

Adur
District
Council

BUDGET BOOK



Worthing
Borough
Council



2016-2017

Adur &
Worthing
Councils

CIVIC BUDGET 2016/2017

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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 on pages 8-181 of this Budget Book.

BUDGET STRATEGY FOR 2016/17

Detailed budget strategies for Adur and Worthing Councils were agreed in July 2015, to underpin the budget process:

Revenue Budget Strategy

- The Councils aim to be self-sufficient by 2020/21 and reliant only on income from 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 ongoing savings and not to be funded from reserves;
- Income is to be increased in line with the inflationary pressures upon the Councils (2.0%) 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 1% 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 2016/17

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 with the addition of £1.6m in 2016/17 to fund the replacement of the refuse and recycling vehicles (plus £3.6m for the Housing Investment Programme)

Worthing Borough Council: £1.5m core funding with the addition of £2.9m in 2016/17 to fund the replacement of the refuse and recycling vehicles

- 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.
- 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.

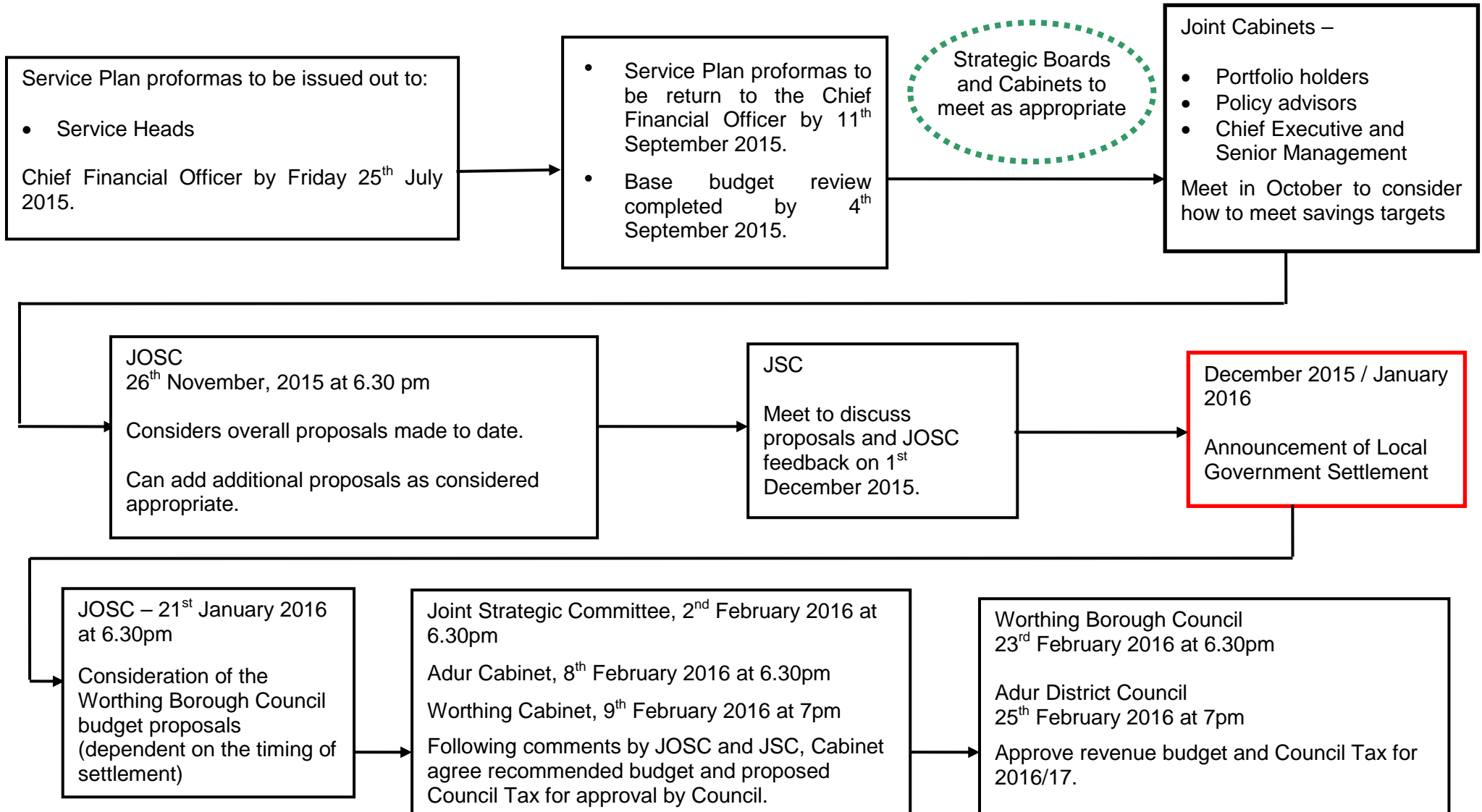
The concept of recharging 'back office functions' to 'front line services' is based on the CIPFA Service Reporting Code of Practice for Local Authorities. The accounting principle is that the 'total cost' for a service should follow a consistent approach across local authorities and that total cost includes 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 2016/17





REVENUE BUDGET ESTIMATES FOR 2016/17

REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES

1.0 SUMMARY

1.1 This report represents the culmination of the annual budget exercise and asks members to consider the following:

- The final revenue estimates for 2016/17 for the Joint Strategic Committee;
- An updated outline 5-year forecast;

These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals and reflect the decisions made at both Councils, together with some minor changes which are detailed below.

1.2 The budget is analysed by Service within Directorate. In addition, the draft estimates for 2016/17 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities 2016/17 (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.3 The respective Adur and Worthing 2016/17 Estimate and Council Tax setting reports are due to be considered by Adur Executive on Monday 8th February 2016 and the Worthing Executive on Tuesday 9th February 2016. Both the Estimates for Adur District Council and Worthing Borough Council include their respective share of the cost of the Joint Strategic Committee.

2.0 BACKGROUND

2.1 The report covering the “*Outline 5-year forecast for 2016/17 to 2019/20 and the Budget Strategy*” was considered on 7th July, 2015. 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.

2.0 BACKGROUND

2.2 On 1st December the “*Outline 5-Year Forecast 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:

1. The Major Projects Board leads on delivering projects to increase employment space and additional housing;
2. The Digital Programme Board leads on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work;
3. The Strategic Asset Management Board leads on delivering the income growth associated with the Strategic Property Fund; and
4. The Customer and Commercial Programme Board leads on the delivery of the income growth from commercial services and seek to improve the customer experience.

2.2 Since the meeting on 3rd 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 2016/17 can be summarised as:

Original shortfall in funding	£'000 2,512
Adjustment to savings target arising from savings found within the constituent Councils budgets which reduces the savings contribution required from the Joint Strategic Committee	-900
Adjusted shortfall in funding	1,612
Changes identified in December 2015:	
Committed Growth	225
Removal of contingency budget	-100
Budget shortfall as at 3rd December 2015	1,737
Final adjustments to inflation, pension, and national insurance increases	42
Final adjustment to recharges from the Joint Committee to the constituent Councils	-87
Revised budget shortfall	1,692
Less: Net savings identified in December	-1,692
Remaining shortfall to be addressed	-

2.0 BACKGROUND

- 2.3 This has been an unprecedented period of time for Local Government. The level of funding provided by Central Government has reduced by significantly over the few years and Revenue Support Grant will be phased out in its entirety over the next 5 years:

'Because the amount we raise in business rates is in total much greater than the amount we give to local councils through the local government grant, we will phase that grant out entirely over this Parliament.'

The Right Honorable George Osborne, Chancellor of the Exchequer

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.

- 2.4 However as part of the Autumn Statement the Chancellor confirmed that the current business rate system would be reformed.

'But if we really want to shift power in our country, we have to give all local councils the tools to drive the growth of business in their area – and rewards that come when you do so. So I can confirm today that, as we set out last month, we will abolish the uniform business rate.'

By the end of the parliament local government will keep all of the revenue from business rates.

The Right Honorable George Osborne, Chancellor of the Exchequer

- 2.5 However, as ever, it will be difficult to assess the full impact of the changes to the proposed business rate system until the details are known. Currently the system is highly redistributive, with both Councils keeping less than 10% of business rate income. It is inevitable that the new system will retain a significant element of redistribution. In addition, it would appear that Councils will only have the ability to reduce rates unless there is an elected mayor in place. Elected mayors will have the power to increase rates provided that they are used to fund specific infrastructure projects which are supported by the local business community.
- 2.6 The Autumn Statement also indicated that the Government will almost certainly devolve additional responsibilities alongside the changes to Business Rates. This could include responsibility for directly funding public health and the administration of elements of housing benefit.

2.0 BACKGROUND

2.7 Finally, the Chancellor announced that he would introduce a new apprenticeship levy of 0.5% of an employer's pay bill. Every employer will receive a £15,000 allowance to offset against the levy – which means over 98% of all employers - and all businesses with pay bills of less than £3 million - will pay no levy at all. This is expected to cost the Joint Strategic Committee £66,000 a year.

2.8 The Settlement was announced on the 17th December 2015. The Settlement showed a significant shift in Government policy, away from grants distributed on the basis of need (Revenue Support Grant), towards rewards based on the delivery of new homes and additional business rates income. The details of settlement for each Council will be fully discussed in the budget reports to be presented to the Executive's in early February. However, there are a number of factors that will significantly influence the budget of the Joint Strategic Committee:

1. Revenue Support Grant is to be withdrawn at a far greater pace than previously assumed. Both Councils by 2018/19 will receive no or negligible levels of grant.
2. New Homes Bonus will be retained albeit in a reduced form. Adur District Council is unlikely to benefit significantly from this grant due to the relatively low level of housing being delivered. There are significant constraints on house building within the Adur area due to the availability of land. Land is either on a flood plain, in the National Park, or on a brownfield site with limited transport links.
3. The announcement also contained the offer of a four-year settlement provided that the Council sets out an 'efficiency plan'. The details of the offer are not yet clear; however certainty in the Council's medium term planning would be welcome.

The implication for the Joint Strategic Committee is that the requirement for savings will be much greater in the earlier years than expected.

3.0 2015/16 BUDGET – CURRENT POSITION

3.1 The latest revenue monitoring report for the Joint Committee was reported on the 1st December 2015 to this committee and forecasts an underspend for the year of £509,000. The largest single factor causing this underspend are job vacancies.

3.2 The ongoing trends that have been identified as part of regular monitoring have been built into the 2015/16 revenue budget.

3.0 2015/16 BUDGET – CURRENT POSITION

3.3 On past evidence, spending patterns between this monitoring report and the end of the financial year have shown there is every reason to expect that the position will improve as the year progresses, which will be reported when the outturn position come before the Joint Strategic Committee in June/July 2016.

4.0 DRAFT REVENUE ESTIMATES 2016/17

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 £21,562,770. This includes the savings agreed by Joint Strategic Committee on 3rd December 2015.

4.2 Details of all of the main changes in the base budget from 2015/16 to 2016/17 are at Appendix 1. A breakdown by Service within Directorate summary budget is attached at Appendix 3. The changes can be summarised briefly as follows:

	£'000	£'000
2015/16 Original Estimate		21,654
Add: General Pay and Price Increases		609
		22,263
Add: Committed and Unavoidable Growth:		992
Less: Compensatory Savings		
Less: Savings agreed by members		
Net savings identified in December	-1,692	
		-1,692
Net cost to be reallocated to the Councils		21,563
Allocated as follows:		
- Adur District Council		8,527
- Worthing Borough Council		13,036
Cost reallocated to both Councils		21,563

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 8th and 9th February 2016. The allocation of the costs of joint services under the remit of the JSC has again been reviewed this year. The swing of costs between the two Councils has changed by 0.9% between the two Councils. Part of this swing is associated with the change of allocation of the Trade Refuse service which is funded by increasing income from the service and was reported to members before Christmas.

4.0 DRAFT REVENUE ESTIMATES 2016/17

4.4 However, 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.

Further details can be provided by request from the Jo-Anne Chang-Rogers (Finance Manager) 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, Revenue support Grant will be withdrawn over the next 5 years and following settlement, it is clear that the Councils will continue to have budget shortfalls for the next 4 years. Consequently, the Joint Strategic Committee is likely to show the following shortfalls:

	Expected shortfall (Cumulative)				
	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	1,692	3,025	4,367	5,600	6,865
Less: Net savings agreed in December and January	-1,692	-1,692	-1,692	-1,692	-1,692
Adjusted cumulative budget shortfall	-	1,333	2,675	3,908	5,173
Savings required each year	-	1,333	1,342	1,233	1,265

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:-

6.0 SIGNIFICANT RISKS

(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 2016/17, 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 1.0% 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	204
Non-pay	41

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

7.0 GROWTH

7.1 Attached at Appendix 2 are the non-committed growth items which total £288,000 in 2016/17 for consideration. If approved these additional items will have to be funded by the constituent Councils.

8.0 CONSULTATION

8.1 The Council has undertaken a light touch consultation exercise. This year the consultation has taken the form of an on-line survey and leaflets placed in the main buildings.

8.0 CONSULTATION

- 8.2 The focus of this year's consultation was around the potential changes to Council Tax Reduction Scheme, and the level of Council Tax increase that the public would support. As such, it does not impact directly upon this committee. The results will be reported to the Adur and the Worthing Executives in February 2016.

9.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- 9.1 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.

- 9.2 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.

9.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- (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.

9.3 Overall view on the robustness of the estimates:

It will therefore be important for members to maintain a diligent budget monitoring regime during 2016/17.

9.4 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.

10.0 CONCLUSION

10.1 In July, the Council embarked on a new budget strategy which planned for the eventual removal of all general government grant by 2020. The strategy outlined 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 delivered the first year of this strategy by identifying savings of £1.7m to meet the current year's shortfall.

10.2 However, this has not been without pain. The workforce has been reduced again, with the inevitable pressure of additional work falling on the shoulders of the remaining staff. This will continue as requirement to reduce costs is set to be a feature of the organisation for the next few years. But we have to date continued to protect most front-line services.

10.3 Looking further ahead, the Government continues to reduce funding to Local Authorities over the next 5 years, so difficult times lie ahead. However, within 3 years the Council will no longer receive any Revenue Support Grant at which point we will have much more control over our financial future.

11.0 RECOMMENDATION

11.1 The Joint Strategic Committee is recommended to:

- Consider the non-committed growth items outlined in Appendix 2;

11.0 RECOMMENDATION

- Agree the budgets for 2016/17 at Appendix 3 which will be adjusted by any non-committed growth items approved by members.

Local Government Act 1972

Background Papers:

Report to the Joint Strategic Committee 7th July 2015 - Outline forecast 2016/17 to 2020/21 and Budget Strategy

Report to the Joint Strategic Committee 3rd December 2015 - Outline 5 year forecast and savings proposals.

Local Authority Finance (England) Settlement Revenue Support Grant for 2016/17 and Related Matters: DCLG Letters and associated papers of 17th December 2015.

The Autumn Statement 2015. HM Treasury

Local Government Act 2003 and Explanatory Note

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

Adur District Council and Worthing Borough Council Statement of Accounts 2014/15

Report to Joint Strategic Committee 3rd December 2015 – 2nd Revenue Budget Monitoring 2015/16

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SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

1.1 The budget supports the Council's achievement of all its priorities.

2.0 SPECIFIC ACTION PLANS

2.1 The report details how the Council proposes to meet the financial targets initially outlined in the 3-year outline forecast considered in July 2010.

3.0 SUSTAINABILITY ISSUES

3.1 Matter considered and no issues identified

4.0 EQUALITY ISSUES

4.1 The majority of the proposals included in the report will have no impact on equality issues as there are no proposed changes to the way in which services are delivered.

5.0 COMMUNITY SAFETY ISSUES (SECTION 17)

5.1 Matter considered and no issues identified

6.0 HUMAN RIGHTS ISSUES

6.1 Matter considered and no issues identified

7. REPUTATION

7.1 Matter considered and no issues identified

8.0 CONSULTATIONS

8.1 Consultations are detailed in Section 9 of the main report

9.0 RISK ASSESSMENT

9.1 The overall risks to the budget are detailed in Section 8 of the main report.

10.0 HEALTH AND SAFETY ISSUES

10.1 Matter considered and no issues identified

11.0 PROCUREMENT STRATEGY

11.1 Matter considered and no issues identified

12.0 PARTNERSHIP WORKING

12.1 The report considers the impact that partnership working has on the overall revenue budget.

JOINT:
Revenue Budget Report

JOINT STRATEGIC COMMITTEE - APPENDIX 1
Revenue Budget Summary Statement 2015/16 - 2020/21

	2015/16 Base	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	24,803	24,803	24,803	24,803	24,803	24,803
Budgets transferred in from Adur and Worthing Councils						
(a) Annual Inflation						
Estimated inflation		609	1,388	2,189	2,997	3,844
(b) Committed Growth						
Changes to National Insurance Contributions		552	563	574	585	597
Impact of Pension contribution increase		215	219	223	227	232
Growth items identified by Heads of Service		225	225	225	225	225
(c) Accounting adjustments						
Adjustments to recharges within the Joint Committee		(47)	(47)	(47)	(47)	(47)
Total Budget Requirements	24,803	26,357	27,151	27,967	28,790	29,653
Less: Recharges within the Joint Strategic Committee	(3,149)	(3,102)	(3,102)	(3,102)	(3,102)	(3,102)
Net cost to be reallocated to the Councils	21,654	23,255	24,049	24,865	25,688	26,551
Adur District Council	8,775	8,527	8,314	8,106	7,944	7,785
Worthing Borough Council	12,879	13,036	12,710	12,392	12,144	11,901
Total income for services provided to the constituent councils	21,654	21,563	21,024	20,498	20,088	19,686
(Surplus) / Shortfall in Resources	-	1,692	3,025	4,367	5,600	6,865
Savings approved in December						
Commercial activities and commissioning						
Commercial and Customer Board		338	338	338	338	338
Efficiency Measures						
Digital Strategy Board		161	161	161	161	161
Restructures and service plan savings not included above		1,193	1,193	1,193	1,193	1,193
Total savings identified		1,692	1,692	1,692	1,692	1,692
Savings still to be found/ (surplus)		-	1,333	2,675	3,908	5,173
Savings required in each year		1,692	1,333	1,342	1,233	1,265

Non-Committed growth	When / Value?			2016/17 - APPENDIX 2			
	2016/17	2017/18	Beyond	Adur - GF	Adur - HRA	Worthing	Total
DIGITAL AND RESOURCES DIRECTORATE	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Digital & Design:</u>							
Provision for new digital strategy to move systems to the cloud	100.0	100.0	0.0	36.0	10.0	54.0	100.0
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
i) Take advantage of economies of scale from Cloud providers. Improved business continuity & system accessibility for users							
<i>Implication of unsuccessful bid</i>							
Continue to be reliant on own servers, continue with existing business continuity issues. Unable to lever in the potential financial benefits arising from the move.							
<u>Finance</u>							
Business Development Fund	75.0	75.0	75.0	30.0		45.0	75.0
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
i) Resources to provide capacity for funding business case for potential income generating or cost savings schemes							
<i>Implication of unsuccessful bid</i>							
As reserves become more depleted it is becoming more difficult to fund new initiatives. Potential income generating schemes will not be initiated or developed.							

