen circumstances. There are no plans to draw down from the working balance

The year-end level on the General Fund Working Balance for the foreseeable future, therefore, is estimated as follows:

7.0 RESERVES

		£'000	%
31.03.2017	Balance carried forward – per Final Accounts	408	4.4
31.03.2018	No planned drawdown or contribution expected	408	4.7
31.03.2019	No planned drawdown or contribution expected	408	4.8
31.03.2020	No planned drawdown or contribution expected	408	4.9
31.03.2021	No planned drawdown or contribution expected	408	4.8

The reduction in revenue support grant and the resultant decrease in the Council's net spend means that the same level of working balance equates to a higher percentage of net revenue expenditure each year.

7.4 On the basis of the year-end figures above, and taking into account past performance and the acknowledged track record of sound financial management in this Council, I believe the working balance is adequate for its purpose. In forming this view I have considered the following potential impacts upon the Council's finances:

1. A further fall in interest rates of 0.25% would cost the Council in a region of £41,700 in 2018/19.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £89,400.
3. Further adverse falls in income from such sources as development control income, car parks and land.
4. Demand is increasing for services such as homelessness and housing benefit which may well lead to increased (and unbudgeted) costs.
5. Other unforeseen circumstances such as the failure of a major contract
6. Any use of the working balance would be difficult to recoup in the short with at least two years of adverse impacts.

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2018/19 of £514,200 or 6% of net revenue spend as laid out in the current policy. However, it is unlikely that the Council will need in excess of £857,000 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of between 6% and 10% is valid and the forecast level falls within these parameters.

7.0 RESERVES

7.5 The estimated balance of general fund earmarked reserves as at 31st March, 2019 is £1,156,000, although this reduces to £730,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. A detailed schedule of the earmarked reserves is attached at Appendix 2. The significant risks to the overall budget and the Council's reserves are detailed below.

7.6 With a lower level of reserves, it is now critical that these reserves be used only as a funding resource of last resort until such time as the reserve level has recovered to some extent. The Council has over the past year minimised new calls on such resources.

7.7 In all probability, the Council will continue to have occasional opportunities to put money into earmarked reserves rather than solely to drawdown on a planned basis. Even without this, I believe the earmarked revenue reserves are adequate for their particular purposes provided that they are used sparingly. However the size and nature of the risks to the overall budget leaves the Council with no room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:

- supporting one-off rather than recurring revenue expenditure;
- dealing with short-term pressures in the revenue budget; and
- managing risk to the Council's budget.

8.0 SIGNIFICANT RISKS

8.1 Members will be aware that there are several risks to the Council's overall budget. These can be summarised as follows:-

(i) **Housing Services** – The Council has experienced a significant increase in demand for emergency and temporary accommodation over the past year. Whilst growth has been built into the budget, the degree to which this will be adequate depends on two factors:

1. The extent to which caseload continues to grow
2. The supply of cost effective accommodation

Whilst the Council is now sourcing more cost effective accommodation for our clients, there remains a risk that demand for such accommodation will outstrip our ability to find additional cost effective units.

8.0 SIGNIFICANT RISKS

- (ii) **Income** - The Council receives income from a number of services which will be affected by demand. These include land charges, building control, trade and green waste services, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2018/19, income may fall further than expected or new targets for commercial income may not be met.

The Council is investing in new commercial property, as leases expire there is an increased risk of loss of income from voids. To mitigate this risk the Council is introducing an annual provision from 2019/20 for void rents of £100k which will be increased annually in line with the level of investment in the property portfolio.

- (iii) **Withdrawal of funding by partners** - All budgets within the public sector are under scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, the council may lose funding for key priorities and be left with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.
- (iv) **Inflation** - A provision for 1% inflation has been built into non-pay budgets. Pay budgets have a 1% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2017/18, there is a risk that inflation will run at a higher rate than allowed for within the budget. Each 1% increase in inflation is equivalent to the following amount:

	1% increase
	£'000
Pay	89
Non-pay	72

- (v) **Accounting changes - International Financial Reporting Standard (IFRS) 9: Accounting for Financial Instruments**

Chartered Institute of Public Finance and Accountancy (CIPFA) has recently adopted the new IFRS 9 accounting standard for financial instruments in the proposed 2018/19 Accounting Code of Practice.

8.0 SIGNIFICANT RISKS

(v) Accounting changes - International Financial Reporting Standard (IFRS) 9: Accounting for Financial Instruments

Guidance on the new standard is expected early in the New Year, however the Council should expect that the adoption of IFRS 9 will result in potential additional costs to the General Fund resulting from how certain investments will be valued in the future. These costs arise from the requirement to value at the year-end certain investments based on the potential sale price of the instrument.

The Council has relatively little exposure to this risk as it only has one £1.0m investment in the CCLA LAMIT property fund which would meet the definition contained within the new standard. It should be appreciated that the investment in the property fund is to secure long term revenue streams not immediate growth in fund value. Although over the medium term, it is expected that such funds will increase in value. The investment in the CCLA generates approximately a 4% return, by far our best performing investment.

Currently the maximum loss that the Council is exposed to is £40,000 although the extent of the loss may be influenced by the economy over the next few years as the Country exits the EU.

The Local Government Sector is currently lobbying the Government for a statutory override for the new accounting standard which will allow Councils to better manage any potential in-year losses.

8.2 To help manage these risks, the council has a working balance of £408,000 and other earmarked reserves are also available to the Council to help mitigate these risks.

9.0 CONSULTATION

9.1 The Council ran a detailed consultation exercise in 2015/16 which supported the proposed five year budget strategy. In light of this, no consultation exercise was undertaken this year. There are no significant changes to either the strategy or services planned for 2018/19.

9.2 Officers and members have been consulted on the content of this report.

10.0 UPDATE TO PRUDENTIAL INDICATORS

- 10.1 The Council's budget fully reflects the cost of financing the capital programme. Members have previously approved sufficient growth to accommodate the proposed capital programme. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2018/19 and future years.
- 10.2 Under the Prudential Code of Practice and the capital finance system introduced in April 2004, the capital programme is based on the Council's assessment of affordability. This includes any new borrowing which the Council wishes to undertake.
- 10.3 The Code of Practice has recently been revised. The freedom for local authorities to set the scope and size of their capital plans remains unrestricted, but the prudential system processes have been strengthened to set out greater consideration of prudence, with sustainability and risk reporting improved through the governance procedures. This includes a new requirement to publish an annual capital strategy, which the Council has long complied with however this document must now contain more information on risk management.
- 10.4 The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. These are included with the annual Treasury Management Strategy Statement which is due to be considered by JSC on the 1st February 2018 and which will be included in the Council budget pack for approval.

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- 11.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Financial Officer to make a report to the authority when it is considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report in making their decisions.
- 11.2 As Members are aware, local authorities decide every year how much they are going to raise from Council Tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. Because they decide on the Council Tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- making prudent allowance in the estimates for each of the services, and in addition;
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

11.3 Overall view on the robustness of the estimates:

Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates and the adequacy of reserves. The exceptions relate to:

- (1) The provision of estimates for items outside of the direct control of the Council:
 - Income from fees and charges in volatile markets, e.g. car parks and development control fees.
 - External competition and declining markets, particularly during a recession. E.g. Local land charges and building control fees.
- (1) Changes to business rate income due to revaluations, redevelopments and increases in mandatory rate relief.
- (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
- (3) Initiatives and risks not specifically budgeted for.

It will therefore be important for members to maintain a diligent budget monitoring regime during 2018/19.

11.4 The Chief Financial Officer's overall view of the robustness of the estimates is, therefore, as follows:

The processes followed are sound and well established and identical to those that produced robust estimates in the past. The Council has also demonstrated that it has a sound system of financial management in place.

12.0 COUNCIL TAX SETTING

12.1 The Council is obliged to raise the balance of its resources after grant to finance the General Fund Revenue Budget from its local Council Taxpayers. The Adur District Council Tax will be added to the Precepts from West Sussex County Council and the Sussex Police and Crime Commissioner to form a combined Council Tax to levy on the taxpayers of Adur District.

12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2018/19 Budget, the resulting Council Tax for the District can be set. This takes into account the Total Aggregate External Finance (Revenue Support Grant and Business Rates contributions) and any contribution to or from the local Collection Fund.

12.3 Adur District Council:

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2018/19 prior to the consideration of the budget proposals. This is based on 2.96% Council Tax increase which is sufficient to fund all of the proposals for growth included at Appendix A:

	£	£
Net 2018/19 Budget *		8,570,810
Less:		
Aggregate External Finance:		
Baseline Funding	-1,699,870	
Additional Retained Business Rate income	-637,000	
New Homes Bonus	-202,440	
Contribution from the Collection Fund surplus (as per paragraph 5.8)	-4,190	
		-2,543,500
Amount to be raised from Council Tax based on a 2% Council Tax increase		6,027,310
Additional impact of proposals identified in Appendix 2 if all approved		47,590
Balance to be raised from Council Tax based on a 2.80% increase		6,074,900

* 2018/19 budget requirement after any contribution to or from reserves required to balance the budget.

12.0 COUNCIL TAX SETTING

12.3 Adur District Council:

Within section 5 of the report, members are given the options for the Council Tax and approving the non-committed growth items.

(b) Council Tax Base

The Council's Tax base for 2018/19 is 20,923.20 Band D equivalent properties. There is an increase to the current year base of 20,707.30 which is due to a reduction in Council Tax discounts following a fundamental review of Single Persons Discounts, an increasing number of homes and the falling cost of Council Tax benefits. The full calculation of the tax base is shown in Appendix 4.

	2017/18 Tax Base	2018/19 Tax Base
Lancing	6,129.00	6,166.80
Sompting	2,742.20	2,741.20
Unparished	11,836.10	12,015.20
TOTAL	20,707.30	20,923.20

(c) Special Expenses

At the extraordinary meeting of Council held on 10th January 1995, Maintenance of recreation grounds and provision of community buildings were agreed as special expenses not chargeable in the Lancing area under the terms of Section 35 of the Local Government Finance Act 1992. In 2018/19 expenditure of £273,870 (£265,800 in 2017/18) falls under the resolution and will need to be financed by a Band D Council Tax of £18.54, to be charged in all areas of the District except Lancing, which is the same as the previous year's

(d) Adur District Council Band D Council Tax

Members are now asked to consider which level of Council Tax to set for 2018/19. A Council Tax increase of 2.0% will ensure that the Council has a balanced budget, an increase of 2.96% will lever in sufficient additional resources to fund the growth proposed at Appendix 2 and provide a small contingency budget.

12.0 COUNCIL TAX SETTING

12.3 Adur District Council:

(d) Adur District Council Band D Council Tax

Area	2017/18	2018/19 (Average 2% increase)	2018/19 (Average 2.96% increase)
Lancing	£ 269.55	£ 274.95	£ 277.56
Percentage increase		2%	2.96%
Annual increase (Band D)		5.40	8.01
Weekly increase (Band D)		0.10	0.15
Shoreham, Southwick, Sompting and Coombes			
Basic Council Tax	269.55	274.95	277.56
Special Expenses	18.18	18.54	18.54
TOTAL in Shoreham, Southwick, Sompting and Coombes	287.73	293.49	296.10
Percentage increase		2.0%	2.91%
Annual increase (Band D)		5.76	8.37
Weekly increase (Band D)		0.11	0.16

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 20th February, 2018. The Police and Crime Commissioner's proposed increase of around 7.80% was considered by the Police and Crime Panel on 19th January 2018 and agreed.

	2016/17 £	2017/18 £
West Sussex County Council	1,231.46	t.b.c.
Sussex Police Authority	153.91	165.91
TOTAL	1,385.37	t.b.c.

12.0 COUNCIL TAX SETTING

12.5 Overall Council Tax

The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the District Council at its meeting on 22nd February 2018.

13.0 LEGAL IMPLICATIONS

- 13.1 The Local Government Act 2003 requires that the Councils set a balance budget. This report demonstrates how the Council will meet this requirement for 2018/19.

14.0 CONCLUSION

- 14.1 This has been a very difficult year. The Council has seen the withdrawal of a significant amount of Revenue Support Grant. However, to meet this challenge the Council has identified over £1.3m of savings and is now in the position to set a balanced budget and make some re-investment back into priority services.

- 14.2 Looking further ahead, 2019/20 will continue to be challenging as the Council continues to address falling resources from Government has only limited opportunities to lever in New Homes Bonus. Consequently, the strategy of delivering commercial income growth and business efficiencies through the digital agenda continues to play a vital role in balancing the budget.

- 14.3 However, provided we continue to deliver on this strategy, the Council will become increasingly financially resilient over the next 5-10 years as Revenue Support Grant disappears, New Homes Bonus reduces and we become largely funded by our community through Council Tax and Business Rates and income from our commercial services. Nevertheless, we must not forget that the planned Fairer Funding Review and business rate reset may present yet further challenges for the Council to meet.

14.0 CONCLUSION

- 14.4 The aims of 'Platforms for our Places' are critical to our success. Developing the local economy to increase employment space and local jobs together with the provision of new homes is one of the strategic measures that the Council can take to protect its longer term financial interests, however there will be inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.

14.0 CONCLUSION

- 14.5 There will need to be a sharp focus on financial health over the next couple of years whilst we balance the budget and rebuild the reserves. However, we must not forget that the Council has a good track record in dealing with such challenges
- 14.6 Finally, in preparing the strategy and forecast for 2018/19 an assessment was carried out of the significant risks and opportunities which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.

Local Government Act 1972

Background Papers :

Report to the Joint Strategic Committee 13th July 2017 'Towards a sustainable future – Budget strategy for the 2018/19 budget'

Report to the Joint Strategic Committee 5th December 2017 'Sustainable Councils: 5 year forecast 2018/19 – 2022/23 and savings proposals'

Report to the Joint Strategic Committee 5th December 2017 'Investing in Service Delivery: Capital Investment Programme 2018/19 to 2020/21'

Local Authority Finance (England) Settlement Revenue Support Grant for 2018/19 and Related Matters: DCLG Letters and associated papers of 19th December 2017.

Autumn Budget 2017 - HM Treasury

Autumn Budget 2017 – On-the-day Briefing by CIPFA Financial Advisory Service

Local Government Act 2003 and Explanatory Note

"Guidance Note on Local Authority Reserves and Balances" – LAAP Bulletin No. 77 - CIPFA -published in November 2008

Statement of Accounts 2016/17

Report to Joint Strategic Committee 5th December 2017 – 2nd Revenue Budget Monitoring 2017/18

ADUR:
Revenue Budget Report

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

ADUR:
Revenue Budget Report

APPENDIX 1

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2017/18 - 2022/23						
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Net Spending to be Financed from Taxation	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	9,166	9,166	9,166	9,166	9,166	9,166
Annual Inflation						
Estimated inflation		374	657	974	1,278	1,585
One -off / non-recurring items						
Local Elections (held every other year)		43	(25)	45	(26)	47
Committed Growth						
Impact of Pension contribution changes		(33)	(30)	(31)	(32)	(33)
Loss of Housing Benefit Administration Grant		53	53	53	53	53
Impact of new arrangements for funding homelessness		-	-	184	184	184
Reduction in PCN income		65	65	65	65	65
New 2020 recycling targets		-	200	400	400	400
Additional waste and recycling round		91	91	91	91	91
Impact of Homelessness Reduction Act		7	7	7	7	7
Committed growth items identified by Heads of Service and approved in December 2017		61	61	61	61	61
Impact of new public convenience cleaning service		11	11	11	11	11
Contingency		-	70	140	210	280
Impact of capital programme						
Financing costs		99	125	300	377	516
Additional income						
Investment income		(34)	(34)	(52)	(95)	(139)
Reopening of Riverside Car Park		-	(20)	(20)	(20)	(20)
Approved Growth items						
Provision for new growth items		-	60	120	180	240
Total Cabinet Member Requirements	9,166	9,903	10,457	11,514	11,910	12,514
Total Cabinet Member Requirements B/fwd	9,166	9,903	10,457	11,514	11,910	12,514
Baseline funding	1,650	1,700	1,738	1,773	1,808	1,844
Add: Retained additional business rates	405	591	464	238	243	246
Add: Share of previous year's surplus / (deficit)	331	46				
Adjusted Baseline funding	<u>2,386</u>	<u>2,337</u>	<u>2,202</u>	<u>2,010</u>	<u>2,051</u>	<u>2,090</u>
Revenue Support Grant	271	-	-	-	-	-
Council Tax						
Adjusted Council Tax income	5,849	6,027	6,163	6,301	6,442	6,587

ADUR:
Revenue Budget Report

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2017/18 - 2022/23						
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Net Spending to be Financed from Taxation	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Other grants						
Transitional Grant	73	-	-	-	-	-
New homes bonus (2013/14 - 2018/19)	244	-	-	-	-	-
New homes bonus (2014/15 - 2019/20)	107	-	-	-	-	-
New homes bonus (2015/16 - 2020/21)	86	86	-	-	-	-
New homes bonus (2016/17 -2019/20)	115	115	115	-	-	-
New homes bonus (2017/18 - 2020/21)	1	1	1	1	-	-
New homes bonus (2018/19- 2021/22)	-	-	-	-	-	-
Total NHB	553	202	116	1	-	-
Collection fund surplus/deficit (-)	34	4	-	-	-	-
Total other grants and contributions	660	206	116	1	-	-
Total Income from Grants and Taxation	9,166	8,570	8,481	8,312	8,493	8,677
(Surplus) / Shortfall in Resources	-	1,333	1,976	3,202	3,417	3,837
Contribution to (-) / Use of Reserves to						
Capacity issues reserve	-	-	-	-	-	-
Total Income from Reserves	-	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,333	1,976	3,202	3,417	3,837
Savings identified to date:						
Strategic Property Investment Fund						
Recent Acquisitions		77	77	77	77	77
Future property purchases		216	516	816	1,066	1,266
Proposed increase to 2017/18 programme		200	200	200	200	200
New office block		-	-	55	55	55
Provision for future voids			(100)	(150)	(200)	(250)
Commercial activities and commissioning						
Commercial and Property Board		236	236	236	236	236
Efficiency Measures						
Digital strategy		72	72	72	72	72
Restructures and service plan savings not included above						
		564	525	525	525	525
Total future initiatives identified		1,365	1,526	1,831	2,031	2,181
Cumulative savings still to be found/ (surplus)		(32)	450	1,371	1,386	1,656
Annual savings still to be found		(32)	482	921	15	270
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Average annual increase (Band D property)		£5.65	£5.76	£5.88	£5.99	£6.11
Average weekly increase (Band D property)		£0.11	£0.11	£0.11	£0.12	£0.12
Savings required in each year		1,333	643	1,226	215	420

APPENDIX 2

<u>Bids for investment into services</u>	2018/19				2019/20	2020/21	APPENDIX 2 Notes
	Joint (memo)	Adur	Worthing	Total			
	£	£	£	£	£	£	
<p>Additional capacity for Major Projects Team Creation of a new Head of Major Projects (Grade 10) to manage the existing team. This will also add to capacity to take major projects forward which form an important part of 'Platforms for our Places'.</p>	68,750	3,440	65,310	68,750	68,750	68,750	This links to Commitment 1.6 'Investment in and delivery of Major Projects and key infrastructure' in the Financial Economies Platform. The majority of the work is being undertaken on Worthing sites.
<p>Additional capacity in the Communications The Communications Team has significantly increased awareness of Councils' activities. It has increased internal awareness of the need for good story-telling and engagement across services. It has challenged all directorates to make communication a core of all strategic thinking. In addition it has begun to win contracts from internal and external bodies. There is considerable opportunity both enhance and improve Councils engagement and communications and bring in more revenue from other public bodies.</p>	43,230	17,290	25,940	43,230	33,230	23,230	Net of additional income of £10k per year. This links to commitment 4.7 in the 'Services and Solutions for our Places' platform: 'Develop a communications service that champions the places, people, councils and projects of Adur and Worthing creatively, professionally and cost effectively (4.7.3). The service has a specific commitment to 'Oversee the development of a sales and sponsorship package which will help the Councils create new revenue opportunities and open up affordable, attractive promotional packages for local businesses, with a target of £200,000 of revenue generated within 3 full years.

ADUR: Revenue Budget Report

<u>Bids for investment into services</u>	2018/19				2019/20	2020/21	APPENDIX 2 Notes
	Joint (memo)	Adur	Worthing	Total			
	£	£	£	£	£	£	
<p>Support for Cultural organisations</p> <p>A new budget line to provide financial support to a small number of community cultural projects and events throughout the District (which have the widest possible reach across geographies and across generations) ... to be held as part of the Leaders portfolio</p>	0	20,000	0	20,000	20,000	20,000	This will be used to fund the delivery of the 'Financial Economy ' Platform which includes support for the creative economy.
<p>Investment in Digital Team</p> <p>The Councils have successfully established platform technology that allows us to design and build our own applications. This is proving to be by far the best way to redesign and transform our services, providing better solutions than those from third party suppliers, and we continue to be viewed as a national leader. Following the success of work in waste management, where response times have been reduced from days to hours through process automation, the digital team delivered several time saving internal applications in 2017 alongside significant solutions in housing options and housing repairs that are delivering large efficiencies (in contact centre and service teams) and significantly improved customer experience. With this success, high demand has followed from teams, and we have a significant project pipeline.</p>	48,623	19,450	29,170	48,620	64,830	64,830	This links to the delivery of specific commitments in both the 'Social Economies' and 'Services and Solutions for our Places' platforms (commitments 2.2.7, 4.1.1 and 4.3.7)

ADUR:
Revenue Budget Report

<u>Bids for investment into services</u>	2018/19				2019/20	2020/21	APPENDIX 2 Notes
	Joint (memo)	Adur	Worthing	Total			
	£	£	£	£	£	£	
<p>The time is right to invest in resources to help the Councils do more, faster, now that we have a clearly proven approach. This bid for growth seeks revenue to fund one full time Project Manager and full time Senior Developer. The additional expertise in the team will assist in the delivery of the Service Redesign Programme and reduce reliance on external staff. In terms of Platforms for Our Places it will:</p> <ul style="list-style-type: none"> i) Support our continued redesigning of services around individuals ii) Enable us to develop our digital capacity and capabilities and begin to support others in building the platforms on our digital foundations. 							
<p>Playing pitch and built facilities review Review of Council held land with the intention of identifying opportunities to improve built leisure facilities</p>	0	20,000	50,000	70,000	0	0	This links to the 'Financial Economies' platform, specifically the review of Council owned property (Commitment 1.4.1) and commitment 2.5.6 in the Social Economies platform to 'develop a Sports strategy for Adur and Worthing that not only improves the quality and availability of sports facilities but which improves health and inequalities across Adur and Worthing'.
	160,603	80,180	170,420	250,600	186,810	176,810	

ADUR: Revenue Budget Report

APPENDIX 3

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.17	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.18	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 CAPACITY ISSUES FUND Purpose: To enable the Council to fund one-off initiatives. Now includes Carry Forward Reserve.	172	4	(106)	70	4	-	74
2 INSURANCE FUND Purpose: To offset the costs of insurance excesses and fund insurance risk management initiatives.	181	30	(53) *see below	158	30	(20)	168
3 MAINTENANCE FUND Purpose: To offset future maintenance costs of investment properties.	38	-	(26)	12	-	-	12

C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.17	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.18	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4. SPECIAL & OTHER EMERGENCY RESERVE	86	-	(26)	60	-	-	60
5. ELECTION RESERVE To offset future maintenance costs of investment properties.	8	-	-	8	-	-	8
6. GRANTS & CONTRIBUTIONS HELD IN RESERVES *	426	-	-	426	-	-	426
7. RESIDUAL PROJECTED UNDERSPEND Reserves to be identified at outturn*	-	-	-	-	-	-	-
		*see below					
8. GENERAL FUND WORKING BALANCE	408	-	-	408	-	-	408
TOTAL	1,319	34	(211)	1,142	34	(20)	1,156

*contributions to be confirmed at year end

C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget

ADUR:
Revenue Budget Report

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE										
Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Dwellings	0.0	2,743.0	5,021.0	11,355.0	6,138.0	1,933.0	742.0	302.0	9.0	28,243.0
Less: Exemptions	0.0	-58.0	-66.0	-102.0	-59.0	-14.0	-9.0	-3.0	0.0	-311.0
	0.0	2,685.0	4,955.0	11,253.0	6,079.0	1,919.0	733.0	299.0	9.0	27,932.0
Disabled Relief Adjustment (net)	7.0	7.0	26.0	3.0	-26.0	-8.0	-2.0	-2.0	-5.0	0.0
Chargeable Dwellings	7.0	2,692.0	4,981.0	11,256.0	6,053.0	1,911.0	731.0	297.0	4.0	27,932.0
Broken down as follows:										
Full Charge	2.0	913.0	2,744.0	7,776.0	4,458.0	1,525.0	607.0	253.0	1.0	18,279.0
25% Discount (including adj for SP Dis)	5.0	1,766.0	2,226.0	3,454.0	1,583.0	381.0	118.0	37.0	1.0	9,571.0
50% Discount	0.0	21.0	30.0	58.0	40.0	16.0	12.0	10.0	1.0	188.0
0% Discount (Long Term Empty Homes)	0.0	57.0	74.0	122.0	59.0	13.0	5.0	2.0	1.0	333.0
Total Equivalent Number of Dwellings	5.8	2,242.5	4,418.0	10,381.0	5,652.3	1,814.8	698.0	284.3	3.8	25,500.3
Reduction in tax base due to Council Tax Support	3.3	699.9	958.0	1,137.6	276.8	46.2	5.6	1.4	0.0	3,128.9
Adjusted equivalent total dwellings	2.4	1,542.6	3,460.0	9,243.4	5,375.4	1,768.5	692.4	282.8	3.8	22,371.3
<u>Band D Equivalents</u>										
Revenue Support Settlement	1.4	1,017.2	2,675.8	8,196.1	5,369.9	2,160.5	999.9	471.4	7.5	20,899.7
Add: Forecast new homes	0.0	2.0	6.2	16.8	12.8	5.7	2.7	1.3	0.0	47.5
Less: Adjustments for Losses on Collection, and Void Properties	0.0	0.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	24.0
COUNCIL TAX BASE	1.4	1,019.2	2,682.0	8,212.9	5,358.7	2,166.2	1,002.6	472.7	7.5	20,923.2
										20,923.2

The following appendices have been updated to reflect the recommendations from Executive as laid out in the Record of Decisions.

DECISION THE EXECUTIVE

- (i) Approved the investment in services detailed at Appendix 2;
- (ii) Agreed to recommend to Council the draft budgets for 2018/19 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £8,570,810 subject to the amendments in (i) and the level of Council Tax agreed.
- (iii) Agreed to recommend to Council an increase of 2.96% making Band D for Adur District Council's requirements in 2018/19 as set out in paragraph 5.10 an average of £ 290.79 per annum.
- (iv) Agreed to recommend to Council the special expenses of £18.54 per Band D equivalent dwelling is to be charged in all areas of the District except Lancing.

REASON FOR DECISION

Statutory requirement to set a budget

Following the decision of the Executive the net budget requirement for 2018/19 is £8,627,760.

DECISION OF THE COUNCIL:

At its meeting on 22nd February 2018, Adur Council agreed a 2.96% Council Tax 2018/19.

- (a) The Council noted that on 6 February 2018, the Executive calculated the Council Tax Base 2018/19 for the whole Council area as **20,923.2** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
- (b) for dwellings in those parts of its area to which a parish precept relates as in the attached Appendix C

That the Council Tax requirement for the Council's own purposes for 2018/19 (excluding parish precepts) is **£6,084,260**.

DECISION OF THE COUNCIL:

That the following amounts be calculated by the Council for the year 2018/19 in accordance with Sections 31 to 36 of the Act:

- (a) **£45,925,980** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils
- (b) **£39,436,820** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) **£6,489,160** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R), in the formula in Section 31B of the Act).
- (d) **£310.14** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) **£404,900** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).
- (f) **£290.79** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year.
- (g) **£273,870** being the aggregate amount of all special expenses (not applicable in the Lancing Parish area)
- (h) **£277.65** being the amount at 3(d) above less the result given by dividing the amount at 3(e) and 3(g) above by Item T (1a above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept or Special Expense relates.

APPENDIX 5

CIVIC BUDGET TABLE 2018/19

Summary of Executive Member Requirements

*** * ***

INDIVIDUAL MEMBER PORTFOLIOS Summary and Variance Pages

ADUR BUDGET 2018/2019
Summary of Executive Member Portfolios



ADUR DISTRICT
COUNCIL

APPENDIX 5

EXECUTIVE PORTFOLIO	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
Environment	2,962,240	2,631,620
Health and Wellbeing	1,013,010	1,103,700
Customer Services	1,356,940	1,164,740
Leader	626,870	598,120
Regeneration	1,597,960	1,659,300
Resources	1,960,440	1,963,740
Support Services Depreciation Not Charged To Services	190,140	205,720
NET SERVICE EXPENDITURE	9,707,600	9,326,940
Credit Back Depreciation / Impairments	(1,378,220)	(1,821,540)
Minimum Revenue Provision	818,480	1,097,860
	9,147,860	8,603,260
Transfer to / from Reserves	14,000	14,000
Balance Available to Transfer To / (From) Reserves	4,000	10,500
TOTAL BUDGET REQUIREMENT BEFORE EXTERNAL SUPPORT FROM GOVERNMENT	9,165,860	8,627,760
Baseline Funding	(1,650,290)	(1,699,870)
Additional business rate income	(736,110)	(637,000)
Revenue Support Grant	(271,200)	-
Transition Grant	(72,710)	-
Council Tax Reduction Scheme Grant	-	-
Council Tax Freeze Grant	-	-
Other unfenced grants (New homes bonus)	(553,290)	(202,440)
Contribution to/ (from) Collection Fund	(34,100)	(4,190)
AMOUNT REQUIRED FROM COUNCIL TAX	5,848,160	6,084,260
COUNCIL TAX BASE	20,707.3	20,923.2
Average Band D Council Tax - Adur District	282.42	290.79
% increase		2.96%

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Bus Shelters, Street Lighting & Highways	121,860	98,870
Public Conveniences	214,200	222,250
Sustainable Development	28,080	39,610
	364,140	360,730
Customer & Digital Services		
Car Parking	(217,570)	(200,500)
	(217,570)	(200,500)
DIRECTOR FOR COMMUNITIES		
Leisure Client	500,990	514,640
	500,990	514,640
Environmental		
Foreshores	(12,590)	(27,960)
Allotments	27,490	(25,880)
Cemeteries	111,070	130,690
Parks	902,120	883,420
Abandoned Vehicles	29,480	5,830
Clinical Waste	14,690	(3,130)
Graffiti	4,680	7,760
Recycling	(223,790)	(340,860)
Refuse	773,270	903,710
Street Cleansing	599,850	566,820
Trade Refuse	(171,890)	(213,240)
	2,054,380	1,887,160
Housing		
Public Health Burials	2,800	2,870
	2,800	2,870
Wellbeing		
Pollution Control & Dog Control	208,810	65,120
	208,810	65,120
DIRECTOR OF ECONOMY		
Growth		
Street Scene	48,690	1,600
	48,690	1,600
TOTAL ENVIRONMENT PORTFOLIO	2,962,240	2,631,620

ADUR - ENVIRONMENT PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES										
Business and Technical Services										
Bus Shelters, Street Lighting & Highways	-	39,940	-	15,940	-	(7,890)	47,990	24,390	26,490	98,870
Public Conveniences	-	159,790	-	120	-	(350)	159,560	8,040	54,650	222,250
Sustainable Development	-	-	-	-	-	-	0	39,610	-	39,610
Customer & Digital Services										
Car Parking	-	108,940	-	131,160	57,800	(610,230)	(312,330)	104,650	7,180	(200,500)
DIRECTOR FOR COMMUNITIES										
Leisure Client	-	50,940	-	24,520	145,000	(9,530)	210,930	14,740	288,970	514,640
Environment										
Foreshores	-	11,550	-	8,910	-	(102,870)	(82,410)	31,600	22,850	(27,960)
Allotments	-	20,960	-	-	-	(49,230)	(28,270)	-	2,390	(25,880)
Cemeteries	97,130	79,500	-	-	-	(191,770)	(15,140)	141,780	4,050	130,690
Parks	(42,880)	658,280	-	51,660	-	(183,220)	483,840	281,230	118,350	883,420
Abandoned Vehicles	-	-	1,140	-	4,690	-	5,830	-	-	5,830
Clinical Waste	(3,130)	-	-	-	-	-	(3,130)	-	-	(3,130)
Graffiti	3,010	-	-	-	-	-	3,010	3,000	1,750	7,760
Recycling	(498,010)	-	-	-	-	-	(498,010)	52,190	104,960	(340,860)
Refuse	607,450	-	-	-	-	-	607,450	194,060	102,200	903,710
Street Cleansing	561,640	-	-	-	-	(131,070)	430,570	91,380	44,870	566,820
Trade Refuse	131,710	-	-	251,030	-	(628,950)	(246,210)	13,270	19,700	(213,240)
Housing										
Public Health Burials	-	-	-	2,870	-	-	2,870	-	-	2,870
Wellbeing										
Commercial Environmental Health	-	-	-	-	-	-	0	-	-	0
Pollution Control & Dog Control	790	-	-	9,340	4,820	(620)	14,330	47,990	2,800	65,120
DIRECTOR OF ECONOMY										
Growth										
Street Scene	-	-	530	41,100	-	(40,030)	1,600	-	-	1,600
	857,710	1,129,900	1,670	536,650	212,310	(1,955,760)	782,480	1,047,930	801,210	2,631,620
Percentage Direct Cost	31%	41%	0%	20%	8%					

ENVIRONMENT SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2018/2019

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Compensatory savings	Reduction in Income	Non Committed Growth	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Business and Technical Services											
Bus Shelters, Street Lighting & Highways	121,860	1,370	-	-	-	-	-	-	(2,000)	(22,360)	98,870
Public Conveniences	214,200	3,540	-	11,000	-	-	-	-	-	(6,490)	222,250
Sustainable Development	28,080	-	-	-	-	-	-	-	-	11,530	39,610
Customer & Digital Services											
Car Parking	(217,570)	(10,640)	-	65,000	-	-	-	-	-	(37,290)	(200,500)
DIRECTOR FOR COMMUNITIES											
Leisure Client	500,990	570	-	-	-	-	20,000	-	(10,000)	3,080	514,640
Environment											
Forshores	(12,590)	480	-	-	-	-	-	-	(8,000)	(7,850)	(27,960)
Allotments	27,490	520	-	-	-	-	-	-	-	(53,890)	(25,880)
Cemeteries	111,070	(2,440)	-	-	-	-	-	-	-	22,060	130,690
Parks	902,120	15,850	-	-	-	-	-	-	(52,600)	18,050	883,420
Abandoned Vehicles	29,480	30	-	-	-	-	-	-	-	(23,680)	5,830
Clinical Waste	14,690	-	-	-	-	-	-	-	-	(17,820)	(3,130)
Graffiti	4,680	-	-	-	-	-	-	-	-	3,080	7,760
Recycling	(223,790)	-	-	-	-	-	-	-	-	(117,070)	(340,860)
Refuse	773,270	-	-	-	-	-	-	-	-	130,440	903,710
Street Cleansing	599,850	(3,200)	-	-	-	-	-	-	-	(29,830)	566,820
Trade Refuse	(171,890)	(9,270)	-	36,000	-	-	-	-	(31,650)	(36,430)	(213,240)
Housing											
Public Health Burials	2,800	70	-	-	-	-	-	-	-	-	2,870
Wellbeing											
Commercial Environmental Health	69,750	-	-	-	-	-	-	-	-	(69,750)	0
Pollution Control & Dog Control	139,060	320	-	-	-	-	-	-	-	(74,260)	65,120
DIRECTOR OF ECONOMY											
Growth											
Street Scene	48,690	20	-	-	-	-	-	-	-	(47,110)	1,600
DIRECTOR OF CUSTOMER SERVICES											
TOTAL COST	2,962,240	(2,780)	0	112,000	0	0	20,000	0	(104,250)	(355,590)	2,631,620

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR OF COMMUNITIES		
Wellbeing		
Community Development, Fishersgate & Grants	429,950	345,440
Community Safety	233,990	261,020
Food Safety	111,050	157,960
Licensing	89,310	124,290
Public Health and Regulation	105,410	131,290
	969,710	1,020,000
Business and Technical Services		
Emergency Planning	43,300	51,710
	43,300	51,710
TOTAL FOR HEALTH AND WELLBEING	1,013,010	1,103,700

ADUR - HEALTH AND WELLBEING PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Wellbeing											
Community Development, Fishersgate & Grants	-	82,090	1,010	-	207,860	-	(15,300)	275,660	69,780	-	345,440
Community Safety	-	136,780	1,340	-	8,820	-	-	146,940	112,320	1,760	261,020
Food Safety	-	1,580	-	-	8,950	-	-	10,530	147,430	-	157,960
Licensing	8,160	104,930	-	-	13,410	-	(119,400)	7,100	117,190	-	124,290
Public Health and Regulation	-	35,310	-	-	6,090	-	(12,190)	29,210	99,840	2,240	131,290
DIRECTOR OF DIGITAL & RESOURCES											
Business and Technical Services											
Emergency Planning	-	27,800	-	-	-	-	-	27,800	23,910	-	51,710
TOTAL COST	8,160	388,490	2,350	0	245,130	0	(146,890)	497,240	602,460	4,000	1,103,700
Percentage Direct Cost	1%	60%	0%	0%	38%	0%					

HEALTH AND WELLBEING SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2018/2019

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Compensatory savings	Reduction In Income	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Wellbeing											
Community Wellbeing	429,950	6,030	-	-	-	-	-	-	(54,240)	(36,300)	345,440
Community Safety	233,990	250	-	-	-	-	-	-	-	26,780	261,020
Environment Health - Commercial	111,050	220	-	-	-	-	-	-	-	46,690	157,960
Environment Health - Licensing	89,310	(2,420)	-	-	-	-	-	-	-	37,400	124,290
Environment Health - Licensing	105,410	(80)	-	-	-	-	-	-	(2,480)	28,440	131,290
DIRECTOR OF DIGITAL & RESOURCES											
Business and Technical Services											
Emergency Planning	43,300	-	-	-	-	-	-	-	-	8,410	51,710
TOTAL COST	1,013,010	4,000	0	0	0	0	0	0	(56,720)	143,410	1,103,700

CUSTOMER SERVICES PORTFOLIO



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR OF COMMUNITIES		
Housing		
Community Alarm	33,900	8,840
Housing including Homelessness	697,600	786,300
Housing Strategy	17,190	60,070
	748,690	855,210
DIRECTOR OF DIGITAL AND RESOURCES		
Revenues and Benefits		
Revenues	383,560	216,920
Benefits	224,690	92,610
	608,250	309,530
TOTAL FOR CUSTOMER SERVICES	1,356,940	1,164,740

ADUR - CUSTOMER SERVICES PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Housing											
Community Alarm	108,950	15,290	-	5,340	42,100	41,050	(282,150)	(69,420)	60,630	17,630	8,840
Housing including Homelessness	-	259,820	577,680	440	671,360	15,000	(1,017,340)	506,960	279,340	-	786,300
Housing Strategy	-	58,060	-	-	2,010	-	-	60,070	-	-	60,070
DIRECTOR OF CUSTOMER & DIGITAL SERVICES											
Revenues and Benefits											
Revenues	-	296,610	-	1,910	95,080	-	(256,830)	136,770	80,150	-	216,920
Benefits	-	395,920	-	150	73,120	20,887,820	(21,340,750)	16,260	69,100	7,250	92,610
TOTAL COST	108,950	1,025,700	577,680	7,840	883,670	20,943,870	(22,897,070)	650,640	489,220	24,880	1,164,740
Percentage Direct Cost	0%	4%	2%	0%	4%	89%					

ADUR CUSTOMER SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2017/2018

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Reduction in Income	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES										
Housing										
Community Alarm	33,900	(4,720)	-	-		-	-	-	(20,340)	8,840
Housing including Homelessness	697,600	21,150	-	-		-	-	-	67,550	786,300
Housing Strategy	17,190	50	-	-	-	-	-	-	42,830	60,070
DIRECTOR OF DIGITAL & RESOURCES										
Revenues and Benefits	-	-	-	-	-	-	-	-	-	0
Revenues	383,560	8,020	-	-	-	-	-	(18,870)	(155,790)	216,920
Benefits	224,690	(1,130)	-	53,000	-	-	-	(29,130)	(154,820)	92,610
TOTAL COST	1,356,940	23,370	0	53,000	0	0	0	(48,000)	(220,570)	1,164,740

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
CHIEF EXECUTIVE		
Communications		
Strategic Planning	32,160	880
	32,160	880
DIRECTOR OF COMMUNITIES		
Wellbeing		
Members	441,130	373,070
Leaders Support for Cultural Projects	-	20,000
	441,130	393,070
DIRECTOR OF DIGITAL AND RESOURCES		
Customer & Digital Services		
Elections	153,580	204,170
	153,580	204,170
TOTAL for LEADER	626,870	598,120

ADUR - THE LEADER PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE											
Communications											
Strategic Planning	-	-	-	-	-	-	-	0	880	-	880
DIRECTOR OF COMMUNITIES											
Wellbeing											
Members	212,690	63,790	-	-	13,760	-	(15,600)	274,640	98,430	-	373,070
Leaders Support for Cultural Projects	-	-	-	-	20,000	-	-	20,000	-	-	20,000
DIRECTOR OF DIGITAL & RESOURCES											
Customer & Digital Services											
Elections	25,000	62,040	2,000	-	59,380	-	(3,250)	145,170	56,210	2,790	204,170
TOTAL COST	237,690	125,830	2,000	0	93,140	0	(18,850)	439,810	155,520	2,790	598,120
Percentage Direct Cost	52%	27%	0%	0%	20%	0%					

THE LEADER - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2018/2019



SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Compensatory savings	Non Committed Growth	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE										
Communications										
Strategic Planning	32,160	-	-	-	-	-	-	-	(31,280)	880
DIRECTOR OF COMMUNITIES										
Wellbeing										
Members	441,130	4,550	-	-	-	-	-	-	(72,610)	373,070
Leaders Support for Cultural Projects	-	-	-	-	-	20,000	-	-	-	20,000
DIRECTOR OF DIGITAL & RESOURCES										
Customer & Digital Services										
Elections	153,580	1,020	43,000	-	-	-	-	-	6,570	204,170
TOTAL COST	626,870	5,570	43,000	0	0	20,000	0	0	(97,320)	598,120

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR OF ECONOMY		
Grants		
Shoreham Harbour	87,220	37,510
	87,220	37,510
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Coast Protection & Ditch Clearing	165,190	115,120
	165,190	115,120
Growth		
Planning Policy	245,570	166,240
Development Control & Major Projects	491,790	657,080
Building Control	110,910	166,550
Regeneration	268,120	378,450
	1,116,390	1,368,320
TOTAL FOR REGENERATION	1,597,960	1,659,300

ADUR - REGENERATION PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF ECONOMY											
Grants											
Shoreham Harbour	137,720	-	-	-	-	-	(143,100)	(5,380)	42,890	-	37,510
DIRECTOR FOR DIGITAL AND RESOURCES											
Business and Technical Services											
Coast Protection & Ditch Clearing	-	-	4,240	-	5,820	-	-	10,060	24,830	80,230	115,120
Growth											
Planning Policy	-	6,020	-	-	17,790	-	-	23,810	142,430	-	166,240
Building Control	-	222,500	-	-	-	-	(219,210)	3,290	163,260	-	166,550
Development Control & Major Projects	-	395,910	-	-	8,620	5,380	(246,420)	163,490	493,590	-	657,080
Regeneration	-	122,380	-	-	55,260	-	-	177,640	163,660	37,150	378,450
TOTAL COST	137,720	869,900	4,240	0	87,490	102,440	(739,340)	462,450	1,079,470	117,380	1,659,300
Percentage Direct Cost	11%	72%	0%	0%	7%	9%					

REGENERATION SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2018/2019

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF ECONOMY										
Grants										
Shoreham Harbour	87,220	-	-	-	-	-	-	-	(49,710)	37,510
DIRECTOR FOR DIGITAL AND RESOURCES										
Business and Technical Services										
Coast Protection & Ditch Clearing	165,190	240	-	-	-	-	-	-	(50,310)	115,120
Growth										
Planning Policy	245,570	430	-	-	-	-	-	-	(79,760)	166,240
Building Control	110,910	(5,350)	-	-	-	-	-	-	60,990	166,550
Development Control & Major Projects	491,790	(5,480)	-	-	-	-	-	(8,000)	178,770	657,080
Regeneration	268,120	1,340	-	-	-	-	-	-	108,990	378,450
TOTAL COST	1,597,960	(9,660)	0	0	0	0	0	(8,000)	79,000	1,659,300

RESOURCES PORTFOLIO



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Community Centres	135,940	129,970
	135,940	129,970
Finance		
Corporate Management & Pension costs	1,274,910	1,775,910
Treasury Management	757,450	889,130
	2,032,360	2,665,040
DIRECTOR OF ECONOMY		
Place & Investment		
Estates	(194,530)	(817,060)
	(194,530)	(817,060)
Growth		
Land Charges	(13,330)	(14,210)
	(13,330)	(14,210)
TOTAL FOR RESOURCES	1,960,440	1,963,740

ADUR - RESOURCES PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Transfer to/from Reserves	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES												
Business and Technical Services												
Community Centres	-	34,390	34,500	-	4,230	-	-	73,120	39,090	-	17,760	129,970
Finance												
Corporate Management & Pension costs	1,315,130	(19,650)	125,890	-	209,840	15,450	(628,770)	1,017,890	837,980	(62,520)	(17,440)	1,775,910
Treasury Management	-	-	-	-	-	-	(147,710)	(147,710)	880	-	1,035,960	889,130
DIRECTOR OF ECONOMY												
Place & Investment												
Estates	-	-	152,600	-	15,240	-	(1,593,510)	(1,425,670)	101,110	-	507,500	(817,060)
Growth												
Land Charges	-	33,620	-	-	20,200	-	(101,000)	(47,180)	32,970	-	-	(14,210)
TOTAL COST	1,315,130	48,360	312,990	0	249,510	15,450	(2,470,990)	(529,550)	1,012,030	(62,520)	1,543,780	1,963,740
Percentage Direct Cost	68%	2%	16%	0%	13%	1%						

RESOURCES SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2018/2019

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Non Committed Growth	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Business and Technical Services											
Community Centres	135,940	760	-	-	-	-	-	-	-	(6,730)	129,970
Finance											
Corporate Management & Pension costs	1,274,910	8,990	-	20,840	-	-	-	-	(46,060)	517,230	1,775,910
Treasury Management	757,450	-	-	-	-	35,180	-	(34,000)	-	130,500	889,130
DIRECTOR OF ECONOMY											
Place & Investment											
Estates	(194,530)	3,210	-	-	-	-	-	-	(498,000)	(127,740)	(817,060)
Growth											
Land Charges	(13,330)	(1,970)	-	-	-	-	-	-	-	1,090	(14,210)
TOTAL COST	1,960,440	10,990	0	20,840	0	35,180	0	(34,000)	(544,060)	514,350	1,963,740

APPENDIX 6

GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT

Baseline funding level

The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided).

Billing authorities

A unitary council, or a lower tier council in a two-tier area, which collects the Council Tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect Council Tax and business rates: district councils, London boroughs, and unitary councils. Before 1 April 2009 there were 354.

Business Rates

These rates, formally called national non-domestic rates, are the means by which local businesses contribute to the cost of providing local council services.

Business rates baseline

Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

Business Rates Retention Scheme

The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. The local government sector retains 50% of the business rates they collect. In addition they also receive Revenue Support Grant to help support their services.

Council Tax

A local tax on domestic property, set by councils – calculated by deducting any funding from reserves, income it expects to raise and general funding it will receive from the Government – in order to meet its planned spending. 31

Council Tax Base

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each Council Tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

Council Tax Bands

There are eight Council Tax bands. How much Council Tax each household pays depends on the value of the homes. The bands are set out below.

Value of home estimated at 1 April 1991			Proportion of the tax due April 1991 for a band D property	
Band A	Under	£40,000	66.7%	(6/9)
Band B	£40,001 -	£52,000	77.8%	7/9)
Band C	£52,001 -	£68,000	8.9%	8/9)
Band D	£68,001 -	£88,000	100%	(9/9)
Band E	£88,001 -	£120,000	122.2%	(11/9)
Band F	£120,001 -	£160,000	144.4%	(13/9)
Band G	£160,001 -	£320,000	166.7%	(15/9)
Band H	Over	£320,001	200%	(18/9)

Estimated Business Rates Aggregate

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

Floor damping

A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.

Levy

Mechanism to limit disproportionate benefit from business rates. The levy is applied proportionally on a 1:1 basis (i.e. a 1% increase in business rates income results in an council getting a 1% increase in revenue from the rates retention scheme) but with a limit on the maximum levy rate that is imposed, at 50p in the pound. Levy payments are used to fund the safety net.

Local government finance settlement

The local government finance settlement is the annual determination of funding distribution as made by the Government and debated by Parliament. 32

Local government spending control total

The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.

Local share

The percentage share of locally collected business rates that is retained by local government. This is set at 50% of which the Council retains 40% and the County Council retain 10%.

Lower tier councils

Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

Multiplier

The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the Retail Price Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.

Precept

This is the amount of Council Tax income all billing and precepting authorities need to provide their services. The amounts for all authorities providing services in an area appear on one Council Tax bill, which is administered by the billing authority.

Precepting authority

An authority or body that does not collect Council Tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.

Proportionate share

This is the percentage of the national business rates yield which a council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority business rates baseline.

Reserves

This is a council's accumulated surplus income (in excess of expenditure) which can be used to finance future spending.

Revenue Support Grant

A Government grant which can be used to finance revenue expenditure on any service.

Ringfenced grant

A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent.

Safety net

Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being uprated by the small business rates multiplier for the purposes of assessing eligibility for support).

Settlement core funding

The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:

- Council Tax income from 2015-16 (including any Council Tax Freeze Grant)
- the Settlement Funding Assessment, comprising:
 - estimated business rates income (baseline funding level under the rates retention scheme)
 - Revenue Support Grant.

Settlement Funding Assessment

Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council's Revenue Support Grant for the year in question and its baseline funding level, uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided. 34

Specific grants

Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ringfenced.