JOINT:
Revenue Budget Report

Non-Committed growth	When / Value?			2016/17 - APPENDIX 2			
	2016/17	2017/18	Beyond	Adur - GF	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>ECONOMY DIRECTORATE</u>							
<u>Place & Investment:</u>							
Funding for condition surveys on proposed investments acquired by the Strategic Property Investment Fund	25.0	25.0	25.0	10.0		15.0	25.0
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
i) Ensure that investment in property & potential for income generation is sound							
<i>Implication of unsuccessful bid</i>							
Unable to purchase property to deliver income streams or at miscalculate income potential due to less thorough survey							
<u>CUSTOMER SERVICES</u>							
Creation of additional posts within Customer Services	54.0	65.0	0.0	19.4	5.0	29.6	54.0
The Customer Contact team is currently over-stretched. Benchmarking has been undertaken which reveals that the team is not sufficiently resourced to meet the demands currently placed upon it. It is proposed to build capacity in the team for the next 2 years whilst the team stabilised and undergoes transformational activity.							
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
Improved capacity within the Customer Serv. Directorate teams							
<i>Implication of unsuccessful bid</i>							
Insufficient staff to deal with customer demand							

Non-Committed growth	When / Value?			2016/17 - APPENDIX 2			
	2016/17	2017/18	Beyond	Adur - GF	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>CHIEF EXECUTIVE</u>							
Policy Officer Support to the Chief Executive to respond to new Government initiatives. For example, the new Devolution Deals Benefit/deliverables (outputs, impact on financial savings) The Council will be better placed to respond to new Government Policy initiatives and will be able to lobby more effectively. Implication of unsuccessful bid Council misses opportunities presented by new Government initiatives.	34.1	45.5	45.5	12.3	3.4	18.4	34.1
	288.1	310.5	145.5	107.7	18.4	162.0	288.1
less - Current allowance for committed growth Items	150.0	150.0	150.0	60.0		90.0	150.0
Additional resources required over that already allowed for within the budgets	138.1	160.5	-4.5	47.7	18.4	72.0	138.1

JOINT SERVICE BLOCK ACTIVITY RECHARGED TO ADUR AND WORTHING COUNCILS



APPENDIX 3

SERVICE BLOCKS	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
Chief Executive, Organisational Development & Communications	560,630	380,260
Director for Communities	5,781,170	5,918,310
Director for Customer Services	6,661,590	6,621,630
Director for Digital & Resources	8,849,720	8,497,500
Director for the Economy	3,039,460	3,247,990
TOTAL SERVICES	24,892,570	24,665,690
ALLOCATION OF COSTS		
Recharged to other joint services	(3,148,890)	(3,101,820)
	21,743,680	21,563,870
Adur District Council	(8,826,510)	(8,527,730)
Worthing Borough Council	(12,917,170)	(13,035,860)
TOTAL SERVICE BLOCK ALLOCATIONS	(21,743,680)	(21,563,590)

**JOINT SUMMARY SERVICE BLOCK:
Chief Executive & Communications**



SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
CHIEF EXECUTIVE		
Chief Executive Office	197,530	252,840
	197,530	252,840
Head of Communications		
Head of Communications - Office	64,690	66,570
Policy and Consultation	109,550	-
Communications	188,860	94,950
	363,100	161,520
TOTAL FOR CEO AND COMMUNICATIONS	560,630	414,360
ALLOCATION OF COSTS		
Recharged to other joint services	20	(10)
Adur District Council	272,660	198,190
Worthing Borough Council	272,660	200,890
South Downs Leisure Trust	15,290	15,290
	560,630	414,360

JOINT - CHIEF EXECUTIVE AND COMMUNICATIONS DIRECTORATE - 2016/2017 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support Services	TOTAL BUDGET
CHIEF EXECUTIVE		£	£	£	£	£	£	£	£	£	£
Chief Executive Office	2	191,800	-	1,040	6,940	-	-	199,780	560	18,400	218,740
Head of Communications											
Head of Communications - Office	1	60,030	-	-	-	-	-	60,030	350	6,190	66,570
Policy and Consultation	0	-	-	-	-	-	-	0	-	-	0
Communications	4	52,620	-	390	18,130	-	(9,180)	61,960	950	32,040	94,950
	7										
TOTAL COST		304,450	0	1,430	25,070	0	(9,180)	321,770	1,860	56,630	380,260
Percentage Direct Cost		92%	0%	0%	8%	0%					
<p align="center">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</p>											

JOINT CHIEF EXECUTIVE OFFICER - 2016/2017 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Budget 2015/16	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFP other changes	Virements	Payroll	Recharges	Joint transfers	TOTAL BUDGET
	£		£	£	£	£	£		£			£	£	£
CHIEF EXECUTIVE														
Chief Executive Office	197,530	160	-	13,820	-	-			7,230	-	3,580	3,650	-	218,740
Head of Communications														
Head of Communications Office	64,690	-	-	-	-	-			1,880	-	(1,200)	3,080	-	66,570
Policy and Consultation	109,550	-	-	-	-	-			(109,550)	(86,190)	-	(23,360)	-	0
Communications	173,570	170	-	-	(65,010)	-			(13,780)	(26,230)	(10,260)	22,710	-	94,950
TOTAL COST	545,340	330	0	13,820	(65,010)	0	0		(114,220)	(112,420)	(7,880)	6,080	0	380,260

**JOINT SUMMARY SERVICE BLOCK:
Communities Directorate**

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR COMMUNITIES		
Director for Communities office	136,650	136,240
Leisure Support residual costs	17,620	-
	154,270	136,240
HEAD OF HOUSING		
Head of Housing	88,620	187,090
Housing	575,610	577,120
Environmental Health / Protection Team	-	325,240
Home Improvement Assistance	183,340	199,420
Housing Strategy	72,550	76,610
	920,120	1,365,480
HEAD OF ENVIRONMENT		
Head of Environment	79,830	110,760
Parks	1,524,910	1,591,740
Foreshores	174,580	195,620
Environmental Health	109,190	97,980
	1,888,510	1,996,100
HEAD OF WELLBEING		
Head of Wellbeing	322,530	182,440
Community Wellbeing	495,020	517,020
Community Safety	229,230	271,500
Environmental Health - Commercial	494,220	477,530
Environmental Health - Domestic	672,370	350,600
Licensing	289,940	311,950
Democratic Services	314,960	309,450
	2,818,270	2,420,490
TOTAL FOR COMMUNITIES	5,781,170	5,918,310
ALLOCATION OF COSTS		
Recharged to other joint services	26,970	20
Adur District Council	2,347,020	2,324,540
Worthing Borough Council	3,390,850	3,587,560
South Downs Leisure Trust	16,330	6,190
	5,781,170	5,918,310

JOINT - DIRECTOR FOR COMMUNITIES - 2016/2017 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	TOTAL BUDGET
		£		£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Director of Communities Office	1	123,660	370	-	-	5,100	-	-	129,130	7,110	136,240
Leisure Support		-	-	-	-	-	-	-	0	-	0
Head of Housing											
Head of Housing	1	97,650	20	-	-	82,610	-	-	180,280	6,810	187,090
Housing	15.6	655,140	3,360	-	10,200	7,220	-	(163,110)	512,810	64,310	577,120
Environmental Health - Domestic	7.6	309,600	-	-	7,240	6,370	-	-	323,210	2,030	325,240
Home Improvement Assistance	4.1	159,190	1,490	-	2,120	1,920	-	-	164,720	34,700	199,420
Housing Strategy	1	55,950	370	-	750	12,430	-	-	69,500	7,110	76,610
Head of Environment											
Head of Environment	1	105,070	20	-	-	-	-	-	105,090	5,670	110,760
Parks	53.8	1,785,820	2,950	-	324,050	231,460	-	(844,480)	1,499,800	91,940	1,591,740
Foreshores	5.8	192,770	-	-	-	-	-	(5,200)	187,570	8,050	195,620
Environmental Health	2.5	81,170	-	-	3,330	14,850	-	(4,150)	95,200	2,780	97,980
Head of Wellbeing											
Head of Wellbeing	1	143,420	1,820	-	2,130	6,740	-	-	154,110	28,330	182,440
Community Wellbeing	9	835,100	3,330	-	3,590	32,790	-	(490,770)	384,040	132,980	517,020
Community Safety	3	182,700	4,370	-	2,070	4,680	-	(5,870)	187,950	83,550	271,500
Environmental Health- Commercial	7.6	379,320	3,380	-	7,520	3,240	-	-	393,460	84,070	477,530
Environmental Health- Domestic	6.1	297,560	3,610	-	6,390	1,070	-	-	308,630	41,970	350,600
Licensing	5.8	244,370	2,260	-	4,520	4,770	-	-	255,920	56,030	311,950
Democratic Services	6	246,980	1,680	-	170	18,650	-	-	267,480	41,970	309,450
	130.9										
TOTAL COST		5,895,470	29,030	0	374,080	433,900	0	(1,513,580)	5,218,900	699,410	5,918,310
Percentage Direct Cost		88%	0%	0%	6%	6%	0%				

JOINT COMMUNITIES DIRECTORATE - 2016/2017 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Budget 2015/16	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	136,650	100	-	-	(2,000)	-	-	-	1,490	136,240
Leisure Support	7,480	30	-	-	-	-	-	-	(7,510)	0
Head of Housing										
Head of Housing	88,620	-	-	-	-	-	-	-	98,470	187,090
Housing	575,610	(3,390)	-	-	-	-	-	-	4,900	577,120
Environmental Health - Domestic	-	260	-	-	-	-	-	-	324,980	325,240
Home Improvement Assistance	183,340	80	-	-	-	-	-	-	16,000	199,420
Housing Strategy	72,550	270	-	-	-	-	-	-	3,790	76,610
Head of Environment										
Head of Environment	79,830	-	-	-	(42,000)	-	-	-	72,930	110,760
Parks	1,518,720	(3,810)	-	-	(100,000)	-	-	-	176,830	1,591,740
Foreshores	174,580	(20)	-	-	-	-	-	-	21,060	195,620
Environmental Health	109,190	260	-	-	-	-	-	-	(11,470)	97,980
Head of Wellbeing										
Head of Wellbeing	322,530	390	-	-	(40,540)	-	-	-	(99,940)	182,440
Community Wellbeing	495,020	150	-	-	(6,820)	-	-	-	28,670	517,020
Community Safety	229,230	(730)	-	-	5,970	-	-	-	37,030	271,500
Environmental Health- Commercial	494,220	250	-	-	(56,530)	-	-	-	39,590	477,530
Environmental Health- Domestic	672,370	150	-	-	(59,670)	-	-	-	(262,250)	350,600
Licensing	289,940	160	-	-	(70)	-	-	-	21,920	311,950
Democratic Services	314,960	390	-	-	(22,400)	-	-	-	16,500	309,450
TOTAL COST	5,764,840	(5,460)	0	0	(324,060)	0	0		482,990	5,918,310

JOINT SUMMARY SERVICE BLOCK:
Customer Services Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF CUSTOMER SERVICES		
Director for Customer Services office	170,780	164,300
Head of Waste & Cleansing		
Waste Management	345,800	326,960
Commerce Way Depot	106,790	108,290
Clinical Waste Collection	(6,180)	(5,880)
Recycling	(723,580)	(1,017,030)
Refuse Collection	1,669,410	1,631,740
Street Sweeping & Cleansing	1,478,490	1,502,480
Trade Refuse Collection	425,490	439,940
Vehicle Workshop	610,030	611,840
Graffiti: Visual Quality Initiative	23,310	(5,740)
Pest Control	74,020	34,000
Waste Strategy	284,680	254,390
	4,288,260	3,880,990
Less: Vehicle Works Trading Account - recharged to services per job	(600,920)	(612,940)
Head of Customer Services		
Customer Services	1,085,770	1,169,010
Parking Services	296,750	621,470
Business Support	285,640	258,650
Elections	200,830	214,910
	1,868,990	2,264,040
Head of Revenues & Benefits		
Head of Revenues & Benefits	66,560	81,880
	66,560	81,880
Head of Building Control & Land Charges		
Building Control	688,490	673,610
LLPG	45,920	30,520
Land Charges	133,510	139,230
	867,920	843,360
TOTAL for CUSTOMER SERVICES	6,661,590	6,621,630
ALLOCATION OF COSTS		
Recharged to other joint services	300,540	161,440
Adur District Council	2,432,660	2,325,140
Worthing Borough Council	3,928,390	4,135,050
South Downs Leisure Trust	-	-
	6,661,590	6,621,630

JOINT - CUSTOMER SERVICES DIRECTORATE 2016/2017 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support	TOTAL BUDGET
		£	£	£	£	£	£	£		£	£
DIRECTOR OF CUSTOMER SERVICES Director for Customer Services office	2	152,370	-	650	3,400	-	(10)	156,410	520	7,370	164,300
Head of Waste & Cleansing											
Waste Management	6	286,550	100	4,330	16,450	-	(18,620)	288,810	1,490	36,660	326,960
Commerce Way Depot	0	-	148,060	60	10,540	-	(57,730)	100,930	6,590	770	108,290
Clinical Waste Collection	1	26,160	-	7,650	11,600	-	(52,170)	(6,760)	-	880	(5,880)
Recycling	24	658,330	-	182,450	100,010	-	(2,025,770)	(1,084,980)	60	67,890	(1,017,030)
Refuse Collection	41	1,302,630	-	350,920	22,230	-	(102,060)	1,573,720	120	57,900	1,631,740
Street Sweeping & Cleansing	47.3	1,262,630	-	237,990	50,830	(10)	(109,080)	1,442,360	140	59,980	1,502,480
Trade Refuse Collection	9.8	286,260	-	103,390	27,150	-	(5,020)	411,780	40	28,120	439,940
Vehicle Workshop	8.7	297,970	260	9,350	312,170	-	(33,240)	586,510	560	24,770	611,840
Graffiti: Visual Quality Initiative		210	-	6,670	6,430	-	(19,930)	(6,620)	-	880	(5,740)
Pest Control	2.6	98,420	520	8,270	10,940	-	(90,910)	27,240	-	6,760	34,000
Waste Strategy	5.6	192,090	-	12,540	-	-	-	204,630	2,260	47,500	254,390
Less: Vehicle Works Trading Account - recharged to services per job		-	-	-	-	-	(612,940)	(612,940)	-	-	(612,940)
Head of Customer Services											
Customer Services	30.4	908,420	-	50	10,840	-	-	919,310	9,400	240,300	1,169,010
Parking Services	18.4	578,390	-	-	-	-	-	578,390	4,640	38,440	621,470
Business Support	7.8	209,980	-	-	78,430	-	(83,630)	204,780	2,970	50,900	258,650
Elections	4.9	163,480	-	500	2,120	-	-	166,100	2,040	46,770	214,910
Head of Revenues & Benefits											
Head of Revenues & Benefits	1	81,710	-	-	-	-	-	81,710	-	170	81,880
Head of Building Control & Land Charges											
Building Control	10.9	554,870	2,850	11,350	46,340	-	(14,080)	601,330	3,880	68,400	673,610
LLPG	2	55,250	-	510	15,870	-	(41,110)	30,520	-	-	30,520
Land Charges	3.4	106,040	-	-	3,340	-	-	109,380	1,120	28,730	139,230
TOTAL COST		7,221,760	151,790	936,680	728,690	(10)	(3,266,300)	5,772,610	35,830	813,190	6,621,630
Percentage Direct Cost		80%	2%	10%	8%	0%					

JOINT CUSTOMER SERVICES DIRECTORATE - 2016/2017 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Budget 2015/16	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFP other changes	TOTAL BUDGET
	£		£	£	£	£	£		£	£
DIRECTOR OF CUSTOMER SERVICES										
Director for Customer Services office	170,780	80	-	-	-	-	-		(6,560)	164,300
Head of Waste & Cleansing										
Waste Management	345,800	30	-	-	-	-	-		(18,870)	326,960
Commerce Way Depot	106,790	1,840	-	-	-	-	-		(340)	108,290
Clinical Waste Collection	(6,180)	(650)	-	-	-	-	-		950	(5,880)
Recycling	(723,580)	(29,530)	-	-	(272,450)	-	-		8,530	(1,017,030)
Refuse Collection	1,669,410	7,510	-	-	(78,490)	-	-		33,310	1,631,740
Street Sweeping & Cleansing	1,478,490	5,870	-	-	(40,000)	-	-		58,120	1,502,480
Trade Refuse Collection	425,490	2,660	-	-	(9,000)	-	-		20,790	439,940
Vehicle Workshop	9,110	(11,670)	-	-	(10,000)	-	-		624,400	611,840
Graffiti: Visual Quality Initiative	23,310	(150)	-	-	-	-	-		(28,900)	(5,740)
Pest Control	74,020	(560)	-	-	(52,000)	-	-		12,540	34,000
Waste Strategy	284,680	180	-	-	(29,890)	-	-		(580)	254,390
Less: Vehicle Works Trading Account - recharged to services per job									(612,940)	(612,940)
Head of Customer Services										
Customer Services	1,085,770	280	-	-	-	-	-		82,960	1,169,010
Parking Services	296,750	-	-	-	-	-	-		324,720	621,470
Business Support	285,640	(100)	-	-	(33,100)	-	-		6,210	258,650
Elections	200,830	50	-	-	-	-	-		14,030	214,910
Head of Revenues & Benefits										
Head of Revenues & Benefits	66,560	-	-	-	-	-	-		15,320	81,880
Head of Building Control & Land Charges										
Building Control	688,490	1,160	-	-	(46,000)	-	-		29,960	673,610
LLPG	45,920	(490)	-	-	(19,000)	-	-		4,090	30,520
	133,510	60	-	-	-	-	-		5,660	139,230
TOTAL COST	6,661,590	(23,430)	0	0	(589,930)	0	0		573,400	6,621,630