Tariffs and top ups

Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

	2017/18 Estimate	2017/18 Revised	2018/19 Estimate
	£	£	£
COUNCIL TAX			
Payments			
Adur District Council Demand	6,213,026	6,213,026	6,027,346
WSCC Precept	25,999,879	25,999,879	27,572,174
Sussex Police & Crime Commissioner	3,187,061	3,187,061	3,471,368
Total Payments	35,399,966	35,399,966	37,070,890
Council Tax			
Amount due from residents	39,846,265	39,991,051	41,625,189
Less: Council Tax Support Scheme	(4,405,000)	(4,446,498)	(4,513,000)
Gross Amount Due	35,441,265	35,544,553	37,112,189
Less: Provision for bad debts	(41,300)	(76,900)	(41,300)
Total Council Tax	35,399,965	35,467,653	37,070,889
Deficit/(Surplus)			
Deficit/(Surplus) for year	-	(67,688)	-
Deficit/(Surplus) Brought forward	(198,125)	(119,964)	(25,127)
Increase in provision for Bad Debts	-	(35,600)	-
Deficit charged to:	-	-	-
ADC	34,105	34,105	4,194
WSCC	145,945	145,945	18,646
SPCC	18,075	18,075	2,287
Deficit/(Surplus) Carried Forward	-	(25,127)	0

Property Band	2017/18				2018/19				CHANGE			
	Precepting Authorities		Adur District Council Services	TOTAL	Precepting Authorities		Adur District Council Services	TOTAL	Precepting Authorities		Adur District Council Services	TOTAL
	WSSC	Police	WSSC		Police	WSSC	Police					
£	£	£	£	£	£	£	£	£	£	£	£	
A	837.06	102.61	188.28	1,127.95	878.52	110.61	193.86	1,182.99	41.46	8.00	5.58	55.04
B	976.57	119.71	219.66	1,315.94	1,024.94	129.04	226.17	1,380.15	48.37	9.33	6.51	64.21
C	1,116.08	136.81	251.04	1,503.93	1,171.36	147.48	258.48	1,577.32	55.28	10.67	7.44	73.39
D	1,255.59	153.91	282.42	1,691.92	1,317.78	165.91	290.79	1,774.48	62.19	12.00	8.37	82.56
E	1,534.61	188.11	345.18	2,067.90	1,610.62	202.78	355.41	2,168.81	76.01	14.67	10.23	100.91
F	1,813.63	222.31	407.94	2,443.88	1,903.46	239.65	420.03	2,563.14	89.83	17.33	12.09	119.25
G	2,092.65	256.52	470.70	2,819.87	2,196.30	276.52	484.65	2,957.47	103.65	20.00	13.95	137.60
H	2,511.18	307.82	564.84	3,383.84	2,635.56	331.82	581.58	3,548.96	124.38	24.00	16.74	165.12

ADUR:
Council Tax Breakdown 2018-2019

	Band -A £	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Shoreham, Southwick, and Coombes									
Basic Council Tax	154.30	185.16	216.02	246.88	277.74	339.46	401.18	462.90	555.48
Special Expenses	10.30	12.36	14.42	16.48	18.54	22.66	26.78	30.90	37.08
Adur District Council	164.60	197.52	230.44	263.36	296.28	362.12	427.96	493.80	592.56
West Sussex County Council Precept	732.10	878.52	1024.94	1171.36	1317.78	1610.62	1903.46	2196.30	2635.56
Sussex Police Precept	92.17	110.61	129.04	147.48	165.91	202.78	239.65	276.52	331.82
Total Payable	988.87	1186.65	1384.42	1582.20	1779.97	2175.52	2571.07	2966.62	3559.94

	Band -A £	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Sompting Parish									
Basic Council Tax	154.30	185.16	216.02	246.88	277.74	339.46	401.18	462.90	555.48
Special Expenses	10.30	12.36	14.42	16.48	18.54	22.66	26.78	30.90	37.08
Adur District Council	164.60	197.52	230.44	263.36	296.28	362.12	427.96	493.80	592.56
Sompting Parish Precept	16.75	20.10	23.45	26.80	30.15	36.85	43.55	50.25	60.30
	181.35	217.62	253.89	290.16	326.43	398.97	471.51	544.05	652.86
West Sussex County Council Precept	732.10	878.52	1024.94	1171.36	1317.78	1610.62	1903.46	2196.30	2635.56
Sussex Police Precept	92.17	110.61	129.04	147.48	165.91	202.78	239.65	276.52	331.82
Total Payable	1005.62	1206.75	1407.87	1609.00	1810.12	2212.37	2614.62	3016.87	3620.24

	Band -A £	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Lancing Parish									
Basic Council Tax	154.30	185.16	216.02	246.88	277.74	339.46	401.18	462.90	555.48
Adur District Council	154.30	185.16	216.02	246.88	277.74	339.46	401.18	462.90	555.48
Lancing Parish Precept	28.60	34.32	40.04	45.76	51.48	62.92	74.36	85.80	102.96
	182.90	219.48	256.06	292.64	329.22	402.38	475.54	548.70	658.44
West Sussex County Council Precept	732.10	878.52	1024.94	1171.36	1317.78	1610.62	1903.46	2196.30	2635.56
Sussex Police Precept	92.17	110.61	129.04	147.48	165.91	202.78	239.65	276.52	331.82
Total Payable	1007.17	1208.61	1410.04	1611.48	1812.91	2215.78	2618.65	3021.52	3625.82

ADUR:
Collection Fund NNDR 2018-19

	2017/18 Estimate	2017/18 Revised	2018/19 Estimate
	£	£	£
NNDR (BUSINESS RATES)			
Payments (exclud'g payments for previous years surplus/deficit)			
Amount of NNDR to be paid to Central government	8,781,484	8,781,484	9,133,008
Amount to be retained by Adur DC under the rates retention scheme	7,025,187	7,025,187	7,306,406
Amount to be passed to West Sussex	1,756,297	1,756,297	1,826,602
Total amount due to authorities	17,562,967	17,562,967	18,266,015
Income			
Net Rates Payable by Business Sector after Exemptions, reliefs and discounts	20,127,060	19,291,541	19,640,909
Less: Movement in Bad Debt Provision	40,300	40,300	42,000
Less: Local Authority's estimate of adjustment due to appeal	1,170,000	1,170,000	250,000
Less: Full Provision for backdated appeal decisions	-	-	-
Net Payable by Business Sector	18,916,760	18,081,241	19,348,909
Less: Net Transitional Protection Payments - Paid to the government	1,268,400	1,020,393	996,173
Add: Net Transitional Protection Payments paid by the government	-	-	-
Amount allowed to Council for - Administration costs and Interest on Repayments	85,393	85,393	86,721
Non Domestic Rating Income	17,562,967	16,975,456	18,266,015
Surplus (Deficit)			
In year change from original estimate - increase (+) / decrease (-)	-	(587,513)	-
Surplus/(Deficit) brought forward	434,946	(608,267)	113,831
Suplus/(Deficit) distributed in year	-	(434,946)	-
Change in bad debt provision during the year	-	147,300	-
Change in appeals provision during the year	-	1,597,256	-
Add: Cost of Collection allowance	85,393	85,393	86,721
Amount Due to Authorities	18,083,306	17,174,679	18,466,567
(Surplus) / Deficit to be shared			
DCLG	(217,473)	(217,473)	(56,915)
WSCC	(43,495)	(43,495)	(11,383)
ADC	(173,978)	(173,978)	(45,532)
Change in Suplus/(Deficit)	-	113,830	-
Surplus/(Deficit): Adur District Council			
Business rates Baseline Target	6,245,003	6,245,003	6,630,485
Less: Tariff/Top-Up	(4,641,100)	(4,641,100)	(4,930,585)
Baseline funding Target (A)	1,603,903	1,603,903	1,699,900
40% share of Actual business rate	7,025,187	6,790,182	7,306,406
Less: Tariff/Top-Up	(4,641,100)	(4,641,100)	(4,930,585)
Baseline funding Retained (B)	2,384,087	2,149,082	2,375,821
Surplus/(deficit) (B-A)	780,184	545,179	675,921
Add : S31 grants paid directly to the General Fund	473,621	473,621	742,181
Less: Tariff payable for 2017/18	-	-	(145,677)
50% Levy payable to CG in case of Surplus	(626,902)	(509,400)	(636,213)
Surplus to be retained by Council	626,902	509,400	636,213
Less: Original 2017/18 surplus		(626,902)	
Additional surplus to benefit the Council in 2018/19		(117,502)	



WORTHING BOROUGH
COUNCIL

Executive
Date: 5th February, 2018
Agenda Item 4
Key Decision : No
Ward(s) Affected:

WORTHING BOROUGH COUNCIL BUDGET ESTIMATES 2018/19 AND SETTING OF 2018/19 COUNCIL TAX

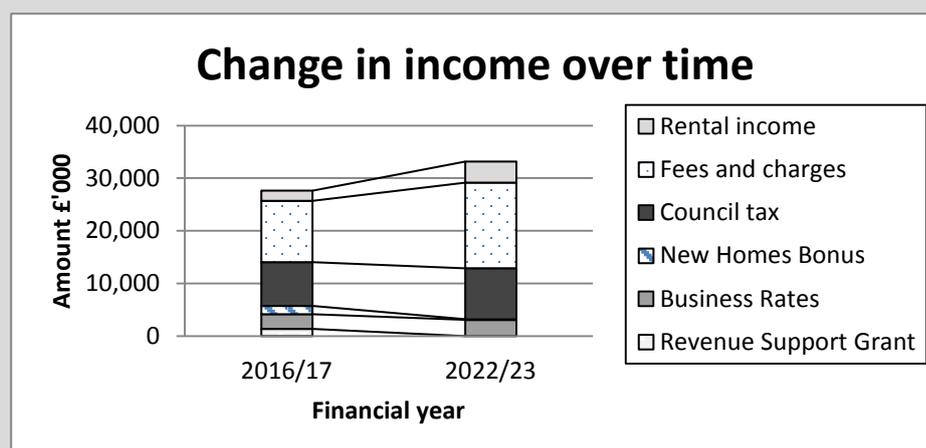
REPORT BY: DIRECTOR OF DIGITAL AND RESOURCES

1. EXECUTIVE SUMMARY

1.1 This report is the final budget report of the year, the culmination of the annual budgeting exercise, and asks members to consider:

- The final revenue estimates for 2018/19 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2018/19, prior to its submission to the Council for approval on the 20th February 2018. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Executive.

1.2 The report outlines the medium term financial challenge through to 2022/23, and sets out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. The budget strategy initiated 2 years ago is having a significant effect on how the Councils will be funded in the future with increasing income generated from commercial income and rents.



1. EXECUTIVE SUMMARY

1.3 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals and any committed growth. The report also updates members about the impact of the draft 2018/19 settlement.

1.4 The major points raised within the report include:

- A full update on the impact of settlement. The Council should prepare itself for a continuation of the reduction in Government resources for another 2-5 years (see section 4.2) ;
- The Executive will need to consider whether to increase Council Tax by maximum level possible 3% or by a lower amount (paragraph 5.10); and, finally
- The Executive needs to consider the proposals to invest in services outlined in Appendix 2

1.5 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2018/19 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.6 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2018/19 of £5.00 or 3.25%. The proposed 2018/19 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 19th January 2018. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 19th February 2018 at which point the Commissioner will be in a position to confirm the Council Tax for 2018/19 just in time for Council on the 20th February 2018.

1.7 The Chancellor's Autumn Budget in November 2017 contained very little new news on Local Government.

1.8 The draft Local Government Settlement allow Councils to increase core Council Tax by up to 3% which is in addition to the 3% Council Tax increase permitted specifically to support adult social care services. Therefore a maximum Council Tax increase of 6% for Councils with social care responsibilities is allowed.

1.9 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 16th February 2018. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 20th February 2018.

1. EXECUTIVE SUMMARY

1.10 The following appendices have been attached to this report:

- (i) **Appendix 1** 5 year forecast for Worthing Borough Council
- (ii) **Appendix 2** Proposals for investment in services
- (iii) **Appendix 3** Estimated Reserves
- (iv) **Appendix 4** Council Tax base for 2018/19
- (v) **Appendix 5** Summary of Executive Member Portfolio budgets for 2018/19
- (vi) **Appendix 6** Glossary of terms used

1.11 Due to the timing of the Joint Overview and Scrutiny Committee, there may be some minor alterations to the Business Rate forecasts following the meeting prior to considerations by Joint Strategic Committee in February (paragraph 4.3.2).

2. RECOMMENDATIONS

2.1 The Joint Overview and Scrutiny Committee is asked to consider the report and make any comments on the budget proposals for Worthing Borough Council (including the proposals for Council Tax) to the Joint Strategic Committee.

2.2 The Executive is recommended to:

- (a) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 2;
- (b) Agree to recommend to Council the draft budgets for 2018/19 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,433,340, subject to any amendments agreed above; and
- (c) Consider which band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2018/19 as set out in paragraph 5.10.

3.0 SUMMARY

3.1 The Joint Strategic Committee considered the 'Outline 5-year forecast for 2018/19 to 2022/23 and the Budget Strategy' on 11th July 2017. This report outlined the Financial Context, the Key Budget Pressures, the Options for Addressing the Budget Gap and the Budget Strategy for Adur and Worthing Councils. The report built on the strategy first proposed in 2015/16 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax and business rates.

3.2 The Councils have set up several boards that are responsible for taking forward key strands of the budget strategy aimed at delivering savings for the future:

- **The Major Projects Board** will lead on delivering projects to increase employment space and additional housing;
- **The Service Redesign Board** (previously the Digital Programme Board) will lead on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work.
- **The Strategic Asset Management Board** will lead on delivering the income growth associated with the Strategic Property Fund; and
- **The Customer and Commercial Board** will lead on the delivery of the income growth from commercial services and seek to improve the customer experience.

For 2018/19 the Service Redesign Board, the Customer and Commercial Board and the Strategic Asset Management Board have been set explicit targets as part of the budget strategy.

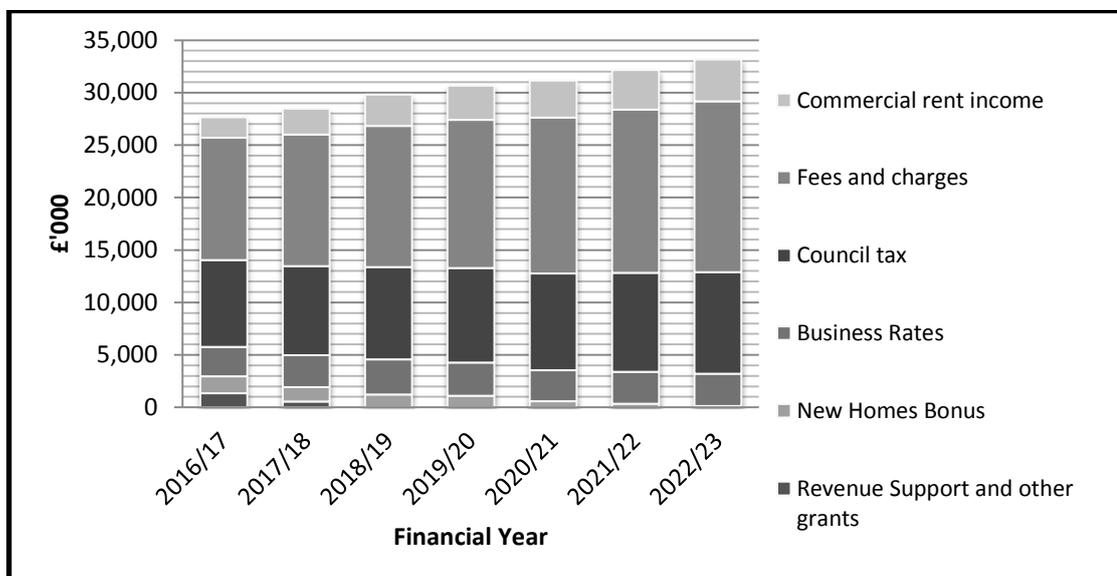
3.3 The successful delivery of our strategy fundamentally changes how the Council is funded. The Council is moving increasingly away from government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities over time.

WORTHING: Revenue Budget Report

3.0 SUMMARY

Total budgeted income	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support and other grants	1,354	553	8	0	0	0	0
New Homes Bonus	1,599	1,388	1,220	1,094	576	342	120
Business Rates	2,809	3,020	3,359	3,179	2,974	3,033	3,092
Council Tax	8,277	8,507	8,846	9,002	9,219	9,441	9,669
Income from taxation	14,039	13,468	13,433	13,275	12,769	12,816	12,881
Fees and charges	11,672	12,541	13,447	14,136	14,839	15,556	16,287
Commercial rent income	1,928	2,475	2,945	3,264	3,539	3,770	4,005
Income from commercial activity	13,600	15,016	16,392	17,400	18,378	19,326	20,292
Total income excluding specific grants	27,639	28,484	29,825	30,675	31,147	32,142	33,173

Overall income



3.0 SUMMARY

3.4 The subsequent report to the Joint Strategic Committee, on 5th December 2017 updated Members as to the latest budgetary information and the forecast shortfall, before savings or growth, was revised as follows:

Worthing Borough Council	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – July forecast	1,485	2,301	3,957	4,463	5,303
Overall shortfall – December forecast (including net approved growth)	1,931	3,016	4,869	5,573	6,366
Increase / (Decrease) in shortfall	446	715	912	1,110	1,063
Overall shortfall – December forecast	1,931	3,016	4,869	5,573	6,366
Savings identified in December 2017 report	-2,022	-2,264	-2,533	-2,752	-2,912
Revised budget shortfall/Surplus(-) as at December 2017	-91	752	2,336	2,821	3,454

3.5 The 2018/19 savings proposals identified within the report amounted to £2,022,000.

3.6 Since the meeting in December, the Worthing Borough Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any proposals to reinvest back into services. Overall, therefore, the current financial position of the Council for 2018/19 can be summarised as:

3.0 SUMMARY

	£'000
Original shortfall as identified in July	1,485
Summary of changes identified in December 2017:	
(a) Improvements to the income from Council Tax	-144
(b) Further increase to cost of the homelessness service	122
(c) Reduction in Government Grants	117
(d) Impact of major development schemes	247
(e) Net committed growth items identified by budget holders and other minor adjustments	274
(f) Removal of contingency budget	-170
Budget shortfall as at 5th December 2017	1,931
Settlement	
Impact of provisional New Homes Bonus allocation	-36
Adjustment for final items identified	
Changes to the capital programme	
- Impact of latest expected spend profile	-37
Change to Public Convenience cleaning arrangements	32
Improved forecast business rate income	-82
Adjustments to final inflation calculations, pension costs including the impact of increments and regradings	45
Revised budget shortfall	1,853
Less: Net savings agreed in December	-2,022
Introduction of a provision for void rents arising from the new commercial properties acquired.	50
Adjustment to final savings arising from finalisation of restructuring proposals and review of allocations.	-9
Budget surplus to be placed in reserves (before any further action is agreed)	-128

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.1 Autumn Budget Statement 2017

4.1.1 The Chancellor Philip Hammond delivered the 2017 Budget Statement on the 22nd November 2017. There were some significant announcements made in the budget relating to changes to economic forecasts, fundamental changes to the business rate system, and some high-profile funding announcements including additional resources for the NHS and housing.

4.1.2 There were significant changes to the prospects for growth, with Gross Domestic Product (GDP) likely to be 0.5% lower than originally expected at around 1.5% next year. The implication for public finances is that national taxation is likely to grow at a slower rate than previously forecast particularly from 2019/20 onwards with inevitable consequences for the funding available for public services. Nevertheless, public expenditure is still expected to grow albeit at a slower rate than originally anticipated.

4.1.3 We are currently in a spending review period which is due to end in 2019/20, consequently there were very few changes to departmental budgets. Some additional funding was released for the National Health Services but beyond this there were no changes to the Departmental Expenditure Limits (DELs) or the Resources budget. The DELs are only confirmed until 2019/20, the new limits for 2020/21 onwards will only be published once the outcome of the next Comprehensive Spending Review is announced.

4.1.4 In the short term, there were no changes for the funding made available for Local Government. However the lower growth forecast may mean that local government spending will be lower than originally assumed following the next Comprehensive Spending Review. But there were some significant announcements of particular interest to Local Authorities:

i) Business rates:

The inflation rate to be used for the business rate multiplier has been switched from the Retail Price Index (RPI) to the Consumer Price Index (CPI). This rate is generally 1% lower. Whilst the Council's baseline funding and tariff payment will be adjusted to reflect the loss of income, there are consequences for the Council due to the loss of potential income growth in its share of retained business rates over the medium term.

Valuations will now be on a three year cycle which will cause more upheaval but will lessen the impact of the revaluations when they occur both for businesses and local authorities.

The current £1,000 discount for pubs will be extended for one more year. The Council will be compensated for the potential loss of income.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

ii) Council Tax:

The Council will be given the power to charge 100% premium on empty properties. Currently the Council charges a 50% premium on homes that have been empty for more than two years. The Council is awaiting the relevant legislation to be laid before parliament before deciding whether to use this new power or not. A report will be presented to the Joint Strategic Committee in due course regarding the use of this new power. It should be remembered that the Council has very few long term empty properties (59 as per the CTB1 form) and so the potential additional income is relatively small, although the additional premium would be an incentive to owners to bring the property back into use and improve the supply of housing.

iii) Housing:

Housing was a major theme in the statement with many of the announcements affecting local government directly. These included:

- Homelessness taskforce and a commitment to halving rough sleeping by 2022.
- £630m fund to support the delivery of homes on small sites
- £2.7bn to increase the Housing Infrastructure Fund
- A lifting of the debt cap in high demand areas to help Councils build additional affordable homes. Councils will have to bid for increases to their borrowing caps from 2019/20 onwards. A total of £1bn has been made available in the period 2019/20 – 2021/22.

4.2 2018/19 Local Government Finance Settlement

4.2.1 The Secretary of State for the Department for Communities and Local Government (DCLG) Sajid Javit delivered the provisional Local Government Finance Settlement on the 19th December 2017. Consultation on the provisional settlement will close on the 16th January 2018.

4.2.2 The key features of the 2018/19 provisional settlement were outlined in the speech as:

- *Four year settlement*
- *Adjustments for the business rate retention system*
- *Negative Revenue Support Grant (RSG)*

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

- *New Homes Bonus*
- *Council Tax referendum thresholds*
- *Other minor settlement matters*
- *100% business rate pilots*
- *Changes to local government funding in 2020/21 Fair Funding review*

Taking each of these in turn:

4.2.3 Four Year Settlement

The multi-year settlements that were announced in 2016/17 were confirmed for 2018/19 and 2019/20. The Government had previously offered 4-year certainty over the level of funding for each Council provided that they submitted an efficiency plan.

The Council had received confirmation in 2016/17 that its efficiency plan had been accepted by the government as so have certainty about the level of government funding from revenue support grant for the period 2017/18 to 2019/20. However, as the Council is not receiving any revenue support grant from 2019/20 onwards this confirmation is now of academic interest only.

Worthing Borough Council	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Draft settlement	2,043	1,194	453	8	0	0
Decrease year on year (£)		849	741	445	8	
Decrease year on year (%)		41.56%	62.06%	98.23%	100.00%	

4.2.4 Adjustments to the Business Rate Retention System

The Council's Tariff (the amount to be paid over to Government from business rates), Baseline Funding Level (BFL) and Revenue Support Grant (RSG) have been updated to reflect the new business rate multiplier which, from 2018-19 onwards, will be based on the CPI.

There have also been two changes to the way that the Government will adjust for the effect of the 2017 revaluation on the 2018/19 Tariff and BFL:

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.4 Adjustments to the Business Rate Retention System

- The tariff calculation is based on the estimated growth in the overall business rate values between 2010 and 2017 as per the Valuation Office listings. In 2017/18 this was calculated using the values as at 31st March 2016. This calculation has now been revised for the values as at 31st March 2017. Consequently any properties that have been revalued during 2016/17 will have an impact on the calculation.

Worthing	2010 valuation listing	2017 valuation listing	Growth	% growth
2017/18 calculation	78,710,860	82,584,857	3,873,997	4.92%
2018/19 calculation	78,499,000	82,348,000	3,849,000	4.90%
Change	211,860	236,857		

- Previously the intention was to revise the 2017-18 revaluation adjustment using the 2016-17 outturn (for Non-Domestic Rating Income). The Department is now proposing to “remove the one-off changes” to the appeals provision in 2016-17.

These adjustments have generated revised tariffs and top-ups for 2017-18. The adjustment is indexed (using the small business rate multiplier) to create a similar adjustment in 2018-19.

In 2018-19 (“exceptionally”) authorities will also receive a backdated “adjustment” representing the difference between their provisional and revised top-up or tariff in 2017-18.

For Worthing Borough Council, this change in methodology has only a very marginal impact. The Council will pay over an additional £7k in tariff to the Government relating to 2017-18.

However, the change does have a significant impact for our partner Adur District Council. Shoreham Power Station had a significant revaluation at the end of 2016/17 due to an appeal, its rateable value was reduced from 4,135,000 to 3,480,000. This has had a significant impact on the amount that Adur has to pay over to the government relating to 2017/18 in tariff which amounts to £142k.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.4 Adjustments to the Business Rate Retention System

Whilst it is legitimate to re-calculate the tariffs and BLF using the most up-to-date information available, it is questionable whether it is legitimate or fair to expect Councils to make a back payment as a result of changing methodology and data.

Where changes have been made in the past to government calculations to distribute funding, these have only applied to the new financial year, there have been no retrospective adjustments.

4.2.5 Negative RSG

When the multi-year settlements were announced, some authorities were given “negative RSG” allocations in 2018-19 and in 2019-20. This was where an authority’s Baseline Funding Level (BFL) is greater than its Settlement Funding Assessment (SFA) and, in order to ensure that these authorities were not ‘over-funded’, the authority’s tariff or top-up was adjusted. The adjustment is often referred to as “negative RSG”. Whilst this approach was technically correct, it was difficult to convince the sector about its legitimacy particularly in light of the business rate retention scheme which was intended to give Councils’ an element of control and reward over the income generated through local business rates.

In his statement, the Secretary of State referred to the "strength of feeling" in the sector. These representations were successful in 2018-19 (when the small numbers of negative RSG allocations were reversed).

The Government has announced that they will review the “negative RSG” allocations for 2019-20. Whilst it is by no means certain that they will be removed, it does strongly suggest that the Secretary of State is minded to address the issue.

If the Government decides to reverse the adjustment relating to negative RSG allocations then additional funding to be found for the sector. It should not to be funded from within the 2019-20 settlement itself. The cost nationally would be £152.9m.

For Worthing Borough Council, the proposed adjustment to the Tariff will be £489,700. The overall impact on the income paid over to the Government via the tariff is expected to change as follows as a result of the recalculation and the imposition of ‘Negative RSG’:

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.5 Negative RSG

Tariff payment	2017/18	2018/19	2019/20
	£	£	£
As per 2018/19 settlement	9,540,280	9,833,400	10,051,500
Add:			
Retrospective adjustment		6,300	
Negative RSG			489,700
Revised 2018/19 tariff	9,540,280	9,839,700	10,541,200
Annual increase		299,420	701,500
Percentage increase in payment		3.14%	7.35%

Although due to the impact of the levy calculation the financial impact is reduced to £244,850.

	2019/20	
	Without negative subsidy	Including negative subsidy
Council share of business rates and S31 grants	14,250,400	14,250,400
Less: Tariff	-10,051,500	-10,541,200
	4,198,900	3,709,200
Less: Base Line Funding	-2,647,500	-2,647,500
Additional business rates	1,551,400	1,061,700
Less: 50% Levy	-775,700	-530,850
Additional retained rates	775,700	530,850
Reduction due to negative subsidy		244,850

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.6 New Homes Bonus (NHB)

The Government has decided not to implement any further changes to the way that New Homes Bonus (NHB) is calculated. It had been proposed in a recent consultation paper (September 2017) that NHB payments might be reduced where the authority had refused planning permission which was subsequently granted on appeal, this change is now not being implemented.

This condition would have been in addition to the threshold on payments that had been set at 0.4% in 2017-18. The threshold meant that NHB payments would only be made on increase in council tax base that exceeded 0.4%. There was an expectation that the threshold would also be increased, partly to ensure that the total funding would remain within the control total of £938m in 2018-19 (down from £1bn in 2017-18). Instead the Secretary of State has announced that the threshold will remain at 0.4%. Overall the Council is expected to receive the following amounts in NHB over the next few years.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Current assumption	1,388	1,184	1,058	540	306	120
Draft settlement						
Historic allocations	1,388	998	752	234	0	0
2017/18 allocation		222	222	222	222	0
Potential future allocations			120	120	120	120
Total New Homes Bonus	1,388	1,220	1,094	576	342	120
Increase / decrease (-) in grant from previous assumptions		36	36	36	36	0

The New Homes Bonus has been an important source of funding. The provisional 2018/19 allocation for this council is £1,220,870. It should be noted that the future allocations are indicative only as they are dependent on the level of house building.

It is currently assumed that NHB will be phased out as part of the next CSR and the fairer funding review. Nationally, the amounts allocated to the scheme have been reduced year on year over the lifetime of the current CSR as follows:

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.6 New Homes Bonus (NHB)

	2015/16	2016/17	2017/18	2018/19	2019/20
	£Bn	£Bn	£Bn	£Bn	£Bn
Total funding allocated nationally	1.2	1.485	1.251	0.946	0.9

4.2.7 Council Tax referendum thresholds

In parallel to the settlement, the proposed referendum criteria were published. Shire districts can increase council tax by 3% or £5.00 on Band D equivalent property whichever is higher. The higher threshold is justified on the grounds that it reflects the current inflation rate. CPI in November was 3.1%. It is possible that the Government will continue with a policy of setting the referendum criteria in the light of prevailing inflation rates in future years, however the impact of this will lessen if inflation falls back to the target rate of 2%.

The current 5-year forecast assumes an increase of 2%. The additional increase would enable the Council to re-invest back into priority services to meet the commitments detailed in Platforms for our Places.

The options for the Council Tax increase are discussed in detail later in the report.

4.2.8 Other minor settlement matters

The Council will be able to increase their planning fees by 20% for 2018/19 if the proceeds are invested in their planning services. The planning service currently costs £903,470 so any proceeds will be used to support the service. This proposal was set out in the housing white paper earlier this year. Given that the fees budget has underachieved over the past few years, there will be no immediate financial benefit as a result of this change.

No additional funding was announced for the proposed 2% two-year pay offer for local government workers. The Chancellor promised to fund costs of NHS pay award in the Autumn Budget but, as expected, there is no new money to do the same for local government.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.9 100% business rate pilots

West Sussex was unsuccessful in its bid to be one of the pilot areas, however the scheme was heavily oversubscribed.

In the prospectus for 2018-19 pilots the Government had set out a criteria for selecting pilots. The pilots had to be affordable: the increase in the number of pilots will be costly to HM Treasury. Other criteria were:

- Wide geographic spread across England;
- Focus on rural areas and on two-tier areas;
- Wide variation of business rates represented.

The successful bids in the South East of England were Surrey and Kent.

There will be further pilots in 2019-20 and the Department will announce details in due course.

4.2.10 Changes to local government funding in 2020/21

Fair funding review

The Government is undertaking a Fair Funding Review, to thoroughly consider how to introduce a more up-to-date, more transparent and fairer needs assessment formula.

The review is looking at all the services provided by local government and will determine the starting point for local authorities under the new business rate retention scheme which is now due to be introduced across the Country by 2020/21.

Consequently this review will not only influence the level of Revenue Support Grant received by each Council but also the amount of business rates each Council will be able to retain.

As part of settlement, the Government announced a consultation on the Fair Funding Review (FFR). The consultation will close on the 12th March 2018 and the Council will consider and respond to the document with a report being presented to the Joint Strategic Committee on 6th March 2018.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.10 Changes to local government funding in 2020/21

Reform of the Business Rate Retention Scheme

The Secretary of State has announced that the local share in the Business Rate Retention Scheme (BRRS) will increase from 50% (40% to the District Councils and 10% to the County Councils) to 75% in 2020-21. The increase in local share will be fiscally neutral and will be matched by transfers of Revenue Support Grant, public health grant and other grants. This is a significant change from previous plans with the local share now increasing to 75% rather than 100%.

This change has arisen because of the significant amount of legislation required for Brexit. It will be very difficult to introduce a Local Government Finance Bill before 2020-21. The Government will be using existing legislation instead, but will continue to test the 100% system as well. Consequently the more radical change to the business rate scheme has been deferred but not abandoned.

Whilst it is not clear how this change will be dealt with in two tier areas, given the requirement for fiscal neutrality, it is likely that the County will be the beneficiary of the increased share of business rate income.

The Statement also appears to suggest that there will be a full baseline reset in 2020-21, however no decision has been made yet on whether there will be a full or partial reset:

“Local authorities will be able to keep that same share of growth on their baseline levels from 2020 to 2021, when the system is reset. So from 2020 to 2021 business rates will be redistributed according to the outcome of the new needs assessment subject to suitable transitional measures.”

Within the 5 year forecast, it is assumed that the Council will lose at least 50% of any gain in the new system.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.2 2018/19 Local Government Finance Settlement

4.2.11 Summary of 2018/19 Local Government Settlement

In overall terms, the 2018/19 settlement revealed that District and Borough Councils received an overall cut in government funding of 7.10%, this is the lowest for some time. For districts, this is significantly less than last year's drop of 15.35% although this does reflect the lower reduction in overall funding which last year amounted to a 10.6% reduction, nearly double the current year's reduction.

YEAR-ON-YEAR CHANGE FOR THE 2018/19 SETTLEMENT			
Class of Local Authority	2017-18 Adjusted Settlement Funding Assessment	2018-19 Settlement Funding Assessment	Overall Reduction in funding
	£million	£million	%
England	17,904.97	16,937.59	-5.40%
London Area			
London Boroughs	3,078.33	2,901.23	-5.75%
GLA	2,117.15	2,151.37	1.62%
Metropolitan Areas			
Metropolitan Districts	4,545.09	4,355.80	-4.16%
Metropolitan Fire Authorities	229.95	222.43	-3.27%
Combined Authorities	60.95	60.95	0.00%
Shire Areas			
Shire unitaries with fire	315.78	294.47	-6.75%
Shire unitaries without fire	3,067.30	2,854.81	-6.93%
Shire counties with fire	1,426.86	1,294.50	-9.28%
Shire counties without fire	2,043.98	1,846.54	-9.66%
Shire districts	670.83	623.22	-7.10%
Combined fire authorities	348.75	332.27	-4.73%

4.2.12 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 16th January 2018 with final settlement expected by the middle of February.

4.2.13 There were few significant changes at this late stage in previous years. If there are any significant changes arising from the final information members will be briefed before Council.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.3 Update on current Business Rate Retention Scheme

4.3.1 The business rate retention scheme has now been in place for several years. There are two key features which members are reminded of:

- There is a ‘safety net’ in place for any Council whose actual business rates income falls short of the target income for business rates. The safety net arrangements will be of 7.5% of Baseline Funding which is equivalent to a maximum fall in income below the baseline funding level of £194,250.
- A ‘levy’ is in place for any Council whose business rates exceed the target set. The levy will mean that the Council can keep 50p of every additional £1 generated over its share of the business rate target.

For each additional £100,000 raised the Council will keep the following amounts:

	Share of additional income	Additional Levy paid to Pool*	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	100	25	25

* Any levy is now retained by the business rate pool rather than paid over to the Treasury.

4.3.2 The forecast for 2018/19 is currently being finalised. The 2018/19 NNDR return which underpins this forecast is due to be submitted by the 31st January 2018 and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

4.3.3 Looking further ahead, the generation of additional business rates is one of the solutions to the Council’s ongoing financial pressures especially in light of the Government’s commitment to return all of business rates to Local Government. Members will be aware that there are several schemes progressing within the Council which will create employment space. Examples include: The Aquarena site, Union Place and Teville Gate.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.3 Update on current Business Rate Retention Scheme

4.3.4 The Council is now participating in a County based business rates pool. The business rates pool has been approved by DCLG. Participating in the pool will enable the participating Councils to retain any 'levy' paid which will be set aside to fund economic regeneration initiatives within the County area. The equates to an estimated additional business rate income of over £2.6m retained locally each year to benefit the residents of West Sussex.

4.3.5 Finally, it should be appreciated that there are a number of risks associated with the business rate forecast:

- It is difficult to establish the number of appeals which are likely to come forward. There is no time limit on when an appeal might be lodged. This is particularly pertinent in a valuation year. In the first year of the 2010 valuation, the VOA received 222 appeals with an ultimate loss in rateable value of over £0.5m, however to date far fewer appeals have been received following the 2017 revaluation.
- There is a specific risk associated with schools becoming academies. If a school assumes academy status then it will become eligible for mandatory rate relief which will reduce the Council's business rate income.
- The Councils have received mandatory rate relief claims from the local NHS trusts. Whilst the Council believes the trusts are not eligible for such financial support, until the legal position is clarified, there is a risk that the Council could lose 80% of its income from the NHS Trust sites. This is the subject of a national legal challenge.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

4.3.6 Consequently there could be significant swings in the amount of business rate income in any one year particularly following a rating revaluation. However, any shortfall in income will be recovered in the following financial year. The Council will fully provide for any known backdated business rates appeals at the 2017/18 year end.

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.4 Long term implications of current government policy

4.4.1 The financing of local government has continues to change. We are moving from a grant based on need (Revenue Support Grant) to funding based on performance in the delivery of homes (New Homes Bonus and additional Council Tax) and the creation of employment space (Business Rate Retention Scheme).

Consequently, the income from Council Tax forms an increasingly significant proportion of the Council's overall taxation income over the next 5 years and the decision regarding the annual increase has a greater strategic importance.

Breakdown of taxation income to the Council:

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	8,507	8,846	9,002	9,219	9,441	9,669
Business Rates *	3,020	3,359	3,179	2,974	3,033	3,092
New Homes Bonus	1,388	1,220	1,094	576	342	120
Revenue Support and other grants **	553	8	0	0	0	0
	13,468	13,433	13,275	12,769	12,816	12,881

* Includes any surplus or deficit on the collection fund

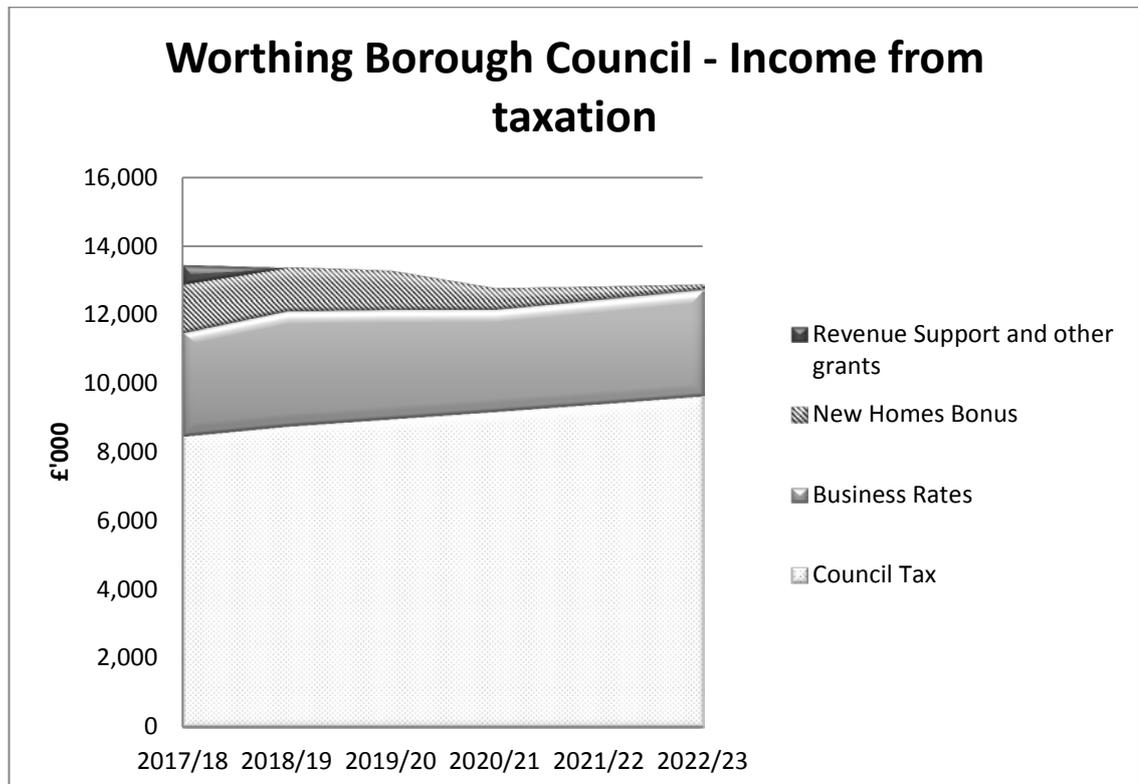
** Includes the Transition Grant and other minor grants

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Council Tax *	63.16%	65.85%	67.81%	72.20%	73.66%	75.07%
Business Rates *	22.42%	25.01%	23.95%	23.29%	23.67%	24.00%
Revenue Support and other grants **	10.31%	9.08%	8.24%	4.51%	2.67%	0.93%
New Homes Bonus	4.11%	0.06%	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

4.0 THE BUDGET STATEMENT 2017 AND 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.4 Long term implications of current government policy

Breakdown of taxation income to the Council:



5.0 DRAFT REVENUE ESTIMATES 2018/19

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £13,433,340. This includes the savings and committed growth proposals agreed at Joint Strategic Committee in December. The budget already contains a number of spending commitments including:

- Increases to the Housing Services budget to address service pressures and to ensure that the service is adequately resourced to meet the challenges of the new Homelessness Reduction Act and increasing demand (£222k)
- Investment in the development of a number of key sites in the area including Union Place, Teville Gate (including the demolition of the car park), Grafton, and the new Wellbeing and Health hub planned for the Town Hall car park (£247k).

5.0 DRAFT REVENUE ESTIMATES 2018/19

- The impact of changing the cleansing arrangements for public conveniences. The toilets will now be cleaned in-house improving the quality for the benefit of the user (£32k)
- Funding the new investment in the Councils assets (£306k) including:
 - Improving the car parks
 - Acquisition of a Council owned supply of temporary and emergency accommodation
 - Investments in parks and opens spaces including two new play areas, outdoor gym equipment and improvements to tennis courts
 - Improvements to fire safety at the Pier
- Investment in new refuse and recycling rounds to meet the demands of our growing communities retaining the current weekly refuse round and fortnightly recycling round (£164k).

Attached at Appendix 2 are some additional proposals for investment into services for member consideration.

- 5.2 The final budget will be dependent on Members consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.
- 5.3 The key question of how the net budget requirement of £13.433m translates into the Council Tax charge can now be determined as the proposed details of the Local Government Finance Settlement have been received. Any final changes arising from settlement will be dealt with through the reserves. However, if there is a significant reduction in government resources, in-year action will be needed to reduce the final impact on the reserves.
- 5.4 Details of all of the main changes in the base budget from 2017/18 to 2018/19 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 5. The changes can be summarised briefly as follows:

5.0 DRAFT REVENUE ESTIMATES 2018/19

	£'000	£'000
2018/19 Original Estimate		13,468
Add: General Pay and Price Increases		567
Add: Committed and Unavoidable Growth:		
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	643	
Reduced Income as per 5 year forecast	263	
Impact of Capital Investment and Development Programme	595	1,501
Less: Compensatory savings/Additional Income:		
Compensatory savings	-219	
Additional income	-31	-250
2018/19 budget prior to agreed savings		15,286
Less: Savings agreed by members		
Approved in December	-2,022	
Adjustments arising from finalisation of restructuring proposals and review of the commercial property income	41	-1,981
Executive Member requirements		13,305
Potential contribution to reserves*		128
Potential budget requirement before external support		13,433
Collection fund surplus		-55
2018/19 BUDGET REQUIREMENT		13,378
<p>*The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the proposals to invest in services at Appendix 2 and the Council Tax increase.</p>		

5.5 The estimates reflect the Council's share of the Joint Strategic Committee budget. The allocation of the costs of joint services under the remit of the JSC has been the subject of an annual review this year.

5.6 As part of the review of the allocation of support services there have been some changes for individual services which are reflected in the detailed budgets. It is important to note that this does not change the overall cost of the support services to each Council, but that it does influence the size of the share that each service takes, and the proportion borne by the General Fund and the Capital Investment Programme.

5.0 DRAFT REVENUE ESTIMATES 2018/19

Further details can be provided by request from Emma Thomas (Chief Accountant) or Sarah Gobey (Chief Financial Officer).

5.7 The current net estimated 2018/19 spend is less than previously predicted in December and is mainly due to the following factors:

	£'000
Increase in New Homes Bonus	36
Impact of latest expected capital spend on treasury management costs	-37
Latest forecast of business rate income (including any adjustments arising from settlement)	-82
Impact of bringing public convenience cleansing back in-house to improve quality of cleansing	32
Final adjustments to inflation and pension costs (including the impact of increments and regradings)	34

5.8 The projected surplus on the Collection Fund is estimated to be £393,400, of which £54,880 is the Borough Council share. This is a minor surplus in light of the overall income due which exceeds £61.9m, and is due a full review of the Single Person Discounts undertaken in 2017/18.

5.9 Members are now faced with two questions:

- What level of Council Tax to set?
- Whether to accept the growth items detailed in Appendix 2?

The decisions made today will be reflected in the budget papers presented to Council.

5.10 The Council Tax increase:

5.10.1 The Council Tax has only been increased in 2 out of the last 7 years generating an overall increase in the tax of 4%. Over the same period, inflation (CPI) has been 10.08%

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£	£	£	£	£	£	£	£
Band D tax	216.00	216.00	216.00	216.00	216.00	216.00	220.27	224.64
Annual Increase per year		0.00%	0.00%	0.00%	0.00%	0.00%	1.98%	1.98%
Increase over 7 years								4.00%
Inflation over 7 years								10.08%

5.0 DRAFT REVENUE ESTIMATES 2018/19

5.10 The Council Tax increase:

5.10.2 The budget forecast currently assumes that Council Tax will increase by just under 2.0% in 2018/19. However the referendum criteria announced just before Christmas gives the Council the flexibility to raise the Council Tax by up to 3% if so desired. Members are reminded that the Consumer Price Index is currently 3.1%.

5.10.3 Even a 3% uplift would only be a modest increase in the District council share of the bill for 2018/19. The table below details how the Council Tax will change as a result of 2%, 2.5% (the increase required to fund all of the growth proposals detailed in Appendix 2) and just under 3%.

	2017/18	Annual increase for 2018/19		
		2%	2.50%	2.96%
	£	£	£	£
Council Tax Band D	224.64	229.14	230.22	231.30
Annual increase		4.50	5.58	6.66
Weekly increase		0.09	0.11	0.13
Council Tax Band C	199.68	203.68	204.64	205.60
Average annual increase		4.00	4.96	5.92
Average weekly increase		0.08	0.10	0.11
Total Council Tax raised		172,370	215,460	258,560
Additional Council Tax raised			43,090	86,190

5.10.3 Members should also be aware that the Police and Crime Commissioner has been consulting on a £5.00 (3.2%) increase for their share of the overall bill. There are indications that the County Council will set an increase close to the maximum permitted (6%). Consequently, the total overall increase in the Council Tax bill for a Band D property based on the Council opting to set the tax at the maximum allowed would be just over 5%:

	2017/18	2018/19 (Indicative only)	%
	£	£	
Worthing Borough Council	224.64	231.30	2.96%
West Sussex County Council	1,231.46	1,304.10	5.90%
Sussex Police and Crime Commissioner	153.91	158.91	3.25%
	1,610.01	1,694.31	5.24%

5.0 DRAFT REVENUE ESTIMATES 2018/19

5.10 The Council Tax increase:

5.10.4 The decision to raise Council Tax should be considered alongside the projected budget shortfalls for the next 5 years, as there are long term consequences to setting a Council Tax increase significantly lower than the maximum permitted. This is particularly significant at the moment given the scale of the withdrawal of government funding the Council will contend with over the next 5 years. The impact of changing the Council Tax by 1% for 2018/19 would be as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Estimated Council Tax increase		2%	2%	2%	2%
Impact of 1% change to Council Tax in 2018/19	86.2	87.9	89.7	91.5	93.3

5.10.5 Members are asked to consider which level of Council Tax increase that they support. An increase of 2% would enable the Council to set a balanced budget and fund some of the new initiatives outlined in Appendix 2. An increase of 2.50% will enable the Council to fund all of the proposals outlined in Appendix 2.

5.10.6 Increasing Council Tax by at least 2.0% will protect the longer term financial interests of the Council during a particularly challenging time.

5.11 Summary of budget position

Depending on the choices made regarding the Council Tax increase and the new growth items; the overall budget position will be at a 2% increase:

Net budget requirement	£'000	£'000
Less: Government grants	8	13,305
Baseline Funding	2,590	
Share of additional Business Rate income	769	
Council Tax (2.0% increase)	8,791	
New Homes Bonus	1,220	
Collection Fund surplus	55	-13,433
Balanced budget based on 2.00% Council Tax increase		-128
Maximum impact of accepting the growth items (Appendix 2)		170
		42
Maximum withdrawal from reserves if Council Tax increase remains at 2% or additional amount to be raised from Council Tax		-42
		-

6.0 IMPACT ON FUTURE YEARS

6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown in Appendix 1 (which includes an assumed 2.00% tax increase for 2018/19 which is to be considered as part of this report). The settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

	Expected shortfall (Cumulative)				
	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall as per appendix 1	1,853	3,110	4,935	5,642	6,472
Less:					
Net savings	-1,981	-2,282	-2,551	-2,770	-2,930
Impact of accepting the growth items in paragraph 5.11	170	170	160	160	160
Potential contribution from reserves / or additional amount to be raised from Council tax if all growth approved	-42	-	-	-	-
Adjusted cumulative budget shortfall	-	998	2,544	3,032	3,702
Savings required each year	-	998	1,546	488	670

6.2 The continuation of the withdrawal of government fund has had significant consequences for the Council. Looking ahead, the stimulation of the local economy and provision of additional housing will be two of the measures which will help protect the Council's services. There are potentially three benefits which flow from an improving economy and which will directly improve the council's financial position:

- Increased income from business rates which is discussed fully in section 4 above;
- Reduced cost of Council Tax benefits from any new jobs created;
- Additional Council Tax income from each new home;

6.0 IMPACT ON FUTURE YEARS

6.3 However, these measures are unlikely to be enough. The Council will also need to deliver on the strategy to generate £600k more commercial income per year and invest in property. Alongside this, there will need to be a continuing emphasis on efficiency in the annual savings exercise; whether this is through the digital strategy or by improving customer service. Overall, if the Council delivers upon the current budget strategy then the level of new initiatives required each year to balance the budget will reduce as follows:

	Expected shortfall (Cumulative)			
	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Cumulative budget shortfall	998	2,544	3,032	3,702
Future savings from budget strategy:				
Customer and Commercial Board	-420	-840	-1,260	-1,680
Service Redesign Board	-120	-240	-360	-480
New savings initiatives to be identified	458	1,464	1,412	1,542
New initiatives required each year	458	1,006	-52	130

7.0 RESERVES

7.1 Sections 26 and 27 of The Local Government Act 2003 require the Council's Chief Financial Officer to comment on the adequacy of the Council's reserves. The reserves have therefore been reviewed in accordance with best practice as advised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in LAAP 99 'Local Authority Reserves and Balances'.

7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The **General Fund Working Balance** which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. unexpected increases in the demand for services); and **Earmarked Reserves** which are sums held for specific defined purposes and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.

7.3 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. This is even more important in the current economic climate when there are so many uncertainties. The balance as at 31st March 2017 was £844,000 which was 6.3% of net 2017/18 revenue expenditure – just within the range of 6%-10% set by the Council. There are no plans to draw down from the working balance

7.0 RESERVES

The year-end level on the General Fund Working Balance for the foreseeable future, therefore, is estimated as follows:

		£'000	%
31.03.2017	Balance carried forward – per Final Accounts	844	6.3
31.03.2018	No planned drawdown or contribution expected	844	6.4
31.03.2019	No planned drawdown or contribution expected	844	6.6
31.03.2020	No planned drawdown or contribution expected	844	6.6
31.03.2021	No planned drawdown or contribution expected	844	6.6

The reduction in revenue support grant and the resultant decrease in the Council's net spend means that the same level of working balance equates to a higher percentage of net revenue expenditure each year.

7.4 On the basis of the year-end figures above, and taking into account past performance and the acknowledged track record of sound financial management in this Council, I believe the working balance is adequate for its purpose. In forming this view I have considered the following potential impacts upon the Council's finances:

1. A further fall in interest rates of 0.25% would cost the Council in a region of £18,500 in 2018/19.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £166,600.
3. Further adverse falls in income from such sources as development control income, car parks and land.
4. Demand is increasing for services such as homelessness and housing benefit which may well lead to increased (and unbudgeted) costs.
5. Other unforeseen circumstances such as the failure of a major contract
6. Any use of the working balance would be difficult to recoup in the short term. Consequently, the reserve needs to be sufficient enough to cope with at least two years of adverse impacts.

7.0 RESERVES

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2018/19 of £806,000 or 6% of net revenue spend as laid out in the current policy. However, it is unlikely that the Council will need in excess of £1,343,300 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of between 6% and 10% is valid and the forecast level falls within these parameters.

7.5 The estimated balance of general fund earmarked reserves as at 31st March, 2019 is £2,452,000, although this reduces to £1,878,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. A detailed schedule of the earmarked reserves is attached at Appendix 2. The significant risks to the overall budget and the Council's reserves are detailed below.

7.6 With a lower level of reserves, it is now critical that these reserves be used only as a funding resource of last resort until such time as the reserve level has recovered to some extent. The Council has over the past year minimised new calls on such resources.