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

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Director for Digital and Resources office	133,110	167,990
	133,110	167,990
Head of Finance		
Head of Finance office	145,560	146,070
Management, Technical and Strategic Accounting	1,208,400	1,084,280
Exchequer and Fraud	813,080	729,650
Internal Audit	24,190	480
	2,191,230	1,960,480
Head of Legal Services		
Legal Services	1,060,390	839,990
	1,060,390	839,990
Head of Digital and Design		
Head of Digital and Design	96,220	97,690
ICT, Systems Support and Development Team	1,548,590	1,933,050
	1,644,810	2,030,740
Head of Human Resources		
Human Resources	493,320	393,860
	493,320	393,860
Head of Business and Technical Services		
Head of Business and Technical Services	81,110	93,710
Business Services	545,170	467,070
Engineers	546,570	660,170
Surveyors and Sustainability	914,810	941,100
Facilities - Admin Buildings	742,340	637,350
Centralised Costs	83,820	27,970
GIS	71,880	-
	2,985,700	2,827,370
Head of Organisational Development		
Head of Organisational Development Office	135,550	87,670
Organisational Development	205,610	189,400
	341,160	277,070
TOTAL for DIGITAL AND RESOURCES	8,849,720	8,497,500
ALLOCATION OF COSTS		
Recharged to other joint services	2,821,360	2,926,720
Adur District Council	2,615,410	2,428,260
Worthing Borough Council	2,999,560	2,800,810
South Downs Leisure Trust	413,390	341,710
	8,849,720	8,497,500

JOINT - DIGITAL AND RESOURCES DIRECTORATE - 2016/2017 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Director Office	1	160,250	-	650	3,400	-	(10)	164,290	-	3,700	167,990
Head of Finance											
Head of Finance office	2	126,360	-	540	5,130	-	(30)	132,000	740	13,330	146,070
Management, Technical & Strategic Accounting	28	883,690	-	630	56,840	-	(29,150)	912,010	6,140	166,130	1,084,280
Exchequer and Fraud	12	495,840	-	90	51,770	-	(19,410)	528,290	6,230	195,130	729,650
Internal Audit	0	-	-	-	480	-	-	480	-	-	480
Head of Legal Services											
Legal Services		760,070	-	1,720	40,060	-	(106,100)	695,750	6,310	137,930	839,990
Head of Digital and Design											
Head of Digital and Design	1	94,860	-	-	70	-	-	94,930	370	2,390	97,690
ICT, Systems Support and Development Team	10	464,970	-	1,860	161,400	1,297,910	-	1,926,140	1,040	5,870	1,933,050
Head of Human Resources											
Human Resources	5.2	336,760	-	2,410	16,840	-	-	356,010	3,590	34,260	393,860
Head of Business & Technical Services											
Head of Business & Technical Services	1	87,630	-	-	-	-	-	87,630	20	6,060	93,710
Business Services	15	423,180	50	3,550	73,140	-	(113,030)	386,890	4,760	75,420	467,070
Engineers	14	598,370	-	7,830	11,180	-	(48,700)	568,680	3,210	88,280	660,170
Surveyors	18	825,980	-	5,250	21,180	-	-	852,410	2,150	86,540	941,100
Facilities - Admin Buildings	0	-	524,870	-	27,100	-	(73,850)	478,120	5,180	154,050	637,350
GIS	0	-	-	-	351,400	-	(323,430)	27,970	-	-	27,970
Centralised Costs	0	-	-	-	-	-	-	0	-	-	0
Head of Organisational Development											
Head of Organisational Development Office	1	76,930	-	-	-	-	-	76,930	870	9,870	87,670
Organisational Development	2	184,870	-	30	2,300	-	-	187,200	-	2,200	189,400
TOTAL COST		5,519,760	524,920	24,560	822,290	1,297,910	(713,710)	7,475,730	40,610	981,160	8,497,500
Percentage Direct Cost		67%	6%	0%	10%	16%					

JOINT DIGITAL AND RESOURCES DIRECTORATE - 2016/2017 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Budget 2015/16	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFP other changes	Virements	Payroll	Recharges	Joint transfers	TOTAL BUDGET
	£		£	£	£	£	£		£			£	£	£
DIRECTOR FOR DIGITAL & RESOURCES														
Director Office	133,110	80	-	-	-	-	-	-	34,800	-	38,060	(3,260)	-	167,990
Head of Finance														
Head of Finance office	145,560	150	-	-	-	-	-	-	360	(40)	4,360	(3,960)	-	146,070
Management, Technical & Strategic Accounting Exchequer and Fraud	1,175,700	490	-	-	(129,400)	-	-	-	37,490	(6,460)	41,430	2,520	-	1,084,280
Internal Audit	598,000	(350)	-	-	(72,920)	-	-	-	204,920	(29,900)	23,370	211,450	-	729,650
	24,190	480	-	-	(24,190)	-	-	-	-	-	-	-	-	480
Head of Legal Services														
Legal Services	1,060,390	480	-	-	(229,000)	-	-	-	8,120	(25,260)	45,510	(12,130)	-	839,990
Head of Digital and Design														
Head of Digital and Design	96,220	-	-	-	-	-	-	-	1,470	-	6,130	(4,660)	-	97,690
ICT, Systems Support and Development Team	1,473,300	19,060	-	166,000	(8,180)	-	-	-	282,870	(24,110)	(20,950)	25,550	302,380	1,933,050
Head of Human Resources														
Human Resources	428,000	1,440	-	-	-	-	-	-	(35,580)	-	11,520	(47,100)	-	393,860
Head of Business & Technical Services														
Head of Business & Technical Services	81,110	-	-	-	-	-	-	-	12,600	-	7,550	5,050	-	93,710
Business Services	617,050	(390)	-	-	(1,000)	-	-	-	(148,590)	(71,880)	(57,390)	(19,320)	-	467,070
Engineers	546,570	(500)	-	-	(5,000)	-	-	-	119,100	-	96,730	22,370	-	660,170
Surveyors	889,810	730	-	-	(15,850)	-	-	-	66,410	(2,260)	26,000	42,670	-	941,100
Facilities - Admin Buildings	742,340	9,460	-	-	(30,780)	-	-	-	(83,670)	9,000	-	(92,670)	-	637,350
GIS														0
Centralised Costs	83,820	8,150	-	-	(64,000)	-	-	-	-	-	-	-	-	27,970
Head of Organisational Development														
Head of Organisational Development Office	135,550	-	-	-	(32,870)	-	-	-	(15,010)	-	(16,720)	1,710	-	87,670
Organisational Development	205,610	4,080	-	-	(20,560)	-	-	-	270	-	-	270	-	189,400
TOTAL COST	8,436,330	43,360	0	166,000	(633,750)	0	0		485,560	(150,910)	205,600	128,490	302,380	8,497,500

JOINT SUMMARY SERVICE BLOCK:
Economy Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR ECONOMY		
Director of Economy Office	174,210	177,940
Growth		
Head of Growth	161,970	106,180
Planning Policy	374,170	534,020
Estates	421,650	424,810
Development Control	1,248,500	1,330,350
	2,206,290	2,395,360
Place & Investment		
Head of Place & Investment	79,870	86,860
Economic Development	468,470	375,080
	548,340	461,940
Culture		
Head of Culture	87,820	95,030
Tourism	22,800	117,720
	110,620	212,750
TOTAL for ECONOMY	3,039,460	3,247,990
ALLOCATION OF COSTS		
Recharged to other joint services	-	13,650
Adur District Council	1,158,760	1,267,580
Worthing Borough Council	1,880,700	1,966,760
South Downs Leisure Trust		
	3,039,460	3,247,990

JOINT ECONOMY DIRECTORATE - 2016/2017 - 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	161,580	560	-	100	1,410	-	-	163,650	14,290	177,940
Growth											
Head of Growth	1	97,270	370	-	510	730	-	-	98,880	7,300	106,180
Planning Policy	10.42	507,720	2,610	-	4,540	56,920	-	(101,280)	470,510	63,510	534,020
Estates	6.5	361,100	1,680	-	3,510	13,670	-	-	379,960	44,850	424,810
Development Control	24.57	1,058,030	8,280	-	5,410	67,160	-	(25,000)	1,113,880	216,470	1,330,350
Place & Investment											
Head of Place & Investment	1	86,390	-	-	-	-	-	-	86,390	470	86,860
Economic Development	6.19	297,080	2,780	-	6,120	11,580	-	-	317,560	57,520	375,080
Culture											
Head of Culture	1	94,860	-	-	-	-	-	-	94,860	170	95,030
Tourism and Events	2.81	99,520	5,790	-	140	13,560	-	(20,000)	99,010	18,710	117,720
	55.49										
TOTAL COST		2,763,550	22,070	0	20,330	165,030	0	(146,280)	2,824,700	423,290	3,247,990
Percentage Direct Cost		93%	1%	0%	1%	6%	0%				

JOINT ECONOMY DIRECTORATE - 2016/2017 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Budget 2015/16	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	174,210	20	-	-	-	-	-		3,710	177,940
Growth										
Head of Growth	161,970	20	-	-	-	-	-		(55,810)	106,180
Planning Policy	374,170	(560)	-	64,000	-	-	-		96,410	534,020
Estates	421,650	350	-	-	-	-	-		2,810	424,810
Development Control	1,248,500	1,640	-	35,500	(35,000)	-	-		79,710	1,330,350
Place & Investment										
Head of Place & Investment	79,870	-	-	-	-	-	-		6,990	86,860
Economic Development	468,470	300	-	-	(23,500)	-	-		(70,190)	375,080
Culture										
Head of Culture	87,820	-	-	-	-	-	-		7,210	95,030
Tourism and Events	22,800	260	-	-	(20,000)	-	-		114,660	117,720
TOTAL COST	3,039,460	2,030	0	99,500	(78,500)	0	0		185,500	3,247,990



**ADUR DISTRICT COUNCIL OVERALL BUDGET ESTIMATES 2016/17 AND
SETTING OF 2016/17 COUNCIL TAX**

REPORT BY: DIRECTOR OF DIGITAL AND RESOURCES

1.0 SUMMARY

1.1 This report represents the culmination of the annual budget exercise and asks members to consider the following:

- The final revenue estimates for 2016/17;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2016/17, prior to its submission to the Council for approval on the 23rd February 2016. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Executive.

1.2 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals. The report also updates members about the impact of the draft 2016/17 settlement.

1.3 The major points raised within the report include:

- A full update on the impact of settlement. The Council should prepare itself for a difficult few years following the accelerated removal of revenue support grant (see section 3.6) ;
- The Executive will need to consider whether to increase Council Tax by maximum level possible below 2% (1.99%) or by a lower amount (paragraph 5.10); and, finally
- The Executive needs to consider the new growth items outlined in Appendix 2.

1.4 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2016/17 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities 2016/17 (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.0 SUMMARY

1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2016/17 of 3.44% (as one of the lowest precepts in the country they are permitted to increase by £5) and the proposed 2016/17 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 22nd January 2016. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 18th February 2016 at which point the Commissioner will be in a position to confirm the Council Tax for 2016/17 in time for Council on the 25th February 2016.

1.6 The Chancellor's Autumn Statement in November 2015 announced that:

'... in future those local authorities who are responsible for social care will be able to levy a new social care precept of up to 2% on council tax.'

The Right Honorable George Osborne, Chancellor of the Exchequer

With this policy change, the Government has recognised the major financial strain caused by an ageing population.

1.7 The draft Local Government Settlement confirmed that a 2% council tax increase specifically to support adult social care services is permissible. This is over and above the existing "referendum limit" of 2% permitted for general council tax increases, thereby permitting a maximum council tax increase of 4% for Councils with social care responsibilities.

1.8 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 19th February 2016. However, it is likely to be just below the permitted 4% at 3.95%. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 25th February 2016.

1.9 The following appendices have been attached to this report:

- (i) **Appendix 1** Revenue Budget Summary Statement 2015/16 – 2020/21
- (ii) **Appendix 2** Non-Committed Growth
- (iii) **Appendix 3** Schedule of Earmarked Reserves
- (iv) **Appendix 4** Property Analysis & Calculation of Tax Base
- (v) **Appendix 5** Adur Budget 2016/17 – Summary of Executive Member Portfolios
- (vi) **Appendix 6** Glossary of technical terms used in Local Government Settlement

2.0 BACKGROUND

2.1 The report covering the “*Outline 5-year forecast for 2016/17 to 2019/20 and the Budget Strategy*” was considered on 7th July, 2015. 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 7th July report proposed a new strategy whose key feature was that the Councils would become self-sufficient by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.

2.2 In line with this new strategy, the Councils have set-up several strategic boards, which are responsible for taking forward key initiatives aimed at delivering savings for the future. These boards are:

- The Major Projects Board will lead on delivering projects to increase employment space and additional housing.
- 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 Programme Board will lead on the delivery of the income growth from commercial services and seek to improve the customer experience.

Both the Digital Programme Board and the Customer and Commercial Programme were set explicit targets for 2016/17.

2.3 In addition to the work of the Strategic Boards, the other strands which contributed to the savings targets for 2016/17 include:

- Efficiency reviews
- Procurement reviews
- Base budget reviews

2.4 The subsequent report to the Joint Strategic Committee, on 3rd December 2015 updated Members as to the latest budgetary information and the forecast shortfall, before savings or growth, was revised as follows:

2.0 BACKGROUND

Adur District Council	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Overall shortfall - July forecast	1,219	1,807	2,500	3,197	3,924
Overall shortfall – December forecast (including net approved growth)	1,142	1,728	2,419	3,115	3,840
Increase / (Decrease) in shortfall	-77	-79	-81	-82	-84
Savings identified in December 2015 report	-1,090	-1,315	-1,565	-1,815	-2,065
Revised budget shortfall as at December 2015	52	413	854	1,300	1,775

2.5 The 2016/17 savings proposals identified within the report for the Council amounted to £1,090,000.

2.6 Since the meeting on 3rd December 2015, 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 non-committed growth items. Overall, therefore, the current financial position of the Council for 2016/17 can be summarised as:

ADUR	£'000
Original shortfall as identified in July	1,219
Changes identified in December 2015:	
(a) Improvements to the income from Council Tax	-87
(b) Updated capital financing costs based on 2014/15 outturn	-46
(c) Net committed growth items identified by budget holders	156
(d) Removal of contingency budget	-100
Budget shortfall as at 3rd December 2015	1,142
Main changes to the revenue budget:	
Business Rate Retention Scheme	
2015/16 share of surplus business rates.	-381
Lower business rate multiplier than expected offset by improving business rate income	-23
Council Tax	
Surplus on collection fund	-8
Settlement	
Provisional New Homes Bonus allocation	-115
Revised budget shortfall – carried forward	-615

2.0 BACKGROUND

ADUR	£'000
Revised budget shortfall – brought forward	-615
Reduction in Baseline funding from Business Rates	27
Change in tariff (amount of business rates paid to government)	-43
Additional reduction in Revenue Support Grant	304
Treasury Management	
NWoW - Delay in the sale of the Civic Centre resulting in a fall in investment income.	191
Adjustment for final items identified	
Implementation of 0.5% levy	31
Reduction in Housing benefit administration grant	40
Changes to the capital programme	
New car park at Lancing Manor Park	4
Final adjustment to allocations between the two Councils	-45
Less: Net savings agreed in December	-940
Impact of new car park strategy	-150
Adjustment to final savings arising from Housing restructure	-49
Budget surplus to be placed in reserves (before any further action is agreed)	-15

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.1 Combined Spending Review & Autumn Statement 2015

3.1.1 The Chancellor presented a joint Spending Review and Autumn Statement on 25th November 2015, which covered the Government's spending plans for the next four years. The Chancellor announced £12 billion in savings to government departments. Within these spending plans the picture for local government is complex and mixed.

3.1.2 However, whilst The Chancellor highlighted a cash-terms increase in spending for Local Government between now and 2019/20, Revenue Support Grant was to be phased out in its's entirety.

'Because the amount we raise in business rates is in total much greater than the amount we give to local councils through the local government grant, we will phase that grant out entirely over this Parliament.'

The Right Honorable George Osborne, Chancellor of the Exchequer

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.1 Combined Spending Review & Autumn Statement 2015

The Chancellors assertion that there would be a cash-terms increase is based on the assumption that substantial local government funding cuts will be offset by increases in council tax, the new social care levy and business rates receipts.

Local Government – Departmental Expenditure Limit (DEL)					
Departmental Expenditure Limit	£Billion				
	2015/16	2016/17	2017/18	2018/19	2019/20
Funding for Local Government	11.5	9.6	7.4	6.1	5.4
Locally financed expenditure*	28.8	29.0	31.5	33.6	35.1
Total Local Government Spending	40.3	38.6	38.9	39.7	40.5
Annual percentage reduction in funding for Local Government		16.52%	22.92%	17.57%	11.48%
Overall reduction in funding for Local Government					53.04%

* Treasury's own forecasts of the income to be raised from Council Tax, the New Social Care levy and Business rates.

3.1.3 The combined Spending Review and Autumn Statement 2015 announced additional funding for social care, but most of this funding was to come from other parts of local government. The Statement indicated a potential shift in funding from districts to social care and upper tier authorities.

3.1.4 The Summer Budget had announced that 3 million new apprenticeships would be created by 2020, funded by a levy on large employers. The Chancellor announced that, with effect from April 2017, he would introduce a new apprenticeship levy of 0.5% of an employer's pay bill. Every employer will receive a £15,000 allowance to offset against the levy – which means over 98% of all employers - and all businesses with pay bills of less than £3 million - will pay no levy at all. From April 2017, this is expected to cost the General Fund £31,000 a year.

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.2 2016/17 Local Government Finance Settlement

3.2.1 The Secretary of State for the Department for Communities and Local Government (DCLG) Greg Clark delivered the provisional Local Government Finance Settlement on the 17th December 2015. Consultation on the provisional settlement closed on the 15th January 2016. The provisional settlement elaborated on announcements already made in the Chancellor's combined Spending Review and Autumn Statement. In his speech, the Secretary of State Greg Clark confirmed the continuation of the austerity programme

“... More savings need to be made as we finish the job of eliminating the remaining deficit...”

3.2.2 The objectives of the 2016/17 provisional settlement were outlined in the speech as:

- *“the right to spend locally what they raise locally*
- *help with adult social care*
- *expenditure savings which recognise what has already been achieved*
- *recognition of the higher costs of providing services to sparsely populated rural areas*
- *encouragement for cost-saving innovation*
- *rewards for new homes*
- *complete transparency with regard to resource allocation*
- *a move beyond one-year-at-a-time budgeting.”*

The impact on this authority of the combined Spending Review and Autumn Statement and the 2016/17 Local Government Finance Settlement is summarised in the following sections.

3.3 Four Year Settlements – An offer to all councils

3.3.1 In his speech, the Secretary of State announced

“So in this settlement I do something else that local leaders have yearned for. For the first time ever, I offer a guaranteed budget to every council which desires one and which can demonstrate efficiency savings – for next year, and for every year of this Parliament. A 4-year budget to give certainty and confidence.”

The Secretary of State for Communities and Local Government - Greg Clark

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.3 Four Year Settlements – An offer to all councils

The government offers “any council that wishes to take it up a four-year funding settlement to 2019-20.” However, this is dependent of the publication of an efficiency plan. The Government intends to publish further details on the nature of the efficiency plan after final settlement.

3.4 Council Tax Referendum

3.4.1 As part of settlement, the Secretary of State confirmed the referendum criteria:

‘So while this settlement maintains the core referendum threshold at 2%, the threshold for the lowest cost district councils will be £5 a year, so they aren’t punished for being economical while those who have spent more in the past are allowed to spend more now’

The Secretary of State for Communities and Local Government - Greg Clark

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

3.5 Revenue Support Grant

3.5.1 Revenue grant will be withdrawn from the Councils at a far greater rate than originally expected. The annual fall in Revenue Support Grant for 2016/17 is nearly £0.6m. The Councils had originally expected the grant to be withdrawn in a more measured way (over 4 years) with annual reductions of £270,000 (20% per year).

The grant will be withdrawn over two years with the following impacts:

Adur District Council	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Original assumption	1,348	1,078	809	539	270	0
Draft settlement	1,348	774	271	0	0	0
Additional withdrawal of grant		-304	-538	-539	-270	0
Decrease year on year (£)		574				
Decrease year on year (%)		42.6%				

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.5 Revenue Support Grant

This will put greater pressure on the budgets in the first few years of this Parliament.

3.5.2 It should also be noted that the 2015-16 Council Tax Freeze Grant has been rolled into Revenue Support Grant (paid only to those authorities which qualified for the council tax freeze scheme in 2015-16), in the same way as the grant has in previous years. In effect the Freeze Grant will be subject to the same cut in funding as Revenue Support Grant

3.6 New Homes Bonus (NHB)

3.6.1 Following the 2015/16 Settlement, the future of The New Homes Bonus was uncertain. As part of the provisional 2016/17 settlement speech, Greg Clark confirmed the continuation of New Homes Bonus, but with changes in the future.

'The New Homes Bonus provides valuable funding, and, as importantly, encourages house building.

So I can announce today that I will extend the Bonus indefinitely, but with some changes, on which I am consulting'

3.6.2 The provisional local government settlement proposed that the NHB scheme is modified with the following major features:

- (a) Previously NHB had been paid in 6 instalments. This is to be reduced to 4 instalments over 2 years.
- (b) NHB may be withheld if no Local Plan is submitted
- (c) Bonus may be reduced by between 50% and 100% if the scheme goes to appeal
- (d) Only growth over a certain limit will be included in the calculation (currently proposed at 0.25%)

This is the subject of a separate consultation 'New Homes Bonus: sharpening the incentive' which is due to end on the 10th March 2016.

3.6.3 The retention of the New Homes Bonus will benefit those Councils who have capacity to build. This is a particular problem for Adur where there is a shortage of land for housing and what land exists is problematic to develop (e.g on a flood plain). Whilst Adur may well benefit from New Homes Bonus, there will be insufficient housing growth and associated NHB to offset the loss of Revenue Support Grant in the early years.

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.6 New Homes Bonus (NHB)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Original assumption	652	652	590	437	193	86
Draft settlement						
Historic allocations	657	657	437	86		
2016/17 allocation		115	115	115	115	
Potential future allocations			100	250	400	550
Total New Homes Bonus	657	767	652	451	515	550
Increase in grant from previous assumptions		115	62	14	322	464

3.6.4 The New Homes Bonus has been an important source of funding. The 2016/17 allocation for this council is £766,641. It should be noted that the future allocations are indicative at this stage as the final details of the new scheme are dependent on the outcome of the consultation.

3.7 Business Rates – Baseline funding

3.7.1 Retained business rate (baseline funding) is marginally more than expected in the early years. In later years, the Councils will be expected to pay a greater share over to the Government as part of a national exercise to equalise resources. Overall the impact is likely to be:

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Adur District Council						
Original assumption	1,604	1,644	1,685	1,727	1,770	1,815
Draft settlement						
Baseline funding	1,604	1,617	1,649	1,698	1,752	1,787
Changes to 'tariff'		43	58	32	-153	-158
Total Business Rates	1,604	1,660	1,707	1,730	1,599	1,629
Increase / decrease (-) from previous assumptions		16	22	3	-171	-186

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.8 Summary

3.8.1 In total the impact on the Councils planning assumptions are as follows (excludes changes to other grants):

	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Adur District Council					
Revenue Support Grant	-304	-538	-539	-270	0
New Homes Bonus	115	62	14	322	464
Business Rates	16	22	3	-171	-186
Total increase / decrease (-) in funding	-173	-454	-522	-119	278

3.8.2 In overall terms, the 2016/17 settlement revealed that District and Borough Councils were the second most heavily affected class of authority by an overall cut in funding of 16.96%, only marginally less than the most affected Shire County Councils without fire (17.13% drop). For districts, this is even greater than last year's drop of 15.34%.

YEAR-ON-YEAR CHANGE FOR THE 2016/17 SETTLEMENT

Class of Local Authority	2015-16	2016-17	Overall Reduction in funding
	Adjusted settlement Funding Assessment	Settlement Funding Assessment	
	£million	£million	%
England	21,249.94	18,601.46	-12.46%
London Area	4,996.89	4,555.10	-8.84%
Metropolitan Areas	5,597.71	4,999.32	-10.69%
Shire Areas	10,652.06	9,043.75	-15.10%
London Area			
London Boroughs	3,833.40	3,398.55	-11.34%
GLA	1,163.49	1,156.56	-0.60%
Metropolitan Areas			
Metropolitan Districts	5,335.24	4,751.58	-10.94%
Metropolitan Fire Authorities	262.46	247.75	-5.61%
Shire Areas			
Shire unitaries with fire	372.76	321.61	-13.72%
Shire unitaries without fire	3,993.16	3,459.31	-13.37%
Shire counties with fire	2,009.19	1,677.09	-16.53%
Shire counties without fire	2,905.97	2,408.24	-17.13%
Shire districts	951.09	789.80	-16.96%
Combined fire authorities	419.88	387.71	-7.66%

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.8 Summary

3.8.3 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on Friday 15th January 2016 with final settlement expected by the 11th February 2016.

3.8.4 In previous years, there were few significant change at this late stage. However the late and unexpected amendments to the settlement methodology increase the likelihood of changes. If there are any significant changes arising from the final information members will be briefed before Council.

3.8.5 In addition to the local government finance settlement which is discussed fully above, the final matter than needs to be explored is the full forecast for Business Rates for the next five years.

3.9 Business Rate Retention Scheme

3.9.1 The business rate retention scheme has now been in place for some time.

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 ensure that no Council loses income of more than 7.5% of Baseline Funding which is equivalent to £121,795.
- A 'levy' is in place for any Council whose business rates exceed the target set. The levy will mean that the Council can only keep 50p of every additional £1 generated over it's 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 Treasury	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	100	25	25

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.9 Business Rate Retention Scheme

3.9.2 The forecast for business rates has now been revised for the latest information on appeals, reliefs and changes to rateable values. Overall there has been an increase in the level of expected income due to new hereditaments and increasing rateable values:

Adur District Council	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Total business rate income	21,724	22,259	22,876	23,458	24,174
Less: Business rate reliefs awarded	-3,094	-3,171	-3,250	-3,332	-3,415
Net business rate income	18,630	19,088	19,626	20,126	20,759
Less:					
Write offs	-93	-95	-98	-101	-104
Appeals	-258	-264	-269	-274	-280
Net income	18,279	18,729	19,259	19,751	20,375
Less: Share of income paid to Council for administration costs	-89	-91	-93	-96	-98
Net income for purpose of income share calculation	18,190	18,638	19,166	19,655	20,277
Council share of income (40%)	7,276	7,455	7,666	7,862	8,111
Less: Tariff	-5,203	-5,305	-5,492	-6,003	-6,123
Retained business rates	2,073	2,150	2,174	1,859	1,988
Add : S151 grants paid directly to the General Fund	420	431	442	453	465
Total income eligible for levy / safety net calculation	2,493	2,581	2,616	2,312	2,453
Baseline funding	-1,617	-1,650	-1,683	-1,716	-1,751
Surplus / (deficit) business rates	876	931	933	596	702
Less: Levy @ 50%*	-438	-466	-467	-297	-350
Additional retained business rates	438	465	466	299	352
Share of estimated 2015/16 surplus	381	0	0	0	0
Estimated surplus / deficit (-)	819	465	466	299	352
Previous forecast	372	378	390	401	408
Improvement / deterioration (-)	447	87	76	-102	-56

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.9 Business Rate Retention Scheme

*The levy is now retained by the business rate pool rather than paid over to the County Council.

3.9.3 The Council will fully provide for any known backdated business rates appeals at the 2015/16 year end. From 1st April 2015 appeals against rating assessments could no longer be backdated. As a result, the Council saw a considerable increase in appeals towards the end of 2014/15 as local business sought to submit appeals before the right to have claims backdated was removed. Consequently the level of provision for new and outstanding appeals should reduce from 2016/17 onwards.

3.9.4 In 2015/16, there have been two significant developments which have favourably impacted upon the rating income. Firstly, Parker Steel's valuation has increased by £467,000 and the Council has finally received the valuation for the new football academy (£775,000). These changes have resulted in significant additional income in the current year which will benefit the Council in 2016/17.

3.9.5 The forecast for 2016/17 is currently being finalised. The 2016/17 NNDR return which underpins this forecast is due to be submitted by the 31st January and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

3.9.6 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 site and the potential biomass plant at Shoreham Port.

3.9.7 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 £1.2m retained locally to benefit the residents of West Sussex.

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

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.9 Business Rate Retention Scheme

- It is difficult to establish the number of appeals which are likely to come forward in any given year. There is no time limit on when an appeal might be lodged.
- There is a specific risk associated with schools becoming academies. If a school assumes academy status then it will become eligible of mandatory rate relief which will reduce the Council's business rate income.
- The Councils have recently 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.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

3.9.9 Consequently there could be significant swings in the amount of business rate income in any one year. However, any shortfall in income will be recovered in the following financial year.

3.10 Long term implications of current government policy

3.10.1 The financing of local government has fundamentally changed. We are moving from a grant based on need (Revenue Support Grant) to funding based on performance in the delivery of homes (Council Tax and New Homes Bonus) and the creation of employment space (Business Rate Retention Scheme). Consequently, the income from Council Tax forms a more significant proportion of the Council's overall income and the decision regarding the annual increase has an increasing strategic importance.

3.10.2 Breakdown of general income to the Council:

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	5,628	5,691	5,811	5,942	6,075	6,212
Business Rates *	1,874	2,468	2,141	2,195	2,076	2,115
Revenue Support Grant **	1,411	774	271	0	0	0
New Homes Bonus	652	767	652	451	515	550
	9,589	9,546	9,415	9,393	9,318	9,176

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.10 Long term implications of current government policy

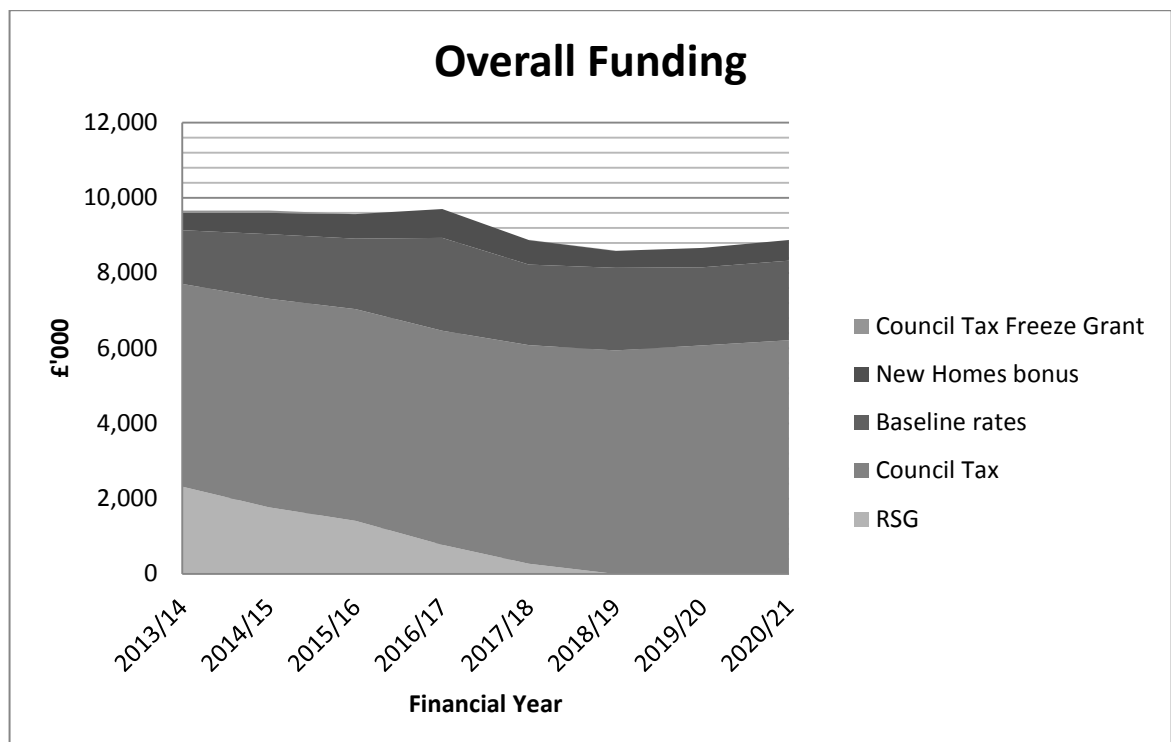
3.10.2 Breakdown of general income to the Council:

* Includes any surplus or deficit on the collection fund

** Includes the Council Tax Freeze Grant

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Council Tax	58.84%	58.67%	65.48%	69.19%	70.10%	69.97%
Business Rates	19.59%	25.44%	24.12%	25.56%	23.96%	23.83%
Revenue Support Grant	14.75%	7.98%	3.05%	0.00%	0.00%	0.00%
New Homes Bonus	6.82%	7.91%	7.35%	5.25%	5.94%	6.20%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

3.10.3 Breakdown of general income to the Council:



4.0 2015/16 BUDGET – CURRENT POSITION

- 4.1 The revenue monitoring report to the Joint Strategic Committee on 3rd December 2015 projected an overspend for the year of £123,000

	Forecast Over/(Under) spend
	£'000
Building Services Net overspend on parts & labour only partially offset by increased income.	265
Recycling Increase in garden bin & green sack take up.	(44)
Investment Properties Projected shortfall in rental income for recharge to Commerce Way.	65
Housing Services Underspends in Housing Services management & Lettings team	(13)
Vacancies Staff vacancies throughout council being held for future restructures	(150)
Projected Overspend as at 3rd December 2015	123

- 4.2 As at the end of the 2nd quarter, the anticipated overspend in Adur is due mainly to Building Services.. During 2015/16 more rigorous budget monitoring, involving the respective Executive Members of Resources, has taken place for Building Services. The trends identified as part of the monitoring during 2015/16 have been incorporated into the 2016/17 budgets.
- 4.3 On past evidence, spending patterns between the 2nd quarter budget monitoring and the end of the financial year have shown that it is likely that the position may improve as the year progresses. The final outturn for 2015/16 will be reported when the outturn report comes before the Joint Strategic Committee in July 2016. Any overspends will have to be funded from the Council's reserves. Any final recommendations must be deferred until the outturn results are known.

5.0 DRAFT REVENUE ESTIMATES 2016/17

- 5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £9,739,740. This includes the savings agreed at Joint Strategic Committee in December.

5.0 DRAFT REVENUE ESTIMATES 2016/17

- 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 £9.74m 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 2015/16 to 2016/17 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
2015/16 Original Estimate		9,525
Add: General Pay and Price Increases		314
Add: Committed and Unavoidable Growth:		
Increased Expenditure as per 3 year forecast (net of any proposed use of reserves)	667	
Reduced Income as per 3 year forecast	191	
Impact of Capital Investment Programme	153	1,011
Less: Compensatory savings/Additional Income:		
Compensatory savings	-	
Additional income	-13	-13
2016/17 budget prior to agreed savings		10,837
Less: Savings agreed by members		
Approved in December	-1,090	
Final adjustment to saving arising from the Housing restructure	-49	
Final adjustment to the allocation of costs between the Councils	-45	-1,184
Executive Member requirements		9,543
Potential contribution to reserves*		15
Potential budget requirement before external support		9,668
Collection fund surplus		-8
2016/17 BUDGET REQUIREMENT		9,660

5.0 DRAFT REVENUE ESTIMATES 2016/17

* The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the non-committed growth items and the Council Tax increase.

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, the proportion allocated to the HRA, and the proportion borne by the General Fund and the Capital Investment Programme.