7.7 In all probability, the Council will continue to have occasional opportunities to put money into earmarked reserves rather than solely to drawdown on a planned basis. Even without this, I believe the earmarked revenue reserves are adequate for their particular purposes provided that they are used sparingly. However the size and nature of the risks to the overall budget leaves the Council with no room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:

- supporting one-off rather than recurring revenue expenditure;
- dealing with short-term pressures in the revenue budget; and
- managing risk to the Council's budget.

8.0 SIGNIFICANT RISKS

8.1 Members will be aware that there are several risks to the Council's overall budget. These can be summarised as follows:-

- (i) **Housing Services** – The Council has experienced a significant increase in demand for emergency and temporary accommodation over the past year. Whilst substantial growth has been built into the budget, the degree to which this will be adequate depends on two factors:

8.0 SIGNIFICANT RISKS

1. The extent to which caseload continues to grow
2. The supply of cost effective accommodation

Whilst the Council is now sourcing more cost effective accommodation for our clients, there remains a risk that demand for such accommodation will outstrip our ability to find additional cost effective units.

- (ii) **Income** - The Council receives income from a number of services which will be affected by demand. These include land charges, crematorium income, trade and green waste services, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2018/19, income may fall further than expected or new targets for commercial income may not be met.

The Council is investing in new commercial property, as leases expire there is an increased risk of loss of income from voids. To mitigate this risk the Council is introducing an annual provision for void rents of £50k which will be increased annually in line with the level of investment in the property portfolio.

- (iii) **Withdrawal of funding by partners** - All budgets within the public sector are under scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, the council may lose funding for key priorities and be left with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.
- (iv) **Inflation** - A provision for 1% inflation has been built into non-pay budgets. Pay budgets have a 1% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2018/19, there is a risk that inflation will run at a higher rate than allowed for within the budget. Each 1% increase in inflation is equivalent to the following amount:

	1% increase
	£'000
Pay	167
Non-pay	142

8.0 SIGNIFICANT RISKS

(v) **Accounting changes - International Financial Reporting Standard (IFRS) 9: Accounting for Financial Instruments**

Chartered Institute of Public Finance and Accountancy (CIPFA) has recently adopted the new IFRS 9 accounting standard for financial instruments in the proposed 2018/19 Accounting Code of Practice.

Guidance on the new standard is expected early in the New Year, however the Council should expect that the adoption of IFRS 9 will result in potential additional costs to the General Fund resulting from how certain investments will be valued in the future. These costs arise from the requirement to value at the year-end certain investments based on the potential sale price of the instrument.

The Council has relatively little exposure to this risk as it only has one £0.5m investment in the CCLA LAMIT property fund which would meet the definition contained within the new standard. It should be appreciated that the investment in the property fund is to secure long term revenue streams not immediate growth in fund value. Although over the medium term, it is expected that such funds will increase in value. The investment in the CCLA generates approximately a 4% return, by far our best performing investment.

Currently the maximum loss that the Council is exposed to is £20,000 although the extent of the loss may be influenced by the economy over the next few years as the Country exits the EU.

The Local Government Sector is currently lobbying the Government for a statutory override for the new accounting standard which will allow Councils to better manage any potential in-year losses.

8.2 To help manage these risks, the council has a working balance of £844,000 and other earmarked reserves are also available to the Council to help mitigate these risks.

9.0 CONSULTATION

9.1 The Council ran a detailed consultation exercise in 2015/16 which supported the proposed five year budget strategy. In light of this, no consultation exercise was undertaken this year. There are no significant changes to either the strategy or services planned for 2018/19.

9.2 Officers and members have been consulted on the content of this report.

10.0 UPDATE TO PRUDENTIAL INDICATORS

- 10.1 The Council's budget fully reflects the cost of financing the capital programme. Members have previously approved sufficient growth to accommodate the proposed capital programme. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2018/19 and future years.
- 10.2 Under the Prudential Code of Practice and the capital finance system introduced in April 2004, the capital programme is based on the Council's assessment of affordability. This includes any new borrowing which the Council wishes to undertake.
- 10.3 The Code of Practice has recently been revised. The freedom for local authorities to set the scope and size of their capital plans remains unrestricted, but the prudential system processes have been strengthened to set out greater consideration of prudence, with sustainability and risk reporting improved through the governance procedures. This includes a new requirement to publish an annual capital strategy, which the Council has long complied with however this document must now contain more information on risk management.
- 10.4 The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. These are included with the annual Treasury Management Strategy Statement which is due to be considered by JSC on the 1st February 2018 and which will be included in the Council budget pack for approval.

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- 11.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Financial Officer to make a report to the authority when it is considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report in making their decisions.
- 11.2 As Members are aware, local authorities decide every year how much they are going to raise from Council Tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. Because they decide on the Council Tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- making prudent allowance in the estimates for each of the services, and in addition;
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

11.3 Overall view on the robustness of the estimates:

Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates and the adequacy of reserves. The exceptions relate to:

- (1) The provision of estimates for items outside of the direct control of the Council:
 - Income from fees and charges in volatile markets, e.g. car parks and development control fees.
 - External competition and declining markets, particularly during a recession. E.g. Local land charges and building control fees.
 - Changes to business rate income due to revaluations, redevelopments and increases in mandatory rate relief.
- (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
- (3) Initiatives and risks not specifically budgeted for.

It will therefore be important for members to maintain a diligent budget monitoring regime during 2018/19.

- 11.4 The Chief Financial Officer's overall view of the robustness of the estimates is, therefore, as follows:

The processes followed are sound and well established and identical to those that produced robust estimates in the past. The Council has also demonstrated that it has a sound system of financial management in place.

12.0 COUNCIL TAX SETTING

12.1 The Council is obliged to raise the balance of its resources after grant to finance the General Fund Revenue Budget from its local Council Taxpayers. The Worthing Borough Council Tax will be added to the Precepts from West Sussex County Council and the Sussex Police and Crime Commissioner to form a combined Council Tax to levy on the taxpayers of Worthing Borough.

12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2018/19 Budget, the resulting Council Tax for the Borough can be set. This takes into account the Total Aggregate External Finance (Revenue Support Grant and Business Rates contributions) and any contribution to or from the local Collection Fund.

12.3 Worthing Borough Council:

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2018/19 prior to the consideration of the budget proposals. This is based on 2.5% Council Tax increase which is sufficient to fund all of the proposals for growth included at Appendix A:

	£	£
Net 2018/19 Budget *		13,433,340
Less:		
Aggregate External Finance:		
Revenue Support Grant	-7,680	
Baseline Funding	-2,590,030	
Additional Retained Business Rate income	-769,100	
New Homes Bonus	-1,220,870	
Contribution from the Collection Fund surplus (as per paragraph 5.8)	-54,880	
		-4,642,560
Amount to be raised from Council Tax based on 2% Council Tax		8,790,780
Additional impact of proposals identified in Appendix 2 if all approved		42,190
Amount to be raised from Council Tax based on 2.5% Council Tax		8,832,970

* 2018/19 budget requirement after any contribution to or from reserves required to balance the budget or any further increase to Council Tax.

12.0 COUNCIL TAX SETTING

12.3 Worthing Borough Council:

Within section 5 of the report, members are given the options for the Council Tax and approving the non-committed growth items.

(b) Council Tax Base

The Council's Tax base for 2018/19 is 38,365.90 Band D equivalent properties. There is an increase to the current year base of 37,829.30 which is due to a reduction in Council Tax discounts following a fundamental review of Single Persons Discounts, an increasing number of homes and the falling cost of Council Tax benefits. The full calculation of the tax base is shown in Appendix 4.

(c) Worthing Borough Council Band D Council Tax

Members are now asked to consider which level of Council Tax to set for 2018/19. A Council Tax increase of 2.0% will ensure that the Council has a balanced budget, an increase of 2.5% will lever in sufficient additional resources to fund the growth proposed at Appendix 2.

	2017/18	2018/19 (2.0% increase)	2018/19 (2.5% increase)
	£	£	£
Worthing Borough Council	224.64	229.14	230.22
Annual increase		4.50	5.58
Weekly increase		0.09	0.11

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 20th February, 2018. The Police and Crime Commissioner's proposed increase of around 3.25% is due to be considered by the Police and Crime Panel on 19th January 2018.

	2017/18 £	2018/19 £
West Sussex County Council	1,231.46	t.b.c.
Sussex Police Authority	153.91	158.91
TOTAL	1,385.37	t.b.c.

12.0 COUNCIL TAX SETTING

12.5 Overall Council Tax

The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the Borough Council at its meeting on 20th February 2018.

13.0 LEGAL IMPLICATIONS

- 13.1 The Local Government Act 2003 requires that the Councils set a balance budget. This report demonstrates how the Council will meet this requirement for 2018/19.

14.0 CONCLUSION

- 14.1 This has been a very difficult year. The Council has seen the withdrawal of a significant amount of Revenue Support Grant. However, to meet this challenge the Council has identified over £2.0m of savings and is now in the position to set a balanced budget and make some re-investment back into priority services.
- 14.2 Looking further ahead, 2019/20 onwards will continue to be challenging as the Council continues to address falling resources from Government and has only limited opportunities to lever in New Homes Bonus. Consequently, the strategy of delivering commercial income growth and business efficiencies through the digital agenda continues to play a vital role in balancing the budget.
- 14.3 However, provided we continue to deliver on this strategy, the Council will become increasingly financially resilient over the next 5-10 years as Revenue Support Grant disappears, New Homes Bonus reduces and we become largely funded by our community through Council Tax and Business Rates and income from our commercial services. Nevertheless, we must not forget that the planned Fairer Funding Review and business rate reset may present yet further challenges for the Council to meet.
- 14.4 The aims of 'Platforms for our Places' are critical to our success. Developing the local economy to increase employment space and local jobs together with the provision of new homes is one of the strategic measures that the Council can take to protect its longer term financial interests, however there will be inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.

14.0 CONCLUSION

- 14.5 There will need to be a sharp focus on financial health over the next couple of years whilst we balance the budget and rebuild the reserves. However, we must not forget that the Council has a good track record in dealing with such challenges
- 14.6 Finally, in preparing the strategy and forecast for 2018/19 an assessment was carried out of the significant risks and opportunities which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.

Local Government Act 1972

Background Papers :

Report to the Joint Strategic Committee 13th July 2017 'Towards a sustainable future – Budget strategy for the 2018/19 budget'

Report to the Joint Strategic Committee 5th December 2017 'Sustainable Councils: 5 year forecast 2018/19 – 2022/23 and savings proposals'

Report to the Joint Strategic Committee 5th December 2017 'Investing in Service Delivery: Capital Investment Programme 2018/19 to 2020/21'

Local Authority Finance (England) Settlement Revenue Support Grant for 2018/19 and Related Matters: DCLG Letters and associated papers of 19th December 2017.

Autumn Budget 2017 - HM Treasury

Autumn Budget 2017 – On-the-day Briefing by CIPFA Financial Advisory Service

Local Government Act 2003 and Explanatory Note

"Guidance Note on Local Authority Reserves and Balances" – LAAP Bulletin No. 77 - CIPFA -published in November 2008

Statement of Accounts 2016/17

Report to Joint Strategic Committee 5th December 2017 – 2nd Revenue Budget Monitoring 2017/18

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

APPENDIX 1

WORTHING BOROUGH COUNCIL						
Revenue Budget Summary Statement 2017/18 - 2022/23						
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	13,468	13,468	13,468	13,468	13,468	13,468
(a) Annual Inflation						
Estimated inflation		567	1,098	1,626	2,133	2,641
(b) One -off / non-recurring items						
Local Elections (not held once every four years)		76	78	80	(50)	83
(c) Committed Growth / Cost reductions						
Impact of Pension Fund Triennial valuation		(201)	(261)	(264)	(269)	(274)
Impact of pension valuation for SDLT - Fall out of pension costs.		(18)	(36)	(54)	(72)	(72)
Additional waste and recycling round		164	164	164	164	164
Impact of increasing costs of homelessness		175	175	295	295	295
Impact of Homelessness Reduction Act		47	47	47	47	47
Planning income shortfall		50	50	50	50	50
New 2020 recycling targets		-	300	600	600	600
Loss of Housing Benefit Administration Grant		73	73	73	73	73
Impact of new public convenience cleaning service		32	32	32	32	32
Committed growth items identified by Heads of Service and approved in December 2017		289	289	289	289	289
Contingency		-	80	160	240	320
(d) Impact of capital programme						
Financing costs - General Programme		348	333	376	454	598
Impact of land acquisitions and new developments at Union Place, Grafton, town hall car park and other major projects.		247	447	647	847	847
(e) Additional income						
Investment income		(31)	(42)	(66)	(113)	(168)
(f) Approved Growth items						
Provision for new growth items		-	90	180	270	360
Total Cabinet Member Requirements	13,468	15,286	16,385	17,703	18,458	19,353
Baseline funding	2,514	2,590	2,648	2,701	2,755	2,810
Add: Net retained additional business rates	506	764	531	273	278	282
Add: Share of surplus /deficit (-)	-	5				
Adjusted Baseline funding	3,020	3,359	3,179	2,974	3,033	3,092

WORTHING:
Revenue Budget Report



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2017/18 - 2022/23

	2017/18 Base	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	453	8	-	-	-	-
Council Tax income						
Adjusted Council Tax income	8,498	8,791	9,002	9,219	9,441	9,669
Transitional Grant	100	-	-	-	-	-
New homes bonus (2013/14 - 2018/19)	220	-	-	-	-	-
New homes bonus (2014/15 - 2019/20)	170	-	-	-	-	-
New homes bonus (2015/16 - 2020/21)	246	246	-	-	-	-
New homes bonus (2016/17 -2019/20)	518	518	518	-	-	-
New homes bonus (2017/18 - 2020/21)	234	234	234	234	-	-
New homes bonus (2018/19- 2021/22)	-	222	222	222	222	-
New homes bonus (2019/20 - 2022/23)	-	-	120	120	120	120
Total New Homes Bonus	1,388	1,220	1,094	576	342	120
Collection fund surplus/deficit (-)	9	55	-	-	-	-
Total other grants and contributions	1,497	1,275	1,094	576	342	120
Total Income from Taxation	13,468	13,433	13,275	12,769	12,816	12,881
(Surplus) / Shortfall in Resources	-	1,853	3,110	4,935	5,642	6,472
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,853	3,110	4,935	5,642	6,472
Savings identified to date:						
Strategic Property Investment Fund						
Recent Acquisitions		54	63	72	81	91
Future property purchases		216	517	768	969	1,169
Proposed increase to 2017/18 programme		200	200	200	200	200
Provision for future voids		(50)	(100)	(150)	(200)	(250)
Commercial activities and commissioning						
Commercial and Customer Board		592	592	592	592	592
Efficiency Measures						
Digital Strategy Board		108	108	108	108	108
Restructures and service plan savings not included above						
Development of temporary accomodation supply (15 units of 1/2 bed)		-	-	59	118	118
Potential annual reduction in SDLT fees		-	75	75	75	75
		1,981	2,282	2,551	2,770	2,930
Cumulative savings still to be found		(128)	828	2,384	2,872	3,542
Annual savings still to be found		(128)	956	1,556	489	670

WORTHING:
Revenue Budget Report



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL Revenue Budget Summary Statement 2017/18 - 2022/23						
	2017/18 Base	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Annual increase (Band D property)		£4.49	£4.58	£4.67	£4.77	£4.86
Weekly increase (Band D property)		£0.09	£0.09	£0.09	£0.09	£0.09
Average annual increase (Band C property)		£3.99	£4.07	£4.15	£4.24	£4.32
Average weekly increase (Band C property)		£0.08	£0.08	£0.08	£0.08	£0.08
Savings required in each year		1,853	1,257	1,825	708	830

WORTHING:
Revenue Budget Report

Bids for investment into services	2018/19				2019/20	2020/21	Notes
	Joint (memo)	Adur	Worthing	Total			
	£	£	£	£	£	£	
Additional capacity for Major Projects Team Creation of a new Head of Major Projects (Grade 10) to manage the existing team. This will also add to capacity to take major projects forward which form an important part of 'Platforms for our Places'.	68,750	3,440	65,310	68,750	68,750	68,750	This links to Commitment 1.6 'Investment in and delivery of Major Projects and key infrastructure' in the Financial Economies Platform. The majority of the work is being undertaken on Worthing sites.
Additional capacity in the Communications Team The Communications Team has significantly increased awareness of Councils' activities. It has increased internal awareness of the need for good story-telling and engagement across services. It has challenged all directorates to make communication a core of all strategic thinking. In addition it has begun to win contracts from internal and external bodies. There is considerable opportunity both enhance and improve Councils engagement and communications and bring in more revenue from other public bodies.	43,230	17,290	25,940	43,230	33,230	23,230	Net of additional income of £10k per year. This links to commitment 4.7 in the 'Services and Solutions for our Places' platform: 'Develop a communications service that champions the places, people, councils and projects of Adur and Worthing creatively, professionally and cost effectively (4.7.3). The service has a specific commitment to 'Oversee the development of a sales and sponsorship package which will help the Councils create new revenue opportunities and open up affordable, attractive promotional packages for local businesses, with a target of £200,000 of revenue generated within 3 full years.

APPENDIX 2

WORTHING:
Revenue Budget Report

Bids for investment into services	2018/19				2019/20	2020/21	Notes
	Joint (memo)	Adur	Worthing	Total			
	£	£	£	£	£	£	
<p>Investment in Digital Team</p> <p>The Councils have successfully established platform technology that allows us to design & build our own applications. This is proving to be by far the best way to redesign and transform our services, providing better solutions than those from 3rd party suppliers, & we continue to be viewed as a national leader. Following the success of work in waste m'gement, where response times have been reduced from days to hours through process automation, the digital team delivered several time saving internal applications in 2017 alongside significant solutions in housing options and housing repairs that are delivering large efficiencies (in contact centre & service teams) & significantly improved customer experience. With this success, high demand has followed from teams, & we have a significant project pipeline.</p> <p>The time is right to invest in resources to help the Councils do more, faster, now that we have a clearly proven approach. This bid for growth seeks revenue to fund one full time Project Manager and full time Senior Developer. The additional expertise in the team will assist in the delivery of the Service Redesign Programme and reduce reliance on external staff. In terms of Platforms for Our Places it will:</p> <p>i) Support our continued redesigning of services around individuals</p> <p>ii) Enable us to develop our digital capacity & capabilities & begin to support others in building platforms on our digital foundations.</p>	48,623	19,450	29,170	48,620	64,830	64,830	This links to the delivery of specific commitments in both the 'Social Economies' and 'Services and Solutions for our Places' platforms (commitments 2.2.7, 4.1.1 and 4.3.7)

APPENDIX 2

WORTHING:
Revenue Budget Report

<u>Bids for investment into services</u>	2018/19				2019/20	2020/21	APPENDIX 2 Notes
	Joint (memo)	Adur	Worthing	Total			
	£	£	£	£	£	£	
Playing pitch and built facilities review Review of Council held land with the intention of identifying opportunities to improve built leisure facilities	0	0	50,000	50,000	0	0	This links to the 'Financial Economies' platform, specifically the review of Council owned property (Commitment 1.4.1) and commitment 2.5.6 in the Social Economies platform to
	160,603	40,180	170,420	210,600	166,810	156,810	

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.17	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.18	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1. CAPACITY ISSUES RESERVE Purpose: The Capacity Issues Reserve was set up in 2005/06 to give the Council scope to deal with a range of cost pressures expected to arise from 2006/07 onwards.	846	1	(466)	381	1	-	382
2. INSURANCE RESERVE Purpose: The Insurance Reserve was established in 1993/94 to develop risk management, fund self-insurance and to achieve longer-term revenue savings.	389	30	(38)	381	30	(30)	381
3. JOINT HEALTH PROMOTION Purpose: The Joint Health Promotion reserve was established in 2005 with funding received from the local Primary Care Trust for health promotion projects.	10	-	(10)	-	-	-	-

C = Capital Contribution

WORTHING:
Revenue Budget Report
APPENDIX 3
SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.17	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.18	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4. LEISURE LOTTERY & OTHER PARTNERSHIP Purpose: The Leisure, Lottery & Other Partnerships Reserve was established in 1995/96 to assist in financing capital schemes attracting substantial support from the National Lottery distributor bodies & other funding agencies & organisations. This reserve is currently earmarked for support to the Museum Redevelopment bid & the Football Foundation bid.	77	-	-	77	-	-	77
	C						
C = Capital Contribution							

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.17	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.18	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5. MUSEUM RESERVE Purpose: The Museum Reserve was established in 1993/94 to support the overall service aims of the Museum and Art Gallery on occasions where annual budgets do not allow the work of the Museum and Art Gallery to progress in a manner which will contribute to achieving these aims.	114	-	(77)	37	-	-	37
6. THEATRE TICKET LEVY Purpose: Established in 2013/14 to fund refurbishment and other works for all of WBC's theatres.	64	90	(60)	94	80	(50)	124
7. SPECIAL AND OTHER EMERGENCY EXPENDITURE The Special and Other Emergency Expenditure Reserve was set up to fund strategic or unforeseen one-off expenditure, which may arise.	42	-	(39)	3	-	-	3

* Contribution to be confirmed at the year-end

WORTHING:
Revenue Budget Report

APPENDIX 3

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.17	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.18	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
8. GRANTS & CONTRIBUTIONS Held in reserves*	574	-	-	574	-	-	574
9. PROJECTED UNDERSPEND Reserves to be identified at outturn.		*see below					-
10. GENERAL FUND WORKING BALANCE	844			844			844
11. CAPITAL EXPENDITURE RESERVE	73	-	(43)	30	-	-	30
TOTAL	3,033	121	(733)	2,421	111	(80)	2,452

* Contribution to be confirmed at the year-end

APPENDIX 4

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE										
Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Dwellings	0.00	7,785.00	11,142.00	12,901.00	9,383.00	5,394.00	2,334.00	897.00	26.00	49,862.00
Less: Exemptions	0.00	-192.00	-155.00	-135.00	-114.00	-55.00	-17.00	-5.00	0.00	-673.00
	0.00	7,593.00	10,987.00	12,766.00	9,269.00	5,339.00	2,317.00	892.00	26.00	49,189.00
Disabled Relief Adjustment (net)	4.00	33.00	19.00	0.00	8.00	-32.00	5.00	-19.00	-18.00	0.00
Chargeable Dwellings	4.00	7,626.00	11,006.00	12,766.00	9,277.00	5,307.00	2,322.00	873.00	8.00	49,189.00
Broken down as follows:										
Full Charge	1.00	2,724.00	6,115.00	8,808.00	6,815.00	4,134.00	1,890.00	702.00	6.00	31,195.00
25% Discount (Including Adj for SP dis)	3.00	4,841.00	4,836.00	3,927.00	2,440.00	1,149.00	391.00	140.00	0.00	17,727.00
50% Discount	0.00	74.00	111.00	124.00	111.00	87.00	59.00	39.00	2.00	607.00
0% Discount (Long Term Empty Homes)	0.00	267.00	252.00	161.00	85.00	34.00	17.00	13.00	0.00	829.00
Total Equivalent Number of Dwellings	3.25	6,395.75	9,771.50	11,766.25	8,657.00	5,011.25	2,204.75	822.00	7.00	44,638.75
Reduction in tax base due to Council Tax Support	2.05	1,360.79	1,398.68	991.72	364.01	109.71	20.97	4.82	0.00	4,252.75
Adjusted equivalent total dwellings	1.20	5,034.96	8,372.82	10,774.53	8,292.99	4,901.54	2,183.78	817.18	7.00	40,386.00
Band D Equivalents										
Revenue Support Settlement	0.70	3,356.60	6,512.20	9,577.40	8,293.00	5,990.80	3,154.30	1,362.00	14.00	38,261.00
Add: Forecast new homes	0.00	10.70	40.40	160.00	92.50	0.60	0.70	0.00	0.00	304.90
Add: Second Homes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Adjustments for Losses on Collection, and Void Properties	0.00	0.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	200.00
COUNCIL TAX BASE	0.70	3,367.30	6,552.60	9,737.40	8,185.50	5,991.40	3,155.00	1,362.00	14.00	38,365.90

DECISION

The following appendices have been updated to reflect the recommendations from Executive as laid out in the Record of Decisions.

DECISION THE EXECUTIVE

- i) Approved the proposals to invest in services outlined in Appendix 2.
- (ii) Agreed to recommend to Council the draft budgets for 2018/19 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,433,340 subject to the approval of the proposals outlined above and the final agreed rate of Council Tax.
- (iii) Agreed to recommend to Council an increase of 2.96% making Band D for Worthing Borough Council's requirements in 2018/19 as set out in paragraph 5.10 of £231.30 per annum.

REASON FOR DECISION

Statutory requirement to set a budget

Following the decision of the Executive the net budget requirement for 2018/19 is £13,516,590.

DECISION OF THE COUNCIL

At its meeting on 20th February 2018, Worthing Council agreed a 2.96% Council Tax 2018/19.

1. The Council noted that on 5 February 2018, the Executive calculated the Council Tax Base 2018/19 as **38,365.9**[Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")];
2. That the Council Tax requirement for the Council's own purposes for 2018/19 **£8,874,030**.

DECISION OF THE COUNCIL

That the following amounts be calculated by the Council for the year 2018/19 in accordance with Sections 31 to 36 of the Act:

- (a) **£81,622,430** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.

- (b) **£72,748,400** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

- (c) **£8,874,030** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R), in the formula in Section 31B of the Act).

- (d) **£231.30** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

- (e) **£0.00** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.

- (f) **£231.30** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year.

APPENDIX 5
CIVIC BUDGET TABLE 2018/19
Summary of Executive Member Requirements

* * *

INDIVIDUAL MEMBER PORTFOLIOS
Summary and Variance Pages

WORTHING BUDGET 2018/2019
Summary of Executive Member Portfolios



WORTHING BOROUGH
 COUNCIL

APPENDIX 5

EXECUTIVE PORTFOLIO	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
Environment	2,890,240	2,139,780
Health and Wellbeing	1,286,210	1,702,990
Customer Services	5,425,580	4,779,360
Leader	1,054,600	852,870
Regeneration	2,621,670	3,039,710
Resources	2,519,070	2,389,670
Support Services Depreciation Not Charged To Services	(165,700)	710,270
NET SERVICE EXPENDITURE	15,631,670	15,614,650
Credit Back Depreciation / Impairments	(3,323,380)	(3,633,620)
Minimum Revenue Provision	1,072,620	1,408,260
	13,380,910	13,389,290
Transfer to / from Reserves	86,250	86,250
Balance Available to Transfer To / (From) Reserves	1,470	41,050
Total budget requirement before external support from government	13,468,630	13,516,590
Baseline Funding	(2,514,490)	(2,590,030)
Additional business rate income	(505,750)	(769,100)
Revenue Support Grant	(452,930)	(7,680)
Transition Grant	(99,860)	-
Council Tax Reduction Scheme Grant	-	-
Council Tax Freeze Grant	-	-
Other unfenced grants (New homes bonus & Ctax Transition)	(1,388,230)	(1,220,870)
Contribution to/ (from) Collection Fund	(9,400)	(54,880)
Amount required from Council Tax	8,497,970	8,874,030
Council Tax Base	37,829.3	38,365.9
Average Band D Council Tax - Worthing Borough	224.64	231.30
% increase	-	2.96%

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Bus Shelters, Drainage, Flood Defence, Street Nameplates	100,660	67,360
Parking	(829,560)	(1,119,650)
Public Conveniences, Seats & Public Clock	352,870	372,540
	(376,030)	(679,750)
DIRECTOR OF COMMUNITIES		
South Downs Leisure	1,298,350	1,341,210
	1,298,350	1,341,210
Environmental Services		
Allotments	63,190	12,480
Cemeteries	92,800	14,530
Crematorium	(1,438,670)	(1,462,520)
Parks	1,627,510	1,702,410
Abandoned Vehicles	28,580	1,810
Clinical Waste	16,780	(5,470)
Compliance	(1,770)	(1,810)
Graffiti	670	5,420
Recycling	(408,920)	(737,440)
Refuse	1,336,980	1,588,530
Street Cleansing (includes Pest Control)	767,020	733,520
Trade Refuse	(401,430)	(467,150)
Vehicle Workshop	630	630
	1,683,370	1,384,940
Wellbeing		
Pollution Control	212,260	93,380
	212,260	93,380
TOTAL ENVIRONMENT PORTFOLIO	2,817,950	2,139,780

WORTHING - ENVIRONMENT PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	Depreciation/Impairment	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£		£
DIRECTOR FOR DIGITAL AND RESOURCES												
Business & Technical Services												
Bus Shelters, Drainage, Flood Defence, Street Nameplates	-	-	34,720	-	310	-	(570)	34,460	32,900	-	-	67,360
Public Conveniences, Seats & Public Clock	-	-	282,940	-	-	-	(600)	282,340	6,100	84,100	84,100	372,540
DIRECTOR OF COMMUNITIES												
South Downs Leisure	132,750	-	225,570	-	50,000	-	(102,060)	306,260	40,810	994,140	994,140	1,341,210
Environmental Services												
Allotments	-	-	15,700	-	-	-	(5,220)	10,480	-	2,000	2,000	12,480
Cemeteries	-	82,740	130,180	-	16,410	-	(272,410)	(43,080)	27,110	30,500	30,500	14,530
Crematorium	227,430	100,730	479,520	3,560	180,750	-	(2,744,970)	(1,752,980)	203,330	87,130	87,130	(1,462,520)
Parks	-	109,210	1,111,290	-	128,730	-	(312,370)	1,036,860	409,740	255,810	255,810	1,702,410
Abandoned Vehicles	-	-	-	-	2,280	-	(470)	1,810	-	-	-	1,810
Clinical Waste	-	(5,470)	-	-	-	-	-	(5,470)	-	-	-	(5,470)
Compliance	-	-	-	-	-	-	(1,810)	(1,810)	-	-	-	(1,810)
Graffiti	-	-	-	-	-	-	-	0	2,820	2,600	2,600	5,420
Parking	-	343,240	694,570	3,740	151,730	-	(2,733,790)	(1,540,510)	321,920	98,940	98,940	(1,119,650)
Recycling	-	(870,150)	-	-	-	1,400	-	(868,750)	74,050	57,260	57,260	(737,440)
Refuse	-	1,027,380	-	-	-	-	-	1,027,380	214,250	346,900	346,900	1,588,530
Street Cleansing	-	895,730	-	-	-	-	(331,380)	564,350	100,520	68,650	68,650	733,520
Trade Refuse	-	307,330	-	-	504,570	-	(1,333,030)	(521,130)	19,400	34,580	34,580	(467,150)
Vehicle Workshop	-	-	-	-	-	-	-	0	-	630	630	630
Wellbeing												
Pollution Control	-	790	-	-	-	-	(3,390)	(2,600)	95,980	-	-	93,380
	360,180	1,991,530	2,974,490	7,300	1,034,780	1,400	(7,842,070)	(1,472,390)	1,548,930	2,063,240		2,139,780
Percentage Direct Cost	6%	31%	47%	0%	16%	0%						

WORTHING - ENVIRONMENT PORTFOLIO - 2018/2019 - VARIANCE ANALYSIS



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Unavoidable Growth	Impact of Capital programme	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL AND RESOURCES									
Business and Technical Services									
Bus Shelters, Drainage, Flood Defence, Street Public Conveniences, Seats & Public Clock	100,660	850	-	-	-	-	-	(34,150)	67,360
	352,870	6,030	-	32,000	-	-	-	(18,360)	372,540
DIRECTOR OF COMMUNITIES									
South Downs Leisure	1,298,350	2,190	-	(18,000)	50,000	-	-	8,670	1,341,210
Environmental Services									
Allotments	63,190	380	-	-	-	-	(4,600)	(46,490)	12,480
Cemeteries	92,800	(2,850)	-	-	-	-	-	(75,420)	14,530
Crematorium	(1,438,670)	(50,020)	-	120,000	-	-	(120,000)	26,170	(1,462,520)
Parks	1,627,510	24,840	-	20,000	-	-	(19,500)	49,560	1,702,410
Abandoned Vehicles	28,580	50	-	-	-	-	-	(26,820)	1,810
Clinical Waste	16,780	-	-	-	-	-	-	(22,250)	(5,470)
Compliance	(1,770)	(40)	-	-	-	-	-	-	(1,810)
Graffiti	670	-	-	-	-	-	-	4,750	5,420
Parking	(829,560)	(41,650)	-	-	-	-	(171,650)	(76,790)	(1,119,650)
Recycling	(408,920)	-	-	-	-	-	-	(328,520)	(737,440)
Refuse	1,336,980	-	-	-	-	-	-	251,550	1,588,530
Street Cleansing	767,020	(8,060)	-	-	-	-	-	(25,440)	733,520
Trade Refuse	(401,430)	(20,450)	-	84,000	-	-	(73,850)	(55,420)	(467,150)
Vehicle Workshop	630	-	-	-	-	-	-	-	630
Wellbeing									
Pollution Control	212,260	(80)	-	-	-	-	-	(118,800)	93,380
	2,817,950	(88,810)	0	238,000	50,000	0	(389,600)	(487,760)	2,139,780

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR OF COMMUNITIES		
Worthing Festival	3,420	3,520
	3,420	3,520
Housing		
Housing Standards	1,540	156,850
	1,540	156,850
Wellbeing		
Community Wellbeing	449,820	400,250
Community Safety	308,770	324,830
Food Safety & Health & Safety	246,310	209,990
Licensing	51,860	102,750
Public Health & Regulation	234,910	449,490
	1,291,670	1,487,310
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Footway Lighting	61,850	55,310
	61,850	55,310
Revenues and Benefits		
Revenues	20	-
	20	-
TOTAL HEALTH AND WELLBEING PORTFOLIO	1,358,500	1,702,990

WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Worthing Festival	-	-	3,040	-	480	-	-	3,520	-	-	3,520
Housing											
Housing Standards	-	152,800	-	-	1,680	-	(100)	154,380	2,470	-	156,850
Wellbeing											
Community Wellbeing	-	107,910	-	-	197,920	-	-	305,830	94,420	-	400,250
Community Safety	-	177,420	3,740	-	21,220	-	-	202,380	116,330	6,120	324,830
Food Safety & Health & Safety	-	3,950	-	-	15,750	-	(3,830)	15,870	194,120	-	209,990
Licensing	-	155,650	-	-	3,930	-	(222,110)	(62,530)	165,280	-	102,750
Public Health & Regulation	-	55,120	-	-	26,070	-	(1,010)	80,180	362,460	6,850	449,490
DIRECTOR FOR DIGITAL AND RESOURCES											
Business and Technical Services											
Footway Lighting	-	-	48,740	-	-	-	-	48,740	6,570	-	55,310
Revenues and Benefits											
Revenues	-	-	-	-	-	-	-	0	-	-	0
	0	652,850	55,520	0	267,050	0	(227,050)	748,370	941,650	12,970	1,702,990
Percentage Direct Cost	0%	67%	6%	0%	27%	0%					

WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2018/2019 - VARIANCE ANALYSIS



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES									
Worthing Festival	3,420	90	-	-	-	-	-	10	3,520
Housing									
Housing Standards	1,540	40	-	-	-	-	-	155,270	156,850
Wellbeing									
Community Wellbeing	449,820	5,380	-	-	-	-	(22,610)	(32,340)	400,250
Community Safety	308,770	610	-	-	-	-	-	15,450	324,830
Food Safety & Health & Safety	246,310	300	-	-	-	-	-	(36,620)	209,990
Licensing	51,860	(5,320)	-	-	-	-	-	56,210	102,750
Public Health & Regulation	162,620	960	-	-	-	-	(14,020)	299,930	449,490
DIRECTOR FOR DIGITAL AND RESOURCES									
Business and Technical Services									
Footway Lighting	61,850	1,190	-	-	-	-	-	(7,730)	55,310
Revenues and Benefits									
Revenues	20	-	-	-	-	-	-	(20)	0
	1,286,210	3,250	0	0	0	0	(36,630)	450,160	1,702,990

CUSTOMER SERVICES PORTFOLIO



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR OF COMMUNITIES		
Housing		
Housing including Homelessness	1,534,340	1,766,680
Housing Improvement Assistance	71,330	103,430
Housing Strategy	32,270	113,040
	1,637,940	1,983,150
Wellbeing		
Community Centres	80,270	70,250
	80,270	70,250
DIRECTOR OF ECONOMY		
Culture		
Theatres	1,613,360	1,506,970
Museums	489,580	419,300
	2,102,940	1,926,270
DIRECTOR OF DIGITAL AND RESOURCES		
Finance		
Fraud, Verification & Adjudication	31,610	33,900
Revenues and Benefits		
Revenues	511,470	246,280
Benefits	1,061,350	519,510
	1,604,430	799,690
TOTAL CUSTOMER SERVICES PORTFOLIO	5,425,580	4,779,360

WORTHING - CUSTOMER SERVICES PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Housing											
Housing including Homelessness	-	637,550	-	-	1,454,120	153,890	(744,740)	1,500,820	265,860	-	1,766,680
Housing Improvement Assistance	-	98,640	-	-	-	-	(42,190)	56,450	46,980	-	103,430
Housing Strategy	-	-	-	-	-	-	-	0	113,040	-	113,040
Wellbeing											
Community Centres	-	17,210	21,500	-	650	-	-	39,360	28,000	2,890	70,250
DIRECTOR OF ECONOMY											
Culture											
Theatres	1,703,990	80,440	447,120	10,090	2,111,900	-	(3,541,160)	812,380	370,990	323,600	1,506,970
Museums	172,740	25,770	98,730	1,080	44,120	-	(66,200)	276,240	75,350	67,710	419,300
DIRECTOR FOR DIGITAL AND RESOURCES											
Finance											
Fraud, Verification & Adjudication	-	-	-	-	93,900	-	(60,000)	33,900	-	-	33,900
Revenues and Benefits											
Revenues	-	439,690	-	-	93,820	-	(540,020)	(6,510)	252,790	-	246,280
Benefits	-	783,460	-	-	63,370	36,561,110	(37,392,490)	15,450	504,060	-	519,510
	1,876,730	2,082,760	567,350	11,170	3,861,880	36,715,000	(42,386,800)	2,728,090	1,657,070	394,200	4,779,360
Percentage Direct Cost	4%	5%	1%	0%	9%	81%					

WORTHING - CUSTOMER SERVICES PORTFOLIO - 2018/2019 - VARIANCE ANALYSIS



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES									
Housing									
Housing including Homelessness	1,534,340	20,210	-	175,000	-	-	-	37,130	1,766,680
Housing Improvement Assistance	71,330	(1,030)	-	-	-	-	-	33,130	103,430
Housing Strategy	32,270	-	-	-	-	-	-	80,770	113,040
Wellbeing									
Community Centres	80,270	390	-	-	-	-	-	(10,410)	70,250
DIRECTOR OF ECONOMY									
Culture									
Theatres	1,613,360	(18,570)	-	-	-	-	(8,000)	(79,820)	1,506,970
Museums	489,580	1,820	-	-	-	-	-	(72,100)	419,300
DIRECTOR FOR DIGITAL AND RESOURCES									
Finance									
Fraud, Verification & Adjudication	31,610	2,290	-	-	-	-	-	-	33,900
Revenues and Benefits									
Revenues	511,470	(7,850)	-	-	-	-	-	(257,340)	246,280
Benefits	1,061,350	(9,020)	-	73,000	-	-	(80,000)	(525,820)	519,510
	5,425,580	(11,760)	0	248,000	0	0	(88,000)	(794,460)	4,779,360

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
CHIEF EXECUTIVE OFFICE		
Communications		
Communications	21,190	-
Performance and Scrutiny	200	210
	21,390	210
DIRECTOR OF COMMUNITIES		
Wellbeing		
Democratic Services	776,330	525,460
	776,330	525,460
DIRECTOR OF DIGITAL AND RESOURCES		
Customer & Digital		
Elections	256,880	327,200
	256,880	327,200
TOTAL LEADER PORTFOLIO	1,054,600	852,870

WORTHING - THE LEADER PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE											
Communications											
Communications	-	-	-	-	-	-	-	0	-	-	0
Performance and Scrutiny	-	-	-	-	210	-	-	210	-	-	210
DIRECTOR OF COMMUNITIES											
Wellbeing											
Democratic Services	274,830	215,700	-	3,340	25,030	-	-	518,900	6,560	-	525,460
DIRECTOR OF DIGITAL & RESOURCES											
Customer & Digital											
Elections	33,000	105,630	3,000	-	106,760	-	(5,420)	242,970	80,590	3,640	327,200
	307,830	321,330	3,000	3,340	132,000	0	(5,420)	762,080	87,150	3,640	852,870
Percentage Direct Cost	40%	42%	0%	0%	17%	0%					

WORTHING - THE LEADER PORTFOLIO - 2018/2019 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE									
Communications									
Communications	21,190	-	-	-	-	-	-	(21,190)	0
Performance and Scrutiny	200	10	-	-	-	-	-	-	210
DIRECTOR OF COMMUNITIES									
Wellbeing									
Democratic Services	776,330	6,090	-	-	-	-	-	(256,960)	525,460
DIRECTOR OF DIGITAL & RESOURCES									
Customer & Digital									
Elections	256,880	1,580	76,000	-	-	-	-	(7,260)	327,200
	1,054,600	7,680	76,000	0	0	0	0	(285,410)	852,870

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Emergency Planning & Business Continuity	53,520	66,450
Coastal Protection	157,250	119,120
Energy and Sustainability	52,510	28,320
	263,280	213,890
DIRECTOR OF COMMUNITIES		
Environmental		
Foreshores	668,930	706,540
	668,930	706,540
DIRECTOR OF ECONOMY		
Growth		
Planning Policy	369,990	394,190
Major Projects	155,060	71,750
Development Control	533,480	876,140
Building Control	108,180	128,030
	1,166,710	1,470,110
Place & Investment		
Economic Development (including Tourism)	522,750	579,580
	522,750	579,580
TOTAL REGENERATION PORTFOLIO	2,621,670	3,039,710

WORTHING - REGENERATION PORTFOLIO - 2018/2019 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Business and Technical Services											
Emergency Planning & Business Continuity	-	41,690	-	-	-	-	-	41,690	24,760	-	66,450
Coastal Protection	-	-	90,950	-	4,580	-	(23,180)	72,350	28,140	18,630	119,120
Energy and Sustainability	-	-	-	-	-	-	-	0	28,320	-	28,320
DIRECTOR OF COMMUNITIES											
Environmental											
Foreshores	-	202,650	402,440	4,520	31,720	-	(429,960)	211,370	244,780	250,390	706,540
DIRECTOR OF ECONOMY											
Growth											
Planning Policy	-	6,260	-	-	19,590	-	-	25,850	368,340	-	394,190
Major Projects	-	-	-	-	71,750	-	-	71,750	-	-	71,750
Development Control	-	599,160	-	-	50,190	5,380	(469,730)	185,000	672,270	18,870	876,140
Building Control	-	291,510	-	-	4,020	-	(378,970)	(83,440)	211,470	-	128,030
Place & Investment											
Economic Development	-	212,140	8,730	-	133,170	-	-	354,040	207,820	17,720	579,580
	69,590	1,353,410	502,120	4,520	315,020	5,380	(1,301,840)	948,200	1,785,900	305,610	3,039,710
Percentage Direct Cost	3%	60%	22%	0%	14%	0%					

WORTHING - REGENERATION PORTFOLIO - 2018/2019 - VARIANCE ANALYSIS



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Unavoidable Growth	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
DIRECTOR FOR DIGITAL & RESOURCES	£	£	£	£	£	£	£	£	£	£
Business and Technical Services										
Emergency Planning & Business Continuity	53,520	-	-	-	-	-	-	-	12,930	66,450
Coastal Protection	157,250	1,760	-	-	-	-	-	-	(39,890)	119,120
Energy and Sustainability	52,510	-	-	-	-	-	-	-	(24,190)	28,320
DIRECTOR OF COMMUNITIES										
Environmental	-	-	-	-	-	-	-	-	-	0
Foreshores	668,930	9,580	-	-	-	-	-	(15,500)	43,530	706,540
DIRECTOR OF ECONOMY										
Growth										
Planning Policy	369,990	1,700	-	-	-	-	-	(50,000)	72,500	394,190
Major Projects	155,060	1,750	-	-	-	-	-	-	(85,060)	71,750
Development Control	533,480	(11,030)	-	50,000	-	-	-	(12,000)	315,690	876,140
Building Control	108,180	(9,140)	-	-	-	-	-	-	28,990	128,030
Place & Investment										
Economic Development	522,750	3,470	-	-	-	-	-	-	53,360	579,580
	2,621,670	(1,910)	0	50,000	0	0	0	(77,500)	447,450	3,039,710

**RESOURCES
PORTFOLIO**



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Administrative Buildings	(750)	(760)
Meadow Road Depot	6,980	40,420
	6,230	39,660
Finance		
Corporate Management	2,431,230	2,765,840
Treasury Management	268,110	733,230
	2,699,340	3,499,070
DIRECTOR OF COMMUNITIES		
Environmental		
Lido/Pier/Pavillion	229,000	165,290
	229,000	165,290
DIRECTOR OF ECONOMY		
Place & Investment		
Estates	(424,130)	(1,323,320)
Growth		
Land Charges	8,630	8,970
	(415,500)	(1,314,350)
TOTAL RESOURCES PORTFOLIO	2,519,070	2,389,670

WORTHING - RESOURCES PORTFOLIO -2018/2019 - SUBJECTIVE ANALYSIS

 WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL AND RESOURCES										
Business and Technical Services										
Administrative Buildings	-	-	-	-	-	(760)	(760)	-	-	(760)
Meadow Road Depot	-	10,880	57,970	3,390	80	(52,830)	19,490	-	20,930	40,420
Finance										
Corporate Management	2,156,000	127,430	(47,960)	251,320	-	(144,690)	2,342,100	423,650	90	2,765,840
Treasury Management	-	-	-	262,410	-	(341,250)	(78,840)	650	811,420	733,230
DIRECTOR OF COMMUNITIES										
Environmental										
Lido/Pier/Pavillion	-	-	246,650	9,190	-	(120,220)	135,620	-	29,670	165,290
DIRECTOR OF ECONOMY										
Place & Investment										
Estates	-	-	413,300	27,340	-	(2,010,320)	(1,569,680)	12,230	234,130	(1,323,320)
Growth										
Land Charges	-	85,120	-	46,710	-	(180,080)	(48,250)	57,220	-	8,970
	2,156,000	223,430	669,960	600,360	80	(2,850,150)	799,680	493,750	1,096,240	2,389,670
Percentage Direct Cost	59%	6%	18%	16%	0%					

WORTHING - RESOURCES PORTFOLIO -2018/2019 - VARIANCE ANALYSIS



WORTHING BOROUGH COUNCIL

SERVICE / ACTIVITY	Original Estimate 2017/2018	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Non Committed Growth	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL AND RESOURCES										
Business and Technical Services										
Administrative Buildings	(750)	(10)	-	-	-	-	-	-	-	(760)
Meadow Road Depot	6,980	1,100	-	-	50,000	-	-	-	(17,660)	40,420
Finance										
Corporate Management	2,431,230	5,530	-	(129,600)	-	-	(30,240)	-	488,920	2,765,840
Treasury Management	268,110	380	-	27,000	363,580	(31,000)	-	-	105,160	733,230
DIRECTOR OF COMMUNITIES										
Environmental										
Lido/Pier/Pavillion	229,000	6,020	-	-	-	-	-	-	(69,730)	165,290
DIRECTOR OF ECONOMY										
Place & Investment										
Estates	(424,130)	9,930	-	-	-	-	(426,000)	-	(483,120)	(1,323,320)
Growth										
Land Charges	8,630	(3,250)	-	-	-	-	-	-	3,590	8,970
	2,519,070	19,700	0	(102,600)	413,580	(31,000)	(456,240)	0	27,160	2,389,670

APPENDIX 6

**GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL
GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT**

Baseline funding level

The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided).

Billing authorities

A unitary council, or a lower tier council in a two-tier area, which collects the Council Tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect Council Tax and business rates: district councils, London boroughs, and unitary councils. Before 1 April 2009 there were 354.

Business Rates

These rates, formally called national non-domestic rates, are the means by which local businesses contribute to the cost of providing local council services.

Business rates baseline

Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

Business Rates Retention Scheme

The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. The local government sector retains 50% of the business rates they collect. In addition they also receive Revenue Support Grant to help support their services.

Council Tax

A local tax on domestic property, set by councils – calculated by deducting any funding from reserves, income it expects to raise and general funding it will receive from the Government – in order to meet its planned spending. 31

Council Tax Base

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each Council Tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

APPENDIX 6

**GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL
GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT**

Council Tax Bands

There are eight Council Tax bands. How much Council Tax each household pays depends on the value of the homes. The bands are set out below.

Value of home estimated at 1 April 1991	Proportion of the tax due April 1991 for a band D property
Band A Under £40,000	66.7% (6/9)
Band B £40,001 - £52,000	77.8% (7/9)
Band C £52,001 - £68,000	8.9% (8/9)
Band D £68,001 - £88,000	100% (9/9)
Band E £88,001 - £120,000	122.2% (11/9)
Band F £120,001 - £160,000	144.4% (13/9)
Band G £160,001 - £320,000	166.7% (15/9)
Band H Over £320,001	200% (18/9)

Estimated Business Rates Aggregate

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

Floor damping

A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.

Levy

Mechanism to limit disproportionate benefit from business rates. The levy is applied proportionally on a 1:1 basis (i.e. a 1% increase in business rates income results in an council getting a 1% increase in revenue from the rates retention scheme) but with a limit on the maximum levy rate that is imposed, at 50p in the pound. Levy payments are used to fund the safety net.

Local government finance settlement

The local government finance settlement is the annual determination of funding distribution as made by the Government and debated by Parliament. 32

Local government spending control total

The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.

APPENDIX 6

**GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL
GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT**

Local share

The percentage share of locally collected business rates that is retained by local government. This is set at 50% of which the Council retains 40% and the County Council retain 10%.

Lower tier councils

Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

Multiplier

The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the Consumer Price Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.

Precept

This is the amount of Council Tax income all billing and precepting authorities need to provide their services. The amounts for all authorities providing services in an area appear on one Council Tax bill, which is administered by the billing authority.

Precepting authority

An authority or body that does not collect Council Tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.

Proportionate share

This is the percentage of the national business rates yield which a council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority business rates baseline.

Reserves

This is a council's accumulated surplus income (in excess of expenditure) which can be used to finance future spending.

Revenue Support Grant

A Government grant which can be used to finance revenue expenditure on any service.

APPENDIX 6

**GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL
GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT**

Ring-fenced grant

A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent.

Safety net

Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being uprated by the small business rates multiplier for the purposes of assessing eligibility for support).

Settlement core funding

The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:

- Council Tax income
- the Settlement Funding Assessment, comprising:
 - estimated business rates income (baseline funding level under the rates retention scheme)
 - Revenue Support Grant.

Settlement Funding Assessment

Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council's Revenue Support Grant for the year in question and its baseline funding level, uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

Specific grants

Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ring-fenced.

Tariffs and top ups

Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

	2017/18 Estimate	2017/18 Revised	2018/19 Estimate
	£	£	£
COUNCIL TAX			
Payments			
Worthing Borough Council Demand	8,497,974	8,497,974	8,791,162
WSCC Precept	47,498,091	47,498,091	50,557,816
Sussex Police & Crime Commissioner	5,822,308	5,822,308	6,365,286
Total Payments	61,818,372	61,818,372	65,714,264
Council Tax			
Amount due from residents	67,565,372	67,562,160	71,465,264
Less: Council Tax Support Scheme	(5,421,000)	(5,373,794)	(5,454,000)
Gross Amount Due	62,144,372	62,188,366	66,011,264
Less: Provision for bad debts	(326,000)	(326,000)	(297,000)
Total Council Tax	61,818,372	61,862,366	65,714,264
Deficit/(Surplus)			
Deficit/(Surplus) for year	-	(43,994)	-
Deficit/(Surplus) Brought forward	(66,269)	(386,677)	(393,401)
Increase in provision for Bad Debts	-	(29,000)	-
Deficit charged to:	-	-	-
WBC	9,404	9,404	54,880
WSCC	50,596	50,596	300,912
SPCC	6,269	6,269	37,609
Deficit/(Surplus) Carried Forward	-	(393,401)	0

Property Band	2017/18				2018/19				CHANGE			TOTAL
	Precepting Authorities		Worthing Borough Council Services	TOTAL	Precepting Authorities		Worthing Borough Council Services	TOTAL	Precepting Authorities		Worthing Borough Council Services	
	WSCC	Police			WSCC	Police			WSCC	Police		
£	£	£	£	£	£	£	£	£	£	£	£	
A	820.97	102.61	149.76	1,073.34	878.52	110.61	154.20	1,143.33	57.55	8.00	4.44	69.99
B	957.80	119.71	174.72	1,252.23	1,024.94	129.04	179.90	1,333.88	67.14	9.33	5.18	81.65
C	1,094.63	136.81	199.68	1,431.12	1,171.36	147.48	205.60	1,524.44	76.73	10.67	5.92	93.32
D	1,231.46	153.91	224.64	1,610.01	1,317.78	165.91	231.30	1,714.99	86.32	12.00	6.66	104.98
E	1,505.12	188.11	274.56	1,967.79	1,610.62	202.78	282.70	2,096.10	105.50	14.67	8.14	128.31
F	1,778.78	222.31	324.48	2,325.57	1,903.46	239.65	334.10	2,477.21	124.68	17.33	9.62	151.64
G	2,052.43	256.52	374.40	2,683.35	2,196.30	276.52	385.50	2,858.32	143.87	20.00	11.10	174.97
H	2,462.92	307.82	449.28	3,220.02	2,635.56	331.82	462.60	3,429.98	172.64	24.00	13.32	209.96

WORTHING:
Comparison of Council Tax for 2017-18 and 2019-20

WORTHING:
Collection Fund NNDR 2017-2018



WORTHING BOROUGH
COUNCIL

	2017/18 Estimate	2017/18 Revised	2018/19 Estimate
	£	£	£
NNDR (BUSINESS RATES)			
Payments			
Amount of NNDR to be paid to Central government	15,601,688	15,601,688	16,003,587
Amount to be retained by WBC under the rates retention scheme	12,481,350	12,481,350	12,933,116
Amount to be passed to West Sussex	3,120,338	3,120,338	3,200,717
Total amount due to authorities	31,203,375	31,203,375	32,137,421
Income			
Net Rates Payable by Business Sector after exemptions, reliefs & discounts	32,836,883	32,510,302	33,314,648
Less: Movement in Bad Debt Provision	65,674	65,674	33,000
Less: L.A's estimate of adjustment due to appeal	1,000,000	1,000,000	1,100,000
Less: Full Provision for backdated appeal decisions	0	0	0
Net Payable by Business Sector	31,771,209	31,444,628	32,181,648
Less: Net Transitional Protection Payments - Paid to the government	439,244	425,519	44,227
Add: Net Transitional Protection Payments - Paid by the government	0	0	0
Amount allowed to Council for - Administration costs and Interest on Repayments	128,590	128,590	130,246
Non Domestic Rating Income	31,203,375	30,890,519	32,007,175
Surplus (Deficit)			
In year change from original estimate - increase (+) / decrease (-)	0	-312,857	0
Surplus/(Deficit) brought forward	65,025	434,215	758,137
Surplus/(Deficit) distributed in year	0	-65,025	0
Change in bad debt provision during the year	0	33,304	0
Change in appeals provision during the year	0	1,853,500	0
Additional sums provided for NHS claims	0	-1,185,000	0
Add: Cost of Collection allowance	128,590	128,590	130,246
Amount Due to Authorities	31,396,990	31,777,246	32,895,557
(Surplus) / Deficit to be shared			
DCLG	-32,513	-32,513	-379,068
WSCC	-26,010	-26,010	-75,814
WBC	-6,503	-6,503	-303,255
Change in Surplus/(Deficit)	0	758,137	0
Surplus/(Deficit): Worthing Borough Council			
Business rates Baseline Target	12,053,743	12,053,743	12,428,543
Less: Tariff/Top-Up	-9,540,280	-9,540,280	-9,838,543
Baseline funding Target (A)	2,513,463	2,513,463	2,590,000
Business rates Income (40% share)	12,481,350	12,356,208	12,802,870
Less: Tariff payments	-9,540,280	-9,540,280	-9,838,543
Baseline funding Retained (B)	2,941,070	2,815,928	2,964,327
Surplus/(deficit) (B-A)	427,607	302,465	374,327
Add : S31 grants paid directly to the General Fund	780,328	780,328	1,291,248
Less: Tariff payable for 2017/18			-11,308
50% Levy payable to CG in case of Surplus	-603,968	-541,396	-827,133
Surplus to be retained by Council	603,968	541,396	827,133
Less: Original 2016/17 surplus		-603,968	
Additional surplus to benefit the Council in 2017/18		-62,571	

HOUSING REVENUE ACCOUNT – BUDGET 2018/19

REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES AND THE DIRECTOR FOR COMMUNITIES

EXECUTIVE SUMMARY

1. PURPOSE

- 1.1 This report sets out financial challenges for the Housing Revenue Account and asks Members to set the rent levels and service charges for 2018/19. The report also considers some of the strategic challenges facing the Housing Revenue Account over the next few years and the impact that these will have over the next 30 years.
- 1.2 Members will be very aware that the rent limitation announced in 2015/16 continues to have a profound effect on the financial viability of the Housing Revenue Account. However, it is expected that this will end in 2019/20 allowing the HRAs finances to become more sustainable in the future.
- 1.3 The following appendices have been attached to this report:
- (i) **Appendix 1** Proposed budget for 2018/19
 - (ii) **Appendix 2** 30 year financial forecast
 - (iii) **Appendix 3** HRA Treasury Management Strategy

2. RECOMMENDATIONS

- 2.1 The Executive is recommended to:-
- (i) consider and approve the Housing Revenue Account estimates for 2018/19;
 - (ii) note that the rents of Council Dwellings will decrease by 1.0% reducing the average council dwelling rent by £0.91 to £90.44 per week (average rent currently £91.35 per week) – (Paragraph 6.3);

2. RECOMMENDATIONS

- (iii) determine the level of associated rents and charges with effect from week one of 2018/19:-
 - (a) **Rents of Council garages** – agree an increase of 3.0% to £9.96. (currently £9.67 per week, plus VAT for non-Council tenants) (Paragraph 6.6)
 - (b) **Service Charges** - delegate to the Head of Housing and Chief Financial Officer in consultation with the Executive Member for Customer Services, the setting of the service charges (paragraph 9.2)
- (iii) To approve the HRA Treasury Management Strategy contained in Appendix 3.

3.0 CONTEXT

- 3.1 This report seeks to explain the main issues surrounding the budgets for the Housing Revenue Account to enable Members to set rent levels for 2018/19.
- 3.2 The Housing Revenue Account (HRA) pulls together the total costs and income of the Council in its provision of the Housing Landlord Service. This account is ring-fenced so that it is separate from all other income and expenditure of the Council.
- 3.3 From 1 April 2012 the Localism Act replaced the former complicated HRA subsidy system with a new self-financing regime. The regime allows the Council more freedom to determine its own budget, albeit some financial restrictions still apply, most notably around the use of Right To Buy (RTB) capital receipts and prudential borrowing limits and most recently limitations on the level of rent that can be levied in the period 2016/17 – 2019/20.
- 3.4 The Council is required to operate the HRA on a sustainable basis at no detriment to the General Fund (and vice versa). To facilitate this the Council, as with all housing authorities, was required to produce a thirty year financial Business Plan showing how the HRA could be run on a self-financing basis. This report updates the Financial Business Plan and informs members of the key budgetary assumptions which underpin the financial projections from 2018/19 onwards.

3.0 CONTEXT

- 3.5 The challenge of creating a sustainable business plan was made more difficult by the announcement by the Chancellor in the Spring Budget 2015 that:

‘.....we are also going to end the ratchet of ever higher housing benefit chasing up ever higher rents in the social housing sector. These rents have increased by a staggering 20% since 2010. So rents paid in the social housing sector will not be frozen, but reduced by 1% a year for the next four years.

This will be a welcome cut in rent for those tenants who pay it and I'm confident that Housing Associations and other landlords in the social sector will be able to play their part and deliver the efficiency savings needed.’

**Speech to the House of Commons by The Chancellor
The Rt Hon George Osborne MP**

- 3.6 The setting of rent levels is now an integral part of the financial planning decision making process. However, the Council will have little flexibility over rent setting until 2020. Officers are recommending a reduction of 1% in line with the requirements of the Welfare Reform and Work Act and associated regulations.
- 3.7 In April 2014 an Adur Homes Management Board (AHMB) was set up to oversee the delivery of the strategic objectives for Adur Homes. Members of the Board include 2 Adur Councillors and 2 representatives from the Adur Consultative Forum.
- 3.8 Adur Consultative Forum members are invited to attend the Executive meeting to relay their views on the budgetary proposals.

4.0 STRATEGIC RISKS AND CHALLENGES

- 4.1 There are some specific challenges faced by the Housing Revenue Account over the next 5 years which will influence the 30 year business plan.
- Rent limitation
 - Impact of Right to Buy and sale of higher value properties.
 - Changes to Housing Benefit and Welfare Reform
 - Outcome of the condition survey (including fire protection works)
 - Changes to accounting practice

4.0 STRATEGIC RISKS AND CHALLENGES**4.2 Rent limitation**

4.2.1 The rent limitation measures announced by the Chancellor in 2015 have had a profound impact on the HRA. Over the period of the reduction, the Council will lose a substantial amount of rental income as follows:

	Budget 2016/17	Budget 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21
	£'000	£'000	£'000	£'000	£'000
Impact of 1% reduction for 4 years					
Income with 1% decrease	-12,246	-12,183	-11,992	-11,872	-12,228
Income with inflationary increase (CPI + 1%)	-12,519	-12,845	-13,359	-13,760	-14,172
Income lost due to rental limitation	273	662	1,367	1,888	1,944

4.2.2 On the 4th October 2017, DCLG announced that “increases to social rent will be limited to the Consume Price Index (CPI) + 1% for 5 years from 2020”. Whilst this is a welcome announcement, it does mean that the Council is unlikely to be able to recover the lost income in the future.

4.2.3 The fall in income to the HRA will limit the scope to address both the issues raised by the condition surveys and the ability to invest in new properties although the Council remains committed to the redevelopment of Cecil Norris House and small scale development using the land owned by the HRA.

4.2.4 However, the Council will be faced with setting a deficit budget, and therefore rely on the use of reserves, over the next few years as it grapples with the fall in rental income and the need to invest in council homes. Every opportunity will be taken to reduce costs in the interim to reduce the call on reserves over the next 5 years.

4.3 Impact of Right to Buy and Sale of Higher Value Properties

4.3.1 Council housing stock numbers have reduced over the past few years and will continue to decline in the short term as follows:

	2014/15	2015/16	2016/17	2017/18 (Estimate)	2018/19 (Estimate)
Stock at 1 st April	2,631	2,617	2,609	2,599	2,591
Plus: Additions - Note(1)	2	1	0	0	0
Less: Right to Buy sales	16	9	10	8	8
Less: Disposals	0	0	0	0	0
Stock at 31st March	2,617	2,609	2,599	2,591	2,583

4.0 STRATEGIC RISKS AND CHALLENGES

4.3 Impact of Right to Buy and Sale of Higher Value Properties

Note (1:) These additions are generated through the repurchase of previously owned council dwellings or through the construction of new dwellings, and over time is intended to increase the housing stock to offset the impact of dwellings sold under Right To Buy.

4.3.2 For 2017/18 the signs are that interest from tenants in the possible take up of RTB sales continues at a constant level. The consequential loss of rental income from these sales may in future be partly mitigated by the aim to purchase or develop additional dwellings each year.

4.3.3 A depleting housing stock base means that the fixed costs per property increase and rental income available to fund these costs reduces. The level of capital receipts retained by the Council to replace the reducing housing stock base is limited due to the increase in the level of discount offered and the DCLG restrictions placed under the new RTB arrangements. Underpinning this constraint are the principles contained in the 2012 CLG publication “Reinvigorating Right To Buy and One For One Replacement – Information for Local Authorities”

4.3.4 The RTB scheme applies to all secure tenants who have been tenants for more than 5 years. The maximum percentage discount for a property is 70% up to a maximum cash value (the current maximum discount is £78,600). The cash cap increases in April every year in line with the Consumer Price Index.

4.3.5 As a condition of being able to retain capital receipts arising from RTB sales, the Council entered into an agreement with the Secretary of State in 2012 whereby:

- (i) the retention of receipts only applies to the RTB sales above the number assumed each year in the HRA self-financing settlement. For Adur the original 75% central pooling arrangement continued for the first 4 properties sold post 1 April 2012, and thereafter is calculated in accordance with a CLG formula
- (ii) the Council use the receipts for the provision of “affordable” rented homes (i.e. those with rents up to 80% of market rents), albeit that in practice the Council may exercise discretion to set rent below this figure, and maybe as low as 65% in keeping with some housing associations;
- (iii) the retained share of receipts constitute no more than 30% of total investment in such homes (net of any contribution from another public body)
- (iv) the retained receipts are used within 3 years to provide new affordable homes, otherwise they will be required to be paid into the CLG pool plus accrued compound interest of 4%.

4.0 STRATEGIC RISKS AND CHALLENGES

4.3 Impact of Right to Buy and Sale of Higher Value Properties

4.3.6 Properties may be built by Adur Homes or another Registered Provider. Receipts from RTB will be returned to Government if we cannot allocate the receipts to any new homes.

4.3.7 Sale of higher value properties

In addition to the policy on Right to Buy, the Housing and Planning Act contains provisions that may require local authorities to make a payment to Government based on the estimated value of their high value vacant housing which will be used to fund the proposed extension of the Right to Buy to Housing Association tenants.

The legislation will not mandate which specific properties the local authority will be required to sell. However, to fund the payment the Council will be obliged to sell housing properties as they become vacant.

To date the Secretary of State for Communities and Local Government has not required any Council to make such a payment but uncertainty persists over when and if the policy will be implemented and what the threshold for “higher value” assets will be.

4.3.8 The impact of both the Right to Buy policy and, potentially, the requirement to sell higher value properties has significant implications for both the HRA and the wider housing strategy. The Council will see a fall in the number of affordable housing units for rent in the area. The limitation on land availability makes it difficult to build additional units to replace those lost whether these are built directly by the Council or via others. Current demand for affordable housing far outstrips supply which has inevitable consequences for the local community. The loss of units will also compromise the financial viability of the HRA as outlined in paragraph 3.3.3.

4.4 Changes to Housing Benefit and Welfare Reform

4.4.1 The Welfare Reform Act received Royal Assent in 2012 and introduced the most significant changes in the welfare system in over 60 years. The reforms reflect the Government’s aim to reduce the cost of welfare benefits generally, and is being implemented across the Country with implementation of Universal Credit expected in 2018 locally.

4.4.2 Experience suggests that the reforms have increased the financial pressures on some of the most vulnerable people of society, due to the introduction of caps on the total amount of weekly benefit paid and introducing further reductions for the under occupation of homes.

4.0 STRATEGIC RISKS AND CHALLENGES

4.4 Changes to Housing Benefit and Welfare Reform

4.4.3 For working age people, a Universal Credit will replace a number of former out of work benefits, including housing benefit, income support, job seekers allowance, income related employment and support allowance, child benefit, child tax credit, and carer's allowance. Universal Credits will be paid directly to claimants rather than the current arrangement of direct payment to the Local Authority as landlord.

4.4.4 Whilst it was expected that this benefit would be paid 6 weeks in arrears (due to the assessment period), the Autumn Budget 2017 introduced a number of measures to mitigate the hardship that the delay would potentially cause:

- From January 2018 those who need it, and who have an underlying entitlement to Universal Credit, will be able to access up to a month's worth of Universal Credit within five days via an interest-free advance. The government will extend the period of recovery from six months to twelve months, making it easier for claimants to manage their finances. New claimants in December will be able to receive an advance of 50% of their monthly entitlement at the beginning of their claim and a second advance to take it up to 100% in the new year, before their first payment date
- From February 2018 the government will remove the seven-day waiting period so that entitlement to Universal Credit starts on the first day of application
- from April 2018 those already on Housing Benefit will continue to receive their award for the first two weeks of their Universal Credit claim
- the government will also make it easier for claimants to have the housing element of their award paid directly to their landlord

Extract from the Autumn Budget 2017

However, the decision that any funds will be spent on rent, as opposed to other expenditure, is in the hands of the individual recipient.

4.4.5 Research undertaken by the National Federation of Arm's-Length Management Organisations (NFA) and the Association for Retained Council Housing (ARCH), which together represent more than one million council homes in England, found the percentage of council home tenants in receipt of Universal Credit who are in rent arrears has increased by seven percentage points – from 79% in March last year to 86%. This compares with 39% of tenants in arrears who do not receive Universal Credit. Consequently, as and when Universal credit is rolled out, the Council may well see an increase in rent arrears.

4.0 STRATEGIC RISKS AND CHALLENGES

4.4 Changes to Housing Benefit and Welfare Reform

4.4.6 Data from CenSus indicate that approximately 1825 or 70% of Adur Homes tenants are in receipt of housing benefit. No tenants are currently affected by the under occupancy charge.

4.4.7 The benefit changes will continue to present a challenge for 2018/19. Furthermore, changes to welfare benefits and the introduction of Universal Credit for all new single claimants, presents a risk that more households will fall into arrears. This will impact on the levels of rent collected and subsequently the overall position of the Housing Revenue Account. Since 1 April 2017 (to date) there have been 6 tenancies terminated for arrears. (Between 1 April 2016 and 31 March 2017 there were 8 tenancies terminated for arrears).

4.4.8 Some mitigation is in place to reduce tenants' arrears from growing, with a greater emphasis on tenancy sustainment through the role of Tenancy Sustainment Officer. Additionally, the Introductory Tenancy Officer provides support to new households, which includes financial support to prevent people from falling into arrears.

4.5 Outcome of the condition survey

4.5.1 A stock condition survey was undertaken last year. This revealed that the Council needs to invest at least £33m over the next 5 years. This had already been recognised within the Council's capital strategy which has recommended increasing the level of investment in new schemes from £3.7m in 2016/17 rising to £5.2m (including £400k for new build schemes), an increase of £1.5m. However this will not be sufficient to meet the immediate investment needs of the housing stock.

4.5.2 The dilemma that the Council faces is how to balance the need to spend more on the current stock with the need to provide more Council housing to meet local need at a time when rental income is falling. However, the lack of investment in the current stock has significant implications.

4.5.3 The Council currently spends £1.819m (£702.05 per property) on revenue responsive maintenance on occupied properties which is significantly higher than the 2016/17 benchmark figure of £421.85 per property. The level of spend reflects the under investment in the condition of the properties in previous years when the old housing subsidy system severely limited the annual amount of annual investment. Increasing the capital programme should reduce the level of spend on revenue maintenance in future. Consequently, the 30 year business plan assumes that the level of capital investment will continue to increase over the next few years with a reducing level of revenue maintenance as follows:

4.0 STRATEGIC RISKS AND CHALLENGES**4.5 Outcome of the condition survey**

Proposed budgets	2018/19	2019/20	2020/21	2021/22	2021/22
	£'000	£'000	£'000	£'000	£'000
Capital maintenance programme	4,800	5,800	6,400	6,500	6,500
Proposed increase		1,000	600	100	-
Total revenue maintenance	2,823	2,778	2,701	2,614	2,573
Estimated cash reduction per year		-45	-77	-87	-41

The falling level of revenue maintenance reflects both the increasing level of capital spend on properties combined with improvements in procurement and contract management.

Once the backlog maintenance issues have been addressed, the level of capital investment required each year is expected to fall.

5.0 THE HOUSING REVENUE ACCOUNT FOR 2018/19**5.1 The projected expenditure and income for the HRA in 2018/19 is as follows:-**

	Estimate 2018/19	
	£'000	£'000
Expenditure		
Supervision and management	4,106	
Rent, rates, taxes and other charges	26	
Repairs and maintenance	2,823	
Depreciation	4,600	
Interest payments	2,309	
Movement in provision for bad debt	50	13,914
Income		-13,180
Net (Surplus)/Deficit for the year		734
Proposed contribution to /(from) earmarked reserves		-
Overall position for the year		734
Estimated balance brought forward 1 st April, 2018		-1,892
Balance carried forward 31 st March, 2019		-1,158

5.0 THE HOUSING REVENUE ACCOUNT FOR 2018/19

More detailed estimates for the Housing Revenue Account for 2017/18 and 2018/19 are shown in Appendix 1.

5.2 These projections take into account the budget from 2017/18, which has been updated for inflation, capital financing costs in respect of debt, and proposed decrease in rent income together with the other proposed adjustments which are described more fully below. Overall the main changes are as follows:

	£'000
Expenditure:	
2017/18 budget	13,512
Impact of inflation	248
Increase in depreciation following the annual valuation of HRA properties	193
Impact of pension fund revaluation	47
Reduction in building maintenance budgets	-100
Other minor changes	14
2018/19 budget	13,914
Income:	
2017/18 budget	-13,331
Impact of 1% rent decrease	193
Inflationary increase on other rents	-42
2018/19 budget	-13,180

5.3 The 2018/19 budget shows an increasing deficit position, this results from a combination of factors including:

- the rent reduction of 1% which is estimated to cost the Council £0.68m in real terms in 2018/19
- the need to increase the capital investment programme to address maintenance issues with the current housing stock.

Looking ahead to 2019/20, the challenge of reducing rental income will become ever harder, with a need for services to be delivered as efficiently as possible. However, whilst rent limitation remains in place, the Council may be faced with a deficit budget whilst it addresses the current condition of the housing stock. Once the rent reductions come to an end, the financial position of the HRA will gradually improve albeit over a number of years. However, the annual increase to the HRA rents will still be constrained until 2025 at the earliest.

6.0 RENT SETTING FOR 2018/19

- 6.1 Rent setting for the HRA is currently governed by the The Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 which mandate that all rents must be reduced by 1% per year.
- 6.2 In 2017/18 most rents were reduced by 1% and the average council dwelling rent fell by £0.92 to £91.35 per week.

This year's proposed average dwelling rent level

- 6.3 The **average rental decrease recommended** for 2018/19 is in line with the Welfare Reform and Work Act. The required rental decrease is 1%. This will decrease the average rent by £0.91 from £91.35 to **£90.44**. This rent reduction will apply to all current tenants.
- 6.4 The proposed average decrease is estimated at being below the Rent Rebate Subsidy Limitation (RRSL) limit. The RRSL limit is the maximum average rent that may be charged before housing benefit payments need to be subsidised by the HRA. At the time this report was being produced the Department of Works and Pensions has not published the RRSL limit rents for 2018/19, the current limit for Adur is £94.57.
- 6.5 It is intended to relet vacant properties to new tenants at the limit rent.

Garage Rents

- 6.6 Garage rents were increased by 2.0% in 2017/18 to £9.67 per week (plus VAT for non-Council tenants). It is proposed that the garage rents be increased in 2018/19 by 3% to £9.96 which is in line with current inflation rate of 3.1%. These proposals will generate an extra £12,460 in income.

7.0 DEBT FINANCING COSTS

- 7.1 The debt financing costs chargeable to HRA in 2018/19 relate to interest payments. The costs relate to three types of debt:
- i) historic debt of £17.491m in existence at 1 April 2012 (less any subsequent repayments) attributable to the HRA via the "two-pool split" of the Council's total debt at that date;
 - ii) debt incurred in 2012 to pay the HRA self-financing settlement payment of £51.185m, for which there will be a balance of £40.98m outstanding at 31st March 2018;
 - iii) new borrowing for capital expenditure or to refinance existing debt.

7.0 DEBT FINANCING COSTS

7.2 The budgeted costs are:

2018/19 Budget	Interest £000
Historic Debt	974
Settlement Debt	1,279
New Borrowing	56
Total Budget	2,309

8.0 REPAIRS AND MAINTENANCE

8.1 The condition of housing stock is maintained and improved in two ways:-

- Routine revenue repairs of a day-to-day nature and by planned maintenance such as repainting or boiler servicing.
- Capital investment programme of refurbishment and improvement on a larger scale.

8.2 The budget for routine repair and maintenance has decreased in real terms by £100,000 to reflect the higher level of capital investment and improvements in both procurement and contract management.

8.3 Housing Capital Investment Programme

8.3.1 The capital investment programme typically comprises refurbishment and improvement on a larger scale for schemes such as new central heating and double-glazing as well as new housing development schemes.

8.3.2 Future investment in the council housing stock is funded from:-

- (i) revenue contributions to capital expenditure;
- (ii) the Major Repairs Reserve. This will increase each year by an accounting adjustment for the amount of depreciation charged to the HRA (£4.6m). This contribution is ring-fenced for repayment of debt or for direct financing of capital and maintenance expenditure;
- (iii) capital receipts from the sale of Council houses; and
- (iv) prudential borrowing (subject to affordability), but overall borrowing must be contained within the Debt Ceiling of £68.912m set by Central Government.

8.0 REPAIRS AND MAINTENANCE

8.3 Housing Capital Investment Programme

8.3.3 The HRA capital renovation programme for 2018/19 was approved at £5.2m by the Joint Strategic Committee at its meeting of 5th December, 2017. This reflected the recent condition survey and concerns about affordability due to the impact of rent limitation.

8.3.4 The programme also included an allowance for developing New Homes (£0.4m).

8.3.5 A detailed analysis of both the revenue maintenance spend and the capital spend is currently being undertaken to ensure that expenditure is targeted effectively.

9.0 SERVICE CHARGES – CONTRACT PRICE INCREASES

9.1 As well as core rent charges, some tenancies are also subject to service charges as they receive services which are specific to their circumstances. These charges are made in line with actual costs. Contracts in respect of services to tenants, such as door entry maintenance and communal way cleaning, are normally subject to an annual Retail Price Index (RPI) or equivalent increase. This increase is passed on to tenants receiving those services by way of an equivalent increase in their weekly service charge. Some costs have to be retendered and not all increases are applied at the beginning of a financial year. This means that such increases cannot be incorporated into the annual rent increase process and additional costs are incurred in notifying tenants separately and amending Housing Benefit entitlements when such an increase arises.

9.2 Members are therefore requested to delegate to the Head of Housing and the Chief Financial Officer in consultation with the Executive Member, Customer Services, authority to set service charges.

10.0 REALLOCATIONS OF SALARIES AND CENTRAL COSTS

10.1 All salaries, staff expenses, administration buildings and central support services are collated centrally within the Adur and Worthing Joint services and the Council's general fund budget. It is then re-allocated to services to show the full-cost of service provision. A more detailed explanation of this is included in the Budget Book for Adur and Worthing Councils. The Housing Revenue Account has benefited in recent years from savings achieved from joint shared support services. These costs are reviewed each year as part of the budget setting process.

11.0 LEVEL OF RESERVE BALANCES

11.1 In line with a more sustainable long term business approach the HRA is adopting a prudent approach to the level of reserves maintained.

Reserves	Estimated balance at 01/04/18	Increase	Decrease	Forecast balance at year end 2018/19
	£000's	£000's	£000's	£000's
Housing Revenue Account	1,892	-	-744	1,148
Discretionary Assistance Fund	116	-	-	116
New Development and Acquisition Fund	1,383	-	-383	1,000
Business Development Fund	94	-	-94	0
Major Repair Reserve	-	4,600	-4,488	112
TOTAL	3,485	4,600	-5,709	2,376

11.2 HRA general reserve balances are forecast to be £1.892m at 1st April 2018 and 15.4% of total expenditure. This is over the target level explained detailed in paragraph 11.3 below, but reflective of the emphasis placed in securing resources to underpin revenue operations and capital expenditure in future years.

11.3 In the General Fund a target level of balances of between 6-10% of net expenditure has been set. The general principles behind retaining a minimum target level of balances are similar for both the General Fund and HRA in that it should be sufficient to withstand foreseeable 'worst case' scenarios but not so large as to constitute unnecessary retention of tenants monies.

11.4 Therefore, in principle, given that the large majority of the costs and incomes of the HRA are relatively stable (or effectively fixed at the start of each year) it should be possible to operate on a reserve balance within the 6-10% range. However, the future risks surrounding revenues and costs (including the impact of the impending welfare reforms, the impact of rent limitation and RTB regime) are uncertain. Also, given the uncertainty of costs and timings relating to the Council's new build proposals a cautious approach is justified in striving to provide adequate reserves to build capacity for the future as part of a longer term strategy.

11.5 Any balance in the Major Repairs Reserve (MRR) is utilised to fund in-year capital expenditure. The final position at year end may fluctuate as if any slippage occurs within the capital programme. Altogether, the 2018/19 capital budget includes provision for £4.4m to be utilised for financing HRA capital expenditure, comprising the carried forward balances and in-year contributions.

11.0 LEVEL OF RESERVE BALANCES

11.6 Although a balanced budget has been prepared, any underspends arising at the final revenue outturn for 2017/18 will be put forward for consideration by Members to decide how this may be set aside to the most appropriate Adur Homes reserve taking into account the demands of the service at that time. In keeping with previous years, it is proposed that any overspends at final revenue outturn will be drawn from the HRA General Reserve.

12.0 IMPACT ON FUTURE YEARS

12.1 Attached at appendix 2 is the 30-year financial forecast. The focus for the 2018/19 budget has been to ensure that the HRA remains sustainable in the longer term whilst ensure that the issues raised by the condition survey are addressed. As with 2017/18, the proposed budget for allows for a high level of investment in the maintenance of properties than has been afforded prior to the self-financing regime. The first priority for the new freedoms has to be the continued maintenance of the Council homes for the benefit of our existing tenants.

12.2 The financial plan assumes that the rent will decrease again in 2019/20 and thereafter rent increases are in line with the Council's rent policy and the Government's proposals (i.e. CPI plus 1%). The rent decrease places the HRA under significant financial pressure at the very time when the Council needs to invest more in maintaining the housing stock.

12.3 The Council has managed the impact of the falling rent levels in the first two years, setting a balanced budget in 2016/17 and with only a limited withdrawal from reserves planned for 2017/18. However the HRA will become increasing reliant on reserves over the following few years whilst the rent level remain constrained drawing down funds from the reserve. Once rent limitation comes to an end, the Council should be able to restore the reserves to the previous levels.

	2017/18	2018/19	2019/20	2020/21	2020/21
	£'000	£'000	£'000	£'000	£'000
Balance at the start of the year	3,074	2,893	2,159	1,195	533
Expected drawdown	-181	-734	-964	-662	-344
Balance at the end of the year	2,893	2,159	1,195	533	189

12.0 IMPACT ON FUTURE YEARS

12.4 The financial strategy within the 30-year forecast also includes the MRP allowance for the repayment of the debt once the maintenance backlog has been addressed, such that headroom below the Debit Limit is created for new borrowing and is affordable. The Debt Limit set by government is £68.912m and current borrowing is at £61.237m. This means that the Council's headroom for borrowing is £7.675m for 2018/19. This is in addition to future borrowing required for the current capital programme over the next 3 years.

12.5 In view of the available headroom for new borrowing the Council, the council is now actively investing in new housing stock. Current projects include:

1. Redevelopment of Albion Street
2. Redevelopment of Cecil Norris House.
3. Repurchase of previously owned Council dwellings (particularly leasehold flats).
4. Construction of new homes on infill sites.

All of these options are subject to a business case to ensure that they are financially viable which is of particular importance over the next four years.

12.6 To bring all of these considerations together, it is proposed to refresh the Adur Homes Business Plan periodically, and incorporate into the plan an assessment of the future of the housing stock – including the outcome of the the feasibility investigation into the new build proposals . This will also include an update to the asset management plan which will validate the assumptions in the 30-year forecast about the capital programme and maintenance provision.

13.0 SUMMARY

13.1 The Council has no option but to decrease rents for the next two years for the majority of properties, however despite this, the HRA remains in a financially viable position over the longer term. However, caution will need to be exercised over the coming years as the financial position will be difficult until such time as the Council regains control over its rent increases and becomes financially viable.

14.0 FINANCIAL IMPLICATIONS

14.1 The financial implications associated with the development of the budgets are detailed throughout the report.

Finance Officer: Sarah Gobey

Date: 24th January, 2018

15.0 LEGAL IMPLICATIONS

- 15.1 The Welfare Reform and Work Act 2016 has introduced the requirement to reduce social rents by 1%

'In relation to each relevant year, registered providers of social housing must secure that the amount of rent payable in respect of that relevant year by a tenant of their social housing in England is at least 1% less than the amount of rent that was payable by the tenant in respect of the preceding 12 months.'

- 15.2 The Housing and Planning Act give the Secretary of State the power to issue a determination that requires any Local Housing Authority in England to make a payment to the Secretary of State in respect of any given financial year that represents an estimate of:

1. the market value of the authority's interest in any higher value housing that is likely to become vacant during the year, less
2. any costs or other deductions of a kind described in the determination.

- 15.3 There are no other legal implications arising from the proposed budget other than those relating to :

- i) the use of capital receipts under Right To Buy regulations, and emanating from the Local Authorities (Capital Financing and Accounting)(England) Amendment Regulations (SI 2012/711 & 2012/1324)
- ii) maintain borrowing with the imposed debt ceiling limit arising from the Limits on Indebtedness Determination issued under the powers conferred upon the Secretary of State by S168 to 175 of the Localism Act, 2011.

Legal Officer: Susan Sale

Date: 24th January, 2018

Background Papers:

Reinvigoration the Right to Buy and one for one replacement

Laying the Foundations: A Housing Strategy for England

Guidance On Rents for Social Housing

Adur Capital Investment Programme 2016/17 - 2019/20

Welfare Work and Reform Act 2016

2015/16 Housemark Benchmarking Survey

Autumn Budget 2017

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

APPENDIX 1

HOUSING REVENUE ACCOUNT		
	ORIGINAL ESTIMATE 2017/18	ESTIMATE 2018/19
	£	£
EXPENDITURE		
General Management	3,616,390	3,891,890
Special Services	191,170	214,570
Rent, Rates, Taxes & Other Charges	42,830	26,300
Repairs and Maintenance	2,883,030	2,823,320
Depreciation	4,406,760	4,600,000
Bad/Doubtful Debt	50,000	50,000
Capital Financing Costs		
Interest charges	2,322,240	2,308,980
TOTAL EXPENDITURE	13,512,580	13,915,060
INCOME		
Dwelling Rents	(12,183,440)	(11,991,720)
Non-Dwelling Rents	(545,130)	(566,920)
Heating and Service Charges	(365,090)	(374,210)
Leaseholder's Service Charges	(209,000)	(219,640)
Interest Received	(28,000)	(28,000)
TOTAL INCOME	(13,330,660)	(13,180,490)
NET (SURPLUS)/DEFICIENCY	181,920	734,570

ADUR:
Housing Revenue Account Budget Report

HOUSING REVENUE ACCOUNT – APPENDIX 2

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
EXPENDITURE										
General Management	3,616	3,892	3,989	4,089	4,171	4,254	4,339	4,426	4,514	4,605
Special Services	191	215	220	225	230	235	239	244	249	255
Rents, Rates, Taxes & Other Charges	43	26	27	28	28	29	29	30	31	31
OVERALL RUNNING COSTS	3,850	4,133	4,236	4,342	4,429	4,518	4,607	4,700	4,794	4,891
Annual Revenue Maintenance Costs	2,882	2,823	2,778	2,701	2,614	2,573	2,611	2,644	2,680	2,743
Revenue Contribution to Capital	0	0	0	0	0	0	0	0	0	300
Charges for Capital										
Depreciation	4,407	4,600	4,688	4,728	4,751	4,768	4,833	4,898	4,964	5,080
Interest payable										
Interest - on historic debt	974	974	974	974	974	974	974	974	963	938
Interest - on assumed debt	1,313	1,279	1,313	1,295	1,277	1,258	1,240	1,222	1,204	1,186
Interest - on capital programme	35	55	60	85	106	130	172	196	212	227
Provisions For Bad Debt	50	50	50	50	50	50	50	50	50	50
Contribution to Reserves	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	13,511	13,914	14,099	14,175	14,201	14,271	14,487	14,684	14,867	15,415
INCOME										
Dwelling Rents	-12,183	-11,992	-11,863	-12,199	-12,502	-12,796	-13,097	-13,404	-13,718	-14,039
Other Rents and Charges	-1,119	-1,160	-1,192	-1,234	-1,276	-1,318	-1,363	-1,409	-1,457	-1,506
Interest Received	-28	-28	-28	-28	-28	-28	-28	-28	-28	-28
TOTAL INCOME	-13,330	-13,180	-13,083	-13,461	-13,806	-14,142	-14,488	-14,841	-15,203	-15,573
NET COST OF SERVICES	181	734	1,016	714	395	129	-1	-157	-336	-158

ADUR:
Housing Revenue Account Budget Report

HOUSING REVENUE ACCOUNT – APPENDIX 2

	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	2033/34 £'000	2034/35 £'000	2035/36 £'000	2036/37 £'000
EXPENDITURE										
General Management	4,697	4,814	4,935	5,058	5,184	5,314	5,447	5,583	5,723	5,866
Special Services	259	265	272	279	286	293	300	308	317	323
Rents, Rates, Taxes & Other Charges	32	33	33	34	35	36	37	38	39	40
OVERALL RUNNING COSTS	4,988	5,112	5,240	5,371	5,505	5,643	5,784	5,929	6,079	6,229
Annual Revenue Maintenance Costs	2,807	2,872	2,938	3,005	3,076	3,147	3,219	3,293	3,370	3,447
Revenue Contribution to Capital	630	691	690	791	890	991	1,090	1,150	1,250	1,350
Charges for Capital										
Depreciation	5,199	5,320	5,444	5,570	5,699	5,831	5,966	6,103	6,243	6,386
Interest payable										
Interest - on historic debt	932	932	932	932	932	932	932	932	932	932
Interest - on assumed debt	1,134	1,083	1,031	979	928	876	824	772	721	669
Interest - on capital programme	260	319	385	454	524	568	613	684	736	791
Provisions For Bad Debt	50	50	50	50	50	50	50	50	50	50
Contribution to Reserves	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	16,000	16,379	16,710	17,152	17,604	18,038	18,478	18,913	19,381	19,854
INCOME										
Dwelling Rents	-14,367	-14,702	-15,044	-15,393	-15,749	-16,113	-16,485	-16,865	-17,252	-17,648
Other Rents and Charges	-1,558	-1,613	-1,671	-1,731	-1,792	-1,857	-1,923	-1,992	-2,064	-2,138
Interest Received	-28	-28	-28	-28	-28	-28	-28	-28	-28	-28
TOTAL INCOME	-15,953	-16,343	-16,743	-17,152	-17,569	-17,998	-18,436	-18,885	-19,344	-19,814
NET COST OF SERVICES	47	36	-33	0	35	40	42	28	37	40

ADUR:
Housing Revenue Account Budget Report



HOUSING REVENUE ACCOUNT – APPENDIX 2

	2037/38 £'000	2038/39 £'000	2039/40 £'000	2040/41 £'000	2041/42 £'000	2042/43 £'000	2043/44 £'000	2044/45 £'000	2045/46 £'000	2046/47 £'000
EXPENDITURE										
General Management	6,012	6,163	6,317	6,475	6,637	6,802	6,973	7,147	7,326	7,509
Special Services	331	340	348	357	366	375	384	394	404	414
Rents, Rates, Taxes & Other Charges	41	42	43	44	45	46	47	48	49	51
OVERALL RUNNING COSTS	6,384	6,545	6,708	6,876	7,048	7,223	7,404	7,589	7,779	7,974
Annual Revenue Maintenance Costs	3,525	3,607	3,689	3,773	3,858	3,945	4,036	4,125	4,219	4,313
Revenue Contribution to Capital	1,350	1,550	1,650	1,650	1,850	1,950	2,050	2,150	2,250	2,350
Charges for Capital										
Depreciation	6,532	6,681	6,833	6,988	7,146	7,308	7,473	7,641	7,813	7,988
Interest payable										
Interest - on historic debt	932	932	932	932	932	932	932	932	932	932
Interest - on assumed debt	617	566	514	462	411	359	320	320	320	320
Interest - on capital programme	841	874	921	979	1,038	1,078	1,091	1,096	1,095	1,089
Provisions For Bad Debt	50	50	50	50	50	50	50	50	50	50
TOTAL EXPENDITURE	20,231	20,805	21,297	21,710	22,333	22,845	23,356	23,903	24,458	25,016
INCOME										
Dwelling Rents	-18,052	-18,464	-18,884	-19,314	-19,752	-20,199	-20,655	-21,120	-21,594	-22,078
Other Rents and Charges	-2,215	-2,295	-2,378	-2,464	-2,553	-2,646	-2,742	-2,841	-2,944	-3,051
Interest Received	-28	-28	-28	-28	-28	-28	-28	-28	-28	-28
TOTAL INCOME	-20,295	-20,787	-21,290	-21,806	-22,333	-22,873	-23,425	-23,989	-24,566	-25,157
NET COST OF SERVICES	-64	18	7	-96	0	-28	-69	-86	-108	-141

APPENDIX 3**HRA TREASURY MANAGEMENT STRATEGY****1.0 INTRODUCTION**

- 1.1 This Appendix sets out the HRA Treasury Management Strategy Statement for 2018-19. The requirement to produce a separate strategy specifically for HRA is a direct consequence of the introduction of the self-financing regime, as it reflects the underlying principle that borrowing and debt management decisions should operate equitably and independently from the General Fund.
- 1.2 The treasury management and investment strategies presented and proposed for 2018/19 are unchanged from 2017/18, as it has been accepted by the Council's external auditors as an appropriate method of apportioning debt management costs and interest accrued from balances and investments between HRA and General Fund. However, in order to provide additional capital funding to address a backlog of maintenance, the Voluntary Revenue Provision will be suspended for at least 10 years.
- 1.3 Underpinning all Treasury Management activity of the Council is the CIPFA Treasury Management Code of Practice, which was revised in November 2011 to address the implications for introducing HRA Self-financing from 2012/13. An updated Code published in December 2017 did not include any changes to the HRA guidance.
- 1.4 The published Code identified the need for local authorities "...to allocate existing and future borrowing costs between housing and General Fund as the current statutory method of apportioning debt charges between the General Fund and HRA will cease".
- 1.5 The Council has adopted the "Two-Pooled Approach". This entailed allocating historic debt at 31 March 2012 between HRA and General Fund, with any new debt acquired after this date to be assigned to the HRA or General Fund according to the purpose for which it is acquired.
- 1.6 Additionally, the Strategy aims to achieve borrowing outcomes that are affordable, sustainable and prudent in keeping with the requirements of the Prudential Code for Capital Finance in Local Authorities. This Code requires the Council to consider the impact of borrowing as well as address a number of other fundamental principles, being:
 - (i) The splitting of loans (i.e. debt) at the HRA Settlement transition date must be of no detriment to the General Fund.
 - (ii) The Council is required to deliver a solution that is broadly equitable between the HRA and the General Fund;

1.0 INTRODUCTION

- (ii) Future charges to the HRA in relation to borrowing are not influenced by General Fund decisions, giving the HRA greater freedom, independence, certainty and control;
- (iv) Uninvested balance sheet resources which allow borrowing to be below the CFR are properly identified between General Fund and HRA.

1.6 Points (i) – (iii) above were addressed by adopting the “Two-Pool Approach”. The last point is met in the Strategy in accordance with the CIPFA Treasury Management Code recommendation that the effect should be included in the interest on balances calculation to appropriately allocate the respective portions to HRA and General Fund.

1.7 With these background principles and approaches in place the HRA Treasury Management Strategy aims to cover:

- Overall Objectives
- The Current & Future Position – Underlying Need to Borrow compared to Actual Borrowing
- The Debt Maturity Profile & Headroom for New Borrowing
- How to allocate debt and attributable financing costs between HRA and General Fund equitably
- How to recognise HRA cash balances and reserves which form part of the Council's total investments
- How to recognise any costs or revenues generated from over/under borrowing

1.8 Accordingly, these aspects of the Strategy are approached in turn.

2.0 OVERALL OBJECTIVES OF THE HRA TREASURY MANAGEMENT STRATEGY

The central aim of the Strategy agreed for 2017/18 and unchanged for 2018/19 is:

- to provide borrowing that is affordable, sustainable and prudent, as required by The Prudential Code, and which underpins the requirements of the HRA Capital Investment Programme, 30 year Business Plan, and any other corporate plans.

2.0 OVERALL OBJECTIVES OF THE HRA TREASURY MANAGEMENT STRATEGY

- to manage the HRA investments and cash flows, its banking, money market and capital market transactions within the purview of the Council's overall Treasury Management Strategy, and to provide effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- to support budget and service delivery objectives for the benefit of tenants at no detriment to the General Fund or council taxpayers generally.

3.0 THE CURRENT POSITION – UNDERLYING NEED TO BORROW COMPARED TO ACTUAL BORROWING

- 3.1 The underlying need to borrow for capital investment is called the Capital Financing Requirement (CFR) and relates to the amount of planned capital expenditure that is not financed from internal resources, which for HRA are primarily capital receipts, revenue contributions, and the Major Repairs Reserve.
- 3.2 Capital expenditure in any year above the amount allocated to be used from these resources must be financed from borrowing or other credit arrangements (e.g. leasing), and results in an increase to the CFR. By comparing the CFR to the amount of actual borrowing, the extent to which the Council is under or over borrowed is determined, and this provides a key prudential indicator for performance management. The HRA Debt Limit is £68.912m. The current estimates, based on the capital investment programme for the next three years, are shown in the table below:

Adur District Council	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Capital Financing Requirement (CFR)					
General Fund	14.909	43.865	79.785	106.536	131.128
Housing Revenue Account	60.103	61.237	61.474	62.010	63.010
Total CFR	75.012	105.102	141.259	168.546	194.138
Actual Debt					
General Fund	(14.971)	(43.855)	(79.109)	(103.441)	(125.365)
Housing Revenue Account	(59.581)	(59.009)	(57.539)	(56.369)	(55.663)
Total Debt Amount	(74.552)	(102.864)	(136.648)	(159.810)	(181.028)

3.0 THE CURRENT POSITION – UNDERLYING NEED TO BORROW COMPARED TO ACTUAL BORROWING

Adur District Council	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
(Over)/Under Borrowing					
General Fund	(0.062)	0.010	0.676	3.095	5.763
Housing Revenue Account	0.522	2.228	3.935	5.641	7.347
Total	0.460	2.238	4.611	8.736	13.110
HRA Borrowing Headroom	9.331	9.903	11.373	12.543	13.249

(Note that the General Fund position is shown for comparative purposes and is extracted from the Annual Treasury Management & Annual Investment Strategy Report 2018/19-2020/21 submitted to the meeting of the Joint Strategic Committee on 1st February 2018).

- 3.3 The comparison shows the HRA is under borrowed at the end of 2016/17 by £522k, reflecting the amount by which debt outstanding and Minimum Revenue Provision (MRP) has reduced over and above the incidence of new capital expenditure financed from borrowing since 2012/13. In the following years the amount by which actual borrowing is below CFR changes as the value of debt repaid in each year exceeds the amount of new borrowing anticipated to fund capital investment.
- 3.4 The propensity to bring actual borrowing into line with the CFR is constrained by the requirement to stay within the HRA Debt Limit of £68.912m imposed by Central Government. This is only a constraint if the CFR based on capital investment proposals is above the debt limit. However, for all years from 2018/19 to 2020/21 the CFR is projected to be below the debt as reflected in the capital investment proposals to be approved by the meeting of the Joint Strategic Committee on 1st February 2018.

4.0 THE DEBT MATURITY PROFILE AND HEADROOM FOR NEW BORROWING

The last row of the table in the preceding section compares the existing debt profile with the Debt Ceiling Limit of £68.912m. The amount by which actual borrowing is below the limit provides “Headroom” for new borrowing to fund capital expenditure. For each of the years to 2020/21 the headroom is more than sufficient to allow new borrowing to occur to bring total indebtedness in line with the underlying need to borrow as measured by the CFR – albeit the decision to borrow will be influenced by the prevailing forecast for interest rates, alternative sources of capital funding, and the ability to meet the direct financing costs of borrowing from within the approved HRA budget.

5.0 HOW TO ALLOCATE DEBT AND ATTRIBUTABLE FINANCING COSTS BETWEEN HRA AND GENERAL FUND EQUITABLY – THE TWO POOLED APPROACH

5.1 The methodology adopted in the Strategy draws upon CIPFA guidance relating to the two pooled approach, the essence of which is:

- to disaggregate historic debt at the HRA Debt Settlement transition date by the CIPFA methodology and allocate the respective portions to the HRA and General Fund. To each share is added new debt arising after the transition date according to the purpose for which it was incurred.

5.2 In adopting this methodology, the Council was mindful of its Treasury Management Consultant’s comments that “The two pool approach is the preferred option by CIPFA and DCLG. It is relatively simple and allows the HRA to present a preferred funding structure to the Treasury Management team. It allocates a greater proportion of fixed rate borrowing to the HRA, which may suit its needs as it provides a greater degree of certainty over initial costs”.

5.3 Another reason for adopting the two pool approach was that an assessment was made of the impact of the resultant financing costs at transition on the HRA and it was concluded that the effect was negligible.

5.4 For historic debt at the transition date, the two pooled approach assumed the HRA was fully borrowed at the level of its CFR, with the residual debt attributed to the General Fund. Thus, any over borrowing at that date was attributed to the General Fund, rather than shared with the HRA. The effect at 31 March 2012 of applying the two pooled approach was:

CFR Allocations at Transition Date		Debt Allocations at Transition Date	
	£000		£000
HRA	68,676	HRA	68,676
General Fund	11,160	General Fund	13,430
TOTAL	79,836	TOTAL DEBT	82,106

6.0 HOW TO RECOGNISE HRA CASH BALANCES AND RESERVES WHICH FORM PART OF THE COUNCIL’S TOTAL INVESTMENTS

6.1 Before 2012/13, the former subsidy system provided for a statutory determination – the Item 8 credit – to attribute interest on notional average HRA cash balances to the HRA Comprehensive Income and Expenditure statement.

6.0 HOW TO RECOGNISE HRA CASH BALANCES AND RESERVES WHICH FORM PART OF THE COUNCIL'S TOTAL INVESTMENTS

6.2 This recognised the general principal that the HRA should benefit from its cash balances and reserves, and the introduction of the self-financing arrangements did not alter this principle.

6.3 The Strategy adopts the CIPFA recommended approach for all investments to be pooled, since it states that the "interest on cash balances calculation can be used to manage the charge between HRA and General Fund". Accordingly, to do this the Strategy retains the use of the notional average cash balance approach used within the former Statutory Item 8 calculation as the basis for crediting the HRA share of interest receivable.

7.0 HOW TO RECOGNISE ANY COSTS OR REVENUES GENERATED FROM OVER/UNDER BORROWING

7.1 In practice it is recognised that there will be timing differences between the Council's underlying need to borrow (the CFR) and actual borrowing.

7.2 Where under borrowing occurs, the Council is drawing upon internal reserves and balances to fund capital expenditure, and therefore bears the cost of interest foregone on the amount of cash consumed that might otherwise be invested.

7.3 Conversely, where over borrowing occurs surplus cash to requirements is held that forms part of surplus cash available for investment. This may arise where borrowing for capital expenditure is undertaken in advance of actual expenditure to take advantage of low interest rates.

7.4 In both scenarios the CIPFA Treasury Management code states that the effect should be included in the interest on balances calculation to appropriately allocate the respective portions to HRA and General Fund.

7.5 Accordingly, the Strategy adopts the approach whereby the relevant credit or debit shall be computed with reference to the difference between the HRA and General Fund CFR and the respective actual debt during the year. Where an over-borrowing position occurs interest shall be credited at the average rate of interest on all investments prevailing for the period during which the over borrowing was sustained. For an under-borrowed position, interest shall be charged to reflect the interest foregone through consumption of internal resources and at the average rate of all investments achieved during the period of under borrowing.