Further details can be provided by request from Jo-Anne Chang-Rogers (Finance Manager) or Sarah Gobey (Chief Financial Officer).

5.7 The current net estimated 2016/17 spend is more than previously predicted and is mainly due to the following factors:

	£'000
Delay in the sale of the Civic Centre - Lost investment income	191
Reduction in Housing Benefit Administration Grant	40
Introduction of the 0.5% apprenticeship levy	31

5.8 In addition to the above, the projected surplus on the Collection Fund is now estimated to be £45,910, of which £7,900 is the District Council share. This is a minor surplus in light of the overall income due which exceeds £32.1m, and is due to an improved level of income to the collection fund and a reduction in the cost of the Council Tax support scheme.

5.9 Members are now faced with two questions:

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

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

5.0 DRAFT REVENUE ESTIMATES 2016/17

5.10 The Council Tax increase:

5.10.1 The budget forecast currently assumes that Council Tax will increase by just under 2.0% in 2016/17.

5.10.2 In the recent consultation the responses to increasing council tax were as follows.

Responses to 2016/17 potential Council Tax increase	%
A small increase which will help the Councils to protect priority services	63.2
To continue to freeze Council Tax and potentially reduce services	36.3
Not answered	0.5
	100.0

The consultation responses are similar to previous years which also indicated public support for a small increase.

5.10.3 An average annual 1.99% uplift in Council Tax would be a modest increase in the District Council share of the bill for 2016/17 as follows:

5.10 The Council Tax increase:

Adur District Council	£
Average Band D Council Tax in 2015/16	271.53
Annual impact of 1.99% increase	5.42
Amount per week	0.10

5.10.4 Members should also be aware that the Police and Crime Commissioner has been consulting on a 3.44% increase for the Police Authority share of the overall bill. There are indications that the County Council will set a 3.95% increase, just under their permitted 4%. Consequently, the total overall increase in the Council Tax bill for an average band D property would be just over 3.5%:

5.0 DRAFT REVENUE ESTIMATES 2016/17

5.10 The Council Tax increase:

	2015/16	2016/17 (Indicative)	%
	£	£	
Adur District Council	271.51	276.93	1.99%
West Sussex District Council	1,161.99	1,207.89	3.95%
Sussex Police and Crime Commissioner	143.91	148.86	3.44%
	1,577.41	1,633.68	3.57%

5.10.5 There are long term consequences to continuing to setting a Council Tax increase much lower than the maximum permitted 2%. This is particularly significant at the moment, given the scale of the reduction in Government funding that the Council will experience over the next 3 years.

Adur District Council	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Council Tax income if Council Tax is increased by just under 2.0% every year	5,683	5,811	5,942	6,075	6,212
Council Tax income if Council Tax is frozen every year	5,572	5,585	5,599	5,613	5,626
Fall in income per annum if Council Tax is frozen	111	226	343	462	586

5.10.6 Members are asked to consider which level of Council Tax increase that they support. Each 1% of increase in Council Tax is worth £56,000 and increasing Council Tax by an average of 1.99% will protect the longer term financial interests of the Council.

5.11 Uncommitted Growth Items:

5.11.1 Attached in Appendix 2 is a listing of the new uncommitted growth items which total £107,700. The current draft budget includes an allowance of £60,000 for such items. Members are asked to consider which of the items should be included within the revenue estimates for 2016/17.

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

5.0 DRAFT REVENUE ESTIMATES 2016/17

	£'000	£'000
Net budget requirement		9,693
Less: Government grant	774	
Baseline Funding	1,617	
Share of additional Business Rate income	819	
Council Tax (1.99% increase)	5,683	
New Homes Bonus	767	
Council Tax Support Scheme Administration Grant	40	
Collection Fund surplus	8	-9,708
Estimated budget surplus based on 1.99% Council Tax increase brought forward		-15
Net maximum impact of accepting the growth items (Appendix 2)		48
		33
Maximum contribution from reserves		-33
		-

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 1.99% tax increase for 2016/17 which is to be considered as part of this report). The difficult settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

6.0 IMPACT ON FUTURE YEARS

	Expected shortfall (Cumulative)				
	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	1,169	2,435	3,179	3,274	3,551
Less:					
Net savings agreed in December	-1,184	-1,184	-1,184	-1,184	-1,184
Net Impact of accepting all the growth items at appendix 2	48	56	-	-	-
Potential contribution from reserves to be agreed	-33	-	-	-	-
Adjusted cumulative budget shortfall	-	1,307	1,995	2,090	2,367
Savings required each year	-	1,307	688	95	277

6.2 The continuation of the 'austerity measures' 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 3 above;
- Reduced cost of Council Tax benefits from any new jobs created;
- Additional Council Tax income from each new home;

The creation of the major projects team last year is part of the strategy to further stimulate the local economy.

6.3 However, these measures are unlikely to be enough. The Council has already embarked on a strategy to generate additional income and to seek new investment opportunities. However, there will inevitably need to be a continuing emphasis on efficiency and value for money in the annual savings exercise. In addition, the Council will need to continue to focus its scarce resources on key priorities.

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 77 '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 (6%) contingency to meet unforeseen costs arising during a budget year (e.g. supplementary estimates); 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 2015 was £540,000 which was 5.6% of net revenue expenditure – just below the range of 6%-10% set by the Council.

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

		£'000	%
31.03.2016	Balance carried forward – per Final Accounts	540	5.6
31.03.2017	No planned drawdown or contribution expected	540	6.1
31.03.2018	No planned drawdown or contribution expected	540	6.3
31.03.2019	No planned drawdown or contribution expected	540	6.2

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.

- 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:

7.0 RESERVES

1. A further fall in interest rates of 0.5% would cost the Council in a region of £100,000 in 2016/17.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £108,000.
3. Further adverse falls in income from such sources as development control income, car parks and land charges.
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.

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2016/17 of £530,000 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 £885,000 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.

- 7.5 The estimated balance of general fund earmarked reserves as at 31st March, 2016 is £874,000, although this reduces to £626,000 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 4. 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.
- 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. 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:

7.0 RESERVES

- 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:-

- Income** - The Council receives income from a number of services which will be affected by demand. These include land charges, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2016/17, income may fall further than expected.
- 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.
- Inflation** - A provision for 1% inflation has been built into non-pay budgets. Pay budgets have a 2% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2016/17, 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	108
Non-pay	20

8.2 To help manage these risks, the council has a working balance of £540,000 and other earmarked reserves are also available to the Council to help mitigate these risks.

9.0 CONSULTATION

- 9.1 The Council has undertaken a light touch consultation exercise this year. The consultation has taken the form of an on-line survey and leaflets placed in the main buildings.
- 9.2 The focus of this year's consultation was around the potential changes to Council Tax Reduction Scheme, and the level of Council Tax increase that the public would support. The results regarding the Council Tax increase are detailed in section 5.10 of the 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.
- 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. The Council has considered the revenue consequences of any proposed capital programme in agreeing the budget strategy for 2016/17. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2016/17 and future years.
- 10.3 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 will be considered in detail in the report entitled 'Joint Treasury Management Strategy Statement and Annual Investment Strategy 2016/17 to 2018/19 for Adur District Council and Worthing Borough Council', which is to be discussed at the Joint Strategic Committee on the 2nd February 2016.

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.

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

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:

- 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 2016/17.

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 2016/17 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.

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2016/17 prior to the consideration of the budget proposals. This is based on an average 1.99% Council Tax increase:

	£	£
Net 2016/17 Budget *		9,707,560
Less:		
Aggregate External Finance:		
Revenue Support Grant	-773,930	
Baseline Funding	-1,617,270	
Additional retained business Rate income	-818,820	
New Homes Bonus	-766,640	
Council Tax Reduction Scheme Administration Grant (tbc)	-40,000	
Contribution from the Collection Fund surplus (as per paragraph 5.8)	-7,900	
		-4,024,560
Balance to be raised from Council Tax		5,683,000

* 2016/17 budget requirement after any contribution to or from reserves required to balance the budget.

Within section 5 of the report, members are given the options for the Council Tax and approving the non-committed growth items. Any reduction in income resulting from a lower Council Tax increase would be funded from the reserves.

12.0 COUNCIL TAX SETTING

(b) Council Tax Base

The Council's Tax base for 2016/17 is 20,520.6 Band D equivalent properties. There is an increase to the current year base of 20,155.60 which is due to 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.

	2015/16 Tax Base	2016/17 Tax Base
Lancing	6,017.60	6,096.50
Sompting	2,677.90	2,719.40
Unparished	11,460.10	11,704.70
TOTAL	20,155.60	20,520.60

12.3 Adur District Council:

(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 2016/17 expenditure of £257,210 (£252,710 in 2015/16) falls under the resolution and will need to be financed by a Band D Council Tax of £17.82, 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 2016/17. An average Council Tax increase of 1.99% will ensure that the Council has a balanced budget. The Council tax will vary in the different areas of the District due to the impact of both special expenses and the Parish Council precepts.

12.0 COUNCIL TAX SETTING

12.3 Adur District Council:

(d) Adur District Council Band D Council Tax

Area	2015/16	2016/17 (Average 1% increase)	2016/17 (Average 1.99% increase)
	£	£	£
Lancing	259.02	261.63	264.33
Percentage increase		1%	2.05%
Annual increase (Band D)		2.61	5.31
Weekly increase (Band D)		0.05	0.10
Shoreham, Southwick, Sompting and Coombes			
Basic Council Tax	259.02	261.63	264.33
Special Expenses	17.82	17.82	17.82
TOTAL in Shoreham, Southwick, Sompting and Coombes	276.84	279.45	282.15
Percentage increase		0.9%	1.92%
Annual increase (Band D)		2.61	5.31
Weekly increase (Band D)		0.05	0.10

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 19th February, 2016. The Police and Crime Commissioner's proposed increase of around 3.44% is due to be considered by the Police and Crime Panel on 22nd January. The latest date that any increase by the Police and Crime Commission will be confirmed is the 18th February 2016.

	2015/16 £	2016/17 £
West Sussex County Council	1,161.99	t.b.a.
Sussex Police Authority	143.91	t.b.a.
TOTAL	1,305.90	t.b.a.

12.0 COUNCIL TAX SETTING

12.5 Lancing and Sompting Parish Precepts

- (a) Lancing Parish Council precept has been set at £282,170 at its meeting on 7th October 2015 which is at the same level as 2015/16.
- (b) Sompting Parish Council precept has remained at £82,700 approved at the meeting of the Council on 9th December 2015 which is at the same level as 2015/16.

12.6 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 25th February 2016.

13.0 CONCLUSION

- 13.1 This has been a very difficult settlement. The Council has seen the withdrawal of a significant amount of Revenue Support Grant. However, to meet this challenge the Council has identified over £1m of savings and is now in the position to set a balanced budget.
- 13.2 Looking further ahead, 2017-18 will be even more difficult as the Council expects another significant reduction in grant and has only limited opportunities to lever in New Homes Bonus. Consequently, the strategy of delivering income growth and efficiencies through the digital agenda assume a greater importance.
- 13.3 However, provided we meet this challenge, the Council will become increasingly financially resilient over the next 5 years as Revenue Support Grant disappears and we become largely funded by our community through Council Tax and Business Rates.
- 13.4 The aims of Surf's Up 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.
- 13.5 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

13.0 CONCLUSION

13.6 Finally, in preparing the strategy and forecast for 2016/17 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.

14.0 RECOMMENDATIONS

14.1 The Executive is recommended to:

- (a) Approve the non-committed growth items detailed at appendix 2;**
- (b) Agree to recommend to Council the draft budgets for 2016/17 at Appendix 7 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £9,739,740 , subject to any amendments above;**
- (c) Consider which band D Council Tax to recommend to Council for Adur District Council's requirements in 2016/17 as set out in paragraph 12.3; and**
- (d) Agree to recommend to Council the special expenses of £17.82 per band D equivalent charged in all areas of the District except Lancing;**

Local Government Act 1972

Background Papers :

Report to the Joint Strategic Committee 7th July 2015 Outline forecast 2016/17 to 2020/21 and Budget Strategy

Report to the Joint Strategic Committee 3rd December 2015 Outline 5 year forecast and savings proposals.

Local Authority Finance (England) Settlement Revenue Support Grant for 2016/17 and Related Matters: DCLG Letters and associated papers of 17th December 2015.

Background Papers :

Spending Review and Autumn Statement 2015. HM Treasury

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf

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 2014/15

Report to Joint Strategic Committee 3rd December 2015 – “2nd Revenue Budget
Monitoring 2015/16

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ADUR:
Revenue Budget Report

APPENDIX 1

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2015/16 - 2020/21						
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	9,525	9,525	9,525	9,525	9,525	9,525
Annual Inflation						
Estimated inflation		314	658	1,013	1,369	1,746
One -off / non-recurring items						
Local Elections (held every other year)		42	-	44	-	46
Committed Growth						
Changes to National Insurance Contributions		252	257	262	267	272
Impact of Pension contribution increase		70	72	73	74	75
Impact of employment levy		31	31	31	31	31
Loss of Housing Benefit Administration Grant		40	40	40	40	40
Growth items identified by Heads of Service		156	156	156	156	156
Impact of capital programme						
Financing costs		133	260	370	484	593
Financing costs - Refuse and Recycling vehicles		16	72	72	72	72
Financing costs - Car Park at Lancing Manor Leisure Centre		4	20	20	20	20
Additional income						
Investment income		(13)	(75)	(137)	(199)	(201)
Delay in selling Civic Centre		191	191	191	-	-
Approved Savings						
Approved Growth items						
Major Projects Team		16	16	16	16	16
Provision for new growth items		60	60	60	60	60
Total Cabinet Member Requirements	9,525	10,837	11,283	11,736	11,915	12,451
Total Cabinet Member Requirements B/fwd	9,525	10,837	11,283	11,736	11,915	12,451
Baseline funding	1,604	1,617	1,649	1,698	1,752	1,787
Less: Safety net pay't / business rate shortfall		-	-	-	-	-
Add: Retained additional business rates	270	438	467	471	306	361
Add: Share of 2015/16 surplus		381				
Adjusted Baseline funding	1,874	2,436	2,116	2,169	2,058	2,148
Revenue Support Grant	1,348	774	271	-	-	-
Council Tax						
Adjusted Council Tax income	5,472	5,683	5,811	5,942	6,075	6,212
Other grants						
Council Tax Freeze grant	63	-	-	-	-	-
New homes bonus (2011/12 - 2016/17)	62	62	-	-	-	-
New homes bonus (2012/13 - 2017/18)	153	153	-	-	-	-
New homes bonus (2013/14 - 2018/19)	244	244	244	-	-	-
New homes bonus (2014/15 - 2019/20)	107	107	107	-	-	-
New homes bonus (2015/16 - 2020/21)	86	86	86	86	-	-

ADUR:
Revenue Budget Report

APPENDIX 1

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2015/16 - 2020/21						
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
New homes bonus (2016/17 -2019/20)	-	115	115	115	115	-
New homes bonus (2017/18 - 2020/21)	-	-	100	100	100	100
New homes bonus (2018/19- 2021/22)	-	-	-	150	150	150
New homes bonus (2019/20 - 2022/23)	-	-	-	-	150	150
New homes bonus (2020/21 - 2023/24)	-	-	-	-	-	150
Total NHB	652	767	652	451	515	550
Collection fund surplus/deficit (-)	156	8	-	-	-	-
Total other grants and contributions	871	775	652	451	515	550
Total Income from Grants and Taxation	9,565	9,668	8,850	8,562	8,648	8,910
(Surplus) / Shortfall in Resources	(40)	1,169	2,433	3,174	3,267	3,542
Contribution to (-) / Use of Reserves to						
Capacity issues reserve	(40)	-	-	-	-	-
Total Income from Reserves	(40)	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,169	2,433	3,174	3,267	3,542
Savings identified to date:						
Commercial activities and commissioning						
Commercial and Property Board						
Approved December 2015		140	140	140	140	140
Proposed new car park strategy		150	150	150	150	150
Efficiency Measures						
Digital strategy - approved in December 2015		71	71	71	71	71
Restructures and service plan savings not included above approved in December 2015						
Final adjustment to saving arising from the restructure of the Housing Department		49	49	49	49	49
Final adjustment to the allocations between the two Councils						
		45	45	45	45	45
Total future initiatives identified		1,184	1,184	1,184	1,184	1,184
Savings still to be found/ (surplus)		(15)	1,249	1,990	2,083	2,358
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Average annual increase (Band D property)		£5.42	£5.53	£5.64	£5.75	£5.87
Average weekly increase (Band D property)		£0.10	£0.11	£0.11	£0.11	£0.11

Non-Committed growth	When / Value?			2016/17 - APPENDIX 2			
	2016/17	2017/18	Beyond	Adur - GF	Adur - HRA	Worthing	Total
DIGITAL AND RESOURCES DIRECTORATE	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Digital & Design:</u>							
Provision for new digital strategy to move systems to the cloud	100.0	100.0	0.0	36.0	10.0	54.0	100.0
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
i) Take advantage of economies of scale from Cloud providers. Improved business continuity & system accessibility for users							
<i>Implication of unsuccessful bid</i>							
Continue to be reliant on own servers, continue with existing business continuity issues. Unable to lever in the potential financial benefits arising from the move.							
<u>Finance</u>							
Business Development Fund	75.0	75.0	75.0	30.0		45.0	75.0
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
i) Resources to provide capacity for funding business case for potential income generating or cost savings schemes							
<i>Implication of unsuccessful bid</i>							
As reserves become more depleted it is becoming more difficult to fund new initiatives. Potential income generating schemes will not be initiated or developed.							

ADUR:
Revenue Budget Report

Non-Committed growth	When / Value?			2016/17 - APPENDIX 2			
	2016/17	2017/18	Beyond	Adur - GF	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>ECONOMY DIRECTORATE</u>							
<u>Place & Investment:</u>							
Funding for condition surveys on proposed investments acquired by the Strategic Property Investment Fund	25.0	25.0	25.0	10.0		15.0	25.0
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
i) Ensure that investment in property & potential for income generation is sound							
<i>Implication of unsuccessful bid</i>							
Unable to purchase property to deliver income streams or at miscalculate income potential due to less thorough survey							
<u>CUSTOMER SERVICES</u>							
Creation of additional posts within Customer Services	54.0	65.0	0.0	19.4	5.0	29.6	54.0
The Customer Contact team is currently over-stretched. Benchmarking has been undertaken which reveals that the team is not sufficiently resourced to meet the demands currently placed upon it. It is proposed to build capacity in the team for the next 2 years whilst the team stabilised and undergoes transformational activity.							
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
Improved capacity within the Customer Serv. Directorate teams							
<i>Implication of unsuccessful bid</i>							
Insufficient staff to deal with customer demand							

Non-Committed growth	When / Value?			2016/17 - APPENDIX 2			
	2016/17	2017/18	Beyond	Adur - GF	Adur - HRA	Worthing	Total
CHIEF EXECUTIVE	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policy Officer Support to the Chief Executive to respond to new Government initiatives. For example, the new Devolution Deals Benefit/deliverables (outputs, impact on financial savings) The Council will be better placed to respond to new Government Policy initiatives and will be able to lobby more effectively. Implication of unsuccessful bid Council misses opportunities presented by new Government initiatives.	34.1	45.5	45.5	12.3	3.4	18.4	34.1
	288.1	310.5	145.5	107.7	18.4	162.0	288.1
less - Current allowance for committed growth Items	150.0	150.0	150.0	60.0		90.0	150.0
Additional resources required over that already allowed for within the budgets	138.1	160.5	-4.5	47.7	18.4	72.0	138.1

**ADUR:
Revenue Budget Report**
SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.15 per note 8 of 14/15 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.17
	£'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.	613	41	(624)	30	-	-	30
2. INSURANCE FUND Purpose: To offset the costs of insurance excesses and fund insurance risk management initiatives.	186	-	(10) *see below	176	-	-	176
3. INVESTMENT PROPERTY MAINTENANCE FUND Purpose: To offset future maintenance costs of investment properties.	68	-	(30)	38	-	-	38

* To be confirmed at year end.

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

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.15 per note 8 of 14/15 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4. NEW TECHNOLOGY FUND Purpose: To fund additional IT equipment.	22	-	-	22	-	-	22
5. HEALTH AND SAFETY FUND Purpose: To offset unexpected costs arising from health and safety issues.	33	-	-	33	-	-	33
6. LOCAL PLAN RESERVE To fund consultation and preparation of Adur Local Plan	71	-	(39)	32	-	-	32
7. SPECIAL & OTHER EMERGENCY RESERVE	287	-	-	287	-	-	287
8. ELECTION RESERVE	8	-	-	8	-	-	8
C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget							

**ADUR:
Revenue Budget Report**
APPENDIX 3
SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.15 per note 8 of 14/15 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
9. GRANTS & CONTRIBUTIONS HELD IN RESERVES *	248	-	-	248	-	-	248
10. RESIDUAL PROJECTED UNDERSPEND Reserves to be identified at outturn.	-	- *see below	-	-	-	-	-
11. GENERAL FUND WORKING BALANCE	536	-	-	536	-	-	536
TOTAL	2,072	41	(703)	1,410	-	-	1,410

*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

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	0.0	2,715.0	4,997.0	11,337.0	6,105.0	1,918.0	716.0	300.0	10.0	28,098.0
Less: Exemptions	0.0	-63.0	-50.0	-84.0	-52.0	-15.0	-3.0	-3.0	0.0	-270.0
	0.0	2,652.0	4,947.0	11,253.0	6,053.0	1,903.0	713.0	297.0	10.0	27,828.0
Disabled Relief Adjustment (net)	8.0	9.0	32.0	-4.0	-25.0	-10.0	-1.0	-3.0	-6.0	0.0
Chargeable Dwellings	8.0	2,661.0	4,979.0	11,249.0	6,028.0	1,893.0	712.0	294.0	4.0	27,828.0
Broken down as follows:										
Full Charge	1.0	907.0	2,674.0	7,650.0	4,396.0	1,508.0	584.0	252.0	1.0	17,973.0
25% Discount (including adj for SP Dis)	7.0	1,747.0	2,299.0	3,583.0	1,620.0	382.0	120.0	34.0	1.0	9,793.0
50% Discount	0.0	19.0	35.0	72.0	38.0	19.0	14.0	10.0	1.0	208.0
0% Discount (Long Term Empty Homes)	0.0	46.0	47.0	84.0	43.0	21.0	6.0	3.0	1.0	251.0
Total Equivalent Number of Dwellings	6.3	2,222.3	4,401.3	10,344.3	5,618.5	1,795.5	677.5	281.5	3.8	25,350.8
Reduction in tax base due to Council Tax Support	3.1	726.9	1,054.1	1,261.9	312.7	51.1	14.2	3.1	0.0	3,427.0
Adjusted equivalent total dwellings	3.2	1,495.3	3,347.2	9,082.4	5,305.8	1,744.4	663.3	278.4	3.8	21,923.8
Band D Equivalents										
Revenue Support Settlement	1.7	985.6	2,586.6	8,050.7	5,299.7	2,130.9	957.7	463.9	7.5	20,484.3
Add: Forecast new homes	0.0	3.0	9.2	25.3	19.2	8.5	4.0	2.0	0.0	71.3
Less: Adjustments for Losses on Collection, and Void Properties	0.0	0.0	0.0	0.0	35.0	0.0	0.0	0.0	0.0	35.0
COUNCIL TAX BASE	1.7	988.6	2,595.8	8,076.0	5,283.9	2,139.4	961.7	465.9	7.5	20,520.6
										20,520.6

DECISION

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

DECISION THE EXECUTIVE

- (a) Approve the non-committed growth items detailed at appendix 2;
- (b) Agree to recommend to Council the draft budgets for 2016/17 at Appendix 7 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £9,739,740 , subject to any amendments above;
- (c) Consider which band D Council Tax to recommend to Council for Adur District Council's requirements in 2016/17 as set out in paragraph 12.3; and
- (d) Agree to recommend to Council the special expenses of £17.82 per band D equivalent charged in all areas of the District except Lancing;

Subsequent to the Executive meeting, final settlement has been received:

The Council will receive a transition Grant of £72,980, which will remove the need to fund an element of the growth items from reserves (£47,700). The residual amount of £25,280 will be placed in the Business Development Fund to resource one-off projects during 2016/17

DECISION OF THE COUNCIL

At its meeting on the 25th February, 2016 the Adur Council agreed a 1.99% Council Tax for 2016/17.

The Council agreed the following:

- (a) for the whole Council area as **20,520.6** [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 Appendix C of the Council Tax Resolution papers.

DECISION OF THE COUNCIL

That the Council Tax requirement for the Council's own purposes for 2016/17 (excluding Parish precepts) is **£5,682,770**.

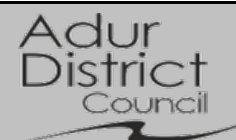
That the following amounts be calculated by the Council for the year 2016/17 in accordance with Sections 31 to 36 of the Act:

- (a) **£46,036,330** 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) **£39,988,690** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) **£6,047,640** 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) **£294.71** 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) **£364,870.00** 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) **£276.93** 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) **£257,210** being the aggregate amount of all special expenses (not applicable in the Lancing Parish area)
- (h) **£264.42** 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 2016/17
Summary of Executive Member Requirements

INDIVIDUAL MEMBER PORTFOLIOS
Summary and Variance Pages

ADUR BUDGET 2016/2017
Summary of Executive Member Portfolios



APPENDIX 5

EXECUTIVE PORTFOLIO	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
Environment	3,176,270	2,656,010
Health and Wellbeing	1,155,320	1,211,980
Customer Services	1,094,360	1,122,540
Leader	666,010	707,780
Regeneration	1,766,380	1,998,780
Resources	1,954,140	2,396,440
Support Services Depreciation Not Charged To Services	460,930	253,300
NET SERVICE EXPENDITURE	10,273,410	10,346,830
Credit Back Depreciation / Impairments	(1,403,250)	(1,776,510)
Minimum Revenue Provision	995,830	1,181,290
	9,865,990	9,751,610
Transfer to / from Reserves	(301,000)	14,000
Balance Available to Transfer To / (From) Reserves	40,870	14,700
TOTAL BUDGET REQUIREMENT BEFORE EXTERNAL SUPPORT FROM GOVERNMENT	9,605,860	9,780,310
Baseline Funding	(1,603,900)	(1,617,270)
Additional business rate income	(270,730)	(818,820)
Revenue Support Grant	(1,347,920)	(773,930)
Transition Grant	-	(72,980)
Council Tax Reduction Scheme Grant	(40,000)	(40,000)
Council Tax Freeze Grant	(62,550)	-
Other unfenced grants (New homes bonus)	(652,190)	(766,640)
Contribution to/ (from) Collection Fund	(155,720)	(7,900)
AMOUNT REQUIRED FROM COUNCIL TAX	5,472,850	5,682,770
COUNCIL TAX BASE	20,155.6	20,520.6
Average Band D Council Tax - Adur District	271.53	276.93
% increase		1.99%

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Engineering	115,340	124,730
Surveying & Design	206,890	192,480
	322,230	317,210
DIRECTOR FOR COMMUNITIES		
Environment		
Allotments	55,200	59,990
Cemeteries	247,560	286,530
Parks	798,310	719,900
Dog Warden	50,340	50,380
	1,151,410	1,116,800
Housing		
Public Health Burials	11,250	2,770
	11,250	2,770
Wellbeing		
Environmental Health - Commercial	105,530	85,800
Environmental Health - Domestic	268,620	168,370
	374,150	254,170
DIRECTOR OF ECONOMY		
Growth		
Street Scene	59,010	71,740
	59,010	71,740
DIRECTOR OF CUSTOMER SERVICES		
Waste and Cleansing		
Abandoned Vehicles	24,310	25,730
Car Parking	(106,050)	(266,240)
Clinical Waste	18,160	17,360
Graffiti	15,480	3,680
Pest Control	47,860	18,350
Recycling	(50,300)	(155,090)
Refuse	850,130	823,040
Street Cleansing	572,420	579,010
Trade Refuse	(113,790)	(152,520)
	1,258,220	893,320
TOTAL ENVIRONMENT PORTFOLIO	3,176,270	2,656,010

ADUR - ENVIRONMENT PORTFOLIO - 2016/2017 - 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											
Engineering	-	49,610	40,510	-	15,320	-	(7,840)	97,600	2,340	24,790	124,730
Surveying & Design	-	27,800	144,090	-	120	-	(330)	171,680	2,760	18,040	192,480
DIRECTOR FOR COMMUNITIES											
Environment											
Allotments	-	14,060	40,620	-	-	-	(41,110)	13,570	43,930	2,490	59,990
Cemeteries	-	146,380	254,180	-	-	-	(177,100)	223,460	47,260	15,810	286,530
Parks	-	217,420	242,440	-	52,330	-	(147,820)	364,370	231,190	124,340	719,900
Dog Warden	-	39,190	-	-	-	-	-	39,190	9,720	1,470	50,380
Housing											
Public Health Burials	-	-	-	-	2,770	-	-	2,770	-	-	2,770
Wellbeing											
Environmental Health - Commercial	-	65,560	-	-	1,600	-	(670)	66,490	17,070	2,240	85,800
Environmental Health - Domestic	-	1,980	-	-	15,680	4,650	(11,380)	10,930	157,440	-	168,370
DIRECTOR OF ECONOMY											
Growth											
Street Scene	-	9,090	50	340	39,690	-	(28,480)	20,690	2,490	48,560	71,740
DIRECTOR OF CUSTOMER SERVICES											
Waste and Cleansing											
Abandoned Vehicles	-	-	-	1,100	-	4,690	-	5,790	19,940	-	25,730
Car Parking	-	74,130	105,320	-	126,680	57,800	(655,610)	(291,680)	18,660	6,780	(266,240)
Clinical Waste	-	(2,140)	-	-	-	-	-	(2,140)	19,500	-	17,360
Graffiti	-	(2,290)	-	-	-	-	-	(2,290)	4,220	1,750	3,680
Pest Control	-	13,970	-	-	-	-	-	13,970	3,310	1,070	18,350
Recycling	-	(367,240)	-	-	-	-	-	(367,240)	129,750	82,400	(155,090)
Refuse	-	596,920	-	-	-	-	-	596,920	104,890	121,230	823,040
Street Cleansing	-	593,460	-	-	-	-	(125,360)	468,100	74,200	36,710	579,010
Trade Refuse	-	134,940	-	-	207,870	-	(545,660)	(202,850)	31,260	19,070	(152,520)
	0	1,612,840	827,210	1,440	462,060	67,140	(1,741,360)	1,229,330	919,930	506,750	2,656,010
Percentage Direct Cost	0%	54%	28%	0%	16%	2%					

ENVIRONMENT SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2016/2017

SERVICE / ACTIVITY	Original Estimate 2015/2016	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 FOR DIGITAL & RESOURCES											
Business and Technical Services											
Engineering	115,340	1,050	-	-	-	-	-	-	(5,490)	13,830	124,730
Surveying & Design	206,890	2,190	-	-	-	-	-	-	(8,500)	(8,100)	192,480
DIRECTOR FOR COMMUNITIES											
Environment											
Allotments	55,200	(10)	-	-	-	-	-	-	-	4,800	59,990
Cemeteries	247,560	(240)	-	-	-	-	-	-	(12,260)	51,470	286,530
Parks	798,310	1,250	-	15,000	-	-	-	-	(3,450)	(91,210)	719,900
Dog warden	50,340	-	-	-	-	-	-	-	-	40	50,380
Housing											
Public Health Burials	11,250	50	-	-	-	-	-	-	-	(8,530)	2,770
Wellbeing											
Environmental Health - Commercial	105,530	20	-	-	-	-	-	-	-	(19,750)	85,800
Environmental Health - Domestic	268,620	160	-	-	-	-	-	-	-	(100,410)	168,370
DIRECTOR OF ECONOMY											
Growth											
Street Scene	59,010	220	-	-	-	-	-	-	-	12,510	71,740
DIRECTOR OF CUSTOMER SERVICES											
Waste and Cleansing											
Abandoned Vehicles	24,310	20	-	-	-	-	-	-	-	1,400	25,730
Car Parking	(106,050)	(5,890)	-	-	-	-	-	-	(150,000)	(4,300)	(266,240)
Clinical Waste	18,160	-	-	-	-	-	-	-	-	(800)	17,360
Graffiti	15,480	-	-	-	-	-	-	-	-	(11,800)	3,680
Pest Control	47,860	-	-	-	-	-	-	-	-	(29,510)	18,350
Recycling	(50,300)	-	-	-	-	-	-	-	-	(104,790)	(155,090)
Refuse	850,130	-	-	-	-	-	-	-	-	(27,090)	823,040
Street Cleansing	572,420	(2,460)	-	-	-	-	-	-	-	9,050	579,010
Trade Refuse	(113,790)	(8,110)	-	-	-	-	-	-	(15,480)	(15,140)	(152,520)
TOTAL COST	3,176,270	(11,750)	0	15,000	0	0	0	0	(195,180)	(328,330)	2,656,010

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF COMMUNITIES		
Environment		
Foreshores	(18,310)	7,700
	(18,310)	7,700
Housing		
Adur Homes	(30,680)	7,610
	(30,680)	7,610
Wellbeing		
Community Wellbeing	544,350	553,320
Community Safety	166,260	170,020
Environment Health - Commercial	139,110	139,070
Environment Health - Licensing	95,290	77,120
	945,010	939,530
Business and Technical Services		
Business Services□	46,220	42,150
Engineering	163,760	162,450
Energy & Sustainability□	49,320	52,540
	259,300	257,140
TOTAL FOR HEALTH AND WELLBEING	1,155,320	1,211,980

ADUR - HEALTH AND WELLBEING PORTFOLIO - 2016/2017 - 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											
Environment											
Foreshores	-	-	12,260	-	8,600	-	(90,090)	(69,230)	23,200	53,730	7,700
Housing											
Adur Homes	101,700	1,790	-	6,370	40,650	39,650	(269,870)	(79,710)	71,880	15,440	7,610
Wellbeing											
Community Wellbeing	24,850	254,710	1,200	-	222,540	-	(6,400)	496,900	56,420	-	553,320
Community Safety	-	126,020	1,300	-	25,750	-	-	153,070	16,950	-	170,020
Environment Health - Commercial	-	122,370	-	-	8,640	-	-	131,010	8,060	-	139,070
Environment Health - Licensing	-	143,920	-	-	12,960	-	(106,360)	50,520	26,600	-	77,120
DIRECTOR OF DIGITAL & RESOURCES											
Business and Technical Services											
Business Services	-	39,990	-	-	-	-	-	39,990	2,160	-	42,150
Engineering	-	61,190	4,100	-	5,700	-	-	70,990	8,860	82,600	162,450
Energy & Sustainability	-	52,540	-	-	-	-	-	52,540	-	-	52,540
TOTAL COST	126,550	802,530	18,860	6,370	324,840	39,650	(472,720)	846,080	214,130	151,770	1,211,980
Percentage Direct Cost	10%	61%	1%	0%	25%	3%					

HEALTH AND WELLBEING SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2016/2017

SERVICE / ACTIVITY	Original Estimate 2015/2016	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											
Environment											
Foreshores	(18,310)	(1,300)	-	-	-	-	-	-	(4,290)	31,600	7,700
Housing											
Adur Homes	(30,680)	(3,590)	-	-	-	-	-	-	-	41,880	7,610
Wellbeing											
Community Wellbeing	544,350	20	-	-	-	-	-	-	-	8,950	553,320
Community Safety	166,260	540	-	-	-	-	-	-	-	3,220	170,020
Environment Health - Commercial	139,110	170	-	-	-	-	-	-	-	(210)	139,070
Environment Health - Licensing	95,290	(1,140)	-	-	-	-	-	-	-	(17,030)	77,120
DIRECTOR OF DIGITAL & RESOURCES											
Business and Technical Services											
Business Services	46,220	-	-	-	-	-	-	-	-	(4,070)	42,150
Engineering	163,760	330	-	-	-	-	-	-	(6,770)	5,130	162,450
Energy & Sustainability	49,320	-	-	-	-	-	-	-	-	3,220	52,540
TOTAL COST	1,155,320	(4,970)	0	0	0	0	0	0	(11,060)	72,690	1,211,980