JOINT SERVICE BLOCK ACTIVITY RECHARGED TO ADUR AND WORTHING COUNCILS



ADUR & WORTHING
COUNCILS

SERVICE BLOCKS	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
Chief Executive, Organisational Development & Communications	664,740	432,610
Director for Communities	9,181,130	7,423,710
Director for Digital & Resources	10,477,650	11,006,380
Director for the Economy	4,171,790	3,418,140
TOTAL SERVICES	24,495,310	22,280,840
ALLOCATION OF COSTS		
Recharged to other joint services	(3,751,090)	-
	20,744,220	22,280,840
Adur District Council	(8,464,000)	(9,213,250)
Worthing Borough Council	(12,280,220)	(13,067,590)
TOTAL SERVICE BLOCK ALLOCATIONS	(20,744,220)	(22,280,840)

ADUR BUDGET SUMMARY SUMMARY OF DIRECTORATES



ADUR DISTRICT
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
Chief Executive, Organisational Development & Communications	32,160	20,880
Communities	5,156,610	4,889,440
Digital and Resources	4,104,370	3,698,700
Economy	1,044,440	576,160
Allocations	(635,450)	141,760
NET SERVICE EXPENDITURE	9,702,130	9,326,940
Credit Back Depreciation / Impairments	(1,378,220)	(1,821,540)
Minimum Revenue Provision	818,480	1,097,860
	9,142,390	8,603,260
Transfer to / from Reserves	14,000	14,000
Balance Available to Transfer To / (From) Reserves	4,000	10,500
Total budget requirement before external support from government	9,160,390	8,627,760
Baseline Funding	(1,650,290)	(1,699,870)
Additional business rate income	(736,110)	(637,000)
Revenue Support Grant	(271,200)	-
Transition Grant	(72,710)	-
Other unfenced grants (New homes bonus & Ctax Transition)	(553,290)	(202,440)
Contribution to/ (from) Collection Fund	(34,100)	(4,190)
Amount required from Council Tax - Adur District	5,842,690	6,084,260

WORTHING BUDGET SUMMARY SUMMARY OF DIRECTORATES



WORTHING BOROUGH
COUNCIL

SERVICE BLOCKS	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
Chief Executive, Organisational Development & Communications	21,390	210
Director for the Communities	7,884,490	7,919,310
Director for Digital and Resources	5,975,860	4,875,230
Director for the Economy	3,376,900	2,731,200
Allocations	(1,626,980)	88,700
NET SERVICE EXPENDITURE	15,631,660	15,614,650
Credit Back Depreciation	(3,323,380)	(3,633,620)
Minimum Revenue Provision	1,072,620	1,408,260
	13,380,900	13,389,290
Transfer to / from Reserves	86,250	86,250
Balance Available to Transfer To / (From) Reserves	1,470	41,050
Total budget requirement before external support from government	13,468,620	13,516,590
Baseline Funding	(2,514,490)	(2,590,030)
Additional business rate income	(505,750)	(769,100)
Revenue Support Grant	(452,930)	(7,680)
Transition Grant	(99,860)	-
Other unfenced grants (New homes bonus)	(1,388,230)	(1,220,870)
Contribution to/ (from) Collection Fund	(9,400)	(54,880)
Amount required from Council Tax	8,497,960	8,874,030

SERVICE DIRECTORATE:
Chief Executive & Communications

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

CHIEF EXECUTIVE:

Strategic Management - Strategic risk assessment and monitoring.

COMMUNICATIONS:

Media and Communications - External communications - press, social media and reputation issues. Internal communications - manager and staff conferences, & staff engagement.

Community Engagement- Citizen panels, community engagement task force, consultation, social media.

**JOINT SUMMARY SERVICE BLOCK:
Chief Executive & Communications**



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
CHIEF EXECUTIVE		
Chief Executive Office	444,080	196,290
Vacancy Provision		(16,660)
Director for Customer Services office	25,310	-
	469,390	179,630
Head of Communications		
Head of Communications - Office	61,140	68,980
Communications	134,210	184,000
	195,350	252,980
TOTAL FOR CEO AND COMMUNICATIONS	664,740	432,610

JOINT VARIATIONS SERVICE BLOCK:
Chief Executive and Communications



ADUR & WORTHING
 COUNCILS

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2017/2018	ESTIMATE 2018/2019
	£
ORIGINAL ESTIMATE 2017/2018	664,740
CHANGES TO BASE	
Virements between Directorates	(8,570)
INFLATION	
including Payroll Adjustments, Increments, Pension contribution increases	45,540
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Agreed Savings	
Chief Executive secondment	(61,000)
Rationalisation of senior management team	(155,360)
Fee income - Communications	(12,000)
Merger of the Environment and Waste Management teams	(25,190)
Non Committed Growth	
Additional capacity in the Communications Team Net of additional income	43,230
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	(58,780)
Other minor transfers	-
APPROVED ESTIMATE 2018/2019	432,610

SERVICE / ACTIVITY	Staff FTE	Employees	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	TOTAL BUDGET
		£	£	£	£	£	£	£
CHIEF EXECUTIVE								
Chief Executive Office	3	171,360	2,230	6,040	-	-	179,630	179,630
Director for Customer Services office	0	-	-	-	-	-	0	0
Head of Communications								
Head of Communications - Office	1	68,980	-	-	-	-	68,980	68,980
Communications	4	196,400	410	18,780	-	(31,590)	184,000	184,000
	8							
TOTAL COST		436,740	2,640	24,820	0	(31,590)	432,610	432,610
Percentage Direct Cost		94%	1%	5%	0%			
An explanation of the changes to the budget since last year is provided on the previous page - the Variation page Staff FTE = Number of staff based on full time equivalent								

ADUR SUMMARY SERVICE BLOCK:
Chief Executive and Communications



ADUR DISTRICT
 COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
CHIEF EXECUTIVE	£	£
Head of Communications		
Strategic Planning	32,160	20,880
	32,160	20,880
TOTAL FOR CEO AND COMMUNICATIONS	32,160	20,880

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2018/2019
<p>ORIGINAL ESTIMATE 2017/2018</p> <p>APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE</p> <p>Non Committed Growth Support for Cultural organisations Changes in allocation of recharge from other services</p>	<p>£ 32,160</p> <p>- 20,000 (31,280)</p>
<p>APPROVED ESTIMATE 2018/2019</p>	<p>20,880</p>

ADUR SUBJECTIVE ANALYSIS
Chief Executive and Communications

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
CHIEF EXECUTIVE		£	£	£	£	£	£	£	£	£	£	£
Head of Communications Strategic Planning		-	-	-	-	20,000	-	-	20,000	880	-	20,880
TOTAL STAFF	0											
TOTAL COST		0	0	0	0	20,000	0	0	20,000	880	0	20,880
Percentage Direct Cost												

WORTHING SUMMARY SERVICE BLOCK:
Chief Executive and Communications



WORTHING BOROUGH
 COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
CHIEF EXECUTIVE		
Head of Communications		
Public Information	200	210
Communications	21,190	-
	21,390	210
TOTAL FOR CEO AND COMMUNICATIONS	21,390	210

WORTHING VARIATIONS SERVICE BLOCK:
Chief Executive and Communications



WORTHING BOROUGH
 COUNCIL

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2017/2018	ESTIMATE 2018/2019
ORIGINAL ESTIMATE 2017/2018	£ 21,390
INFLATION	10
Changes in allocation of recharge from other services	(21,190)
APPROVED ESTIMATE 2018/2019	210

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE											
Head of Communications											
Public Information	-	-	-	-	210	-	-	210	-	-	210
Communications	-	-	-	-	-	-	-	0	-	-	0
	0	0	0	0	210	0	0	210	0	0	210
Percentage Direct Cost	0%	0%	0%	0%	100%	0%					

SERVICE DIRECTORATE:
Communities

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

WELLBEING

Democratic Services and Community Engagement - Democratic Services, which includes Committee support, Member support and the Mayoral and Chairman's Offices, provide support to Members and Officers, to ensure that the decision-making process runs smoothly and effectively and that Members and the public receive relevant committee documentation in a timely fashion. They also assist the Mayor and Chairman by maintaining diaries, and organising some small Civic Head functions.

Public Health and Regulation – All aspects of Licensing including Taxi and private hire, premises and personal licensing. Includes environmental protection and noise, food safety and hygiene, health and safety enforcement, healthy workplace.

Communities and Wellbeing:

Early Help and Wellbeing - Support for Safer Communities Partnership, anti-social behaviour teams and co-ordination of the wider Safer Communities programme, police performance and intelligence liaison, young people and leisure development, Safeguarding of Children and Young People and Adults at Risk.

Early Help and Neighbourhoods – Work and skills and neighbourhoods. **Families and Wellbeing** – Public health and Wellbeing, Think Family and Early Help, British Heart Foundation Hearty Lives. **Third Sector and Partnerships** – Local Strategic Partnership, development and delivery of Waves Ahead, workability, support and liaison with the Voluntary and community Sector, Administration of Adur Community Grants, Wellbeing Hubs.

Going Local Grants – New grants programme (redeveloped from Worthing's Money Tree and Adur's Pot of Gold) including £20,000 from Worthing and £20,000 from Adur to provide small grants for the voluntary and community sector to deliver the aims of Going Local Community Referral project. Application levels are being designed and are not yet agreed. Start date will be around summer time.

ENVIRONMENTAL

Parks and Foreshore - Providing a grounds maintenance and management service for both Council's parks, open spaces, allotments and play areas. Also includes Community Parks Rangers, event management on open spaces managing beach huts and chalets and Worthing Pier and foreshore management.

SERVICE DIRECTORATE:
Communities

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

ENVIRONMENTAL

Bereavement Services - Provides a burial and cremation service that aims to meet the needs of the bereaved, in accordance with the ICCM's Charter for the Bereaved.

In accordance with statutory legislation, set in safe and attractive environments for burials and cremations.

Dog Warden Service - Dealing with Stray Dogs, investigating dog related complaints of ASB, Dog Fouling. Proactive engagement with the community regarding promoting responsible dog ownership and enforce Public Space Protection Orders for Dog related offences including issuing of Fixed Penalty Notices if offences committed.

Refuse and Recycling - Household refuse and recycling collection, including the provision of bulky waste and green garden waste collection services.

Street Cleansing - The cleaning of streets, twittens and footpaths through a combination of mechanical and manual sweeping, and the emptying of litter bins, Provision of the Pest Control service

Vehicle Maintenance - Procure, maintain and service most of the Councils' fleet of vehicles and plant. Carry out MOT testing and Private Hire and Hackney Carriage inspections for Worthing taxis. Provide administrative support to maintain the Councils' Operator's Licence.

Waste Strategy & Compliance - Street scene enforcement. Investigation and enforcement activity for fly-tipping, littering, abandoned vehicles, fly-posting, graffiti, street trading (Adur only), waste storage and management and other waste-related environmental crime.

Clinical Waste – The collection of clinical and hazardous waste.

Commercial Waste - Collection of waste from commercial properties including a recycling service.

SERVICE DIRECTORATE: *Communities*

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

HOUSING

Housing Solutions – Provides first point of contact for households who are homeless or at risk of becoming homeless. The service will initially look to see how homelessness can be prevented, and if there is a statutory duty to provide interim accommodation whilst a case is investigated and whether there's a duty to provide longer term accommodation. The service also maintains the Housing Register for both authorities and then subsequent allocation into social housing, either directly managed by the authority; transferred to a Registered Provider; or a nomination to a local Registered Provider.

Adur Homes – Providing tenancy management, estate management and resident engagement for people living in an Adur Homes property. Housing management incorporates both the sheltered and general needs stock; as well as other assets within the Housing Revenue Account, such as garages and shops. The service is responsible for the administration of Right to Buy and services to leaseholders, which will be funded through services charges or fees, rather than the HRA.

The Council has a statutory obligation to provide the following:

Wellbeing services:

- Support for neighbourhood plans.
- Duty to co-operate to safeguard children and young people – Children Act 1989.
- Duty to co-operate and safeguard adults at risk – Care Act 2014

There are no major changes in services planned for 2017-18.

Democratic Services and Community Engagement:

- The Democratic process (Council, Leader and Cabinet and Committees)
- Licensing: Both Councils have statutory responsibilities as licensing authorities.
- Environmental Health: The Council has numerous statutory regulatory functions across all of the areas listed above, particularly around private sector housing conditions, environmental protection and control of pollution, food safety and the requirement for an annual Food Safety Plan. Provision of Disabled Facilities Grants to qualifying persons is mandatory.

Environmental services:

- Cemetery provision
- Household refuse and recycling
- Street cleansing including abandoned vehicles

SERVICE DIRECTORATE: *Communities*

Environmental services:

- Clinical waste collection
- Commercial waste

Waste Management:

Became part of Adur and Worthing Joint Shared Services on various dates as detailed below:

Waste Management 2007 and Cleansing 2009

Housing Services:

- **Housing Stock:** Manage and maintain the Adur Council's housing stock.
- **Temporary Accommodation:** Make temporary accommodation available to people who meet the homeless criteria of the homeless legislation, **including the period during which an application is assessed**. Provision of temporary accommodation is one of the Council's chosen methods.

Adur Homes is not a joint service, being specific to the social housing owned by Adur District Council. The Executive Head of Housing, which includes responsibility for Adur Homes, is part of the senior officer structure that is included within the Joint Committee.

Adur Homes has a number of major contracts of over £100,000. These are for long periods and are reviewed and retendered from time to time.

These major contracts are listed below and are necessary to ensure that the Council can undertake its duties with regard to the management of the Housing Stock.

- Window cleaning contracts for Sheltered schemes and general areas ending January 2017.
- The following contracts are currently out to tender:
 - ❖ Gas contracts for Sheltered schemes and East and West District
 - ❖ Communal way cleaning
 - ❖ Door entry and Community alarm contracts

JOINT SUMMARY SERVICE BLOCK:
Communities Directorate



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR COMMUNITIES		
Director for Communities office	184,350	167,890
Directorate Vacancy Provision		(329,350)
	184,350	(161,460)
HEAD OF HOUSING		
Head of Housing	153,110	246,400
Housing Solutions	806,730	824,350
Housing - Environmental Health / Protection Team	322,650	305,610
Housing Strategy	326,530	197,270
	1,609,020	1,573,630
HEAD OF ENVIRONMENT		
Head of Environment	113,100	101,280
Parks	1,015,700	719,330
Foreshores	203,770	202,650
Dog Warden	99,660	91,150
Waste Management	306,620	290,800
Commerce Way Depot	105,700	105,200
Clinical Waste Collection	(6,750)	(8,590)
Recycling	(1,114,830)	(1,368,150)
Refuse Collection	1,573,810	1,615,390
Street Sweeping & Cleansing	1,497,210	1,478,110
Trade Refuse Collection	451,600	439,040
Vehicle Workshop	610,660	516,640
Waste Strategy	261,090	78,190
Off Street Parking	390,470	343,240
	5,507,810	4,604,280
Less: Vehicle Works Trading A/c - recharged to services per job	(584,540)	(516,640)
HEAD OF WELLBEING		
Head of Wellbeing	125,340	78,910
Community Wellbeing	791,050	546,940
Environmental Health - Domestic	961,640	799,710
Licensing	257,210	229,890
Democratic Services	329,250	268,450
	2,464,490	1,923,900
TOTAL FOR COMMUNITIES	9,181,130	7,423,710

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2017/2018	ESTIMATE 2018/2019
	£
ORIGINAL ESTIMATE 2017/2018	9,181,130
CHANGES TO BASE	
Virements	(369,530)
Joint transfers - grounds maintenance contract sum	(13,370)
INFLATION	
including Increments, National Insurance changes, Pension contribution increase	302,540
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Additional waste and recycling round	255,000
Impact of Homelessness Reduction Act	54,000
Delay in delivery of saving on the licencing service	25,000
Agreed Savings	
Environmental Services Base budget review	(80,000)
Environment Restructure	(336,470)
Bin delivery charge	(4,000)
Increased Waste & Cleansing income	(225,840)
Parks increased income	(10,000)
Community Wellbeing Restructure	(66,330)
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	(1,288,420)
Other minor transfers	-
APPROVED ESTIMATE 2018/2019	7,423,710

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Income	Service Controlled Budget	Support	TOTAL BUDGET
		£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES									
Director of Communities Office	2	(165,270)	-	-	3,810	-	(161,460)	-	(161,460)
Head of Housing									
Head of Housing	2.6	147,240	-	760	98,400	-	246,400	-	246,400
Housing Solutions	14	806,330	-	10,540	7,480	-	824,350	-	824,350
Housing - Environmental Health / Protection Team	6	291,620	-	7,380	6,610	-	305,610	-	305,610
Housing Strategy	4.46	193,140	-	2,140	1,990	-	197,270	-	197,270
Head of Environment									
Head of Environment	1	101,280	-	-	-	-	101,280	-	101,280
Parks	54.8	1,766,110	-	253,160	283,300	(1,583,240)	719,330	-	719,330
Foreshores	5.9	208,080	-	-	-	(5,430)	202,650	-	202,650
Environmental Health	2.4	76,390	-	3,770	15,370	(4,380)	91,150	-	91,150
Waste Management	6	289,130	100	3,980	17,060	(19,470)	290,800	-	290,800
Commerce Way Depot	0	-	154,430	50	10,910	(60,190)	105,200	-	105,200
Clinical Waste Collection	1	26,770	-	7,170	12,010	(54,540)	(8,590)	-	(8,590)
Recycling	22	766,920	-	168,710	83,960	(2,387,740)	(1,368,150)	-	(1,368,150)
Refuse Collection	40	1,423,280	-	291,650	21,530	(121,070)	1,615,390	-	1,615,390
Street Sweeping & Cleansing	50	1,537,500	-	223,720	122,570	(405,680)	1,478,110	-	1,478,110
Trade Refuse Collection	9.8	321,840	-	94,350	28,120	(5,270)	439,040	-	439,040
Vehicle Workshop	8.4	218,590	270	9,360	323,180	(34,760)	516,640	-	516,640
Waste Strategy	5.7	66,800	-	11,390	-	-	78,190	-	78,190
Off Street Parking	13	343,240	-	-	-	-	343,240	-	343,240
Less: Vehicle Works Trading Account - recharged to services per job		-	-	-	-	(516,640)	(516,640)	-	(516,640)
Head of Wellbeing									
Head of Wellbeing	1	62,440	-	-	16,470	-	78,910	-	78,910
Community Wellbeing	33.5	1,319,940	-	5,850	37,340	(816,190)	546,940	-	546,940
Environmental Health- Domestic	14.9	772,050	-	16,550	11,110	-	799,710	-	799,710
Licensing	6.3	220,310	-	4,620	4,960	-	229,890	-	229,890
Democratic Services	6	251,020	-	170	17,260	-	268,450	-	268,450
	320.4								
TOTAL COST		11,044,750	154,800	1,115,320	1,123,440	(6,014,600)	7,423,710	0	7,423,710
Percentage Direct Cost		82%	1%	8%	8%				

ADUR SUMMARY SERVICE BLOCK:
Communities Directorate



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR COMMUNITIES		
Leisure Client	500,990	514,640
	500,990	514,640
HEAD OF HOUSING		
Community Alarm	33,900	8,840
Housing Including Homelessness	884,670	822,110
Housing Strategy	62,080	165,480
	980,650	996,430
HEAD OF ENVIRONMENT		
Parks	902,120	883,420
Foreshores	(12,590)	(27,960)
Allotments	27,490	(25,880)
Cemeteries	111,070	130,690
Abandoned Vehicles	29,480	5,830
Clinical Waste Collection	14,690	(3,130)
Recycling	(223,790)	(340,860)
Refuse Collection	773,270	903,710
Street Sweeping & Cleansing	599,850	566,820
Trade Refuse Collection	(171,890)	(213,240)
Vehicle Workshop	5,470	-
Graffiti: Visual Quality Initiative	4,680	7,760
Waste Strategy	940	1,030
	2,060,790	1,888,190
HEAD OF WELLBEING		
Community Development, Fishersgate & Grants	429,950	345,440
Community Safety	233,990	261,020
Food Safety, Commercial Environmental Health and Dog Control	225,200	191,400
Public Health and Regulation & Pollution Control	200,070	194,960
Licensing	89,310	124,290
Democratic Services	441,130	373,070
	1,619,650	1,490,180
TOTAL FOR COMMUNITIES	5,162,080	4,889,440

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2018/2019
	£
ORIGINAL ESTIMATE 2017/2018	4,228,690
Services transferred to Directorate	927,920
ORIGINAL ESTIMATE 2017/2018	5,156,610
CHANGES TO BASE	
Virements	(5,860)
Joint Transfers - Grounds Maintenance	(39,460)
INFLATION	49,290
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Increased disposal costs associated with trade waste	36,000
Agreed Savings	
ADC grant to Impulse leisure reduction	(10,000)
Floral display budget adjustment	(2,500)
Increase in fees & charges	(69,750)
Reduced grounds maintenance costs	(20,000)
Out-of- hours service	(2,480)
Dial-a-ride	(4,240)
Adur Grants	(50,000)
Non committed Growth	
Playing pitch and built facilities review	20,000
Changes in allocation of recharge from other services	(903,720)
Asset Hire/Impairment	735,550
APPROVED ESTIMATE 2018/2019	4,889,440

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES												
Leisure Client		-	-	50,940	-	24,520	145,000	(9,530)	210,930	14,740	288,970	514,640
HEAD OF HOUSING												
Community Alarm	3	108,950	15,290	-	5,340	42,100	41,050	(282,150)	(69,420)	60,630	17,630	8,840
Housing Inclndg Homelessness		-	284,270	577,680	440	671,360	112,060	(1,113,340)	532,470	289,640	-	822,110
Housing Strategy		-	156,700	-	-	4,880	-	(34,610)	126,970	38,510	-	165,480
HEAD OF ENVIRONMENT												
Parks		-	(42,880)	658,280	-	51,660	-	(183,220)	483,840	281,230	118,350	883,420
Foreshores		-	-	11,550	-	8,910	-	(102,870)	(82,410)	31,600	22,850	(27,960)
Allotments		-	-	20,960	-	-	-	(49,230)	(28,270)	-	2,390	(25,880)
Cemeteries		-	97,130	79,500	-	-	-	(191,770)	(15,140)	141,780	4,050	130,690
Abandoned Vehicles		-	-	-	1,140	-	4,690	-	5,830	-	-	5,830
Commerce Way Depot		-	-	-	-	-	-	-	0	-	-	0
Clinical Waste Collection		-	(3,130)	-	-	-	-	-	(3,130)	-	-	(3,130)
Recycling		-	(498,010)	-	-	-	-	-	(498,010)	52,190	104,960	(340,860)
Refuse Collection		-	607,450	-	-	-	-	-	607,450	194,060	102,200	903,710
Street Sweeping & Cleansing		-	561,640	-	-	-	-	(131,070)	430,570	91,380	44,870	566,820
Trade Refuse Collection		-	131,710	-	-	251,030	-	(628,950)	(246,210)	13,270	19,700	(213,240)
Vehicle Workshop		-	-	-	-	-	-	-	0	-	-	0
Graffiti: Visual Quality Initiative		-	3,010	-	-	-	-	-	3,010	3,000	1,750	7,760
Waste Strategy		-	-	-	-	-	-	-	0	-	1,030	1,030
HEAD OF WELLBEING												
Community Development, Fishersgate & Grants	1	-	82,090	1,010	-	207,860	-	(15,300)	275,660	69,780	-	345,440
Community Safety		-	136,780	1,340	-	8,820	-	-	146,940	112,320	1,760	261,020
Food Safety, Commercial		-	1,580	-	-	8,950	-	-	10,530	179,420	1,450	191,400
Environemntal Health and Dog Control		-	36,100	-	-	15,430	4,820	(12,810)	43,540	147,830	3,590	194,960
Public Health and Regulation & Pollution Control		-	-	-	-	-	-	-	-	-	-	-
Licensing		8,160	104,930	-	-	13,410	-	(119,400)	7,100	117,190	-	124,290
Democratic Services		212,690	63,790	-	-	13,760	-	(15,600)	274,640	98,430	-	373,070
TOTAL STAFF	4											
TOTAL COST		329,800	1,738,450	1,401,260	6,920	1,322,690	307,620	(2,889,850)	2,216,890	1,937,000	735,550	4,889,440
Percentage Direct Cost		6%	34%	27%	0%	26%	6%					

WORTHING SUMMARY SERVICE BLOCK:
Communities Directorate



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR COMMUNITIES		
Lido/Pier/Southern Pavilion	232,420	168,810
Southdowns Leisure	1,298,350	1,341,210
	1,530,770	1,510,020
HEAD OF HOUSING		
Housing including Homelessness	1,481,550	1,752,970
Home Improvement Assistance	32,270	113,040
Housing Strategy	71,330	103,430
	1,639,480	2,140,000
HEAD OF ENVIRONMENTAL SERVICES		
Parks and Open Spaces	1,627,510	1,702,410
Foreshores	668,930	706,540
Allotments	63,190	12,480
Cemeteries	92,800	14,530
Crematorium	(1,438,670)	(1,462,520)
Waste Management	28,580	1,810
Clinical Waste Collection	16,780	(5,470)
Recycling	(408,920)	(737,440)
Refuse Collection	1,336,980	1,588,530
Street Sweeping & Cleansing	767,020	733,520
Trade Refuse Collection	(401,430)	(467,150)
Vehicle Workshop	630	630
Graffiti: Visual Quality Initiative	670	5,420
Waste Strategy	(360)	(400)
	2,353,710	2,092,890
HEAD OF WELLBEING		
Community Wellbeing & Community Centres	530,090	470,500
Community Safety	308,770	324,830
Health & Food Safety	246,310	209,990
Public Health & Regulation	447,170	542,870
Licensing	51,860	102,750
Member & Mayoral services	776,330	525,460
	2,360,530	2,176,400
TOTAL FOR COMMUNITIES	7,884,490	7,919,310

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2017/2018	ESTIMATE 2018/2019
	£
ORIGINAL ESTIMATE 2017/2018	7,884,490
CHANGES TO BASE	
Virements	18,050
INFLATION	(10,720)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Impact of pension valuation for SDLT - Fall out of pension costs.	(18,000)
Increased Waste Disposal costs	84,000
Increasing demand for emergency accomodation	175,000
Income loss due to changes to franchise / concession	20,000
Loss of income to the Crematorium	120,000
Agreed Savings	
Increase in parks & rec. grounds fees and charges income	(12,000)
Floral display budget adjustment	(7,500)
Allotment rental income	(4,600)
New rental income for recreation grounds	(5,500)
Increase in compound and land rentals	(10,000)
Increase in net income from trade waste	(73,850)
Fee increase Crematorium	(120,000)
Out-of- hours service	(14,020)
Dial-a-ride	(10,830)
Guild Care	(8,990)
Council Room subsidy	(2,790)
Non Committed Growth	
Playing pitch and built facilities review	50,000
Changes in allocation of recharge from other services	(2,316,420)
Asset Hire/Impairmnt	2,177,530
Other minor transfers	5,460
APPROVED ESTIMATE 2018/2019	7,919,310

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR FOR COMMUNITIES		£	£	£	£	£	£	£	£	£	£	£
Lido/Pier/Southern Pavilion		-	-	249,690	-	9,670	-	(120,220)	139,140	-	29,670	168,810
South Downs Leisure		132,750	-	225,570	-	50,000	-	(102,060)	306,260	40,810	994,140	1,341,210
HEAD OF HOUSING												
Housing including Homelessness		-	637,550	-	-	1,440,330	153,890	(744,660)	1,487,110	265,860	-	1,752,970
Home Improvement Assistance		-	-	-	-	-	-	-	0	113,040	-	113,040
Housing Strategy		-	98,640	-	-	-	-	(42,190)	56,450	46,980	-	103,430
HEAD OF ENVIRONMENTAL SERVICES												
Parks and Open Spaces		-	109,210	1,111,290	-	128,730	-	(312,370)	1,036,860	409,740	255,810	1,702,410
Foreshores		-	202,650	402,440	4,520	31,720	-	(429,960)	211,370	244,780	250,390	706,540
Allotments		-	-	15,700	-	-	-	(5,220)	10,480	-	2,000	12,480
Cemeteries		-	82,740	130,180	-	16,410	-	(272,410)	(43,080)	27,110	30,500	14,530
Crematorium	7.3	227,430	100,730	479,520	3,560	180,750	-	(2,744,970)	(1,752,980)	203,330	87,130	(1,462,520)
Waste Management		-	-	-	-	2,280	-	(470)	1,810	-	-	1,810
Clinical Waste Collection		-	(5,470)	-	-	-	-	-	(5,470)	-	-	(5,470)
Recycling		-	(870,150)	-	-	-	1,400	-	(868,750)	74,050	57,260	(737,440)
Refuse Collection		-	1,027,380	-	-	-	-	-	1,027,380	214,250	346,900	1,588,530
Street Sweeping & Cleansing		-	895,730	-	-	-	-	(331,380)	564,350	100,520	68,650	733,520
Trade Refuse Collection		-	307,330	-	-	504,570	-	(1,333,030)	(521,130)	19,400	34,580	(467,150)
Vehicle Workshop		-	-	-	-	-	-	-	0	-	630	630
Graffiti: Visual Quality Initiative		-	-	-	-	-	-	-	0	2,820	2,600	5,420
Waste Strategy		-	-	-	-	-	-	(1,810)	(1,810)	-	1,410	(400)
HEAD OF WELLBEING												
Community Wellbeing & Community Centres		-	125,120	21,500	-	198,570	-	-	345,190	122,420	2,890	470,500
Community Safety		-	177,420	3,740	-	21,220	-	-	202,380	116,330	6,120	324,830
Health & Food Safety		-	3,950	-	-	15,750	-	(3,830)	15,870	194,120	-	209,990
Public Health & Regulation		-	55,910	-	-	26,070	-	(4,400)	77,580	458,440	6,850	542,870
Licensing		-	155,650	-	-	3,930	-	(222,110)	(62,530)	165,280	-	102,750
Member & Mayoral services		274,830	215,700	-	3,340	25,030	-	-	518,900	6,560	-	525,460
	7.3											
		635,010	3,472,890	2,639,630	11,420	2,670,500	155,290	(6,671,270)	2,913,470	2,828,310	2,177,530	7,919,310
Percentage Direct Cost		7%	36%	28%	0%	28%	2%					

SERVICE BLOCK:
Digital and Resources Directorate

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

LEGAL SERVICES

The **Legal Services Section** provides legal advice to the Councils, its internal client departments, Officers and Members; it supports the decision-making process and governance arrangements of the Councils; it acts on behalf of the Councils in legal proceedings in the criminal and civil courts. The Legal Services Team proactively enables the Councils to achieve its corporate objectives, whilst protecting it by ensuring the Councils always act lawfully. Legal Services Officers provide general advice, draft legal documents, including contracts and conveyancing documents, issue legal proceedings and represent the Council in Courts and Tribunals.

The **Monitoring Officer**, within the Legal Services Section, provides corporate governance advice to Members and Senior Officers, ensures that high standards of ethics and behaviour are maintained, provides training in respect of the democratic process, deals with standards complaints and ensures that the Councils' Constitutions are maintained to provide an agile, enabling framework.

HUMAN RESOURCES

The **HR Team** provides strategic HR business focussed advice to all Directorates of the Council. Offers an HR Business Partner linked to each directorate to advise managers in understanding and implementing the Council's employment policies and procedures, in accordance with employment legislation.

Organisational Development - Leads cultural and people development activities across the Councils; manages organisation-wide learning and e-learning; facilitates training within Directorates; supports apprenticeships and work experience; and develops and maintains partnerships with other public and third sector learning communities.

BUSINESS AND TECHNICAL SERVICES

Engineering and Surveying - Non-housing property repairs, maintenance, refurbishment, improvements, new build, seats in streets, public conveniences, energy management and sustainability. Coast protection, surface water management, flood prevention, coastal monitoring, land drainage, bus shelters, road nameplates, hard surfaces, highways liaison.

Procurement and Contracts. Facilities – facility management, building cleaning, superintendents/porters, telephony, desktop printing and reprographics and corporate health and safety.

Corporate and Emergency Planning and business continuity.

SERVICE BLOCK:

Digital and Resources Directorate

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

CUSTOMER AND DIGITAL SERVICES

Corporate Contact Centre – Delivering a multi-channel contact centre and in-person customer service sites at Portland House and the Shoreham Centre; Corporate complaints and LGO liaison, Customer Insight, Oversight and coordination of customer journey mapping and process improvement.

Electoral Services - provide support to the Returning Officer during all elections and help to ensure the smooth running of elections and support the Electoral Registration Officer in maintaining the electoral register through the annual canvass. Undertake formal consultation as part of the democratic franchise with the citizens of Adur & Worthing Councils'

Business Support – workflow and fulfilment operations: administrative support operations.

Parking Services - provide On and Off street parking management including enforcement. Management of off street car parks including multi storey` car parks in Worthing.

Digital and Design - The Digital and Design Service is responsible for enabling digital transformation through service design and innovation programmes within the Councils. It is also responsible for ensuring the smooth running of the underpinning technology infrastructure services alongside our partners and suppliers. Digital and Design are a key resource for the maintenance and upkeep of the Councils' websites, geographic information systems and the continued development and management of the cloud platform solutions that support the growing technology needs of the Councils.

REVENUES AND BENEFITS

Revenues and Recovery - the billing, collection and enforcement of Council Tax, National Non-Domestic Rates and the Business Improvement District (BID) levies throughout Adur and Worthing. The service delivers a tailored high-quality customer-centric approach that balances the need to maximise income for the Councils whilst supporting customers in meeting their financial commitments. Collection of the BID Levies enables Lancing Business Park and the Town Centre Initiative and to enhance and promote their respective areas, thereby supporting businesses.

SERVICE BLOCK:
Digital and Resources Directorate

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

Housing Benefit and Council Tax Support - the assessment, payment and maintenance of claims throughout Adur and Worthing. The high-quality service ensures that claims are administered as swiftly as possible whilst maintaining accuracy to provide customers with appropriate financial support to enable them to pay their rent and Council Tax. The team works closely with both internal and external partners to ensure that appropriate support is provided to residents who are subject to national welfare reforms including the introduction of Universal Credit.

Benefit Adjudication - the administration of discretionary awards (Discretionary Housing Payments throughout Adur and Worthing plus Discretionary Council Tax Support in Worthing only), recovery of overpaid Housing Benefit and consideration of Benefit appeals.

FINANCE

Management and Technical Accounting - Professional accounting service whose key tasks include:

- Financial advice for managers;
- Production of the annual statement of accounts;
- Production of the annual budget;
- Investment and borrowing of funds;

Strategic Accounting

Exchequer and Fraud - Payments and income service, including debt management. Payment of salaries to staff and allowances to members. Front line cash receipting service operating out of the Town Hall. Investigation into all types of fraud and theft including Housing Benefit Fraud and Single Person Discount.

Internal Audit Service which ensures that the Council's processes are fit for purpose and safeguard the Council's financial assets. Fraud for Worthing Borough Council.

The Council has a statutory obligation to provide the following, in accordance with Section 5 of the Local Government Housing Act 1989:-

- Monitoring Officer

No Major changes in the delivery of the service are being considered currently and are likely to be implemented in 2017/18.

SERVICE BLOCK: ***Digital and Resources Directorate***

The Council has a statutory obligation to provide the following Technical Services:-

- Coast Protection
- Corporate Health and Safety

The Council has a statutory obligation to provide the following services:

- Council Tax and Business Rates billing collection and recovery
- Housing and Council Tax Benefits assessment and payment
- Electoral registration and managing of elections

Customer Services are responsible for the following material contracts:

- The contract with NSL for on-street car parking management in Worthing, on-street car parking management in Adur and off-street car parking management in Adur expires on 31st March, 2020.

Customer Services became part of Adur and Worthing Joint Shared Services in 2009.

Major changes in services in 2017/18 were:-

- ◆ In October 2017, a joint Adur-Worthing Revenues and Benefits service was created that builds upon the strategy to deliver a high-quality customer-focused approach that is based upon circles of influence in collaboration with both internal and external stakeholders.

The Council has a statutory obligation to provide the following:-

- Annual Statement of Accounts
- Annual balanced budget
- Information required by the Government e.g. financial returns
- Annual investment statement and statement on the repayment of debt
- Housing Benefit appeals service

Most of Financial Services became part of Adur and Worthing Joint Shared Services in April 2009 with the exception of the Corporate Fraud and Housing Benefit Adjudication teams.

There are no major changes planned for 2017/18.

Financial Services are responsible for the following material contracts:-

- ◆ Insurance contract;
- ◆ Internal Audit contract which was let in 2013 and will be renewed in 2018;
- ◆ Banking Services;

JOINT SUMMARY SERVICE BLOCK:
Digital and Resources Directorate



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Director for Digital and Resources office	185,040	(154,160)
Directorate Vacancy Provision		-
	185,040	(154,160)
Chief Finance Officer		
Head of Finance office	(683,900)	159,580
Management, Technical and Strategic Accounting	1,093,940	916,150
Exchequer and Fraud	687,180	423,640
Procurement	144,840	146,740
Internal Audit	490	-
	1,242,550	1,646,110
Head of Legal Services		
Legal Services	830,590	700,160
	830,590	700,160
Head of Human Resources		
Human Resources	423,300	404,460
Organisational Development	227,710	230,920
	651,010	635,380
Head of Business and Technical Services		
Head of Business and Technical Services	99,960	96,980
Business Services	371,420	291,240
Engineers	727,760	575,270
Surveyors and Sustainability	951,360	825,520
Facilities - Admin Buildings	675,910	521,120
Centralised Costs	354,930	363,810
	3,181,340	2,673,940
Head of Customer & Digital Services		
Head of Digital and Design	101,620	94,600
ICT, Systems Support and Development Team	2,121,980	2,019,740
Customer Services	1,341,160	1,249,950
Parking Services	254,770	155,260
Business Support	254,070	124,130
Elections	217,150	167,670
	4,290,750	3,811,350
Head of Revenues & Benefits		
Revenues & Benefits	96,370	1,693,600
	96,370	1,693,600
TOTAL for DIGITAL AND RESOURCES	10,477,650	11,006,380

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2017/2018	ESTIMATE 2018/2019
	£
ORIGINAL ESTIMATE 2017/2018	10,477,650
CHANGES TO BASE	
Transfer of Revenues & Benefits to Joint	1,682,290
Virements between Directorates	546,440
INFLATION	
including Increments, Pension contribution increases	377,610
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Impact of Pension contribution increase	(92,810)
Contribution to Safeguarding Boards	4,000
Increase costs arising from the reprocurement of Legal system	9,000
Agreed Savings	
Finance service reviews and partnership working	(64,300)
Base Budget reviews	(12,890)
Increased income from Legal work undertaken for other services & Authorities	(23,000)
ICT maintenance savings	(153,000)
Head of People service review	(11,580)
Customer & Digital service reorgansitions	(78,000)
Non Committed Growth	
Investment in Digital Team	48,620
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	(1,703,650)
APPROVED ESTIMATE 2018/2019	11,006,380

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	TOTAL BUDGET
		£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL& RESOURCES									
Director Office	1	(168,600)	-	680	13,770	-	(10)	(154,160)	(154,160)
Head of Finance									
Head of Finance office	2	131,680	-	560	27,370	-	(30)	159,580	159,580
Management, Technical & Strategic Accounting	21	881,140	-	660	79,600	-	(45,250)	916,150	916,150
Exchequer and Fraud	15	434,110	-	90	78,200	-	(88,760)	423,640	423,640
Procurement	3	146,740	-	-	-	-	-	146,740	146,740
Internal Audit	0	-	-	-	-	-	-	0	0
Head of Legal Services									
Legal Services	18	781,830	-	1,780	50,480	-	(133,930)	700,160	700,160
Head of Human Resources									
Human Resources	9	384,550	-	2,490	17,420	-	-	404,460	404,460
Organisational Development	2	228,520	-	30	2,370	-	-	230,920	230,920
Head of Business & Technical Services									
Head of Business & Technical Services	1	96,980	-	-	-	-	-	96,980	96,980
Business Services	9	329,760	50	2,040	72,500	-	(113,110)	291,240	291,240
Engineers	13	607,120	-	7,960	11,100	-	(50,910)	575,270	575,270
Surveyors	17	817,340	-	5,320	21,250	-	(18,390)	825,520	825,520
Facilities - Admin Buildings	0	-	570,910	-	26,570	-	(76,360)	521,120	521,120
Centralised Costs	0	-	-	-	363,810	-	-	363,810	363,810
Head of Customer and Digital Services									
Head of Digital and Design	1	94,530	-	-	70	-	-	94,600	94,600
ICT, Systems Support and Development Team	22	1,074,440	-	1,920	882,880	60,500	-	2,019,740	2,019,740
Customer Services	33	1,238,670	-	50	11,230	-	-	1,249,950	1,249,950
Parking Services	17	155,260	-	-	-	-	-	155,260	155,260
Business Support	7	130,380	-	-	81,190	-	(87,440)	124,130	124,130
Elections	4.9	164,970	-	510	2,190	-	-	167,670	167,670
Head of Revenues & Benefits									
Head of Revenues & Benefits	2	1,689,590	-	4,010	-	-	-	1,693,600	1,693,600
TOTAL COST		9,219,010	570,960	28,100	1,742,000	60,500	(614,190)	11,006,380	11,006,380
Percentage Direct Cost		79%	5%	0%	15%	1%			
An explanation of the changes to the budget since last year is provided on the previous page - the Variation page Staff FTE = Number of staff based on full time equivalent									

ADUR SUMMARY SERVICE BLOCK:
Digital and Resources Directorate



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Head of Finance		
Corporate Management	1,274,910	1,775,910
Treasury Management	757,450	889,130
Exchequer and Insurance	287,490	283,130
Internal Audit	68,640	69,430
	2,388,490	3,017,600
Head of Legal Services		
Legal Services	(2,880)	(3,370)
	(2,880)	(3,370)
Head of Customer & Digital Services		
Elections	153,580	204,170
Parking	(217,570)	(200,500)
ICT, Systems Support and Development Team	265,860	295,870
	201,870	299,540
Head of Business and Technical Services		
Emergency Planning	43,300	51,710
Bus Shelters, Highways, Street Lighting, Coast Protection & Ditch Clearing	287,050	213,990
Public Conveniences and Sustainability	242,280	261,860
Community Centres	135,940	129,970
Administrative Buildings	200,070	192,620
	908,640	850,150
Head of Revenues & Benefits		
Benefits	224,690	92,610
Revenues	383,560	216,920
	608,250	309,530
Recharged to other services	-	(774,750)
TOTAL for DIGITAL AND RESOURCES	4,104,370	3,698,700

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2018/2019
	£
ORIGINAL ESTIMATE 2017/2018	3,791,170
Services transferred to Directorate	313,200
ORIGINAL ESTIMATE 2017/2018	4,104,370
CHANGES TO BASE	
Virements	195,500
Joint Transfers - Vacancy provision to joint	(746,960)
INFLATION	16,590
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Impact of Pension contribution changes	10,840
Impact of new public convenience cleaning service	11,000
Loss of Housing Benefit Administration Grant	53,000
Reduction in PCN income	65,000
Annual contribution to WSCC refugee co-ordinator post	10,000
Additional Income	
Treasury Management Investment Income	(34,000)
Agreed Savings	
Review of corporate budgets - Payroll IT Costs	(27,680)
Reduction in pension paid to past employees	(19,550)
Deletion of SE employers subscriptions	(3,190)
Bus shelter cleaning	(2,000)
Creation of a joint Adur-Worthing Revenues & Benefits Service	(37,000)
Additional income from Adur HB overpayments	(11,000)
One Off / Non Recurring Items	
Local Elections (held every other year)	43,000
Impact of Capital Programme	35,180
Changes in allocation of recharge from other services	(505,820)
Asset Hire/Impairment	541,420
Other minor transfers	-
APPROVED ESTIMATE 2018/2019	3,698,700

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Transfer to/from Reserves	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES													
Head of Finance													
Corporate Management		1,315,130	(19,650)	125,890	-	209,840	15,450	(628,770)	1,017,890	837,980	(62,520)	(17,440)	1,775,910
Treasury Management		-	-	-	-	-	-	(147,710)	(147,710)	880	-	1,035,960	889,130
Exchequer and Insurance		171,860	-	90,080	21,190	-	-	-	283,130	-	-	-	283,130
Internal Audit		-	-	-	-	69,430	-	-	69,430	-	-	-	69,430
Head of Legal Services													
Legal Services		-	-	-	-	51,480	-	(54,850)	(3,370)	-	-	-	(3,370)
Head of Customer & Digital Services													
Elections		25,000	62,040	2,000	-	59,380	-	(3,250)	145,170	56,210	-	2,790	204,170
Parking		-	-	108,940	-	131,160	57,800	(610,230)	(312,330)	104,650	-	7,180	(200,500)
ICT, Systems Support & Development Team		-	-	-	-	17,160	-	-	17,160	-	-	278,710	295,870
Head of Business and Technical Services													
Emergency Planning		-	27,800	-	-	-	-	-	27,800	23,910	-	-	51,710
Bus Shelters, Highways, Street Lighting, Coast Protection & Ditch Clearing		-	-	44,180	-	21,760	-	(7,890)	58,050	49,220	-	106,720	213,990
Public Conveniences and Sustainability		-	-	159,790	-	120	-	(350)	159,560	47,650	-	54,650	261,860
Community Centres		-	34,390	34,500	-	4,230	-	-	73,120	39,090	-	17,760	129,970
Administrative Buildings	1	64,600	-	43,350	-	18,310	-	-	126,260	-	-	66,360	192,620
Head of Revenues & Benefits													
Benefits		-	395,920	-	150	73,120	20,887,820	(21,340,750)	16,260	69,100	-	7,250	92,610
Revenues		-	296,610	-	1,910	95,080	-	(256,830)	136,770	80,150	-	-	216,920
Recharged to other services										(774,750)			(774,750)
TOTAL COST		1,576,590	797,110	608,730	23,250	751,070	20,961,070	(23,050,630)	1,667,190	534,090	(62,520)	1,559,940	3,698,700
Percentage Direct Cost		6%	3%	2%	0%	3%	85%						

WORTHING SUMMARY SERVICE BLOCK:
Digital and Resources Directorate



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Head of Finance		
Corporate Management, Pensions & Non Distributed Cost	2,431,230	2,765,840
Management, Technical and Strategic Accounting	38,780	59,520
Treasury Management	268,110	733,230
Insurance	383,200	378,040
Internal Audit	118,230	73,750
Fraud, Verification & Adjudication	453,740	255,970
Less: Recharges to services	-	(671,300)
	3,693,290	3,595,050
Head of Legal Services		
Legal Services	(2,230)	(3,180)
	(2,230)	(3,180)
Head of Customer and Digital Services		
Car Parking	(829,560)	(1,119,650)
Elections	256,880	327,200
ICT, Systems Support and Development Team	254,970	283,830
	(317,710)	(508,620)
Head of Revenues & Benefits		
Benefits	1,061,350	519,510
Revenues	511,490	246,280
	1,572,840	765,790
Head of Human Resources		
Human Resources	20,890	10,620
	20,890	10,620
Head of Business and Technical Services		
Emergency Planning	55,870	68,210
Flood Defence, Coast Protection, Footway Lighting, Drainage & Bus Shelters	319,760	241,790
Public Conveniences, Depot, Seats & Sustainable Development	412,360	441,280
Admin Buildings	220,790	264,290
	1,008,780	1,015,570
TOTAL for DIGITAL AND RESOURCES	5,975,860	4,875,230

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2017/2018	ESTIMATE 2018/2019
	£
ORIGINAL ESTIMATE 2017/2018	5,040,530
CHANGES TO BASE	
Virements	160,960
INFLATION	(75,020)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
One Off - Non Recurring	
Local Elections (not held once every four years)	76,000
Committed Growth	
Impact of Pension Fund Triennial valuation	(139,600)
Loss of Housing Benefit Administration Grant	73,000
Impact of new public convenience cleaning service	32,000
Annual contribution to WSCC refugee co-ordinator post	10,000
Fall out of Loan arrangement fee	27,000
Additional Income	
Investment income	(31,000)
Agreed Savings	
Review of corporate budgets	(16,410)
Deletion of SE employers subscriptions	(5,030)
Deletion of Aquarena maintenance budget	(10,500)
Increase in Worthing HB overpayment income	(80,000)
Car Parks income	(171,650)
Impact of Capital Programme	413,580
Changes in allocation of recharge from other services	(1,222,690)
Asset Hire/Impairment	794,060
Other minor transfers	-
APPROVED ESTIMATE 2018/2019	4,875,230

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES												
Head of Finance												
Corporate Management, Pensions & Non Distributed Cost		2,156,000	127,430	(47,960)	-	251,320	-	(144,690)	2,342,100	423,650	90	2,765,840
Management, Technical and Strategic Accounting		-	-	-	-	-	-	-	0	-	59,520	59,520
Treasury Management		-	-	-	-	262,410	-	(341,250)	(78,840)	650	811,420	733,230
Insurance		89,840	-	225,040	60,600	(10)	-	-	375,470	-	2,570	378,040
Internal Audit		-	-	-	-	73,750	-	-	73,750	-	-	73,750
Fraud, Verification & Adjudication	3.1	98,950	-	-	7,660	229,020	-	(80,910)	254,720	-	1,250	255,970
Recharged to other Worthing services								(671,300)	(671,300)	-	-	(671,300)
Head of Legal Services												
Legal Services		-	-	-	-	47,760	-	(50,940)	(3,180)	-	-	(3,180)
Head of Customer and Digital Services												
Car Parking		-	343,240	694,570	3,740	151,730	-	(2,733,790)	(1,540,510)	321,920	98,940	(1,119,650)
Elections		33,000	105,630	3,000	-	106,760	-	(5,420)	242,970	80,590	3,640	327,200
ICT, Systems Support and Development Team		-	-	-	-	16,460	-	-	16,460	-	267,370	283,830
Head of Revenues & Benefits												
Benefits		-	783,460	-	-	63,370	36,561,110	(37,392,490)	15,450	504,060	-	519,510
Revenues		-	439,690	-	-	93,820	-	(540,020)	(6,510)	252,790	-	246,280
Head of Human Resources												
Human Resources		-	-	-	-	-	-	-	0	-	10,620	10,620
Head of Business & Technical Services												
Emergency Planning		-	41,690	-	-	-	-	-	41,690	24,760	1,760	68,210
Flood Defence, Coast Protection, Footway Lighting, Drainage & Bus Shelters		-	-	174,410	-	4,890	-	(23,750)	155,550	67,610	18,630	241,790
Public Conveniences, Depot, Seats & Sustainable Development		-	10,880	340,910	-	3,390	80	(53,430)	301,830	34,420	105,030	441,280
Admin Buildings		-	-	40,410	-	-	-	(760)	39,650	-	224,640	264,290
	3.1											
		2,377,790	1,852,020	1,430,380	72,000	1,304,670	36,561,190	(42,038,750)	1,559,300	1,710,450	1,605,480	4,875,230
Percentage Direct Cost		5%	4%	3%	0%	3%	84%					

SERVICE BLOCK:
Economy Directorate

DETAILED SERVICES INCLUDED

ECONOMY DIRECTORATE:

The Economy Directorate is focussed on providing a platform upon which our places can grow and thrive.

Our starting point is to use regulatory activity sensibly and creatively to support local business. We are striving to be a 'trusted partner' with a strong reputation for securing public and private investment to deliver the infrastructure that is necessary to support growth. We aim to ensure that a rich and vibrant cultural offer is a vital part of the attraction of our places to residents and businesses.

CULTURE:

Culture is a key driver for the economic development of Adur and Worthing with £7 spent in restaurants and shops for every £1 invested by the Council. A high quality cultural offer that balances the challenging and cutting edge with the joy of entertainment has challenged perceptions and attracted great support from visitors and our businesses.

We aim to improve the cultural offer still further and build on our reputation for excellence and innovation. We intend to maximise the opportunities to develop the commercial business, lead the sector in outstanding customer experience and to seek external funding for capital improvements and creative projects.

Key Projects 2018/2019

Museums - In 2018/19 the service will deliver a new Costume Research Centre to provide much greater access to this important collection. A wider project 'Let the Light In' will be developed to radically improve access to the collections.