**CUSTOMER SERVICES
PORTFOLIO**

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF COMMUNITIES		
Leisure		
Leisure Strategic Support	544,490	560,200
	544,490	560,200
DIRECTOR OF CUSTOMER SERVICES		
Revenues and Benefits		
Revenues	393,560	395,220
Benefits	156,310	167,120
	549,870	562,340
TOTAL FOR CUSTOMER SERVICES	1,094,360	1,122,540

ADUR - CUSTOMER SERVICES PORTFOLIO - 2016/2017 - 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											
Leisure											
Leisure Strategic Support	-	17,380	48,920	-	4,370	170,000	(9,120)	231,550	5,500	323,150	560,200
DIRECTOR OF CUSTOMER SERVICES											
Revenues and Benefits											
Revenues	-	4,100	-	-	-	501,960	(249,850)	256,210	139,010	-	395,220
Benefits	-	4,100	-	-	13,000	21,389,350	(21,415,910)	(9,460)	174,520	2,060	167,120
TOTAL COST	0	25,580	48,920	0	17,370	22,061,310	(21,674,880)	478,300	319,030	325,210	1,122,540
Percentage Direct Cost	0%	0%	0%	0%	0%	100%					

ADUR CUSTOMER SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2015/2016

SERVICE / ACTIVITY	Original Estimate 2015/2016	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											
Leisure											
Leisure Strategic Support	544,490	540	-	-	-	-	-	-	(15,000)	30,170	560,200
DIRECTOR OF CUSTOMER SERVICES											
Revenues and Benefits	-	-	-	-	-	-	-	-	-	-	0
Revenues	393,560	1,960	-	-	-	-	-	-	(11,050)	10,750	395,220
Benefits	156,310	(4,660)	-	40,000	-	-	-	-	(11,050)	(13,480)	167,120
TOTAL COST	1,094,360	(2,160)	0	40,000	0	0	0	0	(37,100)	27,440	1,122,540

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
CHIEF EXECUTIVE Communications Performance and Scrutiny	£ 15,750	£ 9,870
	15,750	9,870
DIRECTOR OF COMMUNITIES Wellbeing Democratic Services	509,980	520,640
	509,980	520,640
DIRECTOR OF CUSTOMER SERVICES Elections Elections	140,280	177,270
	140,280	177,270
TOTAL for LEADER	666,010	707,780

ADUR - THE LEADER PORTFOLIO - 2016/2017 - 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											
Performance and Scrutiny	-	3,980	-	-	-	-	-	3,980	5,890	-	9,870
DIRECTOR OF COMMUNITIES											
Wellbeing											
Democratic Services	205,010	78,020	-	-	18,720	-	(15,600)	286,150	234,490	-	520,640
DIRECTOR OF CUSTOMER SERVICES											
Elections											
Elections	42,660	81,750	-	-	41,900	-	(3,200)	163,110	10,060	4,100	177,270
TOTAL COST	247,670	163,750	0	0	60,620	0	(18,800)	453,240	250,440	4,100	707,780
Percentage Direct Cost	52%	35%	0%	0%	13%	0%					

THE LEADER - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2016/2017

SERVICE / ACTIVITY	Original Estimate 2015/2016	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£		£	£	£
CHIEF EXECUTIVE										
Communications										
Performance and Scrutiny	15,750	-	-	-	-	-	-	-	(5,880)	9,870
DIRECTOR OF COMMUNITIES										
Wellbeing										
Democratic Services	509,980	3,790	-	27,000	-	-	-	(4,000)	(16,130)	520,640
DIRECTOR OF CUSTOMER SERVICES										
Elections										
Elections	140,280	810	42,000	-	-	-	-	-	(5,820)	177,270
TOTAL COST	666,010	4,600	42,000	27,000	0	0	0	(4,000)	(27,830)	707,780

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR COMMUNITIES		
Housing		
Adur Homes	68,310	87,350
Home Improvement Assistance	87,270	65,620
Housing	559,270	632,820
Housing Strategy	29,900	55,560
	744,750	841,350
DIRECTOR OF ECONOMY		
Grants		
Grants	38,340	105,830
	38,340	105,830
Growth		
Planning Policy	258,860	194,680
Major Projects	27,500	59,230
Development Control	384,970	415,340
Regeneration	187,400	256,680
	858,730	925,930
DIRECTOR OF CUSTOMER SERVICES		
Building Control & Land Charges		
Building Control	124,560	125,670
	124,560	125,670
TOTAL FOR REGENERATION	1,766,380	1,998,780

ADUR - REGENERATION PORTFOLIO - 2016/2017 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES											
Housing											
Adur Homes	34,890	1,080	473,400	430	530	-	(485,400)	24,930	62,420	-	87,350
Home Improvement Assistance	-	91,260	-	-	-	-	(33,110)	58,150	7,470	-	65,620
Housing	-	315,020	-	-	317,750	16,360	(122,480)	526,650	105,770	400	632,820
Housing Strategy	-	31,440	-	-	-	-	-	31,440	24,120	-	55,560
DIRECTOR OF ECONOMY											
Grants											
Grants	143,690	11,090	-	-	-	-	(143,100)	11,680	94,150	-	105,830
Growth											
Planning Policy	-	23,420	-	-	17,190	-	-	40,610	154,070	-	194,680
Major Projects	-	4,000	-	-	-	-	-	4,000	55,230	-	59,230
Development Control	-	541,680	-	-	8,330	5,200	(218,040)	337,170	78,170	-	415,340
Regeneration	-	180,110	-	-	42,430	-	-	222,540	34,140	-	256,680
DIRECTOR OF CUSTOMER SERVICES											
Building Control & Land Charges											
Building Control	-	285,460	-	-	-	-	(185,350)	100,110	25,560	-	125,670
TOTAL COST	178,580	1,484,560	473,400	430	386,230	21,560	(1,187,480)	1,357,280	641,100	400	1,998,780
Percentage Direct Cost	7%	58%	19%	0%	15%	1%					

REGENERATION SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2016/2017

SERVICE / ACTIVITY	Original Estimate 2015/2016	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£		£	£	£
DIRECTOR FOR COMMUNITIES										
Housing										
Adur Homes	68,310	(4,550)	-	-	-	-	-	-	23,590	87,350
Home Improvement Assistance	87,270	(650)	-	-	-	-	-	-	(21,000)	65,620
Housing	559,270	1,720	-	-	-	-	-	-	71,830	632,820
Housing Strategy	29,900	-	-	-	-	-	-	-	25,660	55,560
DIRECTOR OF ECONOMY										
Grants										
Grants	38,340	-	-	-	-	-	-	-	67,490	105,830
Growth										
Planning Policy	258,860	340	-	-	-	-	-	-	(64,520)	194,680
Major Projects	27,500	-	-	-	-	-	-	-	31,730	59,230
Development Control	384,970	(4,020)	-	-	-	-	-	-	34,390	415,340
Regeneration	187,400	170	-	6,100	-	-	-	-	63,010	256,680
DIRECTOR OF CUSTOMER SERVICES										
Building Control & Land Charges										
Building Control	124,560	(3,360)	-	-	-	-	-	(14,000)	18,470	125,670
TOTAL COST	1,766,380	(10,350)	0	6,100	0	0	0	(14,000)	250,650	1,998,780

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Other Buildings	227,890	239,300
	227,890	239,300
Finance		
Corporate Management	1,346,090	1,462,730
Treasury Management	590,330	647,800
	1,936,420	2,110,530
DIRECTOR FOR COMMUNITIES		
Housing		
Adur Homes	(254,700)	-
	(254,700)	-
DIRECTOR OF ECONOMY		
Growth		
Estates	(241,890)	58,990
	(241,890)	58,990
DIRECTOR OF CUSTOMER SERVICES		
Building Control & Land Charges		
Land Charges	(4,610)	(12,380)
	(4,610)	(12,380)
TOTAL FOR RESOURCES	1,663,110	2,396,440

ADUR - RESOURCES PORTFOLIO - 2016/2017 - 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 & Business and Technical Services												
Other Buildings	-	37,880	40,570	-	4,090	-	-	82,540	3,630	-	153,130	239,300
Finance												
Corporate Management	1,225,550	333,480	121,610	-	(14,310)	28,920	(508,580)	1,186,670	352,800	(62,420)	(14,320)	1,462,730
Treasury Management	-	-	-	-	-	-	(241,560)	(241,560)	62,480	-	826,880	647,800
DIRECTOR FOR COMMUNITIES												
Housing												
Adur Homes	-	-	-	-	-	-	-	0	-	-	-	0
DIRECTOR OF ECONOMY												
Estates												
Estates	-	70,180	126,570	-	14,720	-	(511,380)	(299,910)	170,130	-	188,770	58,990
DIRECTOR OF CUSTOMER SERVICES												
Building Control & Land Charges												
Land Charges	-	49,810	-	-	19,510	-	(92,050)	(22,730)	10,350	-	-	(12,380)
TOTAL COST	1,225,550	491,350	288,750	0	24,010	28,920	(1,353,570)	705,010	599,390	(62,420)	1,154,460	2,396,440
Percentage Direct Cost	60%	24%	14%	0%	1%	1%						

RESOURCES SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2016/2017

SERVICE / ACTIVITY	Original Estimate 2015/2016	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											
Other Buildings	227,890	770	-	-	-	-	-	-	(7,440)	18,080	239,300
Finance											
Corporate Management	1,346,090	32,690	-	31,000	-	-	132,980	-	(24,150)	(55,880)	1,462,730
Finance - others	-	-	-	-	-	-	-	-	-	-	0
Treasury Management	590,330	-	-	-	-	(32,160)	-	(13,000)	-	102,630	647,800
DIRECTOR FOR COMMUNITIES											
Housing											
Adur Homes	(254,700)	-	-	-	-	-	-	-	-	254,700	0
DIRECTOR OF ECONOMY											
Estates											
Estates	(241,890)	(8,260)	-	-	-	-	-	-	(30,000)	339,140	58,990
DIRECTOR OF CUSTOMER SERVICES											
Building Control & Land Charges											
Land Charges	(4,610)	(1,430)	-	-	-	-	-	-	-	(6,340)	(12,380)
TOTAL COST	1,663,110	23,770	0	31,000	0	(32,160)	132,980	(13,000)	(61,590)	652,330	2,396,440

	2015/16 Estimate	2015/16 Revised	2016/17 Estimate
	£	£	£
COUNCIL TAX			
Payments			
Adur District Council Demand	5,472,850	5,837,720	6,047,870
WSCC Precept	23,420,606	23,420,606	24,786,627
Sussex Police & Crime Commissioner	2,900,592	2,900,592	3,055,723
Total Payments	31,794,049	32,158,918	33,890,220
Council Tax			
Amount due from residents	36,778,348	37,146,200	38,484,120
Less: Council Tax Support Scheme	(4,804,800)	(4,450,200)	(4,517,000)
Gross Amount Due	31,973,548	32,696,000	33,967,120
Less: Provision for bad debts	(179,500)	(179,500)	(76,900)
Total Council Tax	31,794,048	32,516,500	33,890,220
Deficit/(Surplus)			
Deficit/(Surplus) for year	-	(357,582)	-
Deficit/(Surplus) Brought forward	(903,271)	(489,000)	(45,911)
Increase in provision for Bad Debts	-	(102,600)	-
Deficit charged to:	-	-	-
ADC	155,725	155,725	7,903
WSCC	666,613	666,613	33,820
SPCC	80,933	80,933	4,188
Deficit/(Surplus) Carried Forward	-	(45,911)	-

Property Band	2015/16				2016/17				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	774.66	95.94	181.02	1,051.62	805.26	99.27	184.62	1,089.15	30.60	3.33	3.60	37.53
B	903.77	111.93	211.19	1,226.89	939.47	115.82	215.39	1,270.68	35.70	3.89	4.20	43.79
C	1,032.88	127.92	241.36	1,402.16	1,073.68	132.36	246.16	1,452.20	40.80	4.44	4.80	50.04
D	1,161.99	143.91	271.53	1,577.43	1,207.89	148.91	276.93	1,633.73	45.90	5.00	5.40	56.30
E	1,420.21	175.89	331.87	1,927.97	1,476.31	182.00	338.47	1,996.78	56.10	6.11	6.60	68.81
F	1,678.43	207.87	392.21	2,278.51	1,744.73	215.09	400.01	2,359.83	66.30	7.22	7.80	81.32
G	1,936.65	239.85	452.55	2,629.05	2,013.15	248.18	461.55	2,722.88	76.50	8.33	9.00	93.83
H	2,323.98	287.82	543.06	3,154.86	2,415.78	297.82	553.86	3,267.46	91.80	10.00	10.80	112.60

ADUR:
Council Tax Breakdown 2016-2017

	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	146.90	176.28	205.66	235.04	264.42	323.18	381.94	440.70	528.84
Special Expenses	9.90	11.88	13.86	15.84	17.82	21.78	25.74	29.70	35.64
Adur District Council	156.80	188.16	219.52	250.88	282.24	344.96	407.68	470.40	564.48
West Sussex County Council Precept	671.05	805.26	939.47	1073.68	1207.89	1476.31	1744.73	2013.15	2415.78
Sussex Police Precept	82.73	99.27	115.82	132.36	148.91	182.00	215.09	248.18	297.82
Total Payable	910.58	1092.69	1274.81	1456.92	1639.04	2003.27	2367.50	2731.73	3278.08

	Band -A £	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Sompting Parish									
Basic Council Tax	146.90	176.28	205.66	235.04	264.42	323.18	381.94	440.70	528.84
Special Expenses	9.90	11.88	13.86	15.84	17.82	21.78	25.74	29.70	35.64
Adur District Council	156.80	188.16	219.52	250.88	282.24	344.96	407.68	470.40	564.48
Sompting Parish Precept	16.95	20.34	23.73	27.12	30.51	37.29	44.07	50.85	61.02
	173.75	208.50	243.25	278.00	312.75	382.25	451.75	521.25	625.50
West Sussex County Council Precept	671.05	805.26	939.47	1073.68	1207.89	1476.31	1744.73	2013.15	2415.78
Sussex Police Precept	82.73	99.27	115.82	132.36	148.91	182.00	215.09	248.18	297.82
Total Payable	927.53	1113.03	1298.54	1484.04	1669.55	2040.56	2411.57	2782.58	3339.10

	Band -A £	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Lancing Parish									
Basic Council Tax	146.90	176.28	205.66	235.04	264.42	323.18	381.94	440.70	528.84
Adur District Council	146.90	176.28	205.66	235.04	264.42	323.18	381.94	440.70	528.84
Lancing Parish Precept	25.80	30.96	36.12	41.28	46.44	56.76	67.08	77.40	92.88
	172.70	207.24	241.78	276.32	310.86	379.94	449.02	518.10	621.72
West Sussex County Council Precept	671.05	805.26	939.47	1073.68	1207.89	1476.31	1744.73	2013.15	2415.78
Sussex Police Precept	82.73	99.27	115.82	132.36	148.91	182.00	215.09	248.18	297.82
Total Payable	926.48	1111.77	1297.07	1482.36	1667.66	2038.25	2408.84	2779.43	3335.32

ADUR:
Collection Fund NNDR 2016-17

	2015/16 Estimate	2015/16 Revised	2016/17 Estimate
	£	£	£
NNDR (BUSINESS RATES)			
Payments			
Amount of NNDR to be paid to Central government	8,646,732	8,646,732	9,910,778
Amount to be retained by Adur DC under the rates retention scheme	7,002,669	7,002,669	8,015,319
Amount to be passed to West Sussex	1,729,346	1,729,346	1,982,156
Total amount due to authorities	17,378,747	17,378,747	19,908,253
Income			
Net Rates Payable by Business Sector after Exemptions, reliefs and discounts	17,986,015	19,216,124	19,623,552
Less: Movement in Bad Debt Provision	179,860	179,860	196,200
Less: Local Authority's estimate of adjustment due to appeal	309,310	309,310	470,700
Less: Full Provision for backdated appeal decisions	-	-	-
Net Payable by Business Sector	17,496,845	18,726,954	18,956,652
Add: Net Transitional Protection Payments - Paid to the government	-	-	-
Less: Net Transitional Protection Payments paid by the government	-	-	-
Amount allowed to Council for - Administration costs and Interest on Repayments	85,284	85,284	86,697
Non Domestic Rating Income	17,411,561	18,641,670	18,869,955
Surplus (Deficit)			
In year change from original estimate - increase (+) / decrease (-)	-	1,262,922	-
Surplus/(Deficit) brought forward	-	770,603	-
Surplus/(Deficit) distributed in year	(118,098)	118,098	951,601
Change in bad debt provision during the year	-	(192,973)	-
Change in appeals provision during the year	-	(1,007,050)	-
Add: Cost of Collection allowance	85,284	85,284	86,697
Amount Due to Authorities	17,378,747	19,678,554	19,908,253
(Surplus) / Deficit to be shared			
DCLG	59,049	59,049	(475,801)
WSCC	11,810	11,810	(95,160)
ADC	47,239	47,239	(380,640)
Change in Surplus/(Deficit)	-	951,600	-
Surplus/(Deficit): Adur District Council			
Business rates Baseline Target	6,763,916	6,763,916	6,820,282
Less: Tariff/Top-Up	(5,160,013)	(5,160,013)	(5,203,013)
Baseline funding Target (A)	1,603,903	1,603,903	1,617,269
40% share of Actual business rate	6,964,624	7,002,669	7,547,982
Less: Tariff/Top-Up	(5,160,013)	(5,160,013)	(5,203,013)
Baseline funding Retained (B)	1,804,611	1,842,656	2,344,969
Surplus/(deficit) (B-A)	200,708	238,753	727,700
Add : S31 grants paid directly to the General Fund	468,770	468,770	378,460
50% Levy payable to CG in case of Surplus	(334,739)	(353,762)	(553,080)
Surplus to be retained by Council	334,739	353,762	553,080
Less: Original 2014/15 surplus		(334,739)	
Additional surplus to benefit the Council in 2015/16		19,022	



**WORTHING BOROUGH COUNCIL OVERALL BUDGET ESTIMATES 2016/17
AND SETTING OF 2016/17 COUNCIL TAX**

REPORT BY: DIRECTOR OF DIGITAL AND RESOURCES

1.0 SUMMARY

- 1.1 This report represents the culmination of the annual budget exercise and asks members to consider the following:
- The final revenue estimates for 2016/17;
 - An updated outline 5-year forecast; and
 - The provisional level of Council Tax for 2016/17, prior to its submission to the Council for approval on the 23rd February 2016. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Executive.
- 1.2 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals. The report also updates members about the impact of the draft 2016/17 settlement.
- 1.3 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 austerity measures for another 2-5 years (see section 3.5) ;
 - The Executive will need to consider whether to increase Council Tax by maximum level possible below 2% (1.96%) or by a lower amount (paragraph 5.10); and, finally
 - The Executive needs to consider the new growth items in Appendix 2.
- 1.4 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2016/17 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities 2016/17 (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.0 SUMMARY

1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2016/17 of 3.44% (as one of the lowest precepts in the country they are permitted to increase by £5) and the proposed 2016/17 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 22nd January 2016. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 18th February 2016 at which point the Commissioner will be in a position to confirm the Council Tax for 2016/17 in time for Council on the 23rd February 2016.