Worthing Museum and Art Gallery holds the most extensive costume collection outside the V&A which is of national significance. It also has a local history collection with particular areas of strength in children's toys and archaeology.

The Museum and Art Gallery ensures the appropriate rotating display of the collection in addition to storing, cataloguing and maintaining the artefacts. It works in partnership with other museums and educational establishments to maximise exposure of our collections.

Theatres - Worthing Theatres includes the Pavilion Theatre and Cafe Bar, Connaught Theatre/Cinema, Connaught Studio Theatre / Cinema and the Assembly Hall providing a varied, high quality cultural offer across the four venues. All venues are hired for community events and commercial activities.

Both Theatres and Museum are expanding their volunteer programme, creating a cultural community of supporters.

SERVICE BLOCK:
Economy Directorate

DETAILED SERVICES INCLUDED

PLACE AND INVESTMENT:

Place and Investment works with partners to help improve and grow the local economy. This includes identifying needs and opportunities to develop the skills of the local workforce, ensuring that businesses have the information and support they need to be successful and grow, and attracting new investment to improve infrastructure or develop new housing and employment space.

The team works with partners to help support the retail and visitor economy and improve the quality of our 'places' for all to enjoy. This includes improving the public realm, bidding for funding to develop new facilities, developing stronger partnerships with business, and attracting and developing high quality events and markets - all helping to raising the profile of Adur and Worthing as a great place to live, visit, invest and work.

This service is responsible for strategic property investments and management of the Councils' commercial property portfolio, with a focus on securing efficiencies and revenues for reinvestment into Council services.

PLANNING AND DEVELOPMENT:

Planning Policy - The Planning Policy team responsibilities include the vital role of preparing an up to date statutory planning framework to guide the development and growth of our places. The team also prepare Area Action Plans, Master Plans, Neighbourhood Plans, Policy Guidance, Development Briefs, Conservation Areas, Community Infrastructure Levy and Transport Policy. Also responsible for ensuring cross boundary strategic issues are addressed through the duty to co-operate as contained in the Localism Act.

Development Management - The development management group play a fundamental role in ensuring that development activity of the right type in the right place can take place without delay. This planning function is one of the 'cornerstones' of the councils roles and important for the reputation of Adur and Worthing.

Building Control - Building Regulation applications and notices, Dangerous Structures, Demolitions and enforcement of the Building Acts. Processing of Initial Notices and Competent Persons data and maintenance of statutory registers. Provision of Fire Safety Advice and Fire Risk Assessments to both internal and external customers and control of Access for All to the built environment.

SERVICE BLOCK:
Economy Directorate

DETAILED SERVICES INCLUDED

PLANNING AND DEVELOPMENT:

Street Naming and Numbering/ LLPG - Provision of Street Names and property numbers in accordance with DEC Rules and BS7666. Maintenance of the corporate register of compliant property address data.

Land Charges - The Local Land Charges Team maintain the register of local land charges and provide them to persons upon request. The service also provides the CON29 and LLC1 search response to customers.

The Council is obliged by statute to provide the following services:

- Development Management - processing of planning applications in accordance with the Planning Acts and accompanying regulations
- Production of Local Plans to set out the spatial vision for both authorities to help create sustainable communities. Support for neighbourhood plans.

Major changes in services planned for 2018/19 are:

- Service redesign of the Development Management Service with Building Control to provide a more integrated development service responsive to the needs of its customers.

JOINT SUMMARY SERVICE BLOCK:
Economy Directorate



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR ECONOMY		
Director of Economy Office	182,910	168,220
Directorate Vacancy Provision	-	(92,710)
Growth		
Head of Growth	107,890	98,860
Planning Policy	615,000	662,020
Estates	432,800	356,480
Development Control	1,343,550	1,015,770
Building Control	684,890	496,600
LLPG	20,970	23,350
Land Charges	144,710	108,440
	3,349,810	2,761,520
Place & Investment		
Head of Place & Investment	90,390	93,900
Economic Development	449,430	384,130
	539,820	478,030
Culture		
Head of Culture	99,250	103,080
Tourism	-	-
	99,250	103,080
TOTAL for ECONOMY	4,171,790	3,418,140

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2017/2018	ESTIMATE 2018/2019
ORIGINAL ESTIMATE 2017/2018	£ 4,171,790
CHANGES TO BASE	
Virements between Directorates	(110,450)
INFLATION	
including Increments, Pension contribution increases	91,510
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Agreed Savings	
Restructure savings	(118,460)
Digital transformation of planning function	(10,000)
Base Budget reviews	(5,000)
Print room budget	
Regeneration Travel costs	
Tourism and Events - Filming proposed increase in income	
Non Committed Growth	
Creation of a new Head of Major Projects	68,750
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	(670,000)
Other minor transfers	
APPROVED ESTIMATE 2018/2019	3,418,140

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£
DIRECTOR OF ECONOMY											
Director of Economy Office	2	73,960	-	-	100	1,450	-	-	75,510	-	75,510
Growth											
Head of Growth	1	97,580	-	-	520	760	-	-	98,860	-	98,860
Planning Policy	6.02	675,790	-	-	4,710	84,810	-	(103,290)	662,020	-	662,020
Estates	7.62	350,000	-	-	3,590	2,890	-	-	356,480	-	356,480
Development Control	22.77	945,890	-	-	5,470	64,410	-	-	1,015,770	-	1,015,770
Building Control	11.39	469,160	-	2,950	11,710	48,000	-	(35,220)	496,600	-	496,600
LLPG	1	49,370	-	-	530	16,430	-	(42,980)	23,350	-	23,350
Land Charges	3.4	104,980	-	-	-	3,460	-	-	108,440	-	108,440
Place & Investment											
Head of Place & Investment	1	93,900	-	-	-	-	-	-	93,900	-	93,900
Economic Development	4.81	355,020	-	-	4,410	36,380	-	(11,680)	384,130	-	384,130
Culture											
Head of Culture	1	103,080	-	-	-	-	-	-	103,080	-	103,080
Tourism and Events	3	-	-	-	-	-	-	-	0	-	0
	65.01										
TOTAL COST		3,318,730	0	2,950	31,040	258,590	0	(193,170)	3,418,140	0	3,418,140
Percentage Direct Cost		92%	0%	0%	1%	7%	0%				

ADUR SUMMARY SERVICE BLOCK:
Economy Directorate



ADUR DISTRICT
 COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR ECONOMY		
Growth		
Planning Policy	332,790	203,750
Major Projects	85,060	-
Estates	(194,530)	(817,060)
Development Control	406,730	657,080
Building Control	110,910	166,550
Land Charges	(13,330)	(14,210)
	727,630	196,110
Place & Investment		
Economic Development	316,810	380,050
TOTAL for ECONOMY	1,044,440	576,160

ADUR VARIATIONS SERVICE BLOCK:
Economy Directorate



ADUR DISTRICT
 COUNCIL

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2018/2019
	£
ORIGINAL ESTIMATE 2017/2018	946,860
Services transferred to this Directorate	97,580
ORIGINAL ESTIMATE 2017/2018	1,044,440
CHANGES TO BASE	
Virements - Commercial Property rents	(419,810)
Joint Transfers	-
INFLATION	(7,800)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Agreed Savings	
Predicted additional income on commercial property	(498,000)
Increase in pre-application fees	(8,000)
Changes in allocation of recharge from other services	(79,320)
Asset Hire/Impairment	544,650
Other minor transfers	-
APPROVED ESTIMATE 2018/2019	576,160

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR ECONOMY												
Growth												
Planning Policy	-	137,720	6,020	-	-	17,790	-	(143,100)	18,430	185,320	-	203,750
Major Projects	-	-	-	-	-	-	-	-	0	-	-	0
Estates	-	-	-	152,600	-	15,240	-	(1,593,510)	(1,425,670)	101,110	507,500	(817,060)
Development Control	-	-	395,910	-	-	8,620	5,380	(246,420)	163,490	493,590	-	657,080
Building Control	-	-	222,500	-	-	-	-	(219,210)	3,290	163,260	-	166,550
Land Charges	-	-	33,620	-	-	20,200	-	(101,000)	(47,180)	32,970	-	(14,210)
Place & Investment												
Economic Development	-	-	122,380	-	530	96,360	-	(40,030)	179,240	163,660	37,150	380,050
TOTAL STAFF	0											
TOTAL COST		137,720	780,430	152,600	530	158,210	5,380	(2,343,270)	(1,108,400)	1,139,910	544,650	576,160
Percentage Direct Cost		11%	63%	12%	0%	13%	0%					

WORTHING SUMMARY SERVICE BLOCK:
Economy Directorate



WORTHING BOROUGH
 COUNCIL

SERVICE	ESTIMATE 2017/2018	ESTIMATE 2018/2019
	£	£
DIRECTOR FOR ECONOMY		
Growth		
Planning Policy	369,990	463,780
Major Projects	155,060	71,750
Estates	(424,130)	(1,323,320)
Development Control	533,480	876,140
Building Control	108,180	128,030
Land Charges	8,630	8,970
	751,210	225,350
Place and Investment		
Economic Development	522,750	579,580
Culture		
Theatres	1,613,360	1,506,970
Museums	489,580	419,300
	2,102,940	1,926,270
TOTAL for ECONOMY	3,376,900	2,731,200

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2017/2018	ESTIMATE 2018/2019
ORIGINAL ESTIMATE 2017/2018	£ 3,376,900
CHANGES TO BASE	
Virements	(373,420)
INFLATION	
including Increments, Pension contribution increases	114,390
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Planning income shortfall	50,000
Agreed Savings	
Reduction in operational costs to offset shortfall in resources in Worthing	(50,000)
Additional Theatres Income	(8,000)
Strategic Property Investment Fund	(426,000)
Increase in pre-application fees	(12,000)
Changes in allocation of recharge from other services	(602,700)
Asset Hire/Impairmnt	662,030
APPROVED ESTIMATE 2018/2019	2,731,200

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR ECONOMY Growth												
Planning Policy	3	69,590	6,260	-	-	19,590	-	-	95,440	368,340	-	463,780
Major Projects	-	-	-	-	-	71,750	-	-	71,750	-	-	71,750
Estates	-	-	-	413,300	-	27,340	-	(2,010,320)	(1,569,680)	12,230	234,130	(1,323,320)
Development Control	-	-	599,160	-	-	50,190	5,380	(469,730)	185,000	672,270	18,870	876,140
Building Control	-	-	291,510	-	-	4,020	-	(378,970)	(83,440)	211,470	-	128,030
Land Charges	-	-	85,120	-	-	46,710	-	(180,080)	(48,250)	57,220	-	8,970
Place & Investment												
Economic Development	-	-	212,140	8,730	-	133,170	-	-	354,040	207,820	17,720	579,580
Culture												
Theatres	54	1,703,990	80,440	447,120	10,090	2,111,900	-	(3,541,160)	812,380	370,990	323,600	1,506,970
Museums	8	172,740	25,770	98,730	1,080	44,120	-	(66,200)	276,240	75,350	67,710	419,300
	65.36											
		1,946,320	1,300,400	967,880	11,170	2,508,790	5,380	(6,646,460)	93,480	1,975,690	662,030	2,731,200
Percentage Direct Cost		29%	19%	14%	0%	37%	0%					

CAPITAL INVESTMENT PROGRAMME INTRODUCTION

CAPITAL PROGRAMME 2018/19

Three Year Capital Investment Programme

The main purpose of the both Council's Capital Investment Programmes is to provide assets for the provision of services and to deliver both Council's Corporate Priorities. They are prepared by considering resources available and then prioritising capital schemes in line with Corporate Objectives and other criteria. A summary of the current Capital Investment Programme 2017/18 – 2020/21, including funding, is shown from page 326.

Definition of Capital

Expenditure included in the Capital Investment Programmes is for the construction purchase, enhancement or replacement of a component of one the following:

- Property, plant and equipment: assets with physical substance (tangible assets) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one year.
- Infrastructure: inalienable assets, expenditure on which is only recoverable by continued use of the asset created, examples include footways, cycleways, coast protection works and street furniture.
- Investment Property: property held to earn rentals or for capital appreciation.
- Intangible Assets: assets which lack physical substance but which are identifiable and can be separated and sold, examples include computer software.

In addition the following criteria must also be met:

- It is probable that the future economic benefits or service potential associated with the expenditure will flow to the authority. The authority does not have to own the item, but it must be more than likely that it has gained the rights to generate cash from the asset or to use it in the provision of services.
- The cost of the item can be measured reliably; costs must be identifiable and not an integral of some wider expense.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
5th December 2017
Agenda Item No: 7
Ward: All

INVESTING IN SERVICE DELIVERY: CAPITAL INVESTMENT PROGRAMME 2018/19 – 2020/21

REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES

EXECUTIVE SUMMARY

1. PURPOSE

- 1.1 The report recommends the schemes for inclusion in the overall Capital Investment Programme for the three years 2018/19 - 2020/2021 for Adur District Council, Worthing Borough Council and the Joint Strategic Committee.
- 1.2 The report informs the Joint Strategic Committee of the resources available for future capital investment, and updates Members about the financing of the proposed three-year programmes.
- 1.3 The following appendices have been attached to the report:
 - (i) **Appendix 1** The approved joint capital scheme prioritisation system;
 - (ii) **Appendix 2** The Adur District Council proposed programme of new General Fund schemes for 2018/19 – 2020/21 which are recommended for approval;
 - (iii) **Appendix 3** The Worthing Borough Council proposed programme of new General Fund schemes for 2018/19 – 2020/21 which are recommended for approval;
 - (iv) **Appendix 4** The Joint Strategic Committee proposed programme of new Adur District Council and Worthing Borough Council partnership schemes, which is recommended for approval;
 - (v) **Appendix 5** The Adur District Council proposed Adur Homes Housing Renovation Programme;
 - (vi) **Appendix 6** Amendments and additions to the Adur District Council Reserve List.
 - (vii) **Appendix 7** Amendments and additions to the Worthing Borough Council Reserve List.
 - (viii) **Appendix 8** Adur District Council Draft CIP 2017/18 – 2020/21.
 - (ix) **Appendix 9** Worthing Borough Council Draft CIP 2017/18 – 2020/21.

EXECUTIVE SUMMARY

2. RECOMMENDATIONS:

2.1 The Joint Strategic Committee is recommended to:

- (a) Consider the three General Fund Capital Investment Programmes for the three-year period 2018/19 to 2020/21 and confirm the schemes to be included for 2018/19 and 2019/20 as detailed in Appendix 2, 3 and 4;
- (b) Note the approved the Adur Housing Renovation Programme for 2018/19 as detailed at Appendix 5;
- (c) Agree the amendments and additions to the reserve lists as detailed in Appendices 6 and 7;
- (d) Recommend the full programmes for approval by the respective Councils on the 14th December 2017 (Adur) and 19th December 2017 (Worthing) as detailed in Appendices 8 and 9.

3.0 CONTEXT

3.1 The Adur and Worthing Capital Strategy 2017 - 2020 was updated and agreed by the Joint Strategic Committee (JSC) on 11th July, 2017. The financial impact of the proposed Capital Investment Programme was set out in the outline forecast included in the “Towards a Sustainable Future - Budget Strategy for the 2018/19 Budget” report. The Budget Strategy was agreed by JSC at the same meeting.

3.2 The Capital and Budget Strategies set out the following funding criteria:

- (a) A maximum level of funding available per year for the next 5 years to fund new General Fund schemes:

Adur District Council	£1.0m (plus £5.2m in 2018/19 for the Housing Investment Programme)
Worthing Borough Council:	£2.0m

- (b) The Budget Strategy highlighted concerns about affordability in the medium term. Members of both Councils were made aware that the number, age and condition of both Councils’ assets continue to be a cause for concern. The funding of the programmes is to be comprised of prudential borrowing, capital grants, revenue/reserve funding and capital receipts.

3.0 CONTEXT

- (c) Additional capital expenditure will only be agreed where additional funding from capital grants, contributions, earmarked receipts, or use of reserves has been secured. Alternatively, expenditure can be funded via approved additional prudential borrowing provided that the revenue consequences of such borrowing can be met from within existing budgets

3.3 The Capital Strategy agreed in July 2017 introduced a new approach to setting the Capital Investment Programme. The programme is now set on a two year basis to enable better programming of schemes and to ensure cost effective procurement is undertaken. The Strategy also included the following changes to resource allocations:

- An increase in the amount set aside for partnership schemes of £200,000 to fund the planned vehicle replacements.
- A decrease in the amount set aside for essential IT replacement of £50,000 following the decision to move away from the CenSus partnership.
- An increase in the Strategic Property Investment Fund to £25m for each Council to support the delivery of the Budget Strategy.

3.4 As the Capital Strategy explained, the top slicing of the capital programmes in each year to ensure funding for key strategic issues such as ICT and the other partnership programmes will mean that, of the overall resources available in 2018/19, only the following resources will remain for other schemes:

- **Adur District Council:** £489,000
- **Worthing Borough Council:** £1,261,000

3.5 In addition to the resources released by the Capital Strategy, it was agreed by Members at the JSC on the 7th November 2017 that the expected underspend within 2017/18 Worthing Borough Council programme would be used to support the proposed 2018/19 and 2019/20 programme. This adds a further £383,860 to the overall amount to be allocated.

4.0 STRATEGIC ISSUES AFFECTING THE DEVELOPMENT OF THE PROGRAMME:

4.1 The following paragraphs are an update on the key strategic issues which affect the development of the capital programme:

4.0 STRATEGIC ISSUES AFFECTING THE DEVELOPMENT OF THE PROGRAMME:

(a) **Corporate Condition Surveys**

There is currently a project to review of all our assets across Adur and Worthing. This has identified the Councils have significant numbers of assets - over 7,000 in total. The assets range from our main corporate buildings and premises such as Worthing Town Hall, Portland House, Shoreham Centre, and Commerce Way Depot to theatres, leisure facilities, cemeteries, Crematorium, car parks and public conveniences. A large proportion of these assets are leased out to tenants.

As part of this project, Officers are identifying a priority schedule of built assets which are to have a condition survey. Currently there is very limited information available on the condition of our assets. The surveys will help inform our future asset management strategy. This information is also key to developing our future revenue maintenance and capital investment programmes.

These condition surveys will be externally commissioned. Currently the Technical Services team are working on the level of detail required from these surveys. The work will commence in early 2018 and a prioritised programme is to be agreed. However, our main public buildings will be surveyed first.

Condition surveys have been completed this year for our Worthing Multi Storey Car Parks and a programme of work agreed using this information. This is discussed in more detail below.

(b) **Adur and Worthing Affordable Housing**

The need for a budget provision:

The Councils have a duty to assess and deal with housing need. They have a Core Strategy requiring affordable provision on new housing developments. Both Councils have capital receipts and S106 receipts set aside which can be used to fund affordable housing. This is a useful source of funding to top-up schemes part funded by other partners, in order to ensure that schemes are delivered and residents can be moved from the Housing Register.

The use of the Councils' own funding to enable affordable housing development is becoming increasingly important as the more traditional funding sources, such as the Homes and Communities Agency (HCA) grants have decreased in recent years. The Housing Strategy targets 120 new affordable homes per annum.

The Councils continue to work closely with our Registered Provider (RP) partners to find and part fund sites where there is a compelling case. It is important to sustain an ongoing budget to enable the Councils to facilitate new schemes where appropriate when a site becomes available.

4.0 STRATEGIC ISSUES AFFECTING THE DEVELOPMENT OF THE PROGRAMME:

(b) Adur and Worthing Affordable Housing

The more affordable homes that are available, the less potential pressure there will be on the authority to source and pay for temporary and emergency accommodation. However, the pace of development means that the impact of new homes in any given year on the cost of temporary accommodation is fairly marginal. The demand for affordable homes still outstrips current supply.

The Homes and Communities Agency (HCA) contributions to housing developments:

The £2.8 billion Affordable Homes Programme (AHP) 2015-18 functions in a similar way to the 2011-15 programme which saw a significantly reduced budget from previous programmes. Registered Providers who register with the programme will be expected to relet an increasing number of current properties at the “affordable rent” level, which is up to 80% of open market rents. This is aimed at ensuring that Registered Social Landlords (RSLs) can use the increased rental stream to borrow more and thus save capital grant funding. Grant levels under the AHP programme are circa £20-25,000 per rented unit, which is similar to the previous programme though the HCA is clear that it will not fund housing which is let at less than 80% of open market rent.

Future funding streams

The Autumn Budget 2017 has announced a series of measures designed to support the delivery of additional housing. These included:

- £630 million small sites fund to support the delivery of 40,000 homes.
- A further £2.7bn to more than double the Housing Infrastructure Fund.
- £400 million [of loan funding] for estate regeneration which can be used to transform run-down neighbourhoods and provide new homes in high-demand areas.
- A £1.1 billion fund to unlock strategic sites, including new settlements and urban regeneration schemes.

Whilst the detail is unknown at the moment, the measures should increase the supply of affordable dwellings.

4.0 STRATEGIC ISSUES AFFECTING THE DEVELOPMENT OF THE PROGRAMME:

(c) **Adur Homes Investment Programme**

The condition surveys of the housing stock have revealed that Adur District Council needs to invest over £33m in the next 5 years. The programme approved recently by JSC addresses the most immediate of the issues identified in 2017/18 and 2018/19, further work is underway to develop the programme for the following three years.

However, the amount that can be invested in the housing stock is constrained by the following factors:

- i) The affordability of any debt repayments to the Housing Revenue Account (HRA) due to the impact of rent limitation. Rents are due to fall by 1% per year in 2018/19 and 2019/20 which reduces income to the Housing Revenue Account by some £500,000 per year.
- ii) The HRA has a debt cap which limits the maximum amount that can be borrowed to £68.9m. Whilst there is currently significant headroom, the increased level of investment in the Housing Stock will need to be funded by borrowing. It is estimated that by addressing the backlog maintenance over the next 5 years will mean borrowing significant sums and by 2025/26 the Council will have reached the maximum borrowing level.

Consequently the Council will be faced with some difficult choices as it seeks to balance the need to address the basic condition of the stock with the need to fund improvements or to invest in new development.

(d) **Worthing Borough Council – Multi Storey Car Parks (MSCPs)**

As part of the Worthing's economic regeneration programme, there will be changes to parking infrastructure in the short to medium term. In relation to council owned car parks these include:

- Demolition of Teville Gate MSCP (344 spaces/ currently reduced to 114 spaces by partial closure) in the near future which is to be replaced with a smaller surface car park.
- Redevelopment of Grafton MSCP (450 spaces) with an indicative time-scale of 3 to 5 years. It is envisaged that the new development on the site will include the replacement of some of the current parking capacity.
- Retention of Buckingham Road (288 spaces) and High Street (644 spaces) car parks.

4.0 STRATEGIC ISSUES AFFECTING THE DEVELOPMENT OF THE PROGRAMME:

(d) Worthing Borough Council – Multi Storey Car Parks (MSCPs)

The recent condition surveys have confirmed some long term concerns with regards to the condition of the structures of some of the MSCPs. Members considered the draft programme of works to the car parks at the Joint Strategic Committee on 4th April 2017. Below is the indicative investment required for the current three years of the capital programme:

	2017/18	2018/19	2019/20
	£	£	£
1. Total for Grafton MSCP	£787,520	£601,440	£120,960
2. Total for Buckingham MSCP	£202,250	£140,000	£5,600
3. Total for High Street MSCP	£403,960	£299,200	£134,400
OVERALL TOTAL	£1,393,730	£1,040,640	£260,960

The majority of the investment is allocated to concrete repairs in Grafton MSCP to keep it operational for the medium term. These works were identified from the recent condition surveys. The remaining funding will be used for lift replacements at Buckingham Road, replacement of CCTV, application of protective coatings and some aesthetic improvements to stairwells and the entrance lobbies mainly at Buckingham Road and High Street.

However to put this level of investment into some context, all of the main car parks generate significant annual profit which justifies the level of spend currently being incurred:

Net annual income	2017/18 budget
	£'000
Grafton MSCP	427
Buckingham MSCP	146
High Street MSCP	368
Total net income	941

In addition to these works an invest to save business plan has been agreed to install LED lighting in Buckingham and High Street MSCPs, which is now underway.

4.0 STRATEGIC ISSUES AFFECTING THE DEVELOPMENT OF THE PROGRAMME:

(d) **Worthing Borough Council – Multi Storey Car Parks (MSCPs)**

Buckingham Road and High Street car parks are to be retained in the long term and to this end a spend to save business case is being developed for these sites to inform how they can be further upgraded and future proofed to improve the experience for customers and support the regeneration of the town. It is anticipated that the business case will be presented to Members by the end of the financial year.

(e) **Public conveniences**

The Capital Investment Programme generally includes a provision to fund minor refurbishment of the public conveniences in Adur and Worthing. The programme recommended for approval includes the following sums:

	2018/19	2019/20	2020/21
	£'000	£'000	£'000
Adur	50	50	50
Worthing	100	100	100

The condition of the public toilets is kept under review through regular inspections by our own Cleansing section who monitor the standards of cleaning currently carried out by an external cleaning contractor (this service is soon to be bought in house), and the Technical Service team who will deal with any responsive repairs or vandalism issues.

The corporate condition survey work currently being commissioned will include the public conveniences. This will help us to prioritise future capital and revenue expenditure. Until we have this information (anticipated in Spring 2018), Technical Services have identified a priority list of sites across Adur and Worthing using local knowledge. This list has been discussed with each Executive Member for Environment.

The following list indicates the budget required to bring the facilities up to a good standard. This list has been prepared in the absence of detailed condition surveys and gives the Councils a three year programme of works for refurbishing our public toilets matched to the proposed capital improvement budgets.

4.0 STRATEGIC ISSUES AFFECTING THE DEVELOPMENT OF THE PROGRAMME:

(e) **Public conveniences**

Adur Toilets	Year	Proposed Budget
		£'000
Fort Haven, Shoreham by Sea	2018/19	30
Widewater, West Beach Road, Lancing	2018/19	25
Southwick Square, Southwick Street, Southwick	2019/20	50
Beach Green Shoreham, Shoreham by Sea	2020/21	80

Worthing Toilets	Year	Proposed Budget
		£'000
High Street MSCP, High Street, Worthing	2018/19	100
Pier (Parade Access), Worthing	2019/20	50
Lido, Marine Parade, Worthing	2019/20	30
Brooklands, Western Road, Worthing	2020/21	40
Sea Lane Cafe Car Park, Goring, Worthing	2020/21	25
Marine Gardens, Worthing	2020/21	30

(f) **Playgrounds**

For both Councils, there is a play area prioritisation list in place which details the order in which each Council's play areas are selected to be put forward for refurbishment. The criteria used to determine the order in which the play areas are refurbished was scrutinised at the Joint Overview and Scrutiny Committee (JOSC) in July 2017, with no recommendations or alterations to the process suggested.

Due to the impact of the Adur Tidal Walls scheme work on Adur Recreation Ground, the proposed playground refurbishment for 2018/19 may need to be delayed to 2019/20. If that is the case then the planned refurbishment for 2019/20 at Middle Road will be brought forward to 2018/19.

Due to the proposed works on Palatine Park and an anticipated planning application to be submitted by Worthing Town FC, the proposed playground refurbishment for Palatine Park in 2018/19 may need to be delayed until 2019/20. If that is the case then the planned refurbishment for Pennycress/Northbrook Recreation ground will be brought forward to 2018/19.

4.0 STRATEGIC ISSUES AFFECTING THE DEVELOPMENT OF THE PROGRAMME:

(f) **Playgrounds**

The recommended programme for playground improvements for the next 3 financial years is as follows:

2018/19

Adur: Adur Recreation Ground Play Area (£90k)

Worthing: Palatine Park Play Area (£90k)

2019/20

Adur: Middle Road Recreation Ground Play Area (£90k)

Worthing: Pennycress Avenue/Northbrook Recreation Ground Play Areas (£90k)

2020/21

Adur: Sompting Recreation Ground Play Area (TBC)

Worthing: Brooklands Pleasure Park Play Area (TBC)

5.0 RESOURCES

5.1 There are two influences on the overall size of the capital programmes, namely:

- (i) the level of available capital resources to fund the programmes;
- (ii) the extent to which the revenue consequences of the programmes in terms of the cost of borrowing, lost investment income and any associated running costs can be accommodated within the revenue budget.

5.2 The financial position for both Councils is very challenging over the next five years. The need to invest in existing assets, as well as provide for partnership working and new initiatives, means that both Councils will need to sustain relatively modest programmes as outlined in paragraph 3.2 for the foreseeable future. However, the Worthing programme in particular, is under pressure. The need to increase the level of investment has to be balanced against the difficult financial position of the Councils.

5.3 There is little change in the method of financing the programmes planned over the next 3 years. In addition, both Councils have approved a 'Strategic Property Investment Fund' which is an invest-to-save provision and specific investments which meet the criteria will be funded through prudential borrowing.

5.4 Both proposed programmes assume a phased use of the available prudential borrowing, capital receipts, reserves and the Major Repairs Reserve for Adur Homes which is generated from the depreciation set aside on an annual basis. These are discussed in more detail below:

5.0 RESOURCES

5.4.1 Usable Capital Receipts derived from the sale of assets

Usable capital receipts are generated through the sale of Council owned assets. Both Councils are actively looking for opportunities to increase the available receipts as follows:

i) Adur District Council

In the past, the main source of capital receipts for Adur District Council has come from council housing sales which are used to support the HRA Investment Programmes. However the potential sale of Adur Civic Centre will lead to a substantial capital receipt, the use of which will be determined by Members.

Adur has signed up to the DCLG agreement allowing 100% of Right to Buy (RTB) receipts to be retained to finance new affordable homes within the Adur area. However, the receipt can only provide 30% of the cost of any new build which means that the remaining 70% has to be financed from other sources including borrowing. A condition of being able to retain capital receipts arising from RTB sales was that they must be spent within a 3 year time limit. Receipts have to be returned after 3 years if we cannot allocate the receipts to any new homes. Properties may be built by Adur Homes or another Registered Provider.

Other Housing Revenue Account property or land sales fall outside the requirements of RTB receipts and may be retained by Adur provided it is spent on affordable housing, regeneration or the paying off of Housing Revenue Account debt.

ii) Worthing Borough Council

Worthing Borough Council has used receipts generated from the sale of specific sites (Aquarena and Eirene Road) to pay down debt following the £9.6m borrowing undertaken to finance the 'Splashpoint' swimming pool including the receipt recently received from the sale of the Aquarena site. Other general receipts are used to fund the capital investment programme.

Worthing Borough Council also has the right to a proportion of the receipts generated from the sales of homes by Worthing Homes. These receipts have been set aside to fund the delivery of affordable housing

Whilst, the revenue implication of using any capital receipts is by no means as much as those incurred by borrowing, this is by no means a 'free' source of funding. The annual revenue costs of using £1m of capital receipts are as follows:-

5.0 RESOURCES

5.4.1 Usable Capital Receipts derived from the sale of assets

ii) Worthing Borough Council

	Year 1 £	Year 2 £
Interest at say 0.5%	2,500	5,000

In the past capital receipts have been a major source of funding for both Councils' capital programmes. Members will be aware that the Councils now have only limited access to capital receipts as:

- Neither Council owns large tracts of land that can be easily disposed of when capital receipts are needed. There are some disposals which are currently taking place and which could be made available in time, but these are unlikely to meet all the investment needs of either Council in the immediate future;
- There are very few other options for future disposals of operational assets, owned by either council, without service provision implications;
- Any benefits that might accrue from the sale of non-operational assets, such as the commercial properties, will be largely negated by the loss of significant rental and lease income. Consequently, the disposal of such assets can only be undertaken when there is a clear business case to justify such an action;

In addition, due to the pressure on the reserves, the report on the revenue budget elsewhere on the agenda recommends using some of the receipts generated in the period 2016 - 2019 to fund the costs associated with delivering the savings necessary to balance the 2018/19 budget. The amount to be release is £14,000 for Adur District Council and £300,000 for Worthing Borough Council.

In light of the budget strategy and the limitations on generating additional capital receipts, the estimated balance of capital receipts to fund the draft Capital Investment Programme will be:

5.0 RESOURCES

5.4.1 Usable Capital Receipts derived from the sale of assets

Adur District Council

Adur District Council		Balance at 1 st April £'000	* Receipts Generated £'000	Planned Use £'000	Balance at 31 st March £'000
2018/19	General	-	-	-	-
	Ring-fenced				
	- HRA	2,290	800	-1,047	2,043
	- General Fund	413	16	-246	183
	Total	2,703	816	-1,293	2,226
2019/20	General	-	-	-	-
	Ring-fenced				
	- HRA	2,043	800	-1,863	980
	- General Fund	183	16	-6	193
	Total	2,226	816	-1,869	1,173
2020/21	General	-	-	-	-
	Ring-fenced				
	- HRA	980	800	-1,600	180
	- General Fund	193	16	-6	203
	Total	1,173	816	-1,606	383

Worthing Borough Council

Worthing Borough Council		Balance at 1 st April £'000	Receipts Generated £'000	Planned Use £'000	Balance at 31 st March £'000
2018/19	General	-	-	-	-
	Ring-fenced	4,715	212	-1,444	3,483
	Total	4,715	212	-1,444	3,483

5.0 RESOURCES

5.4.1 Usable Capital Receipts derived from the sale of assets

Worthing Borough Council

Worthing Borough Council		Balance at 1 st April £'000	Receipts Generated £'000	Planned Use £'000	Balance at 31 st March £'000
2019/20	General	-	-	-	-
	Ring-fenced	3,483	212	-1,002	2,693
	Total	3,483	212	-1,002	2,693
2020/21	General	-	-	-	-
	Ring-fenced	2,693	212	-1,000	1,903
	Total	2,693	212	-1,000	1,903

The lack of capital receipts as a source of funding is a problem for both Councils. It is inevitable that both Councils will need to borrow to sustain their respective capital programmes.

5.4.2 Prudential Borrowing

For the General Fund, the Prudential Code generally gives an unlimited ability to borrow, provided it is 'affordable, sustainable and prudent'. In practical terms the amount of the borrowing is inhibited by the impact of the associated revenue consequences on the revenue budget and on council tax.

The position for Adur's Housing Revenue Account is different. Since April 2012, any future borrowing for capital investment in the housing stock, will only be allowable subject to repaying existing debt and creating headroom between actual debt and the borrowing limit of £68.9 million. Headroom to borrow is currently at £9.3m.

Whilst, the HRA has the option to make a voluntary revenue provision (VRP) for the repayment of debt, at the moment this option is not being exercised due to the financial position of the HRA. This will be reassessed once the current government policy on rent levels of a 1% annual reduction comes to an end. This can be funded from the depreciation which is set aside into the Major Repairs Reserve (see 5.4.3 below).

The annual revenue costs of each additional £1m of Prudential Code borrowing are estimated to be as follows:-

5.0 RESOURCES

5.4.2 Prudential Borrowing

	Year 1 £	Year 2 £
Principal repayment based on the annuity method *	0	53,770
Interest at say 3%	15,000	30,000
Total costs	15,000	83,770

* Both Councils have a policy of repaying any debt over the life of the asset acquired. On average the assets funded will have a life of 15 years which is equivalent to a 7% revenue provision each year.

MRP= Minimum Revenue Provision – the amount of ‘capital’ that has to be repaid each year, notionally this is the amount set aside to repay debts which have accumulated to finance schemes.

5.4.3 Adur Housing Revenue Account Major Repairs Reserve contribution

The Council is allowed to set-aside amounts into a Major Repairs Reserve, equivalent to at least the annual depreciation charge for the housing stock made to the Housing Revenue Account. This can be used to fund the repayment of debt or to finance capital expenditure. The major repairs allowance calculation for 2018/19 is estimated at £4.4m which will be used to finance the capital programme.

New capital expenditure on housing will be financed from direct revenue contributions, capital receipts, the Major Repairs Reserve or from Prudential Borrowing (if overall borrowing is less than the ‘borrowing limit’ of £68.9 million). Any new borrowing will require amounts to be set aside from the Major Repairs Reserve for repayment of debt.

5.4.4 Revenue Contributions and Reserves

Worthing Borough Council has a specific capital reserve set aside to fund the capital improvements at the Crematorium. The Crematorium makes an annual contribution to the reserve from the additional income generated by the agreed improvements.

The HRA has set up a ‘New Acquisition and Development’ reserve specifically to fund initiatives to increase the supply of affordable housing. This will be used to fund the preliminary works on Cecil Norris House and the costs associated with Albion Street.

5.0 RESOURCES

5.4.5 Capital Grants and other external funding

The following capital grants and other contributions are expected and have been taken into account within the overall resources for the 2018/19 capital programme:

Adur District Council External Funding

	£
Disabled Facilities Grant (Better Care Fund)	350,000

Worthing Borough Council External Funding

	£
Disabled Facilities Grant (Better Care Fund)	750,000
Lawn Tennis Association External Funding	200,000
S106 Receipts	225,200
Theatres Restoration Levy	50,000

Disabled Facilities grants are mandatory and each Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. Both Councils have received increased Better Care Fund Grant Allocations in 2018/19 which are forecast to be sufficient to fund all grant allocations. Any unspent grant can be carried forward to 2019/20 to fund outstanding grant commitments at 31st March 2018.

6.0 DRAFT PROGRAMMES

General Fund Programme

- 6.1 The three-year draft General Fund programmes are attached at Appendices 2 and 3. The indicative programmes have been prepared on the basis of the agreed guidelines and the estimated resources. Each scheme has been scored using the priority scoring system devised under the Capital Strategy, producing a balanced programme in accordance with the overall available funding. The resulting draft Capital Investment Programmes for 2017/18 – 2020/21 (including all schemes approved for 2017/18) are attached at Appendices 8 and 9 for information. At this stage, the schemes recommended for inclusion 2020/21 are indicative only and will be reassessed next year.
- 6.2 Members are asked to consider the proposed programmes. Members can remove schemes if they consider that they should not be supported at this time or add schemes which merit support provided that the overall programme remains affordable. Additional information is provided below on the proposed invest to save schemes and other issues which members should be aware of when considering the overall programme.

6.0 DRAFT PROGRAMMES

6.3 Invest to save schemes

The Councils will consider ‘invest to save’ capital proposals which produce revenue savings that exceed the cost of borrowing by at least 10% over the life of the investment.

(i) Empty Properties

The tables below show the potential additional income from empty properties via New Homes Bonus, if brought back into use, over the next 5 years for both Adur and Worthing. It is recommended that a proportion of the income generated is ring-fenced for empty properties work to bring more empty properties back into use over the 5 years.

The future of the New Homes Bonus (NHB) scheme is still unknown. If the New Homes Bonus ceases then this scheme will be funded in future from the repayment of empty property grants and loans. The effectiveness of the scheme is reviewed annually.

Adur District Council Additional New Homes Bonus Anticipated as a result of bringing an estimated 8 properties back into use each year

Year	Estimated Bonus Year 1 £	Estimated Bonus Year 2 £	Estimated Bonus Year 3 £	Estimated Bonus Year 4 £	Estimated Bonus Year 5 £	Total Estimated Bonus £
1	10,195	10,195	10,195	10,195	10,195	50,975
2		10,195	10,195	10,195	10,195	40,780
3			10,195	10,195	10,195	30,585
4				10,195	10,195	20,390
5					10,195	10,195
	10,195	20,390	30,585	40,780	50,975	152,925

Worthing Borough Council Additional New Homes Bonus Anticipated as a result of bringing an estimated 20 properties back into use each year

Year	Estimated Bonus Year 1 £	Estimated Bonus Year 2 £	Estimated Bonus Year 3 £	Estimated Bonus Year 4 £	Estimated Bonus Year 5 £	Total Estimated Bonus £
1	24,258	24,258	24,258	24,258	24,258	121,290
2		24,258	24,258	24,258	24,258	97,032
3			24,258	24,258	24,258	72,774
4				24,258	24,258	48,516
5					24,258	24,258
	24,258	48,516	72,774	97,032	121,290	363,870

6.0 DRAFT PROGRAMMES

6.3 Invest to save schemes

(i) Empty Properties

The Councils continue to build on the working relationship with the nominated private sector letting agent that we are currently in partnership with to manage our guaranteed rent scheme. We have already achieved one of our objectives by developing a Guaranteed Rent Scheme with Northwood's letting agent. This is proving successful with 23 properties to date being referred to them and the housing options team receiving the nomination rights. There has been a growing number of empty home owners interested in the schemes and new approaches continue to be sought to promote the funding to Empty Property owners. Increasing the supply of private sector rental properties available at Local Housing Allowance levels remains a key objective.

Close working with our Legal Team to develop and finalise the Enforced Sales Procedure is nearing fruition which will allow us to proceed with the sale of three long term empty properties, we anticipate using this procedure on further properties in the future.

A number of projects are currently underway with the YMCA, who still have HCA grant funding. The councils funding from the Empty Property Assistance Programme will see an empty run down property of over three years being renovated and brought back into occupancy as a four bed HMO nomination rights to this property will be awarded to the council for the next five years.

The Councils will continue to focus on achieving the objectives set out in the Empty Property Strategy and working with partners in the charitable sector as well as individual empty property owners to increase the supply of affordable housing as these properties are let at social rents.

The success of this initiative will be monitored to ensure that the bonus is generated as expected.

(ii) Strategic Property Investment Fund

As part of the Capital Strategy, it was proposed that each Council would set aside funding for a Strategic Property Investment Fund. This fund would be used to invest in commercial property; each investment should generate income which exceeds the potential borrowing costs associated with the purchase or development of the new property.

Whilst under the constitution the Head of Growth has the delegated authority to purchase property provided that a budget exists; given the nature of these investments, each individual purchase or development is the subject of a business case which is approved by the relevant Leader and Executive Member of Resources.

6.0 DRAFT PROGRAMMES

6.3 Invest to save schemes

(iii) Temporary accommodation

The cost of temporary and emergency accommodation has been escalating. In response to this, the Councils have each created a budget to purchase temporary accommodation for residents who the Council has a duty to house temporarily. Each proposal is assessed for financial and operational viability before a business case is approved by the Joint Strategic Committee.

6.4 Schemes currently below programme financial cut-off

6.4.1 This year there are a few schemes which fall below the proposed cut-off for each of the programmes. These are detailed in appendices 2 and 3.

6.5 Adur Housing Investment Programme

6.5.1 The estimated resources available to fund the 2018/19 HRA Investment Programme of £5,200,000 are sufficient to fund all the proposed schemes (Appendix 5).

6.5.2 The first priority for the programme is the continued maintenance of Council homes to address issues arising from the condition survey. Members have recently approved the draft programmes for 2017/18 and 2018/19. Work is currently being undertaken to establish the programme for 2019/20 and 2020/21 and will be presented to members next year.

6.6 Overall

The following assumptions have been used in preparing the draft programmes:

- (a) Maximise use of external funding where possible.
- (b) Continuation of Specific Grant Aided Funding for Mandatory Disabled Facilities Grants.
- (c) The proposed Capital Programme and Reserve Lists include a number of the larger planned maintenance schemes. Only schemes which meet the criteria for capital funding are included.

6.7 The following tables are a summary of total resources used to fund the new schemes included in the draft programme.

6.0 DRAFT PROGRAMMES

Adur District Council

Programme Year	Revenue Contributions and Reserves £	Major Repairs Reserve £	Capital Grants and Contributions £	Usable Capital Receipts £	Borrowing £	TOTAL £
2018/2019						
General Fund	81,920	-	350,000	6,000	2,177,160	2,615,080
HRA	-	4,400,000	-	663,800	136,200	5,200,000
Total	81,920	4,400,000	350,000	669,800	2,313,360	7,815,080
2019/2020						
General Fund	81,920	-	350,000	1,006,000	2,144,000	3,581,920
HRA	-	4,400,000	-	863,800	536,200	5,800,000
Total	81,920	4,400,000	350,000	1,869,800	2,680,200	9,381,920
2020/2021						
General Fund	81,920	-	350,000	1,006,000	1,822,190	3,260,110
HRA	-	4,400,000	-	1,000,000	1,000,000	6,400,000
Total	81,920	4,400,000	350,000	2,006,000	2,822,190	9,660,110
TOTAL						
General Fund	245,760	-	1,050,000	2,018,000	6,143,350	9,457,110
HRA	-	13,300,000	-	2,527,600	1,672,400	17,400,000
GRAND TOTAL	245,760	13,300,000	1,050,000	4,545,600	7,815,750	26,857,110

6.8 Members will note that the total planned new spending over the next three years, is £26,857,110. The table above indicates how this proposed programme will be financed.

6.0 DRAFT PROGRAMMES

6.9 Worthing Borough Council

Programme Year	Revenue Contributions and Reserves £	Capital Grants and Contributions £	Theatres Levy/ Corporate Sponsorship £	Usable Capital Receipts £	Borrowing £	TOTAL £
2018/2019						
General Fund	69,080	1,175,200	50,000	-	4,484,780	5,779,060
2019/2020						
General Fund	69,080	1,670,000	61,200	1,000,000	4,272,950	7,073,230
2020/2021						
General Fund	69,080	750,000	-	1,000,000	3,026,910	4,845,990
GRAND TOTAL	207,240	3,595,200	111,200	2,000,000	11,784,640	17,698,280

6.10 Members will note that the total planned new spending over the next three years, is £17,698,280. The table above indicates how this proposed programme will be financed.

7.0 REVENUE IMPLICATIONS

7.1 The revenue implications (excluding the revenue impact of financing the Capital Investment Programme) of all the capital projects in the draft programmes are shown in last column of appendices 2 and 3. An assessment of the revenue implications of the planned programme has already been built into the Medium Term Financial Plan. This has already been recognised as a genuine expenditure within the overall revenue budget. There is, of course, no obligation to spend merely because resources are available. In considering the merits of any capital investment proposal, the opportunity cost of using the resources, the revenue cost associated with any borrowing and the interest earnings foregone by utilising capital receipts and reserves, require full consideration.

7.0 REVENUE IMPLICATIONS

7.2 The full year revenue impact of financing the capital programme is shown below:-

Adur District Council

Programme Year	Revenue Impact		Cumulative		Full-Year Impact in
	General Fund £	HRA £	General Fund £	HRA £	
2018/2019	217,746	16,939	217,746	16,939	2019/2020
2019/2020	219,430	57,939	437,176	74,878	2020/2021
2020/2021	187,249	105,000	624,425	179,878	2021/2022

Worthing Borough Council

Programme Year	Revenue Impact		Cumulative		Full-Year Impact in
	Borrowing £	Capital Receipts £	Borrowing £	Capital Receipts £	
2018/2019	448,478	-	448,478	-	2019/2020
2019/2020	427,295	5,000	875,773	5,000	2020/2021
2020/2021	302,691	5,000	1,178,464	10,000	2021/2022

The above figures, for both councils, do not include any other direct revenue implications, which could be either positive or negative, depending on the particular schemes. The draft programmes show the other on-going annual running costs of servicing and maintaining the proposed schemes and savings generated from the capital investment.

8.0 PRUDENTIAL INDICATORS

8.1 The statutory framework for the Prudential System is set out in Chapter I of the Local Government Act 2003 and in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended. The framework incorporates four statutory codes. These are:

- The Prudential Code prepared by CIPFA
- The Treasury Management Code prepared by CIPFA
- The Statutory Guidance on Local Authority Investments prepared by DCLG
- The Statutory Guidance on Minimum Revenue Provision prepared by DCLG

8.0 PRUDENTIAL INDICATORS

- 8.2 Part of the core process for the Prudential Code is for Members to set Prudential Indicators as detailed in the Prudential Code against which the performance of the Capital Investment Programme and Treasury Management can be measured and monitored throughout the year. These indicators will be calculated once the programme has been fixed and reported to the Executive and Council as part of the Revenue Budget report.
- 8.3 Members should be aware that the Prudential Code is being revised with the aim of creating more openness and transparency around investment in non-financial instruments. New requirements for reporting include:
- i) Local authorities should formally approve the capital strategy
 - ii) The Chief Financial Officer must now formally report on the risks associated with the capital strategy.
 - iii) Local authorities will need to disclose the contribution that investments make to the delivery of core activities.
 - iv) The key principles of security, liquidity and yield will be extended to all investment activity, including commercial and regeneration investments.
 - v) There will be an extended requirement for the local authority to comment on the skills and training of decision makers, be they senior officials, Members or Treasury Management staff.
- 8.4 In parallel to the changes in the Prudential Code, the Government is also consulting on changes to the Minimum Revenue Provision which may be introduced for the 2018/19 financial year. The main changes proposed are that:
- i) Local authorities can still overpay in any specific year, and offset that overpayment against charges in future years.
 - ii) Where local authorities use a methodology based on the Useful Economic Life of assets, the Government is proposing the following maximum lives:
 - Freehold land 50 years
 - Other assets 40 years
- The Council already complies with this requirement.

9.0 CONSULTATION

- 9.1 Members were consulted on the capital bids to be included in the draft programmes. Their comments are included in this report. The final recommendations for the capital programmes will be made to Adur District Council on the 14th December, 2017 and Worthing Borough Council on the 19th December, 2017.

10.0 CONCLUSION

- 10.1 Whilst both Councils have only limited resources with which to fund the capital programme, it has been possible to provide for a modest programme of £1.0m for Adur District Council, £2.0m for Worthing Borough Council each year and £5.2m for Adur Homes. Both Councils have insufficient capital resources available to meet all of the identified demands for capital investment over the next three years, and therefore some schemes must remain on the respective Reserve List.
- 10.2 The implication of this restriction in capital investment is that some maintenance needs are not currently being met. Both Councils will need to continue to critically review their asset base over the coming years with a view to retaining a sustainable level of assets to support service delivery.
- 10.3 The continuing constraints on the availability of capital resources in the medium to long term and the direct impact on the revenue budget leaves little room for manoeuvre. Work needs to commence now to ensure sufficient resources are available to both Councils to provide adequate funds for financing the respective Capital Investment Programmes from 2019/20 onwards. In any event, the revenue consequences of spending scarce resources must always be borne in mind in judging the merits of any capital investment proposal.

11.0 FINANCIAL IMPLICATIONS

- 11.1 The financial implications associated with the development of the budgets are detailed throughout the report.

Finance Officer: Sarah Gobey

Date: 20th November 2017

12.0 LEGAL IMPLICATIONS

- 12.1 Part 1 of the Local Government Act, 2003 sets out the framework for capital finance and expenditure.
- 12.2 The Local Government (Capital Finance and Accounting) (England) Regulations 2003 provide more detailed requirements.

12.0 LEGAL IMPLICATIONS

- 12.3 Section 111 of the Local Government Act, 1972 allows the Council to do anything which is intended to facilitate or is conducive to or ancillary to any of its functions.
- 12.4 The Local Government Act 2003, Sections 16(2)(b) and 20: Treatment of costs as capital expenditure allows Councils to use any capital receipts generated in 2016/17 – 2018/19 to fund revenue expenditure which will generate an on-going saving via a direction from the Secretary of State which was issued on 17th December 2015.

Legal Officer: Susan Sale

Date: 22nd November 2017

Local Government Act 1972

Background Papers:

CIPFA Prudential Code for Capital Finance in Local Government 2003

Capital Estimates 2018/19 – Working papers

Investing in Service Delivery - Capital Strategy 2018/19 - 2020/21 – Report to Joint Strategic Committee on 11th July 2017

Towards a Sustainable Future - Budget Strategy for the 2018/19 Budget – Report to Joint Strategic Committee on 11th July 2017

2nd Capital Investment Programme and Projects Monitoring 2017/18 – Report to Joint Strategic Committee on 7th November 2017

HRA Capital Programme 2017-2019 – Report to Joint Strategic Committee on 12th September 2017

Worthing multi-storey car park improvement programme: approval to commence capital works – Report to Joint Strategic Committee on 4th April 2017

Improving supply of temporary accommodation - Report to Joint Strategic Committee on 13th September 2016

Contact Officer:

Sarah Gobey

Chief Financial Officer

Telephone 01903 221221

e-mail: sarah.gobey@adur-worthing.gov.uk

ANNEX

SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Individual schemes within the three proposed capital programmes have been subjected to equalities impact assessment. Schemes which have a positive impact on equalities include:

- Affordable housing schemes – Schemes are targeted at the most vulnerable;
- Disability Discrimination Act - Works to improve accessibility of Council buildings;
- Disabled Facilities Grants – Improvements and adaptations to private housing to meet specific needs;
- Home Repair Assistance Grants – Grants to enable those in need to stay in their homes;
- Resurfacing of hard surfaces – Provides an improved surface for wheelchair users and other people with reduced mobility;
- Parks – Replacement of play area and outdoor fitness equipment which is designed to be more accessible and inclusive;
- ICT Hardware Replacement Programme – Provision of special keyboards and screens where required;
- Empty Property Grants – Increase the supply of affordable housing in the locality.
- Public Conveniences – Upgraded and new facilities include DDA improvements and facilities.

There will be no negative equalities and diversity outcomes arising from the proposed programmes.

SUSTAINABILITY AND RISK ASSESSMENT

2. SOCIAL

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL THREE YEAR CAPITAL INVESTMENT PROGRAMMES



1. **Financial Control** - In view of the requirements of the Councils' Financial Regulations concerning the control of capital expenditure, the Capital Investment Programmes have been prepared in order to distinguish between:
 - (a) **Committed Schemes - £250,000 and Under** – Schemes where resources have been committed and which do not require approval as a Key Decision.
 - (b) **Committed Schemes – Key Decisions** – Schemes that result in the Council incurring capital expenditure in excess of £250,000 and where resources have been committed.
 - (c) **Future Programme** – Schemes which the Council intends to undertake in future years depending on resources available and the Council's Priorities and Strategic Objectives.
 - (d) **New Schemes** – These schemes are shown in bold.
2. **Capital Strategy** – The Councils approved the Joint Capital Strategy 2018 - 2021 in July 2017 and the preparation of this year's programmes has been carried out in line with the principles contained in the agreed strategy. The strategy sets out the basis for the prioritisation of bids for schemes to be included in the three-year programmes covering all services, including Housing.
3. **Prioritisation of Schemes** – The programmes have been prepared in light of the scoring mechanism agreed in the Joint Capital Strategy and is used by Officers as a guide to identify the schemes recommended to the Joint Strategic Committee for inclusion in the programmes.
4. **Contingency for Inflation and Fluctuations** - The Housing Programmes, which provide resources to meet the needs identified in the Councils' Housing Strategies, are estimated at outturn prices. Estimates for all other schemes are at November 2017 prices as, for most projects, it is not practical at this stage to forecast the effects of future inflation. In order to ensure that adequate finance is available to meet inflationary increases over the three years, a general contingency has been included in each Executive Member's programme.
5. **VAT** – Adur District Council and Worthing Borough Council have no VAT liability.
6. **Annual Revenue Costs** - The schedules indicate in column (12) the estimated amount of interest foregone in utilising resources, which are currently invested and earning much needed interest to support the General Fund Revenue Budgets, or the cost of using Prudential Borrowing to fund the Capital Investment Programmes. Additional costs (or savings) of servicing and maintaining the proposed schemes are shown in column (13).
7. **Worthing Borough Council and Adur District Council Partnership Schemes** – Capital schemes which enhance the partnership between the Worthing and Adur Councils are included in each Executive Member's portfolio and are listed in the partnership scheme schedule.
8. **Capitalised Planned Maintenance Schemes** - The Capital Investment Programmes include a number of the larger planned maintenance schemes. Only schemes which meet the criteria for capital funding are approved.
 * **Capitalised planned maintenance schemes included in the 2017/2018 – 2020/2021 C.I. Programmes.**

INDEX OF LEAD OFFICERS

AE	Andy Edwards	Head of Environmental Services
AN	Andy Northeast	Transport Manager
AO	Amanda O'Reilly	Head of Culture
BR	Bruce Reynolds	Team Leader, Environmental Health
CA	Cally Antill	Head of Housing
CH	Clare Halstead	Project Officer, Regeneration
CJ	Chris Jones	Planning Policy Officer
DM	Derek Magee	Engineering and Surveying Manager
ED	Emma Davies	Project Manager
JA	James Appleton	Head of Growth
JJ	Jan Jonker	Head of Customer and Digital Services
LS	Lara Southam	Project Manager
MG	Mike Gilson	Head of Communications
MR	Martin Randall	Director for the Economy
PT	Paul Turner	Monitoring and Systems Support Team Leader
SG	Sarah Gobey	Chief Finance Officer
SS	Steve Spinner	Head of Business and Technical Services
TP	Tony Patching	Waste Management and Cleansing

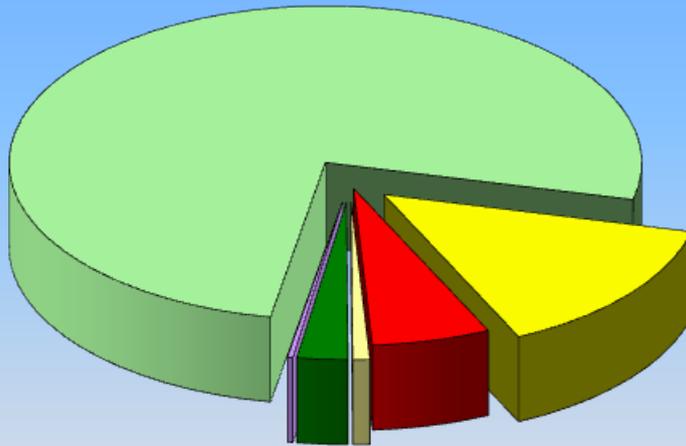
**ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR & WORTHING COUNCILS Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						
				Prior to 1.4.2017 £	2017/2018		2018/19 Estimate Less 3rd Qtr Profiling £	2019/2020 Estimate £	2020/2021 Estimate £	Future Years £
					Original £	Revised £				
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<u>PARTNERSHIP SCHEMES</u>										
Cemeteries										
Replacement of stolen mechanical excavator (Part funded from insurance claim)	98077	AE	22,000	-	-	22,000	-	-	-	-
Compliance Service										
Replacement of one vehicle	98068	AN	13,000	-	-	13,000	-	-	-	-
Dog Warden Service										
Replacement of one vehicle	98067	AN	25,000	-	-	-	25,000	-	-	-
Grounds Maintenance										
Provision of a storage building at Commerce Way for grounds maintenance vehicles and equipment	98070	DN	-	-	250,000	-	-	-	-	-
Rolling programme of equipment replacements										
Vehicle replacements	98066	AE	150,200	-	-	10,200	35,000	35,000	35,000	35,000
	98067	AN	464,900	-	108,500	125,900	132,000	151,000	28,000	28,000
Information and Communications Technology										
Corporate Asset Management System	98076	JJ	35,000	4,520	48,000	25,480	5,000	-	-	-
CenSus ICT Partnership Schemes	98063	JJ	18,000	-	100,000	18,000	-	-	-	-
Corporate ICT hardware and infrastructure replacement programme	98065	JJ	670,400	-	100,000	125,400	200,000	215,000	65,000	65,000
Digital Strategy general provision to facilitate delivery of the digital strategy	98073	JJ	1,369,820	-	225,000	394,820	300,000	225,000	225,000	225,000

**ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

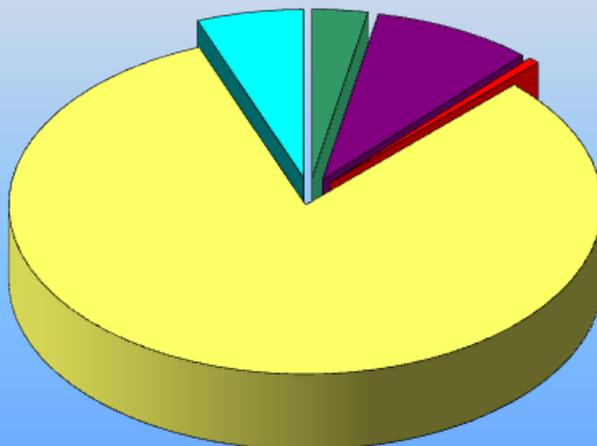
 ADUR & WORTHING COUNCILS Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						
				Prior to 1.4.2017 £	2017/2018		2018/19 Estimate Less 3rd Qtr Profiling £	2019/2020 Estimate £	2020/2021 Estimate £	Future Years £
					Original £	Revised £				
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
PARTNERSHIP SCHEMES (continued)										
<i>Information and Communications Technology (Continued)</i>										
Financial Management System - Total licence extension, Total documents and document service facilities	98000	SG	565,000	173,000	165,000	392,000	-	-	-	-
Payroll System - Replacement	98081	SG	175,000	-	-	-	175,000	-	-	-
<i>Refuse/Recycling Service</i>										
Procurement of 2 new refuse / recycling vehicles required for a new collection round due to the increase in new build properties	98061	AN	352,000	-	-	-	352,000	-	-	-
Provision of wheeled bins	98047	TP	250,000	-	50,000	50,000	50,000	50,000	50,000	50,000
Refuse / Recycling Fleet Replacement	98061	AN	4,143,200	-	4,030,000	4,143,200	-	-	-	-
<i>Street Cleansing / Refuse / Recycling Service</i>										
Vehicle Replacements	98061 98062	AN	2,061,800	-	264,500	173,300	607,500	336,000	472,500	472,500
TOTAL			10,315,320	177,520	5,341,000	5,493,300	1,881,500	1,012,000	875,500	875,500

Capital Expenditure



- Regeneration: £51.249m
- Customer Services (Adur Homes): £9.583m
- Customer Services (Other): £4.073m
- Resources: £0.582m
- Environment: £1.740m
- Health and Wellbeing: £0.188m

Capital Financing



- Capital Receipts: £2.04m
- Reserves and Revenue Contributions: £5.906m
- Government Grants: £0.417m
- Borrowing: £55.121m
- External Contributions: £3.931m

**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL	Total Estimate £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
		Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
			Original £	Current £						
Column Reference (1)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
BUDGETS										
Executive Member for Customer Services	44,502,090	-	9,017,160	4,583,280	13,655,810	8,287,000	8,888,000	9,088,000	776,450	(56,000)
Executive Member for Environment	6,190,660	505,600	3,047,670	2,590,900	1,740,490	467,650	460,010	426,010	509,570	-
Executive Member for Health and Wellbeing	516,100	840	219,800	69,760	187,900	224,000	16,800	16,800	51,610	-
Executive Member for Regeneration	142,316,770	752,290	13,450,500	12,670,610	51,249,200	27,381,900	25,237,770	25,025,000	13,565,470	-
Executive Member for Resources	2,105,740	85,830	250,000	470,090	582,050	363,070	309,400	295,300	210,590	-
	195,631,360	1,344,560	25,985,130	20,384,640	67,415,450	36,723,620	34,911,980	34,851,110	15,113,690	(56,000)
FINANCING										
Capital Grants and Contributions										
Communities and Local Government			3,200,000	998,710	405,000	350,000	575,270	350,000		
Environment Agency			55,500	91,630	12,500	1,140,500	12,500	25,000		
S106 Contributions from Planning Agreements			877,000	1,102,830	499,680	-	-	-		
Other Contributions			-	143,440	3,431,500	-	-	-		
Prudential Borrowing			15,159,070	14,113,590	55,120,810	28,881,400	27,836,290	27,988,190		
Revenue Contributions and Reserves										
Revenue Contributions			57,470	82,790	81,920	81,920	81,920	81,920		
Revenue Reserves			5,895,610	3,029,250	5,823,810	4,400,000	4,400,000	4,400,000		
Usable Capital Receipts			740,480	822,400	2,040,230	1,869,800	2,006,000	2,006,000		
			25,985,130	20,384,640	67,415,450	36,723,620	34,911,980	34,851,110		

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL	CAPITAL ESTIMATES					
	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £
	Original £	Current £				
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING						
Capital Grants and Contributions						
<u>Communities and Local Government</u>						
Better Care Fund (Disabled Facilities Grants)	305,000	437,160	350,000	350,000	350,000	350,000
Local Enterprise Partnership (Governments Growth Deal) (Shoreham Harbour Walls Project)	2,820,000	147,620	-	-	-	-
(Adur Civic Centre Redevelopment)	-	363,240	-	-	-	-
Planning Delivery Grant (Ferry Road Environmental Improvements)	-	20,690	-	-	-	-
Shoreham Harbour Growth Point Grant (Shoreham Harbour Projects)	75,000	30,000	55,000	-	225,270	-
	3,200,000	998,710	405,000	350,000	575,270	350,000
<u>Environment Agency</u>						
Coast Protection Grant (Adur Beach Management Plan - Preliminary Study for the Rivers Arun to Adur)	-	32,420	-	-	-	-
(Strategic Monitoring Project for the South East Phase 4)	12,500	12,500	12,500	12,500	12,500	25,000
(Shoreham Harbour Walls Project)	43,000	46,710	-	1,128,000	-	-
	55,500	91,630	12,500	1,140,500	12,500	25,000
<u>S106 Contributions from Planning Agreements</u>						
(Affordable Housing - Unallocated provision)	477,000	372,830	104,170	-	-	-
(Contribution to the Sir Robert Woodward Academy for the provision of a 3G pitch)	-	630,000	-	-	-	-
(Buckingham Park Pavilion - Replacement)	150,000	-	150,000	-	-	-
(Contribution to skateboard park, Beach Green, Lancing)	-	100,000	-	-	-	-

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL	CAPITAL ESTIMATES					
	2017/2018		2018/2019 Draft Estimate	2019/2020 Draft Estimate	2020/2021 Draft Estimate	Future Years
	Original	Current				
	£	£	£	£	£	£
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING (Continued)						
Capital Grants and Contributions (Continued)						
<u>S106 Contributions from Planning Agreements (Continued)</u>						
(Southwick Leisure Centre - Upgrade of tennis courts)	150,000	-	150,000	-	-	-
(Wadurs Swimming Pool - Expansion of changing facilities)	100,000	-	95,510	-	-	-
	877,000	1,102,830	499,680	-	-	-
<u>Other Contributions</u>						
Donations						
(Shoreham Air Crash Memorial)	-	23,500	131,500	-	-	-
Impulse Leisure						
(Wadurs Swimming Pool - Expansion of changing facilities)	-	-	50,000	-	-	-
Rampion Offshore Wind Ltd						
(Ferry Road footpath access to Shoreham Beach Nature Reserve landscaping)	-	20,500	-	-	-	-
Worthing Borough Council						
(Contribution to the Preliminary Study for the Rivers Arun to Adur)	-	24,440	-	-	-	-
(Flood Defences at Shoreham's Western Harbour Arm)	-	70,000	3,250,000	-	-	-
West Sussex County Council						
(Contribution to the provision of street scene benches)	-	2,000	-	-	-	-
West Sussex County Council						
(Contribution to the provision of benches for Riverside Car Park)	-	3,000	-	-	-	-
	-	143,440	3,431,500	-	-	-
Prudential Borrowing						
Housing Revenue Account - Housing Capital Investment Programme	-	-	3,095,600	536,200	1,000,000	1,200,000

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL	CAPITAL ESTIMATES					
	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £
	Original £	Current £				
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING (Continued)						
Prudential Borrowing (Continued)						
<u>Invest to Save Schemes</u>						
(Property Acquisition - Acquisition of emergency or temporary property for the homeless)	1,200,000	-	2,200,000	1,000,000	1,000,000	1,000,000
(Southwick Leisure Centre - Upgrade of tennis courts)	150,000	-	150,000	-	-	-
(Strategic Property Investment Fund for investments in commercial property)	10,000,000	10,000,000	40,000,000	25,000,000	25,000,000	25,000,000
<u>General Fund Schemes</u>						
(Construction of a new office building)	-	1,200,000	8,200,000	1,200,000	-	-
(Replacement of refuse/recycling fleet)	1,450,000	1,483,950	-	-	-	-
(Other Schemes)	2,359,070	1,429,640	1,475,210	1,145,200	836,290	788,190
	15,159,070	14,113,590	55,120,810	28,881,400	27,836,290	27,988,190
Revenue Contributions and Reserves						
<u>Revenue Contributions</u>						
Community Alarm Service						
(Purchase of community alarm equipment)	25,550	25,550	50,000	50,000	50,000	50,000
New Homes Bonus						
(Empty Properties - Grants and loans to bring empty properties back into use)	21,000	46,320	21,000	21,000	21,000	21,000
Adur and Worthing Refuse and Recycling Service						
(Wheeled bin replacements)	10,920	10,920	10,920	10,920	10,920	10,920
	57,470	82,790	81,920	81,920	81,920	81,920

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL	CAPITAL ESTIMATES					
	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £
	Original £	Current £				
	Column Reference (1)	(6)	(7)	(8)	(9)	(10)
DETAILED FUNDING (Continued)						
Revenue Contributions and Reserves (Continued)						
<u>Revenue Reserves</u>						
Insurance Reserve (Insurance Claim - Replacement of stolen mechanical excavator)	-	2,340	-	-	-	-
Reserve for Development and Refurbishment of Housing (Development and refurbishment of Council Dwellings)	1,795,610	70,000	1,705,610	-	-	-
Major Repairs Reserve (Adur Homes Capital Investment Programme)	4,100,000	2,956,910	4,118,200	4,400,000	4,400,000	4,400,000
	5,895,610	3,029,250	5,823,810	4,400,000	4,400,000	4,400,000
Usable Capital Receipts						
Affordable Housing	140,480	-	1,276,430	1,000,000	1,000,000	1,000,000
Adur Homes Capital Investment Programme	600,000	600,000	663,800	863,800	1,000,000	1,000,000
Non Ring-Fenced	-	48,490	-	6,000	6,000	6,000
Ring-Fenced						
(Shoreham Renaissance - Shoreham Air Crash Memorial)	-	11,500	-	-	-	-
(Shoreham Renaissance - Lower Beach Car Park refurbishment)	-	62,410	100,000	-	-	-
(Adur Civic Centre Redevelopment - Phase II South)	-	100,000	-	-	-	-
	740,480	822,400	2,040,230	1,869,800	2,006,000	2,006,000

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER												
CenSus ICT Partnership Provision for ICT schemes (Residual payments outstanding from former partnership)	18020	JJ	9,000	-	50,000	9,000	-	-	-	-	900	-
Community Alarm Service Purchase of community alarm equipment to replace old equipment (Funded from the Community Alarm Service)	18307	BR	125,550	-	25,550	25,550	50,000	50,000	-	-	-	-
Housing Empty property grants and loans to bring empty properties back into use (Funded from additional 'New Homes Bonus' based on number of properties brought back into use)	18403	BR	88,320	-	21,000	46,320	21,000	21,000	-	-	-	(14,000)
Housing Renewal Assistance <u>Discretionary Grants</u> Home Repair Assistance Grants	18006	BR	200,510	-	65,000	65,510	70,000	65,000	-	-	20,050	-
<u>Mandatory Grants</u> Disabled Facilities Grants (Funded by DCLG Better Care Fund)	18005	BR	1,137,160	-	350,000	437,160	350,000	350,000	-	-	-	-
Affordable Housing Grant to Worthing Homes Southlands Hospital Development (Funded from 'Right to Buy' capital receipts)	18080	CA	372,830	-	-	372,830	-	-	-	-	1,860	-
			1,933,370	-	511,550	956,370	491,000	486,000	-	-	20,950	(14,000)

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - KEY DECISIONS												
Affordable Housing Grants to Registered Social Landlords for the provision of affordable housing (Funded from S106 receipts and capital receipts)	18080	CA	2,380,600	-	810,000	-	1,380,600	1,000,000	-	-	11,900	-
Property Acquisitions Acquisition of emergency interim or temporary accommodation for the homeless (Invest to Save Scheme)	18632	CA	3,200,000	-	1,200,000	-	2,200,000	1,000,000	-	-	320,000	-
			5,580,600	-	2,010,000	-	3,580,600	2,000,000	-	-	331,900	-
FUTURE PROGRAMME												
Affordable Housing Grants to Registered Social Landlords for the provision of affordable housing (Funded from S106 receipts and capital receipts)	18080	CA	2,000,000	-	-	-	-	-	1,000,000	1,000,000	10,000	-
Community Alarm Service Purchase of community alarm equipment to replace old equipment (Funded from the Community Alarm Service)	18307	BR	100,000	-	-	-	-	-	50,000	50,000	-	-
Housing Empty property grants and loans to bring empty properties back into use (Funded from additional 'New Homes Bonus' based on number of properties brought back into use, and repayments of grants and loans made)	18403	BR	42,000	-	-	-	-	-	21,000	21,000	-	(42,000)

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<u>FUTURE PROGRAMME (continued)</u>												
<i>Housing Renewal Assistance</i>												
<u>Discretionary Grants</u>												
Home Repair Assistance Grants	18006	BR	130,000	-	-	-	-	-	65,000	65,000	13,000	-
<u>Mandatory Grants</u>												
Disabled Facilities Grants (Funded by DCLG Better Care Fund)	18005	BR	700,000	-	-	-	-	-	350,000	350,000	-	-
<i>Property Acquisitions</i>	18632	CA	2,000,000	-	-	-	-	-	1,000,000	1,000,000	200,000	-
Acquisition of emergency interim or temporary accommodation for the homeless (Invest to Save Scheme)												
<i>Contingency: Inflation and Fluctuations</i>	18599	SG	6,000	-	-	-	1,000	1,000	2,000	2,000	600	-
			4,978,000	-	-	-	1,000	1,000	2,488,000	2,488,000	223,600	(42,000)
TOTAL GENERAL FUND SCHEMES			12,491,970	-	2,521,550	956,370	4,072,600	2,487,000	2,488,000	2,488,000	576,450	(56,000)

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
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Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ADUR HOMES - HOUSING INVESTMENT PROGRAMME												
COMMITTED SCHEMES												
1 Disability Adaptations for Homes On-going programme providing access and home facilities for Council tenants with disabilities	18056	CA	873,600	-	260,000	313,600	280,000	280,000	-	-	5,460	-
2 External Structural Works i) Flat Roof Recovering/Replacement Programme ii) Re-Pointing Programme and Structural Works Essential work to keep buildings water tight and maintain structures iii) Pitched Roofs Recovering/Replacement Renewal of roof coverings, timber structures, chimney stacks and firewalls iv) External Joinery and Window Replacements Replacement of double glazed windows, external doors and timber frames v) Replacement/Upgrade of door entry systems	18522	DM	5,541,580	-	800,000	115,580	3,480,000	1,946,000	-	-	34,620	-
3 Kitchen and Bathroom Improvements Refurbishment programme to meet Government decency standards	18060	DM	3,220,980	-	1,652,200	2,044,180	326,800	850,000	-	-	20,120	-
4 Environmental Improvements Projects that enhance or improve the estate, immediate surroundings and/or facilities as part of the Decent Homes Programme	18063	DM	207,630	-	40,000	62,630	85,000	60,000	-	-	1,300	-

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

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				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ADUR HOMES - HOUSING INVESTMENT PROGRAMME (continued)												
COMMITTED SCHEMES (continued)												
5 Communal Area Works Wall surfaces, flooring repairs and replacements, and lighting	18064	DM	320,000	-	-	10,000	210,000	100,000	-	-	2,000	-
6 Fire Safety Order Works Rolling programme of works to meet Regulatory Reform (Fire Safety) Order 2005 identified from Fire Risk Assessments	18505	DM	2,944,620	-	560,000	244,620	1,900,000	800,000	-	-	18,400	-
7 Central Heating Installation Programme Full central heating installation	18070	DM	178,400	-	400,000	122,600	5,800	50,000	-	-	1,110	-
8 Boiler Replacements Boilers, heating controls, gas fires or existing heating systems found to be failing or beyond repair are replaced with high efficiency boilers with improved controls where necessary	18072	CA	390,000	-	400,000	130,000	130,000	130,000	-	-	2,440	-
9 Stock Condition Survey To inform a planned programme of structural works	18508	DM	124,800	-	30,000	44,800	40,000	40,000	-	-	780	-
10 Asbestos Management Management and removal of asbestos found in council dwellings	18524	DM	150,220	-	40,000	70,220	40,000	40,000	-	-	940	-
11 Responsive Capital Repairs Urgent capital repairs identified in advance of planned capital works	18525	CA	363,680	-	150,000	163,680	100,000	100,000	-	-	2,270	-

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ADUR HOMES - HOUSING INVESTMENT PROGRAMME (continued)												
COMMITTED SCHEMES (continued)												
12 Capital Works on Empty Properties Over the course of a year approximately 120 council dwellings become vacant and require capital works before they can be re-let	18523	CA	420,000	-	200,000	220,000	100,000	100,000	-	-	2,620	-
13 Sheltered Accommodation - Community Alarms Systems Replacement of existing community alarm communication/alert system	18512	BR	199,800	-	132,800	-	199,800	-	-	-	1,250	-
14 ICT Systems Essential upgrades to the current Housing Management System	18526	PT	55,000	-	35,000	15,000	20,000	20,000	-	-	340	-
15 Software to assess and enable the development of building schemes for Adur District Council	18527	CA	20,000	-	-	-	20,000	-	-	-	120	-
16 Development of Properties The development of new properties for let by Adur Homes. (Funded from the new Development and Acquisition Reserve)	18506	CA	2,873,810	-	1,795,610	70,000	2,141,810	662,000	-	-	17,960	-
17 Professional and Consultancy Services	18075	CA	1,126,000	-	-	-	504,000	622,000	-	-	7,040	-
			19,010,120	-	6,495,610	3,626,910	9,583,210	5,800,000	-	-	118,770	-

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<u>ADUR HOMES - HOUSING INVESTMENT PROGRAMME (continued)</u>												
<u>FUTURE PROGRAMME</u>												
1 External Structural Works i) Flat Roof Recovering/Replacement Programme ii) Re-Pointing Programme and Structural Works Essential work to keep buildings water tight and maintain structures iii) Pitched Roofs Recovering/Replacement Renewal of roof coverings, timber structures, chimney stacks and firewalls iv) External Joinery and Window Replacements Replacement of double glazed windows, external doors and timber frames v) Replacement/Upgrade of door entry systems	18522	DM	4,833,000	-	-	-	-	-	2,350,000	2,483,000	30,200	-
2 Kitchen and Bathroom Improvements Refurbishment programme to meet Government decency standards replacements	18060	DM	1,700,000	-	-	-	-	-	850,000	850,000	10,620	-
3 Environmental Improvements Major repair items or improvements to external communal areas and facilities as part of the Decent Homes Programme	18063	DM	120,000	-	-	-	-	-	60,000	60,000	750	-
4 Communal Area Works Wall surfaces, flooring repairs and replacements, and lighting	18064	DM	200,000	-	-	-	-	-	100,000	100,000	1,250	-

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ADUR HOMES - HOUSING INVESTMENT PROGRAMME (continued)												
FUTURE PROGRAMME (continued)												
5 Fire Safety Order Works Rolling programme of works to meet Regulatory Reform (Fire Safety) Order 2005 identified from Fire Risk Assessments	18505	DM	1,600,000	-	-	-	-	-	800,000	800,000	10,000	-
6 Central Heating Installation Programme Full central heating installation	18070	DM	100,000	-	-	-	-	-	50,000	50,000	620	-
7 Stock Condition Survey To inform a planned programme of structural works	18508	DM	80,000	-	-	-	-	-	40,000	40,000	500	-
8 Asbestos Management Management and removal of asbestos found in council dwellings	18524	DM	80,000	-	-	-	-	-	40,000	40,000	500	-
9 Boiler Replacements Boilers, heating controls, gas fires or existing heating systems found to be failing or beyond repair are replaced with high efficiency boilers with improved controls where necessary	18072	CA	260,000	-	-	-	-	-	130,000	130,000	1,620	-
10 Responsive Capital Repairs Urgent capital works identified in advance of planned capital works	18525	CA	200,000	-	-	-	-	-	100,000	100,000	1,250	-

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
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Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ADUR HOMES - HOUSING INVESTMENT PROGRAMME (continued)												
FUTURE PROGRAMME (continued)												
11 Disability Adaptations for Homes On-going programme providing access and home facilities for Council tenants with disabilities	18056	BR	560,000	-	-	-	-	-	280,000	280,000	3,500	-
12 Capital Works on Empty Properties Over the course of a year approximately 120 council dwellings become vacant and require capital works before they can be re-let	18512	CA	200,000	-	-	-	-	-	100,000	100,000	1,250	-
13 Development of Properties The development of new properties for let by Adur Homes. (Funded from the new Development and Acquisition Reserve)	18506	CA	1,680,000	-	-	-	-	-	840,000	840,000	10,500	-
14 ICT Systems Essential upgrades to the current Housing Management System	18526	PT	40,000	-	-	-	-	-	20,000	20,000	250	-
15 Professional and Consultancy Services	18075	CA	1,347,000	-	-	-	-	-	640,000	707,000	8,420	-
			13,000,000	-	-	-	-	-	6,400,000	6,600,000	81,230	-
TOTAL HOUSING INVESTMENT PROGRAMME			32,010,120	-	6,495,610	3,626,910	9,583,210	5,800,000	6,400,000	6,600,000	200,000	-
TOTAL			44,502,090	-	9,017,160	4,583,280	13,655,810	8,287,000	8,888,000	9,088,000	776,450	(56,000)

**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER												
Allotments												
Rolling programme of replacements and improvements (Works to include pathways, old water pipes and fencing)	18085	AE	33,600	-	-	-	16,800	16,800	-	-	3,360	-
Car Parks												
* Middle Street car park resurfacing of hard surfaces	18095	DM	32,000	-	32,000	32,000	-	-	-	-	3,200	-
Cemeteries												
Replacement of stolen mechanical excavator (Partnership scheme with Worthing Borough Council. Total cost £22,000. Part funded from insurance claim)	18238	AE	12,100	-	-	12,100	-	-	-	-	1,210	-
Compliance Service												
Replacement of one vehicle (Partnership scheme with Worthing Borough Council. Total cost £13,000)	18212	AN	5,200	-	-	-	5,200	-	-	-	520	-
Grounds Maintenance / Dog Warden Service												
Replacement of 13 vehicles (Partnership scheme with Worthing Borough Council. Total cost £433,900)	18207	AN	176,000	-	43,400	50,300	65,300	60,400	-	-	17,600	-
Grounds Maintenance Service												
Rolling programme of equipment replacements (Partnership scheme with Worthing Borough Council. Total cost £45,200 p.a.)	18207	AE	32,080	-	-	4,080	14,000	14,000	-	-	3,210	-

**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER (continued)												
Lancing Manor Leisure Centre												
* Electrical rewire	18514	DM	68,000	-	-	-	-	34,000	34,000	-	6,800	-
* External cladding replacement	18514	DM	13,500	-	-	-	-	13,500	-	-	1,350	-
* Renewal of flat roof areas over the kitchen and offices	18514	DM	18,940	-	13,440	18,940	-	-	-	-	1,890	-
* Renewal of flat roof area over the entrance hall and replacement of glazing units in the entrance hall	18514	DM	44,800	-	44,800	4,800	40,000	-	-	-	4,480	-
Landscaping												
Ferry Road footpath access to Shoreham Beach Nature Reserve landscaping (Funding: Rampion Offshore Wind Ltd £20,500 and Planning Delivery Grant £6,500)	18404	AE	27,000	-	-	27,000	-	-	-	-	-	-
Parks and Open Spaces												
Buckingham Park - Contribution to the replacement of the pavilion (£150,000 funded from S106 receipts)	18224	AE/DM	172,000	-	172,000	-	172,000	-	-	-	2,200	-
* Adur Recreation Ground - Fencing renewal	18215	DM	22,400	-	22,400	22,400	-	-	-	-	2,240	-
Outdoor Fitness Equipment												
Fishersgate Recreation Ground	18222	AE	20,000	-	-	-	20,000	-	-	-	2,000	-
Sites to be agreed	18222	AE	20,000	-	-	-	-	20,000	-	-	2,000	-

**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

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				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER (continued)												
Parks and Open Spaces (continued)												
Skateboard Park on Lancing Beach Green - Contribution to Lancing Parish scheme (Funded from S106 receipts)	18225	JA	100,000	-	-	100,000	-	-	-	-	-	-
Southern Water compliance works to water stand pipes to ensure the Council's parks' water supplies comply with water regulations and to avoid the potential risk of contamination of fresh water main supplies	18215	DM	84,000	-	84,000	84,000	-	-	-	-	8,400	-
* Southwick Recreation Ground - Refurbishment of access road	18113	DM	36,000	3,500	-	-	32,500	-	-	-	3,600	-
Play Area Improvements												
Adur Memorial Recreation Ground	18209	AE	100,800	-	-	-	100,800	-	-	-	10,080	-
Elmgrove Open Space	18209	AE	82,500	13,450	75,000	69,050	-	-	-	-	8,250	-
Middle Road Recreation Ground	18209	AE	100,800	-	-	-	-	100,800	-	-	10,080	-
Quayside Play Area (New play area for children up to the age of 12 years)	18209	AE	156,800	-	156,800	75,000	81,800	-	-	-	15,680	-
Public Conveniences												
Rolling programme of upgrades and improvements (2017/18 Refurbishment of Southwick Cemetery Site)	18097	DM	133,600	-	-	18,600	65,000	50,000	-	-	13,360	-

**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER (continued)												
Refuse/Recycling Service												
Provision of wheeled bins (Partnership scheme with Worthing Borough Council. Total cost £50,000 p.a. Part funded from a revenue contribution of £10,920 p.a.)	18100	TP	54,600	-	18,200	18,200	18,200	18,200	-	-	2,180	-
Procurement of 2 new refuse / recycling vehicles required for a new collection round due to the increase in new build properties (Partnership scheme with Worthing Borough Council. Total cost £352,000)	18202	AN	128,130	-	-	-	128,130	-	-	-	12,810	-
Southwick Leisure Centre												
* Renewal of flat roof areas	18520	DM	145,000	5,280	50,000	139,720	-	-	-	-	14,500	-
Upgrade of tennis courts (£150,000 funded from S106 receipts)	18520	DM	322,000	-	322,000	-	322,000	-	-	-	32,200	-
Street Cleansing / Refuse / Recycling Service												
Replacement of 17 vehicles (Partnership scheme with Worthing Borough Council. Total cost £1,116,800)	18102	AN	434,660	-	98,680	68,460	234,250	131,950	-	-	43,470	-
Street Lighting												
Enhancements to WSCC lighting in Conservation Areas or near Heritage Sites (Upgrade of WSCC street lighting)	18216	DM	30,000	1,000	-	1,000	28,000	-	-	-	3,000	-

**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER (continued)												
Streetscene Rolling programme of works to improve the environment of Adur District (Contribution of £2,000 from WSCC)	18096	MR	154,780	-	140,100	24,780	130,000	-	-	-	15,480	-
Wadurs Swimming Pool Expansion of changing facilities (Funded from S106 receipts and a contribution from Impulse Leisure)	18513	DM	150,000	4,490	100,000	-	145,510	-	-	-	-	-
			2,911,290	27,720	1,372,820	770,430	1,619,490	459,650	34,000	-	245,150	-
COMMITTED SCHEMES - KEY DECISIONS												
Car Parks Lower Beach Road Car Park - Enhancements (Funded from a WSCC contribution of £143,000, S106 receipts and capital receipts)	18095	DM	632,000	469,590	-	62,410	100,000	-	-	-	1,860	-
Lancing Manor Leisure Centre Car Park Extension	18514	DM	267,400	8,290	200,000	259,110	-	-	-	-	26,740	-
Refuse/Recycling/Service Replacement of refuse / recycling fleet - 24 vehicles (Partnership scheme with Worthing Borough Council. Total cost £4,358,110)	18202	AN	1,483,950	-	1,454,350	1,483,950	-	-	-	-	148,400	-
			2,383,350	477,880	1,654,350	1,805,470	100,000	-	-	-	177,000	-

**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<u>FUTURE PROGRAMME</u>												
Allotments												
Rolling programme of replacements and improvements (Works to include pathways, old water pipes and fencing)	18085	AE	33,600	-	-	-	-	-	16,800	16,800	3,360	-
Grounds Maintenance Service												
Rolling programme of equipment replacements (Partnership scheme with Worthing Borough Council. Total cost £35,000 p.a.)	18207	AE	28,000	-	-	-	-	-	14,000	14,000	2,800	-
Vehicle replacements (Partnership scheme with Worthing Borough Council. Total cost £28,000)	18207	AN	22,400	-	-	-	-	-	11,200	11,200	2,240	-
Parks and Open Spaces												
Outdoor Fitness Equipment	18222	AE	40,000	-	-	-	-	-	20,000	20,000	4,000	-
Play Area Improvements												
Rolling Programme of Improvements	18209	AE	201,600	-	-	-	-	-	100,800	100,800	20,160	-
Public Conveniences												
Rolling programme of upgrades	18097	DM	100,000	-	-	-	-	-	50,000	50,000	10,000	-
Refuse/Recycling Service												
Provision of wheeled bins (Partnership scheme with Worthing Borough Council. Total cost £50,000 p.a. Part funded from a revenue contribution)	18100	TP	36,400	-	-	-	-	-	18,200	18,200	1,460	-

**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<u>FUTURE PROGRAMME (continued)</u>												
<i>Street Cleansing / Refuse / Recycling Trade Waste</i>												
Provisions for the replacement of vehicles for the joint services (Partnership scheme with Worthing Borough Council)	18102	AN	362,020	-	-	-	-	-	181,010	181,010	36,200	-
	18202	AN										
<i>Contingency: Inflation and Fluctuations</i>	18114	SG	72,000	-	20,500	15,000	21,000	8,000	14,000	14,000	7,200	-
			896,020	-	20,500	15,000	21,000	8,000	426,010	426,010	87,420	-
TOTAL			6,190,660	505,600	3,047,670	2,590,900	1,740,490	467,650	460,010	426,010	509,570	-

**CABINET MEMBER FOR HEALTH AND WELLBEING
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER												
Equalities												
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	18031	DM	15,760	-	16,800	15,760	-	-	-	-	1,580	-
Disability Discrimination Act Improvements - Extension of the coastal footpath linking the existing access points along the Shoreham Beach frontage to enable disabled access on to the beach (Phase 3 2017/2018 and 2018/2019 The Burrells to the old fort) (Phase 4 2019/2020 Ferry Road to the existing concrete path opposite 5 Beach Road)	18031	DM	380,000	-	160,000	20,000	140,000	220,000	-	-	38,000	-
Disability Discrimination Act Improvements - Shoreham Centre provision of self levelling stair crawlers to enable the disabled or wheelchair users to be evacuated safely from the building	18031	DM	22,000	-	22,000	22,000	-	-	-	-	2,200	-
Public Health												
Asbestos Removal - Provision for removal of asbestos from Council buildings	18039	DM	55,740	840	19,000	10,000	44,900	-	-	-	5,570	-
			473,500	840	217,800	67,760	184,900	220,000	-	-	47,350	-

**CABINET MEMBER FOR HEALTH AND WELLBEING
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
FUTURE PROGRAMME												
<i>Public Health</i>												
Asbestos Removal - Provision for removal of asbestos from Council buildings	18039	DM	33,600	-	-	-	-	-	16,800	16,800	3,360	-
<i>Contingency: Inflation and Fluctuations</i>	18399	SG	9,000	-	2,000	2,000	3,000	4,000	-	-	900	-
			42,600	-	2,000	2,000	3,000	4,000	16,800	16,800	4,260	-
TOTAL			516,100	840	219,800	69,760	187,900	224,000	16,800	16,800	51,610	-

**CABINET MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER												
Coast Protection Works												
Adur Beach Management Plan - Preliminary Study for the Rivers Arun to Adur to advise works required over the next 4 years (Contribution of £47,450 from Worthing Borough Council)	18408	DM	129,100	89,230	-	39,870	-	-	-	-	-	-
Strategic Monitoring Project for the South East Phase 4. Contribution to the partnership scheme between Maritime Authorities (Funded by the Environment Agency)	18306	DM	75,000	-	12,500	12,500	12,500	12,500	12,500	25,000	-	-
Cultural Projects												
Shoreham Air Crash Memorial Project - Creation of a fitting and lasting memorial to the eleven men who lost their lives as a result of the tragic incident at Shoreham Airshow in August 2015 (Funded from donations and ring fenced capital receipts)	18409	LS	180,000	13,500	-	35,000	131,500	-	-	-	130	-
Foreshore												
Kingston Beach - Environmental improvements	18304	AE	20,000	2,000	-	-	-	18,000	-	-	2,000	-

**CABINET MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER (continued)												
Economic Development												
Ferry Road Environmental Improvements (To include paving improvements, street furniture, cycle racks and landscaping. Funded by £90,000 Planning Delivery Grant, £42,500 Shoreham Harbour Growth Point Grant and £10,000 Council Resources)	18404	JA	136,000	112,010	-	23,990	-	-	-	-	1,000	-
Land Drainage												
Realignment of the ditch and stabilisation of banks in the vicinity of Larkfield playing field, Lancing	18410	DM	22,400	-	-	-	-	22,400	-	-	2,240	-
			562,500	216,740	12,500	111,360	144,000	52,900	12,500	25,000	5,370	-
COMMITTED SCHEMES - KEY DECISIONS												
Brighton and Hove 3G Pitch												
Contribution to the Sir Robert Woodward Academy for the construction of a 3G Pitch (Funded from S106 Receipts)	18083	JA	630,000	-	-	630,000	-	-	-	-	-	-
Coast Protection Works												
Shoreham Harbour Walls Project (Funded from the Governments Growth Deal and the Environment Agency)	18407	DM	4,113,000	18,090	2,863,000	116,710	2,850,200	1,128,000	-	-	-	-
Shoreham Harbour Projects												
(Approved by the Shoreham Harbour Project Board and funded from Shoreham Harbour Growth Point Grant)	18054	CJ	310,270	-	75,000	30,000	55,000	-	225,270	-	-	-

**CABINET MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - KEY DECISIONS (continued)												
Economic Development												
Adur Civic Centre - Demolition (Funded from the Governments Growth Deal)	18631	ED	783,090	517,460	500,000	265,630	-	-	-	-	-	-
Adur Civic Centre Redevelopment - Phase 1 Construction of a new office building on the Civic Centre Car Park	18631	ED	10,600,000	-	-	1,200,000	8,200,000	1,200,000	-	-	1,060,000	-
Adur Civic Centre Redevelopment - Phase 2 Construction of a new office building on the former Adur Civic Centre site (Funded from the Governments Growth Deal)	18631	ED	316,910	-	-	316,910	-	-	-	-	-	-
Strategic Property Investment Investments in commercial property to generate income	18630	SG	125,000,000	-	10,000,000	10,000,000	40,000,000	25,000,000	25,000,000	25,000,000	12,500,000	Variable Income
Contingency: Inflation and Fluctuations	18650	SG	1,000	-	-	-	-	1,000	-	-	100	-
			141,754,270	535,550	13,438,000	12,559,250	51,105,200	27,329,000	25,225,270	25,000,000	13,560,100	-
TOTAL			142,316,770	752,290	13,450,500	12,670,610	51,249,200	27,381,900	25,237,770	25,025,000	13,565,470	-

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - £250,000 AND UNDER												
Corporate Buildings												
Commerce Way - Replacement of external CCTV	18602	DM	28,000	-	-	-	28,000	-	-	-	2,800	-
* Condition Surveys (To provide an assessment of the current condition of the Council's corporate buildings to inform a programme of planned maintenance works)	18628	DM	27,800	-	-	1,000	26,800	-	-	-	2,780	-
Rolling programme of installation of solar panels and other energy efficiency measures	18681	SS	355,000	-	-	-	205,000	150,000	-	-	35,500	-
Office Equipment												
Microphone system replacement	18680	SS	14,100	-	-	-	-	-	14,100	-	1,410	-
Information and Communications Technology												
Corporate Asset Management System	18627	JJ	14,000	4,520	17,700	4,480	5,000	-	-	-	1,400	-
Corporate ICT hardware and infrastructure replacement programme (Partnership scheme with Worthing Borough Council. Total cost £544,620)	18121	JJ	251,750	-	47,000	56,700	94,000	101,050	-	-	25,180	-
Digital Strategy - General Provision (Partnership scheme with Worthing Borough Council. Total cost £919,820 to facilitate delivery of the digital strategy)	18625	JJ	437,020	-	105,750	190,270	141,000	105,750	-	-	43,700	-

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<u>COMMITTED SCHEMES - £250,000 AND UNDER (continued)</u>												
Payroll System - Replacement (Partnership scheme with Worthing Borough Council. Total cost £175,000)	18682	SG	82,250	-	-	-	82,250	-	-	-	8,230	-
			1,209,920	4,520	170,450	252,450	582,050	356,800	14,100	-	121,000	-
<u>COMMITTED SCHEMES - KEY DECISIONS</u>												
<i>Information and Communications Technology</i> Financial Management System Replacement (Partnership scheme with Worthing Borough Council. Total cost £565,000)	18619	SG	265,550	81,310	77,550	184,240	-	-	-	-	26,560	-
			265,550	81,310	77,550	184,240	-	-	-	-	26,560	-
<u>FUTURE PROGRAMME</u>												
<i>Corporate Buildings</i> Rolling programme of installation of solar panels and other energy efficiency measures	18681	SS	300,000	-	-	-	-	-	150,000	150,000	30,000	-
<i>Information and Communications Technology</i> Corporate hardware and infrastructure replacement programme (Partnership scheme with Worthing Borough Council. Total cost £65,000 p.a.)	18121	JJ	61,100	-	-	-	-	-	30,550	30,550	6,110	-
Digital Strategy General Provision (Partnership scheme with Worthing Borough Council. Total cost £525,000 to facilitate delivery of the digital strategy)	18625	JJ	211,500	-	-	-	-	-	105,750	105,750	21,150	-

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<i>Contingency: Inflation and Fluctuations</i>	18650	SG	57,670	-	2,000	33,400	-	6,270	9,000	9,000	5,770	-
			630,270	-	2,000	33,400	-	6,270	295,300	295,300	63,030	-
TOTAL			2,105,740	85,830	250,000	470,090	582,050	363,070	309,400	295,300	210,590	-



ADUR DISTRICT
COUNCIL

ADUR'S
CAPITAL SCHEMES
RESERVE LISTS

	Estimates £
(a) <u>YEARS 4-7</u>	
ADUR HOMES BUILDING SERVICES	
* Provision for the replacement of operational vehicles when they reach the end of their useful lives	360,900
AFFORDABLE HOUSING	
Partnership schemes with Registered Social Landlords to provide affordable housing (Annual provision)	1,000,000
DISABLED FACILITIES GRANTS	
Mandatory grants for adaptations to private housing (Annual provision)	350,000
HOME REPAIR ASSISTANCE GRANTS	
Discretionary grants and loans to finance home repairs and home insulation works (Annual provision)	65,000
HOUSING	
Empty Properties - Provision of grants and loans to bring empty properties back into use (Annual provision)	21,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u>	
<i>ADUR AND WORTHING SERVICES' DEPOTS</i>	
* Replacement of the weighbridge at the Meadow Road Depot (Partnership scheme with Worthing Borough Council. Total cost £47,000)	17,110
<i>ALLOTMENTS</i>	
Rolling programme of improvements to include replacements and improvements to pathways, old water pipes and fencing (Annual provision)	16,800
<i>CAR PARKS</i>	
Rolling programme of works to resurface car parks' hard surfaces (Annual provision)	22,000
Fishersgate Recreation Ground Car Park - Enhancement and reconstruction	68,000
<i>CEMETERIES AND CHURCHYARDS</i>	
Rolling programme of works to resurface hard surfaces in cemeteries and churchyards (Annual provision)	16,500
<i>GROUNDS MAINTENANCE</i>	
Provision for the replacement of vehicles for the joint service (Partnership scheme with Worthing Borough Council. Total cost £596,200)	238,480
<i>HIGHWAYS</i>	
Upgrading and enhancing WSCC new or planned highway street lights in Conservation Areas or near to Heritage Sites or Listed Buildings (Annual provision)	30,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u> (continued)	
OPERATIONAL VEHICLES	
Provision for the replacement of vehicles for Adur services	32,000
Provision for the replacement of operational vehicles for Adur District Council and Worthing Borough Council joint services (Total estimated cost £76,000)	33,440
PARKS	
Adur Recreation Ground - Cycleway link between the railway bridge and the highway	70,520
Buckingham Park - Renewal of fencing	20,000
Buckingham Park - Replacement of groundsman's building	66,000
Play Areas - Rolling programme of replacements, upgrades and improvements to include outdoor fitness equipment (Annual provision)	112,000
Programme of works to resurface hard surfaces in the Council's parks (Annual provision)	22,000
PUBLIC CONVENIENCES	
Programme of works to improve and upgrade the Council's public conveniences (Annual provision)	50,000
Lancing Manor Park - Provision of a public convenience	132,000
REFUSE / RECYCLING / STREET CLEANSING SERVICE	
Provision for the replacement of vehicles for the joint service (Partnership scheme with Worthing Borough Council. Total cost £493,900)	194,150
N/C = Not Costed * = New Scheme	

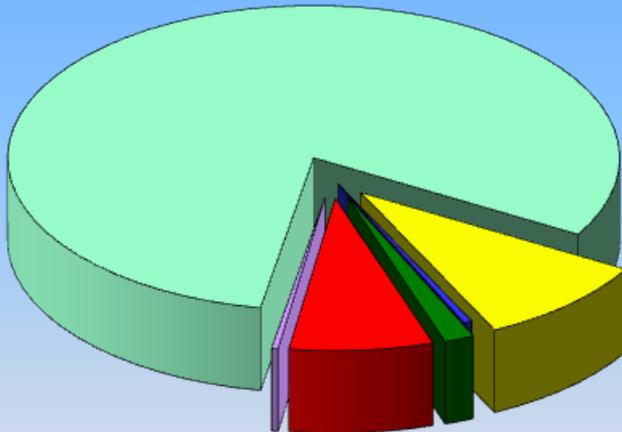
	Estimates £
(a) <u>YEARS 4-7</u> (continued)	
<p><i>REFUSE/RECYCLING/STREET CLEANSING SERVICE (CONT.)</i></p>	
<p>Wheeled bins replacement programme - Annual provision (Partnership scheme with Worthing Borough Council. Total annual provision £50,000)</p>	18,200
<p><i>SOUTHWICK LEISURE CENTRE</i> Tennis Courts - Fencing renewal</p>	19,800
<p><i>STREET SCENE</i> Rolling programme of works to improve the environment of Adur District (Annual provision)</p>	50,000
<p>N/C = Not Costed * = New Scheme</p>	

	Estimates £
(a) <u>YEARS 4-7</u>	
<p>COMMUNITY ALARM SERVICE Purchase of community alarm equipment (Annual provision)</p>	25,000
<p>EQUALITIES Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties (Annual provision)</p>	16,800
<p>PUBLIC HEALTH Asbestos removal from Council buildings (Annual provision)</p>	16,800
<p>ROPETACKLE COMMUNITY CENTRE * Replacement of main auditorium vinyl flooring</p>	28,000
<p>N/C = Not Costed * = New Scheme</p>	

	Estimates £
<p>(a) <u>YEARS 4-7</u></p> <p>COAST PROTECTION WORKS Strategic Monitoring Project for the South East Phase 4. Contribution to the partnership scheme between Maritime Authorities (Funded by the Environment Agency)</p>	<p>50,000</p>
<p>N/C = Not Costed * = New Scheme</p>	

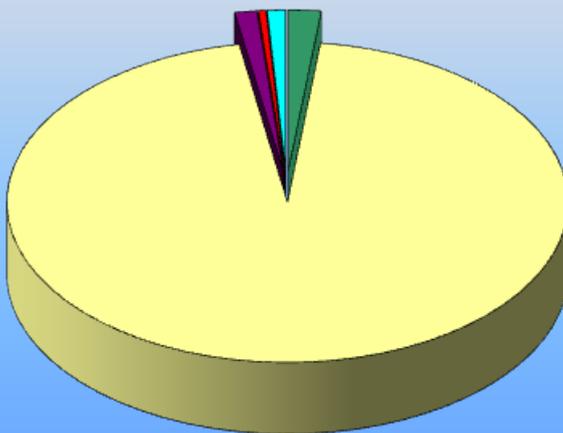
	Estimates £
<p>(a) <u>YEARS 4-7</u></p> <p>ADMIN BUILDINGS</p> <p>Commerce Way</p> <p>Improvements to south car park area (50% contribution from Worthing Borough Council)</p> <p>Vehicle Workshop - Replacement of roof (Contribution of £126,500 from Worthing Borough Council. Total cost £253,000)</p> <p>Shoreham Centre</p> <p>* Replacement of main hall roof</p> <p>INFORMATION AND COMMUNICATIONS TECHNOLOGY</p> <p>ICT Corporate Hardware Replacement Programme (Partnership scheme with Worthing Borough Council. Total annual provision £100,000)</p>	<p>N/C</p> <p>253,000</p> <p>168,000</p> <p>47,000</p>
<p>N/C = Not Costed * = New Scheme</p>	

Capital Expenditure



- Regeneration: £48.649m
- Customer Services (Housing): £5.687m
- Customer Services (Other): £0.268m
- Resources: £0.953m
- Environment: £4.585m
- Health and Wellbeing: £0.208m

Capital Financing



- Capital Receipts: £1.134m
- Prudential Borrowing: £57.551m
- Government Grants: £0.768m
- Reserves and Revenue Contributions: £0.257m
- External Contributions: £0.640m

**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL	Total Estimate £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
		Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
			Original £	Current £						
Column Reference (1)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
BUDGETS										
Executive Member for Customer Services	19,313,830	131,960	3,411,000	1,320,640	5,955,400	4,057,830	3,924,000	3,924,000	574,060	(100,000)
Executive Member for Environment	14,135,200	589,490	6,355,110	5,527,450	4,584,940	2,189,940	621,690	621,690	1,215,010	-
Executive Member for Health and Wellbeing	396,960	18,290	199,800	61,470	207,800	40,200	34,600	34,600	39,700	-
Executive Member for Regeneration	138,958,840	55,520	13,909,720	14,751,940	48,649,120	25,449,760	25,017,500	25,035,000	13,550,600	(22,585)
Executive Member for Resources	13,024,050	117,420	5,402,000	10,840,710	952,920	465,700	331,600	315,700	1,302,420	-
	185,828,880	912,680	29,277,630	32,502,210	60,350,180	32,203,430	29,929,390	29,930,990	16,681,790	(122,585)
FINANCING										
Capital Grants and Contributions										
Communities and Local Government			650,000	4,027,920	750,000	750,000	750,000	750,000		
Environment Agency			17,500	41,940	17,500	17,500	17,500	35,000		
S106 Contributions from Planning Agreements			273,400	244,790	440,070	20,000	-	-		
Other Contributions			-	-	200,000	918,300	-	-		
Prudential Borrowing			27,594,900	22,637,210	57,551,290	29,287,350	27,962,810	27,787,660		
Revenue Contributions and Reserves										
Revenue Contributions			139,080	297,440	149,080	160,280	149,080	308,330		
Revenue Reserves			93,500	124,410	108,000	50,000	50,000	50,000		
Usable Capital Receipts										
General			509,250	5,128,500	1,134,240	1,000,000	1,000,000	1,000,000		
			29,277,630	32,502,210	60,350,180	32,203,430	29,929,390	29,930,990		

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES					
	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £
	Original £	Current £				
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
<u>DETAILED FUNDING</u>						
<i>Capital Grants and Contributions</i>						
<u>Communities and Local Government</u>						
Better Care Fund (Disabled Facilities Grants)	650,000	927,920	750,000	750,000	750,000	750,000
Local Growth Fund (Acquisition of development land)	-	3,100,000	-	-	-	-
	650,000	4,027,920	750,000	750,000	750,000	750,000
<u>Environment Agency</u>						
Coast Protection Grant (Rivers Arun to Adur Beach Management Plan - Preliminary Study)	-	24,440	-	-	-	-
(Contribution to the Strategic Monitoring Project for the South East Phase 4)	17,500	17,500	17,500	17,500	17,500	35,000
	17,500	41,940	17,500	17,500	17,500	35,000
<u>S106 Contributions from Planning Agreements</u>						
(Affordable Housing - Unallocated provision)	-	117,000	50,000	-	-	-
(Contribution to WSCC Scheme - South Street Surfacing Improvements)	-	-	4,400	-	-	-
(Highdown Gardens - Infrastructure Improvements)	-	-	100,000	-	-	-
(Homefield Park - Refurbishment of Tennis Courts)	139,000	49,220	94,870	-	-	-
Outdoor Fitness Equipment (The Gallops Open Space, Findon)	22,400	22,400	-	-	-	-
(Tarring Recreation Ground)	-	-	20,000	-	-	-
(West Park)	-	-	-	20,000	-	-
(Windsor Lawns)	28,000	28,000	-	-	-	-
Play Area Improvements (Hill Barn/Rotary Recreation Ground)	-	14,170	-	-	-	-
(Palatine Park)	-	-	100,800	-	-	-
(West Park)	84,000	14,000	70,000	-	-	-
	273,400	244,790	440,070	20,000	-	-

**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES					
	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £
	Original £	Current £				
	Column Reference (1)	(6)	(7)	(8)	(9)	(10)
DETAILED FUNDING (continued)						
<u>Other Contributions</u>						
Chapman Group (Highdown Gardens - Resurfacing of vehicular access)	-	-	-	18,300	-	-
Heritage Lottery (Highdown Gardens - Infrastructure Improvements)	-	-	-	900,000	-	-
Lawn Tennis Association (Field Place - Tennis Courts surfacing and drainage works)	-	-	200,000	-	-	-
	-	-	200,000	918,300	-	-
Prudential Borrowing						
<u>Invest to Save Schemes</u>						
(Acquisition of development land)	-	700,000	-	-	-	-
(Building construction - New wellbeing and health hub)	-	262,000	-	-	-	-
(General Provision)	-	-	-	74,500	-	-
(Buckingham Road and High Street MSCPs - Installation of LED lighting)	-	172,000	-	-	-	-
(Property Acquisition - Acquisition of emergency or temporary accommodation for the homeless)	1,800,000	-	3,800,000	2,000,000	2,000,000	2,000,000
(Purchase and installation of new beach huts)	34,220	34,220	-	-	-	-
(Solar renewable energy projects and other environmental improvements)	-	97,500	262,000	150,000	150,000	150,000
(Strategic Property Investment Fund for investments in commercial property)	13,500,000	10,342,750	45,000,000	25,000,000	25,000,000	25,000,000
(Worthing Theatres - Capital Investment)	32,000	510	32,000	-	-	-
<u>General Fund Schemes</u>						
(Loans - Worthing Homes Limited to finance social housing)	5,000,000	10,000,000	-	-	-	-
(Other Schemes)	7,228,680	1,028,230	8,457,290	2,062,850	812,810	637,660
	27,594,900	22,637,210	57,551,290	29,287,350	27,962,810	27,787,660

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES					
	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £
	Original £	Current £				
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING (continued)						
Revenue Contributions and Reserves						
<u>Revenue Contributions</u>						
AWCS Refuse/Recycling Service (Provision of wheeled bins)	19,080	19,080	19,080	19,080	19,080	19,080
Corporate Sponsorship (Worthing Theatres - Capital improvements)	10,000	-	-	11,200	-	-
Crematorium Trading Account (Crematorium Improvement Scheme repaid from additional income estimated at the rate of £80,000 p.a. over the next 7 years)	60,000	80,000	80,000	80,000	80,000	239,250
New Homes Bonus (Empty Properties - Grants and loans to bring empty properties back into use)	50,000	173,360	50,000	50,000	50,000	50,000
Planned Maintenance Budget (Seafront lighting - Upgrade to LED lighting)	-	25,000	-	-	-	-
	139,080	297,440	149,080	160,280	149,080	308,330
<u>Revenue Reserves</u>						
Capital Expenditure Reserve (Brooklands Lake - Environmental Improvements)	43,500	43,500	-	-	-	-
Insurance Reserve (Insurance Claim - Replacement of stolen mechanical excavator)	-	1,910	-	-	-	-
Museum Reserve (Museum and Art Gallery - Refurbishment)	-	77,000	-	-	-	-
Theatres Restoration Levy (Worthing Theatres - Capital improvements)	50,000	2,000	108,000	50,000	50,000	50,000
	93,500	124,410	108,000	50,000	50,000	50,000
Usable Capital Receipts						
Affordable Housing	368,900	-	991,900	1,000,000	1,000,000	1,000,000
Non Ring-Fenced	-	5,128,500	-	-	-	-
Ring-Fenced (EON Windfarm - Brooklands Park replacement of Par 3 Club House)	140,350	-	142,340	-	-	-
	509,250	5,128,500	1,134,240	1,000,000	1,000,000	1,000,000

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000												
Assembly Hall												
* Renewal of dance floor	58501	DM	33,600	-	33,600	33,600	-	-	-	-	3,360	-
Connaught Theatre												
Main auditorium - installation of a ventilation system	58509	DM	66,080	-	-	-	-	66,080	-	-	6,610	-
Refurbishment of back stage toilet	58509	DM	15,680	-	-	15,680	-	-	-	-	1,570	-
Refurbishment of public toilets (£50,000 funded from Theatres Restoration Levy)	58509	DM	92,000	-	-	-	92,000	-	-	-	4,200	-
Housing												
Empty property grants and loans to bring empty properties back into use (Funded from additional 'New Homes Bonus' based on number of properties brought back into use)	58505	BR	273,360	-	50,000	173,360	50,000	50,000	-	-	-	(40,000)
Housing Renewal Assistance												
<u>Discretionary Grants</u>												
Home Repair Assistance Grants	58506	BR	255,570	-	90,000	90,570	95,000	70,000	-	-	25,560	-
<u>Mandatory Grants</u>												
Disabled Facilities Grants (Funded by DCLG Better Care Fund)	58049	BR	2,427,920	-	750,000	927,920	750,000	750,000	-	-	-	-
Museum and Art Gallery												
Conversion of ground floor area vacated by Tourist Information Centre into useable accommodation/exhibition space	58503	DM	104,500	1,000	26,500	77,000	26,500	-	-	-	10,450	-

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<u>COMMITTED SCHEMES - UNDER £250,000</u> (continued)												
<i>Museum and Art Gallery (Continued)</i>												
Replacement of 3 display cases and purchase of 3 additional display cases	58503	AO	32,400	-	-	-	-	32,400	-	-	3,240	-
<i>Richmond Room</i>												
* Replacement of high level felted roof covering	58512	DM	28,000	-	-	-	28,000	-	-	-	2,800	-
<i>Pavilion Theatre</i>												
Replacement of auditorium seating (£25,000 funded from the Theatres Restoration Levy, and £8,000 funded from Corporate Sponsorship)	58097	AO	52,350	-	-	-	-	52,350	-	-	1,940	-
<i>Ritz Cinema (Connaught Studio)</i>												
Installation of air conditioning	58513	AO	33,000	-	-	-	-	33,000	-	-	3,300	-
<i>Theatres</i>												
Capital improvements to Worthing Theatres (Funded from the Theatres Restoration Levy and Invest to Save Initiatives)	58507 58511	AO	253,470	130,960	92,000	2,510	120,000	-	-	-	12,670	-
			3,667,930	131,960	1,042,100	1,320,640	1,161,500	1,053,830	-	-	75,700	(40,000)

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - KEY DECISIONS												
Affordable Housing Grants to Registered Social Landlords for the provision of affordable housing (Funded by Right to Buy Clawback Receipts, Housing Capital Receipts and S106 Receipts)	58054	CA	1,991,900	-	568,900	-	991,900	1,000,000	-	-	9,960	-
Property Acquisition Acquisition of emergency interim or temporary accommodation for the homeless (Invest to Save Scheme)	58632	CA	5,800,000	-	1,800,000	-	3,800,000	2,000,000	-	-	58,000	-
			7,791,900	-	2,368,900	-	4,791,900	3,000,000	-	-	67,960	-
FUTURE PROGRAMME												
Affordable Housing Grants to Registered Social Landlords for the provision of affordable housing (Funded by Right to Buy Clawback Receipts and Housing Capital Receipts)	58054	CA	2,000,000	-	-	-	-	-	1,000,000	1,000,000	10,000	-
Housing Empty property grants and loans to bring empty properties back into use (Funded from additional 'New Homes Bonus' based on number of properties brought back into use, and repayments of grants and loans)	58505	BR	100,000	-	-	-	-	-	50,000	50,000	-	(60,000)

**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
FUTURE PROGRAMME (continued)												
Housing Renewal Assistance												
<u>Discretionary Grants</u>												
Home Repair Assistance Grants	58506	BR	140,000	-	-	-	-	-	70,000	70,000	14,000	-
<u>Mandatory Grants</u>												
Disabled Facilities Grants (Funded by DCLG Better Care Fund)	58049	BR	1,500,000	-	-	-	-	-	750,000	750,000	-	-
Property Acquisition												
Acquisition of emergency interim or temporary accommodation for the homeless (Invest to Save Scheme)	58632	CA	4,000,000	-	-	-	-	-	2,000,000	2,000,000	400,000	-
Theatres												
Capital improvements to Worthing Theatres (Funded from the Theatres Restoration Levy, Invest to Save Initiatives and Corporate Sponsorship)	58507	AO	100,000	-	-	-	-	-	50,000	50,000	5,000	-
Contingency: Inflation and Fluctuations												
	58025	SG	14,000	-	-	-	2,000	4,000	4,000	4,000	1,400	-
			7,854,000	-	-	-	2,000	4,000	3,924,000	3,924,000	430,400	(60,000)
TOTAL			19,313,830	131,960	3,411,000	1,320,640	5,955,400	4,057,830	3,924,000	3,924,000	574,060	(100,000)

**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000												
Allotments												
Rolling programme of improvements to pipes, paths and fencing which are outside the scope of the self-management agreement and which remain the Council's responsibility	58004	AE	33,600	-	-	-	16,800	16,800	-	-	3,360	-
Beach House Park												
* Palm Court Café - Replacement of doors and windows	58212	DM	39,200	-	-	-	39,200	-	-	-	3,920	-
Boundary Signs												
Replacement of existing boundary signs on main entry routes into Worthing and additional signs on the A27	58236	MG	42,000	-	-	2,000	40,000	-	-	-	4,200	-
Brooklands Park												
Replacement of Par 3 Club House (Part funded from ring-fenced capital receipts)	58227	AE	225,000	-	223,000	-	225,000	-	-	-	8,270	-
Car Parks												
Multi Storey Car Parks - Renewal of CCTV	58123	DM	124,000	15,890	-	108,110	-	-	-	-	12,400	-
Multi Storey Car Parks - Installation of energy efficient LED lighting at Buckingham Road and High Street MSCPs (Invest to Save Scheme)	58123	DM	172,000	-	-	172,000	-	-	-	-	17,200	-
Cemeteries												
Replacement of a stolen mechanical excavator (Partnership scheme with Adur District Council. Total cost £22,000. Part funded from insurance claim)	18238	AE	9,900	-	-	9,900	-	-	-	-	800	-

**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000 (continued)												
Crematorium												
Music and Entertainment System - Upgrade	58217	AE	33,300	-	33,300	33,300	-	-	-	-	3,330	-
* Replacement and resiting of car park attendant's kiosk	58217	DM	19,800	-	19,800	8,500	11,300	-	-	-	1,980	-
Dog Warden Service												
Replacement of 1 vehicle (Partnership scheme with Adur District Council. Total cost £25,000)	58218	AN	12,500	-	-	-	12,500	-	-	-	1,250	-
Field Place												
* Replace the surface of the existing tennis courts and correct the drainage problems (Funded by the Lawn Tennis Association)	58204	DM	200,000	-	-	-	200,000	-	-	-	-	-
Grounds Maintenance												
Replacement of 12 vehicles (Partnership scheme with Adur District Council. Total cost £408,900)	58218	AN	245,400	-	65,100	75,600	79,200	90,600	-	-	24,540	-

**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000												
(continued)												
Grounds Maintenance Service												
Rolling programme of equipment replacements (Partnership scheme with Adur District Council. Total cost £35,000 p.a.)	58233	AE	48,120	-	-	6,120	21,000	21,000	-	-	4,810	-
Highdown Gardens												
Infrastructure improvements to include:	58223	AE	1,000,000	-	-	-	100,000	900,000	-	-	-	-
i) Conversion of the bungalow to a visitor centre												
ii) Improved staff facilities												
iii) Improvements to gardens (Funded from £100,000 S106 receipts and a Heritage Lottery Grant)												
* Resurfacing of vehicular access (Contribution of £18,300 from the Chapman Group)	58223	DM	55,000	-	-	-	-	55,000	-	-	3,670	-
Homefield Park												
Refurbishment of tennis courts (£150,000 funded from S106 receipts)	58228	AE	255,130	5,910	194,520	49,220	200,000	-	-	-	10,510	-
Outdoor Fitness Equipment												
The Gallops (Funded from S106 Receipts)	58229	AE	22,400	-	22,400	22,400	-	-	-	-	-	-
Tarring Recreation Ground												
(Funded from S106 Receipts)	58229	AE	20,000	-	-	-	20,000	-	-	-	-	-
West Park												
(Funded from S106 Receipts)	58229	AE	20,000	-	-	-	-	20,000	-	-	-	-

**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000 (continued)												
Outdoor Fitness Equipment (continued)												
Windsor Lawns (Funded from S106 Receipts)	58229	AE	28,000	-	28,000	28,000	-	-	-	-	-	-
Parks and Open Spaces												
* Manor Sports Ground Fencing renewal	58239	DM	55,000	-	55,000	55,000	-	-	-	-	5,500	-
Play Area Improvements												
Hill Barn/Rotary Recreation Ground (£20,000 funded from S106 receipts)	58224	AE	82,500	5,830	60,000	76,670	-	-	-	-	6,250	-
Palatine Park (Funded from S106 receipts)	58224	AE	100,800	-	-	-	100,800	-	-	-	-	-
Pennycross and Northbrook Recreation Ground	58224	AE	118,130	-	-	-	-	118,130	-	-	11,810	-
West Park Recreation Ground (Funded from S106 receipts)	58224	AE	84,000	-	84,000	14,000	70,000	-	-	-	-	-
Public Conveniences												
Broadwater Green Pavilion - Refurbishment	58225	DM	89,600	-	-	-	-	89,600	-	-	8,960	-
Church House Ground Pavilion - Relocation and refurbishment	58225	DM	150,000	-	-	-	-	150,000	-	-	15,000	-

**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
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Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000 (continued)												
Public Conveniences (Continued)												
Durrington Cemetery and Buckingham Road Car Park - Upgrade and improvement	58225	DM	50,210	31,960	-	18,250	-	-	-	-	5,020	-
Rolling programme of upgrades and improvements	58225	DM	200,000	-	-	-	100,000	100,000	-	-	20,000	-
Refuse / Recycling Service												
Procurement of 2 new refuse / recycling vehicles required for a new collection round due to the increase in new build properties (Partnership scheme with Adur District Council. Total cost £352,000)	58208	AN	223,870	-	-	-	223,870	-	-	-	22,390	-
Provision of wheeled bins (Partnership scheme with Adur District Council. Total cost £50,000 p.a. Part funded from a revenue contribution of £19,080 p.a.)	58036	TP	95,400	-	31,800	31,800	31,800	31,800	-	-	3,820	-
Refuse / Recycling / Street Cleansing Service												
Replacement of 17 vehicles (Partnership scheme with Adur District Council. Total cost £1,116,800)	58209	AN	682,140	-	151,320	104,840	373,250	204,050	-	-	68,210	-
Street Lighting												
Enhancements in Conservation Areas or near Heritage Sites (Upgrade of WSCC street lighting)	58231	DM	30,000	-	-	30,000	-	-	-	-	3,000	-

**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

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				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000 (continued)												
Worthing Leisure Centre												
* Main hall floor replacement (Contribution of £82,000 from South Downs Leisure Trust)	58205	DM	165,460	126,110	-	39,350	-	-	-	-	8,350	-
* Refurbishment of athletics track	58205	DM	150,000	-	-	50,000	100,000	-	-	-	15,000	-
* Renewal of fire alarm system	58205	DM	75,000	6,780	-	68,220	-	-	-	-	7,500	-
* Renewal of glazing in the nursery and café area	58205	DM	48,500	8,690	-	39,810	-	-	-	-	4,850	-
* Replacement of service pipework	58205	DM	235,080	160,960	-	74,120	-	-	-	-	23,510	-
			5,981,840	489,240	1,218,970	1,363,920	2,219,700	1,908,980	-	-	403,490	-
COMMITTED SCHEMES - KEY DECISIONS												
Brooklands Park												
Environmental Improvements (The removal of contaminated land silt from the water balancing facility known as Brooklands Lake, and associated planting in the area)	58227	AE	850,000	-	850,000	800,000	50,000	-	-	-	85,000	-
Car Parks												
Lyndhurst Road (West) Surface Car Park - Increased parking	58234	DM	275,000	5,680	35,000	269,320	-	-	-	-	27,500	-
* Multi Storey Car Parks - Planned structural repairs and improvement programme	58123	DM	2,693,200	22,870	1,344,760	368,730	2,040,640	260,960	-	-	269,320	-

**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - KEY DECISIONS (continued)												
Cemeteries												
Durrington Cemetery - Extension of burial space	58213	AE	369,300	71,700	300,000	50,000	247,600	-	-	-	36,930	-
Refuse / Recycling Service												
Replacement of refuse / recycling fleet - 24 vehicles (Partnership scheme with Adur District Council. Total cost £4,358,110)	58208	AN	2,659,250	-	2,590,150	2,659,250	-	-	-	-	265,930	-
			6,846,750	100,250	5,119,910	4,147,300	2,338,240	260,960	-	-	684,680	-
FUTURE PROGRAMME												
Allotments												
* Rolling programme of improvements to pipes, paths and fencing which are outside the scope of the self-management agreement and which remain the Council's responsibility	58004	AE	33,600	-	-	-	-	-	16,800	16,800	3,360	-
Grounds Maintenance Service												
Vehicle replacements (Partnership scheme with Adur District Council. Total cost £28,000)	58218	AN	33,600	-	-	-	-	-	16,800	16,800	3,360	-
Grounds Maintenance Service												
Rolling programme of equipment replacements (Partnership scheme with Adur District Council. Total cost £35,000 p.a.)	58233	AE	42,000	-	-	-	-	-	21,000	21,000	4,200	-

**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
FUTURE PROGRAMME (continued)												
Parks and Open Spaces												
Outdoor Fitness Equipment Areas	58229	AE	40,000	-	-	-	-	-	20,000	20,000	4,000	-
Play Area Improvements	58224	AE	201,600	-	-	-	-	-	100,800	100,800	20,160	-
Public Conveniences												
Rolling programme of upgrades and improvements	58225	DM	200,000	-	-	-	-	-	100,000	100,000	20,000	-
Refuse/Recycling Service												
Provision of wheeled bins (Partnership scheme with Adur District Council. Total cost £50,000 p.a.)	58036	TP	63,600	-	-	-	-	-	31,800	31,800	2,540	-
Refuse / Recycling / Street Cleansing / Trade Waste												
Provisions for the replacement of vehicles for the joint services (Partnership scheme with Adur District Council)	58200	AN	582,980	-	-	-	-	-	291,490	291,490	58,300	-
Contingency: Inflation and Fluctuations												
	58044	SG	109,230	-	16,230	16,230	27,000	20,000	23,000	23,000	10,920	-
			1,306,610	-	16,230	16,230	27,000	20,000	621,690	621,690	126,840	-
TOTAL			14,135,200	589,490	6,355,110	5,527,450	4,584,940	2,189,940	621,690	621,690	1,215,010	-

**CABINET MEMBER FOR HEALTH AND WELLBEING
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Revised £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000												
Equalities												
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	58301	DM	80,790	-	30,000	11,590	30,000	39,200	-	-	8,080	-
Disability Discrimination Act Improvements - Provision of self levelling stair crawlers for the Town Hall to enable the disabled or wheelchair users to be evacuated safely from the building	58301	DM	22,000	-	22,000	22,000	-	-	-	-	2,200	-
Public Health												
Asbestos removal from Council buildings	58302	DM	221,970	18,290	146,800	26,880	176,800	-	-	-	22,200	-
			324,760	18,290	198,800	60,470	206,800	39,200	-	-	32,480	-
FUTURE PROGRAMME												
Equalities												
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	58301	DM	33,600	-	-	-	-	-	16,800	16,800	3,360	-
Public Health												
Asbestos removal from Council buildings	58302	DM	33,600	-	-	-	-	-	16,800	16,800	3,360	-
Contingency: Inflation and Fluctuations												
	58399	SG	5,000	-	1,000	1,000	1,000	1,000	1,000	1,000	500	-
			72,200	-	1,000	1,000	1,000	1,000	34,600	34,600	7,220	-
TOTAL			396,960	18,290	199,800	61,470	207,800	40,200	34,600	34,600	39,700	-

**CABINET MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000												
Coast Protection												
Rivers Arun to Adur Beach Management Plan - Preliminary Study (Contribution to study by Adur District Council. Funded by the Environment Agency)	58408	DM	47,450	23,010	-	24,440	-	-	-	-	-	-
Strategic Monitoring Project for the South East Phase 4. Contribution to the Maritime Authorities partnership scheme (Funded by the Environment Agency)	58403	DM	105,000	-	17,500	17,500	17,500	17,500	17,500	35,000	-	-
Economic Development												
Fulbeck Avenue - Development of site to provide new homes	58409	JA	167,000	-	-	117,000	50,000	-	-	-	840	-
Foreshore Management												
* Promenade - Resurfacing of areas between George V Avenue and pier	58000	DM	17,480	11,620	-	5,860	-	-	-	-	1,750	-
Purchase and installation of new beach huts Phase 2 (Invest to Save Scheme)	58000	DM	34,220	-	34,220	-	34,220	-	-	-	3,420	(17,585)
Seafront lighting - Upgrade to LED lighting (Funded from revenue reserves)	58000	DM	25,000	-	-	25,000	-	-	-	-	-	(5,000)
Windsor Lawns Beach Shelter - Refurbishment	58407	DM	53,350	3,860	40,000	49,490	-	-	-	-	5,340	-
Regeneration												
Contribution to WSCC Scheme - South Street surfacing improvements (Total Cost £10,700. Funded from S106 receipts)	58413	JA	4,400	-	-	-	4,400	-	-	-	-	-

**CABINET MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000 (continued)												
<i>Regeneration (Continued)</i>												
Contribution to the Shoreham Air Crash Memorial	58412	JA	12,500	-	-	12,500	-	-	-	-	-	-
<i>Worthing Pier, Southern Pavilion and Seafront Amusements</i>												
* Fire safety compliance works	58510	DM	752,260	12,600	317,000	24,400	290,000	425,260	-	-	75,230	-
			1,218,660	51,090	408,720	276,190	396,120	442,760	17,500	35,000	86,580	- 22,585
COMMITTED SCHEMES - KEY DECISIONS												
<i>Coast Protection</i>												
Contribution to Flood Defences at Shoreham's Western Harbour Arm (Local Growth Fund - Funding flexibilities)	58414	SG	3,320,000	-	-	70,000	3,250,000	-	-	-	332,000	-
<i>Economic Regeneration</i>												
Development of a new health facility (Outline business case and design options)	58410	JA	262,000	-	-	262,000	-	-	-	-	26,200	-
<i>Strategic Property Investment</i>												
Acquisition of development land (£3.1m funded from the Local Growth Fund)	58411	JA	3,800,000	-	-	3,800,000	-	-	-	-	70,000	-
Investments in commercial property to generate income	58631	JA	130,347,180	4,430	13,500,000	10,342,750	45,000,000	25,000,000	25,000,000	25,000,000	13,034,720	Variable
<i>Contingency: Inflation and Fluctuations</i>												
	58499	SG	11,000	-	1,000	1,000	3,000	7,000	-	-	1,100	-
			137,740,180	4,430	13,501,000	14,475,750	48,253,000	25,007,000	25,000,000	25,000,000	13,464,020	-
TOTAL			138,958,840	55,520	13,909,720	14,751,940	48,649,120	25,449,760	25,017,500	25,035,000	13,550,600	(22,585)

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000												
Corporate Buildings												
* Condition Surveys (To provide an assessment of the current condition of the Council's corporate buildings to inform a programme of planned maintenance works)	58629	DM	121,600	10,200	60,000	17,800	93,600	-	-	-	12,160	-
Information and Communications Technology												
Corporate Asset Management System	58627	JJ	21,000	-	6,300	21,000	-	-	-	-	2,100	-
CenSus ICT Partnership (Residual payments outstanding from former partnership)	58601	JJ	9,000	-	50,000	9,000	-	-	-	-	900	-
Corporate ICT hardware and infrastructure replacement programme (Partnership scheme with Adur District Council. Total cost £544,620)	58055	JJ	288,650	-	53,000	68,700	106,000	113,950	-	-	28,870	-
Digital Strategy General Provision (Partnership scheme with Adur District Council. Total cost £919,820 to facilitate delivery of the digital strategy)	58625	JJ	482,800	-	119,250	204,550	159,000	119,250	-	-	48,280	-
Payroll System - Replacement (Partnership scheme with Adur District Council. Total cost £175,000)	58682	SG	92,750	-	-	-	92,750	-	-	-	9,280	-

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
COMMITTED SCHEMES - UNDER £250,000 (continued)												
<i>Invest to Save Schemes</i>												
General Provision	58604	SG	74,500	-	-	-	-	74,500	-	-	7,450	-
<i>Office Equipment</i>												
Microphone system - Replacement	58680	SS	15,900	-	-	-	-	-	15,900	-	1,590	-
<i>Properties</i>												
* Meadow Road Industrial Units - Replacement roof lights	58633	DM	25,000	-	25,000	25,000	-	-	-	-	2,500	-
			1,131,200	10,200	313,550	346,050	451,350	307,700	15,900	-	113,130	-
COMMITTED SCHEMES - KEY DECISIONS												
<i>Information and Communications Technology</i>												
Financial Management System Replacement (Partnership scheme with Adur District Council. Total cost £565,000)	58060	SG	299,450	91,690	87,450	207,760	-	-	-	-	29,950	-
<i>Loans</i>												
Worthing Homes Limited (To finance social housing within the Borough of Worthing)	58628	SG	10,000,000	-	5,000,000	10,000,000	-	-	-	-	1,000,000	-
<i>Properties</i>												
* Montague Street Site acquisition - Essential repairs	58631	DM	250,000	6,530	-	1,000	242,470	-	-	-	25,000	-
Solar Renewable Energy Projects and other environmental improvements to corporate buildings (Invest to Save Schemes)	58618	DM	518,500	9,000	-	107,400	252,100	150,000	-	-	51,850	-
			11,067,950	107,220	5,087,450	10,316,160	494,570	150,000	-	-	1,106,800	-

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2017 £	2017/2018		2018/2019 Draft Estimate £	2019/2020 Draft Estimate £	2020/2021 Draft Estimate £	Future Years £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £						
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
FUTURE PROGRAMME												
Information and Communications Technology												
Corporate hardware and infrastructure replacement programme (Partnership scheme with Adur District Council. Total cost £65,000 p.a.)	58055	JJ	68,900	-	-	-	-	-	34,450	34,450	6,890	-
Digital Strategy General Provision (Partnership scheme with Adur District Council. Total cost £450,000 to facilitate delivery of the digital strategy)	58625	JJ	238,500	-	-	-	-	-	119,250	119,250	23,850	-
Properties												
Rolling programme of installation of solar panels and other energy efficiency measures	58618	SS	300,000	-	-	-	-	-	150,000	150,000	30,000	-
Contingency: Inflation and Fluctuations												
	58076	SG	217,500	-	1,000	178,500	7,000	8,000	12,000	12,000	21,750	-
			824,900	-	1,000	178,500	7,000	8,000	315,700	315,700	82,490	-
TOTAL			13,024,050	117,420	5,402,000	10,840,710	952,920	465,700	331,600	315,700	1,302,420	-



WORTHING BOROUGH
COUNCIL

WORTHING'S
CAPITAL SCHEMES
RESERVE LISTS

	Estimates £
(a) <u>YEARS 4-7</u>	
AFFORDABLE HOUSING	
Partnership schemes with Registered Social Landlords to provide affordable housing (Annual provision)	1,000,000
ASSEMBLY HALL	
Boilers - Replacement of controls	20,000
Building - Repairs to asphalt roof	30,000
Dressing Rooms - Refurbishment	16,000
Flooring - New carpet and flooring to the main dance area, bar area, bar surround, foyer and reception area	85,000
Foyer and Auditorium - Refurbishment	40,000
Theatre - Renew blackout facilities	N/C
Theatre - Renewal of temporary storage rollalong units	N/C
Theatre - Re-upholstery of auditorium seating (stalls)	20,000
Theatre - Seating replacement	120,000
Theatre - Stage extensions	15,000
Theatre - Stage lighting	30,000
Toilets - Refurbishment	32,500
CONNAUGHT THEATRE	
Building - Repairs to asphalt roof	15,000
Building - Repairs to external brickwork and rendering	27,000
Dressing Rooms - Refurbishment	40,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
DENTON LOUNGE	
Bar /Servery - Refurbishment	13,000
Ceilings - Repairs and redecoration to ornate ceiling	40,000
Central Space - Refurbishment	30,500
Entrance - Provision of a canopy	N/C
Toilets - Refurbishment	22,000
DISABLED FACILITIES GRANTS	
Mandatory grants for adaptations to private housing (Annual provision)	750,000
HOUSING	
Empty Properties - Provision of grants and loans to bring empty properties back into use (Annual provision)	50,000
HOUSING RENOVATION ASSISTANCE	
Discretionary grants and loans to finance home repairs and home insulation works (Annual provision)	70,000
MUSEUM AND ART GALLERY	
Building - Refurbishment and redevelopment	1,800,000
Building - Renewal of existing electrics	N/C
Toilets - Refurbishment and resiting	42,500
PIER AND PAVILION	
Dressing rooms - Refurbishment	30,000
Theatre - Improvements to auditorium ventilation	80,000
Theatre - Improvement to load-bearing floor	36,250
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
PIER AND PAVILION (continued)	
Theatre - Technical refurbishment of aerial points, lighting infrastructure and replacement of lighting rig	89,500
* Theatre - Upgrade of florescent fittings in the perimeter lighting to LED	15,000
Windows - Replacement of office windows	32,000
RICHMOND ROOM	
Internal screen door - Replacement	27,500
Main hall ceiling - Replacement	22,000
RITZ CINEMA	
Building - Renewal of existing electrics	N/C
Fire escape - Replacement	15,000
Slate Roof - Renewal	71,500
THEATRES	
Replacement of operational vehicle	20,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u>	
<i>ADUR AND WORTHING SERVICES' DEPOTS</i>	
* Replacement of the weighbridge at the Meadow Road Depot (Partnership scheme with Adur District Council. Total cost £47,000)	29,890
<i>ALLOTMENTS</i>	
Chesswood Allotment Site - Provision of toilet facilities	20,000
Rolling programme of improvements to include replacements and improvements to pathways, old water pipes and fencing (Annual provision)	16,800
<i>BEACH HOUSE GROUNDS</i>	
Chalets - Replacement of front elevations	95,000
<i>BEACH HOUSE PARK</i>	
Reconstruction of western access road	66,000
<i>BROOKLANDS</i>	
Provision of services (waste disposal, water and electricity)	25,000
<i>CEMETERIES</i>	
Durrington Cemetery - Phase 2 of the extension to provide burial space for the next 30 - 35 years	200,000
<i>CREMATORIUM</i>	
Main building fascias replacement	11,000
Toilet refurbishment	16,500
Window replacement	44,000
<i>CYCLE STRATEGY</i>	
Seafront Cycle Route Phase 3	256,000
Seafront Cycle Route Phase 4	35,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u> (continued)	
<i>FIELD PLACE</i>	
Replace the surface of the existing tennis courts and correct the drainage problems	200,000
<i>GROUNDS MAINTENANCE</i>	
Provision for the replacement of vehicles for the joint service (Partnership scheme with Adur District Council. Total cost £596,200)	357,720
<i>HIGHWAYS</i>	
Graham Road access improvements	29,000
Reconstruction of highway at Dale Road	N/C
Upgrading and enhancing WSCC new or planned highway street lights in Conservation Areas or near to Heritage or Listed Buildings	100,000
<i>LIDO</i>	
Major substructure repairs	N/C
Renewal of hand rails	50,000
<i>MEADOW ROAD DEPOT</i>	
* Reconstruction of hard surfaces	50,400
<i>OPERATIONAL VEHICLES</i>	
Mayor's Car - Replacement	23,000
Provision for the replacement of operational vehicles for Adur District Council and Worthing Borough Council joint services	42,560
Provision for the replacement of vehicles for Worthing services	42,000
<i>PARKS AND OPEN SPACES</i>	
Boundary Fencing Replacements (Annual provision)	30,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
PARKS AND OPEN SPACES (continued)	
Hard surfaces refurbishment programme (Annual provision)	16,500
Homefield Park - Installation of a new public convenience	99,000
Play Areas - Rolling programme of replacements, upgrades and improvements to include outdoor fitness equipment (Annual provision)	106,400
West Durrington - Provision of a skateboard park	N/C
PAVILIONS	
Fernhurst Recreation Ground - Provision of a new pavilion	N/C
Highdown Field - Refurbishment of pavilion changing rooms	27,500
Highdown Field - Refurbishment of football pavilion	125,000
Hillbarn Recreation Ground - Separation of changing rooms and possible creation of public conveniences	N/C
PUBLIC CONVENIENCES	
Brooklands Western Road - Structural repairs	46,200
Homefield Park - Installation of a new public convenience	218,400
Selected refurbishment programme (Annual provision)	100,000
REFUSE / RECYCLING / STREET CLEANSING	
Provision for the replacement of vehicles for the joint service (Partnership scheme with Adur District Council. Total cost £493,900)	299,750
Wheeled bins replacement programme - Annual provision (Partnership scheme with Adur District Council. Total annual provision £50,000)	31,800
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u> (continued)	
REPROVISION OF LEISURE FACILITIES	
Refurbishment of the Durrington Leisure Centre	5,860,000
SPLASH POINT LEISURE CENTRE	
Pool terrace works phase 2	N/C
WORTHING LEISURE CENTRE	
Athletics Track - Replacement	220,000
Building - Renew external cladding	15,000
Building - Rewire whole complex	264,000
Entrance - Provision of a canopy	N/C
Garages - Conversion to social use	N/C
Roof Areas - Renewal of flat roof areas	300,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u>	
<i>COMMUNITY DEVELOPMENT</i>	
West Durrington community leisure facility	N/C
West Durrington sports changing rooms/pavilion	300,000
<i>EQUALITIES</i>	
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties (Annual provision)	22,000
<i>HEALTH PROTECTION</i>	
Asbestos removal from Council offices (Annual provision)	16,800
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u>	
COAST PROTECTION WORKS	
Worthing Beach Management Plan Delivery	4,030,000
FORESHORE MANAGEMENT	
Alinora Avenue Boat Launching Ramp - Extension to hard surface	14,300
Alinora Avenue Boat Launching Ramp - Renewal	N/C
Beach Huts - Refurbishment programme	126,000
Chalets and Kiosks - Renewal of fronts	60,000
Coastal Path (George V Avenue to Sea Lane, Goring) - Replacement	165,000
Inshore Water Speed Restriction/Byelaws Control Zone Markers - Replacement	15,000
Promenade - Provision of railing or walling along northern side	231,100
(b) <u>LONG TERM LIST</u>	
FORESHORE MANAGEMENT	
Sea Wall - Extension westwards of Splash Point	N/C
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u>	
ADMIN BUILDINGS	
Commerce Way	
Improvements to south car park area (Contribution to Adur District Council scheme)	N/C
Vehicle Workshop - Replacement of roof (Contribution to Adur District Council scheme. Total cost £253,000)	126,500
Portland House	
Building - Provision of comfort cooling	N/C
Building - Replacement of soffits and fascias	38,500
Windows - Replacements	126,000
Town Hall	
Building - Provision of independent electrical metering	14,500
Goods lift - Reactivation	55,000
New Ways of Working Phase II - Upgrade listed toilets	N/C
Roofing - Renewal of asphalt roofs	26,000
Roofing - Renewal of slate roof coverings	168,000
Windows - Replacement of 2nd floor windows with double glazing	74,800
INFORMATION AND COMMUNICATIONS TECHNOLOGY	
Desktop equipment, software and infrastructure replacement (Partnership scheme with Adur District Council. Total annual provision £100,000)	53,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u> (continued)	
PROPERTY MANAGEMENT	
Colonnade House	
Renewal of metal windows	39,000
7 High Street	
Renew roof covering	33,000
Highdown Gardens Bungalow	
Conversion of former staff accommodation	N/C
Meadow Road	
Main Building - Replace asbestos cement roofs/walls	88,000
Office - Windows renewal	49,500
South Boundary Wall - Rebuild	33,000
Pier Southern Pavilion	
Renew main electrical panel	25,000
The Lodge Durrington Cemetery	
Renew roof covering	18,000
Sea Place Road	
Access improvements to Yacht Club	N/C
Woods Way	
Renew roof coverings to industrial units	50,000
N/C = Not Costed * = New Scheme	

GLOSSARY OF TERMS

<i>Band D Equivalent</i>	This term relates to one of the Council Tax Valuation Bands (see Council Tax). The Bands A to C and E to H are weighted to the equivalent of Band D. The derived band D Equivalent is used as a basis for calculating the Council Tax.
<i>Baseline Funding Level</i>	The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided).
<i>Billing Authorities</i>	A unitary council, or a lower tier council in a two-tier area, which collects the council tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect council tax and business rates: district councils, London boroughs, and unitary councils..
<i>Business Rates – National Non-Domestic Rates (NNDR)</i>	A national rate levied on business and commercial property based upon rateable values measured every five years. Sums collected are paid to Central Government and redistributed to local authorities via the Business Rate Retention Scheme. The scheme allows the Council to retain a proportion of the total NNDR received. The Local Authority share is 40% with the remainder paid to the precepting body – West Sussex County Council (10%) and Department of Communities and Local Government (50%)
<i>Business Rates Baseline</i>	Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.
<i>Business Rates Retention Scheme</i>	The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. The local government sector retains 50% of the business rates they collect. In addition they also receive Revenue Support Grant to help support their services.
<i>Capital Charges</i>	Capital charges are borne by service revenue accounts. They comprise a depreciation charge for the use of tangible fixed assets, plus any impairment resulting from a significant decline in a fixed asset's market value, obsolescence or physical damage.

GLOSSARY OF TERMS

<i>Capital Expenditure</i>	Expenditure exceeding £10,000 in value on the creation, acquisition or enhancement of a fixed asset, or a rolling programme of improvements. A fixed asset is one which yields benefits to the local authority for a period exceeding one year.
<i>Capital Financing Requirement</i>	The Capital Financing Requirement (CFR) measures the Councils' underlying need to borrow for capital purposes - i.e. capital expenditure funded from external borrowing or other credit arrangements. The CFR is derived from the amounts held in the Balance Sheet relating to capital expenditure and financing, being the amounts shown for non-Current Assets, Long-term debtors for capital transactions, the Revaluation Reserve, the Capital Adjustment Account, Donated Assets Reserve and any other balances treated as capital expenditure.
<i>Capital Receipts</i>	Income exceeding £10,000 from the sale of land and buildings or other assets, which can be used to finance capital expenditure.
<i>Capital Strategy</i>	A corporate document setting out the policy framework for managing assets and deploying capital resources. It operates through strong partnership working to address corporate priorities.
<i>Collection Fund</i>	A fund administered by Adur and Worthing Councils as billing authority (each District/Borough Council in the County area is a billing authority). All proceeds from Council Tax are paid into the fund to meet the net budget requirements of the County, Police and Crime Commissioner, and District Council for the area (see note on Precepts).
<i>Control Totals</i>	These are the national totals for each of the individual elements within the local spending control total. They are determined as part of the Spending Review. It is also the name given to the size of each of the different elements within the Settlement Funding Assessment
<i>Corporate Management</i>	Corporate Management includes the head of paid service (Chief Executive), maintaining statutory registers, providing information to members of the public (e.g. Freedom of Information requests) Statement of Accounts and government returns, external audit, bank charges, treasury management costs and costs associated with supporting local partnerships.
<i>Council Tax</i>	Council Tax is paid on most residential properties in a local authority's area. Properties are valued within eight valuation bands (A - H). Households of two or more adults normally pay the whole bill. Single adult households receive a personal discount of 25% of the bill.

GLOSSARY OF TERMS

Council Tax Bands

There are eight council tax bands. How much council tax each household pays depends on the value of the homes. The bands are set out below.

	Value of home estimated at 1 April 1991	Proportion of the tax due April 1991 for a Band D property
Band A	Under - £40,000	66.7%
Band B	£40,001 - £52,000	77.8%
Band C	£52,001 - £68,000	88.9%
Band D	£68,001 - £88,000	100%
Band E	£88,001 - £120,000	122.2%
Band F	£120,001 - £160,000	144.4%
Band G	£160,001 - £320,000	166.7%
Band H	Over - £320,001	200%

Council Tax Base

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each council tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

Council Tax Benefit

An income related social security benefit designed to help people with low income to pay their Council Tax. It is administered and paid for by local authorities.

DCLG

Department for Communities and Local Government, the Central Government department which oversees the affairs and finances of local government.

Debt Limit for Housing Revenue Account (HRA)

With the introduction of Self-Financing for the Housing Revenue Account, the DCLG imposed debt limits for housing authorities in order to regulate public sector borrowing. For Adur Council the debt limit is £68.912m, and represents the maximum permitted amount of debt outstanding at any time to fund HRA capital expenditure.

Estimated Business Rates Aggregate

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

External Finance From Government

The value of financial support received from Central Government via the Revenue Support Grant, Specific Grants and a contribution from the Business Rates Retention Scheme.

GLOSSARY OF TERMS

<i>Fixed Assets</i>	Land, building and equipment which have a value to the Council for more than one year.
<i>Floor damping</i>	A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.
<i>Housing Investment Programme (HIP)</i>	The HIP is prepared annually together with Housing Strategy updates for the Council. The three year housing investment programme is submitted to the DCLG as a basis for distributing Housing Specified Capital Grants and Supported Capital Expenditure.
<i>Housing Revenue Account (HRA)</i>	A ring-fenced account of all expenditure in respect of Adur Council's housing stock.
<i>Joint Strategic Committee</i>	On 25 th July, 2007 Adur District Council and Worthing Borough Council agreed to embark on an extensive programme of partnership working. This committee has been set up with Members of both Councils to manage the services that are working in partnership.
<i>Levy</i>	Mechanism to limit disproportionate benefit from business rates. The levy is applied proportionally on a 1:1 basis (i.e. a 1% increase in business rates income results in an council getting a 1% increase in revenue from the rates retention scheme) but with a limit on the maximum levy rate that is imposed, at 50p in the pound. Levy payments are used to fund the safety net.
<i>Local government finance settlement</i>	The local government finance settlement is the annual determination of funding distribution as made by the Government and debated by Parliament.
<i>Local government spending control total</i>	The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.
<i>Local share</i>	The percentage share of locally collected business rates that is retained by local government. This is set at 50%.
<i>Lower tier councils</i>	Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

GLOSSARY OF TERMS

<i>Multiplier</i>	The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the Retail Price Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.
<i>Non-distributed Costs</i>	Non-distributed costs include backfunded retirement benefit costs, redundancy payments and pension added years.
<i>Outturn</i>	The actual expenditure for a particular period.
<i>P.C.C</i>	Police and Crime Commission.
<i>Precepting authority</i>	An authority or body that does not collect council tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.
<i>Precepts</i>	The County Council and Police and Crime Commissioner make a charge, or "precept", on the District (Borough) Council's Collection Fund for the share of their net budget requirement relating to the borough's area. The net budget requirement is calculated after allowing for receipts from Formula Grant and Non-Domestic Rates.
<i>Proportionate share</i>	This is the percentage of the national business rates yield which a council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority business rates baseline.
<i>Prudential Code for Capital Finance</i>	The Local Government Act 2003 provided for a major change in the way councils finance capital expenditure. From 1 st April, 2004, councils were given freedom under the CIPFA Prudential Code for Capital Finance in Local Authorities to determine their own borrowing for capital investment subject to the considerations of prudence, sustainability and affordability.
<i>Receiving authorities</i>	Authorities that are eligible to receive Revenue Support Grant (billing authorities plus county councils and fire and rescue authorities).
<i>Reserves</i>	Reserves are accumulated to finance future spending.

GLOSSARY OF TERMS

Revenue Expenditure	This is expenditure on recurring items, including the running costs of services and the financing of capital spending.
Revenue Support Grant (RSG)	A Government Grant which can be used to finance revenue expenditure on any service.
Ringfenced grant	A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent'
Safety net	Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being updated by the small business rates multiplier for the purposes of assessing eligibility for support).
Self-Financing for Housing Revenue Account (HRA)	From 1 April 2012 the Localism Act replaced the former HRA subsidy system with a new self-financing regime for housing authorities. The new regime allows Adur Council more freedom to determine its own budget and retain its rental income, albeit some financial restrictions still apply, most notably around the use of Right To Buy (RTB) capital receipts and prudential borrowing limits
Service Reporting Code of Practice (SRCOP)	Service Reporting Code of Practice is an authoritative guide to financial accounting for local authorities. The Code provides a framework for local authority accounting.
Sets of services	There are four sets of services, corresponding to the services supplied by the four types of local authorities (although some councils may provide more than one tier of service). These are: <ul style="list-style-type: none">• upper-tier services – those services, other than fire, supplied by county councils in two-tier areas, and described in this consultation as relating to 'social care councils'.• police services• fire and rescue services• lower-tier services – those services supplied by district councils ('non-social care councils' in the consultation) in two-tier areas.
Settlement core funding	The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise: <ul style="list-style-type: none">• Council Tax income from 2015-16 (including any Council Tax Freeze Grant)• the Settlement Funding Assessment, comprising:<ul style="list-style-type: none">- estimated business rates income (baseline funding level under the rates retention scheme)- Revenue Support Grant.

GLOSSARY OF TERMS

Settlement Funding Assessment	Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council's Revenue Support Grant for the year in question and its baseline funding level, uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided
Specific grants	Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ringfenced.
Specified body	This is the term used for a body or bodies which are directly funded from Revenue Support Grant, and which provide services centrally for local government as a whole.
Subjective Analysis	This is the analysis of income and expenditure by reference to its different sources e.g. employers pay.
Tariffs and top ups	Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.
Vacancy Savings	This is a target vacancy saving allocated to each service block but held centrally in Corporate Management. The achievement of these savings is dependent on staff turnover and the time lag that arises when vacancies are not filled immediately.
Virement	<p>The transfer of budget provision from one budget to another (usually restricted to a particular service) to reflect changes in service requirements and spending patterns (see the Borough Council's Financial Regulation A.26 below for details including limits for delegation to members and officers).</p> <p>A.26 (a) <i>A Budget Manager may, after consultation with the Chief Financial Officer, vire up to £10,000 within the approved revenue or capital budget.</i></p> <p>(b) <i>A Director may, after consultation with the Chief Financial Officer, vire up to £25,000 within the approved revenue or capital budget.</i></p>

GLOSSARY OF TERMS

Virement

- (c) *A Cabinet Member may, after consultation with the Chief Financial Officer, vire up to £50,000 between any heads of income or expenditure within their approved revenue budget, or capital budget.*
- (d) *The Cabinet may incur, without Council approval, expenditure not within the approved budget provided that the following criteria applies:*
 - (i) *the cost is to be met from external funding, contingency or reserve set up for the purpose; or*
 - (ii) *it is to be met from proven savings elsewhere in the revenue budget and does not exceed £150,000; or*
 - (iii) *it is to be met from proven savings in that financial year in the Capital programme and does not exceed £150,000 per project; and*
 - (iv) *the new project (revenue or capital) is fully funded by a grant or external contribution and resources already contained within the Councils' budgets provided that the cost of the project does not exceed £150,000.*
 - (v) *The expenditure does not have the effect of changing Council policy.*
- (e) *Any proposal to vire, which is not covered in A26(d), must be approved by the Full Council.*

Working Balance

A sum set aside for purposes such as general contingencies and cash flow management.

W.S.C.C.

West Sussex County Council

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