1.6 The Chancellor's Autumn Statement in November 2015 announced that:

'... in future those local authorities who are responsible for social care will be able to levy a new social care precept of up to 2% on Council Tax.'

The Right Honorable George Osborne, Chancellor of the Exchequer

With this policy change, the Government has recognised the major financial strain caused by an ageing population.

1.7 The draft Local Government Settlement confirmed that a 2% Council Tax increase specifically to support adult social care services is permissible. This is over and above the existing "referendum limit" of 2% permitted for general Council Tax increases, thereby permitting a maximum Council Tax increase of 4% for Councils with social care responsibilities.

1.8 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 19th February 2016. However, it is likely to be just below the permitted 4% at 3.95%. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 23rd February 2016.

1.9 The following appendices have been attached to this report:

- (i) **Appendix 1** Revenue Budget Summary Statement 2015/16 – 2020/21
- (ii) **Appendix 2** Non-Committed Growth
- (iii) **Appendix 3** Schedule of Earmarked Reserves
- (iv) **Appendix 4** Property Analysis & Calculation of Tax Base
- (v) **Appendix 5** Worthing Budget 2016/17 –Summary of Executive Member Portfolios
- (vi) **Appendix 6** Glossary of technical terms used in Local Government Settlement

2.0 BACKGROUND

2.1 The report covering the “*Outline 5-year forecast for 2016/17 to 2019/20 and the Budget Strategy*” was considered on 7th July, 2015. 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 7th July report proposed a new strategy whose key feature was that the Councils would become self-sufficient by 2020 reliant, by then, only on income from trading and commercial activities, Council Tax income and business rate income.

2.2 In line with this new strategy, the Councils have set-up several strategic boards, which are responsible for taking forward key initiatives aimed at delivering savings for the future. These boards are:

- The Major Projects Board will lead on delivering projects to increase employment space and additional housing.
- 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 Programme Board will lead on the delivery of the income growth from commercial services and seek to improve the customer experience.

Both the Digital Programme Board and the Customer and Commercial Programme were set explicit targets for 2016/17.

2.3 In addition to the work of the Strategic Boards, the other strands which contributed to the savings targets for 2016/17 include:

- Efficiency reviews
- Procurement reviews
- Base budget reviews

2.4 The subsequent report to the Joint Strategic Committee, on 3rd December 2015 updated Members as to the latest budgetary information and the forecast shortfall, before savings or growth, was revised as follows:

2.0 BACKGROUND

Worthing Borough Council	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Overall shortfall - July forecast	1,311	2,428	3,490	4,509	5,553
Overall shortfall – December forecast (including net approved growth)	1,540	2,480	3,514	4,507	5,522
Increase / (Decrease) in shortfall	229	52	24	-2	-31
Savings identified in December 2015 report	-1,667	-1,892	-2,142	-2,392	-2,642
Revised budget shortfall/Surplus(-) as at December 2015	-127	588	1,372	2,115	2,880

2.5 The 2016/17 savings proposals identified within the report for the Council amounted to £1,667,000.

2.6 Since the meeting on 3rd December 2015, 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 non-committed growth items. Overall, therefore, the current financial position of the Council for 2016/17 can be summarised as:

	£'000
Original shortfall as identified in July	1,311
Changes identified in December 2015:	
(a) Improvements to the income from Council Tax	-143
(b) Updated capital financing costs based on 2014/15 outturn	-28
(c) SDLT pension valuation impact	175
(d) Delay in selling Aquarena site	150
(e) Net committed growth items identified by budget holders	175
(f) Removal of contingency budget	-100
	<hr/>
Budget shortfall as at 3rd December 2015	1,540
Business Rate Retention Scheme	
2015/16 share of deficit	175
Impact of appeals on potential income for 2016/17	75
Improving business rate income	-170
Council Tax	
Surplus on collection fund	-48
	<hr/>
Revised budget shortfall – carried forward	1,572

2.0 BACKGROUND

	£'000
Revised budget shortfall – brought forward	1,572
Settlement	
Provisional New Homes Bonus allocation	-518
Reduction in Baseline funding from Business Rates	41
Change in tariff (amount of business rates paid to government)	-83
Additional reduction in Revenue Support Grant	441
Adjustment for final items identified	
Implementation of 0.5% levy	41
Reduction in Housing benefit administration grant	42
Changes to the capital programme – Windsor Lawns Shelter	1
Impact of closure of Brooklands golf course	63
Windsor Lawns Shelter	1
Adjustment to insurance budget following increase in Insurance Premium Tax which is increasing from 6% to 9.5% net of any savings in inflationary allowances	11
Final adjustment to allocations between the two Councils	45
	<hr/> 1,657
Less: Net savings agreed in December	-1,667
Adjustment to final savings arising from Housing restructure	10
	<hr/> - <hr/>
Budget surplus to be placed in reserves (before any further action is agreed)	-

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

Combined Spending Review & Autumn Statement 2015

- 3.1.1 The Chancellor presented a joint Spending Review and Autumn Statement on 25th November 2015, which covered the Government's spending plans for the next four years. The Chancellor announced £12 billion in savings to government departments. Within these spending plans the picture for local government is complex and mixed.

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

Combined Spending Review & Autumn Statement 2015

3.1.2 However, whilst The Chancellor highlighted a cash-terms increase in spending for Local Government between now and 2019/20, Revenue Support Grant was to be phased out in its's entirety.

'Because the amount we raise in business rates is in total much greater than the amount we give to local councils through the local government grant, we will phase that grant out entirely over this Parliament.'

The Right Honorable George Osborne, Chancellor of the Exchequer

The Chancellors assertion that there would be a cash-terms increase is based the assumption that substantial local government funding cuts will be offset by increases in Council Tax, the new social care levy and business rates receipts.

Local Government – Departmental Expenditure Limit (DEL)					
Departmental Expenditure Limit	£Billion				
	2015/16	2016/17	2017/18	2018/19	2019/20
Funding for Local Government	11.5	9.6	7.4	6.1	5.4
Locally financed expenditure*	28.8	29.0	31.5	33.6	35.1
Total Local Government Spending	40.3	38.6	38.9	39.7	40.5
Annual percentage reduction in funding for Local Government		16.52%	22.92%	17.57%	11.48%
Overall reduction in funding for Local Government					53.04%

* Treasury's own forecasts of the income to be raised from Council Tax, the New Social Care levy and Business rates.

3.1.3 The combined Spending Review and Autumn Statement 2015 announced additional funding for social care, but most of this funding was to come from other parts of local government. The Statement indicated a potential shift in funding from districts to social care and upper tier authorities.

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.1 Combined Spending Review & Autumn Statement 2015

3.1.4 The Summer Budget had announced that 3 million new apprenticeships would be created by 2020, funded by a levy on large employers. The Chancellor announced that, with effect from April 2017, he would introduce a new apprenticeship levy of 0.5% of an employer's pay bill. Every employer will receive a £15,000 allowance to offset against the levy – which means over 98% of all employers - and all businesses with pay bills of less than £3 million - will pay no levy at all. From April 2017, this is expected to cost the General Fund £41,000.

3.2 2016/17 Local Government Finance Settlement

3.2.1 The Secretary of State for the Department for Communities and Local Government (DCLG) Greg Clark delivered the provisional Local Government Finance Settlement on the 17th December 2015. Consultation on the provisional settlement closed on the 15th January 2016. The provisional settlement elaborated on announcements already made in the Chancellor's combined Spending Review and Autumn Statement. In his speech, the Secretary of State Greg Clark confirmed the continuation of the austerity programme

“... More savings need to be made as we finish the job of eliminating the remaining deficit...”

3.2.2 The objectives of the 2016/17 provisional settlement were outlined in the speech as:

- *“the right to spend locally what they raise locally*
- *help with adult social care*
- *expenditure savings which recognise what has already been achieved*
- *recognition of the higher costs of providing services to sparsely populated rural areas*
- *encouragement for cost-saving innovation*
- *rewards for new homes*
- *complete transparency with regard to resource allocation*
- *a move beyond one-year-at-a-time budgeting.”*

3.2 2016/17 Local Government Finance Settlement

The impact on this authority of the combined Spending Review and Autumn Statement and the 2016/17 Local Government Finance Settlement is summarised in the following sections.

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.3 Four Year Settlements – An offer to all councils

3.3.1 In his speech, the Secretary of State announced

“So in this settlement I do something else that local leaders have yearned for. For the first time ever, I offer a guaranteed budget to every council which desires one and which can demonstrate efficiency savings – for next year, and for every year of this Parliament. A 4-year budget to give certainty and confidence. “

The Secretary of State for Communities and Local Government - Greg Clark

The government offers “any council that wishes to take it up a four-year funding settlement to 2019-20.” However, this is dependent of the publication of an efficiency plan. The Council intends to publish further details on the nature of the efficiency plan after final settlement.

3.4 Council Tax Referendum

3.4.1 As part of settlement, the Secretary of State confirmed the referendum criteria:

‘So while this settlement maintains the core referendum threshold at 2%, the threshold for the lowest cost district councils will be £5 a year, so they aren’t punished for being economical while those who have spent more in the past are allowed to spend more now’

The Secretary of State for Communities and Local Government - Greg Clark

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

3.5 Revenue Support Grant

3.5.1 Revenue grant will be withdrawn from the Councils at a far greater rate than originally expected. The annual fall in Revenue Support Grant for 2016/17 is nearly £0.9m. The Councils had originally expected the grant to be withdrawn in a more measured way (over 4 years) with annual reductions of £400,000 (20% per year).

The grant will be withdrawn over two years will the following impacts:

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.5 Revenue Support Grant

Worthing Borough Council	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Original assumption	2,043	1,643	1226	817	409	0
Draft settlement	2,043	1,193	453	8	0	0
Additional withdrawal of grant		-450	-773	-809	-409	0
Decrease year on year (£)		850				
Decrease year on year (%)		41.61%				

This will put greater pressure on the budgets in the first few years.

3.5.2 It should also be noted that the 2015-16 Council Tax Freeze Grant has been rolled into Revenue Support Grant (paid only to those authorities which qualified for the Council Tax freeze scheme in 2015-16), in the same way as the grant has in previous years. In effect the Freeze Grant will be subject to the same cut in funding as Revenue Support Grant

3.6 New Homes Bonus (NHB)

3.6.1 Following the 2015/16 Settlement, the future of The New Homes Bonus was uncertain. As part of the provisional 2016/17 settlement speech, Greg Clark confirmed the continuation of New Homes Bonus, but with changes in the future.

'The New Homes Bonus provides valuable funding, and, as importantly, encourages house building.

So I can announce today that I will extend the Bonus indefinitely, but with some changes, on which I am consulting'

3.6.2 The provisional local government settlement proposed that the NHB scheme is modified with the following major features:

- (a) Previously NHB had been paid in 6 instalments. This is to be reduced to 4 instalments over 2 years.
- (b) NHB may be withheld if no Local Plan is submitted

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.6 New Homes Bonus (NHB)

- (c) Bonus may be reduced by between 50% and 100% if the scheme goes to appeal
- (d) Only growth over a certain limit will be included in the calculation (currently proposed at 0.25%)

This is the subject of a separate consultation 'New Homes Bonus: sharpening the incentive' which is due to end on the 10th March 2016.

- 3.6.3 The retention of the New Homes Bonus will benefit those Councils who have capacity to build. Fortunately, there is significant house building in Worthing at present with the new homes being constructed at West Durrington and other sites. Consequently, the Council will benefit from significant additional income in 2016/17 and beyond.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Original assumption	1,081	1,081	808	636	416	246
Draft settlement						
Historic allocations	1,081	1,081	636	246		
2016/17 allocation		518	518	518	518	
Potential future allocations			360	720	970	1,220
Total New Homes Bonus	1,081	1,599	1,514	1,484	1,488	1,220
Increase (-) / decrease in grant from previous assumptions		518	706	848	1,072	974

- 3.6.4 The New Homes Bonus has been an important source of funding. The 2016/17 allocation for this council is £1,599,440. It should be noted that the future allocations are indicative at this stage as the final details of the new scheme are dependent on the outcome of the consultation.

3.7 Business Rates

- 3.7.1 Retained business rate (baseline funding) is marginally less than expected. In addition, in the later years the Councils will be expected to pay more over to the Government in Tariff as part of a national exercise to equalise resources. Overall the impact is likely to be:

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.7 Business Rates

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Worthing Borough Council						
Original assumption	2,444	2,505	2,568	2,632	2,698	2,765
Draft settlement						
Baseline funding	2,444	2,464	2513	2587	2669	2722
Changes to 'tariff'		83	112	91	-187	-192
Total Business Rates	2,444	2,547	2,625	2,678	2,482	2,530
Increase / decrease (-) in grant		42	57	46	-216	-235

3.8 Summary

3.8.1 In total the impact on the Councils planning assumptions are as follows (excludes changes to other grants):

	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Worthing Borough Council					
Revenue Support Grant	-450	-773	-809	-409	0
New Homes Bonus	518	706	848	1,072	974
Business Rates	42	57	46	-216	-235
Total increase / decrease (-) in expected funding	110	-10	85	447	739

3.8.2 In overall terms, the 2016/17 settlement revealed that District and Borough Councils were the second most heavily affected class of authority by an overall cut in funding of 16.96%, only marginally less than the most affected Shire County Councils without fire (17.13% drop). For districts, this is even greater than last year's drop of 15.34%.

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.8 Summary

YEAR-ON-YEAR CHANGE FOR THE 2016/17 SETTLEMENT			
Class of Local Authority	2015-16 Adjusted settlement Funding Assessment	2016-17 Settlement Funding Assessment	Overall Reduction in funding
	£million	£million	%
England	21,249.94	18,601.46	-12.46%
London Area	4,996.89	4,555.10	-8.84%
Metropolitan Areas	5,597.71	4,999.32	-10.69%
Shire Areas	10,652.06	9,043.75	-15.10%
London Area			
London Boroughs	3,833.40	3,398.55	-11.34%
GLA	1,163.49	1,156.56	-0.60%
Metropolitan Areas			
Metropolitan Districts	5,335.24	4,751.58	-10.94%
Metropolitan Fire Authorities	262.46	247.75	-5.61%
Shire Areas			
Shire unitaries with fire	372.76	321.61	-13.72%
Shire unitaries without fire	3,993.16	3,459.31	-13.37%
Shire counties with fire	2,009.19	1,677.09	-16.53%
Shire counties without fire	2,905.97	2,408.24	-17.13%
Shire districts	951.09	789.80	-16.96%
Combined fire authorities	419.88	387.71	-7.66%

3.8.3 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on Friday 15th January 2016 with final settlement expected by the 11th February 2016.

3.8.4 In previous years, there were few significant change at this late stage. However the late and unexpected amendments to the settlement methodology increase the likelihood of changes. If there are any significant changes arising from the final information members will be briefed before Council.

3.8.5 In addition to the local government finance settlement which is discussed fully above, the final matter than needs to be explored is the full forecast for Business Rates for the next five years.

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.9 Business Rate Retention Scheme

3.9.1 The business rate retention scheme has now been in place for two 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 below baseline funding of £184,810.
- 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 it’s 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 Treasury	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	100	25	25

3.9.2 The forecast for business rates has now been revised for the latest information on appeals, reliefs and changes to rateable values. Overall there has been an increase in the level of expected income due to new hereditaments and increasing rateable values:

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.9 Business Rate Retention Scheme

Worthing Borough Council	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Total business rate income	37,913	39,163	40,428	41,788	43,164
Less: Business rate reliefs awarded	-4,600	-4,692	-4,786	-4,882	-4,979
Net business rate income	33,313	34,471	35,642	36,906	38,185
Less:					
Write offs	-54	-56	-58	-60	-62
Appeals	-580	-592	-603	-616	-628
Net income	32,679	33,823	34,981	36,230	37,495
Less: Share of income paid to Council for administration costs	-131	-134	-136	-139	-142
Net income for purpose of income share calculation	32,548	33,689	34,845	36,091	37,353
Council share of income (40%)	13,019	13,476	13,938	14,436	14,941
Less: Tariff	-10,079	-10,278	-10,581	-11,409	-11,637
Retained business rates	2,940	3,198	3,357	3,027	3,304
Add : S151 grants paid directly to the General Fund	565	578	592	606	620
Total income eligible for levy / safety net calculation	3,505	3,776	3,949	3,633	3,924
Baseline funding	-2,464	-2,513	-2,563	-2,615	-2,667
Surplus / (deficit) business rates	1,041	1,263	1,386	1,018	1,257
Less: Levy @ 50%*	-521	-631	-694	-508	-628
Additional retained business rates	520	632	692	510	629
Share of estimated 2015/16 surplus	-175	0	0	0	0
Estimated surplus / deficit (-)	345	632	692	510	629
Previous forecast	343	346	359	368	373
Improvement / deterioration (-)	2	286	333	142	256

*The levy is now retained by the business rate pool rather than paid over to the County Council.

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.9 Business Rate Retention Scheme

3.9.3 The Council will fully provide for any known backdated business rates appeals at the 2015/16 year end. From 1st April 2015 appeals against rating assessments could no longer be backdated. As a result, the Council saw a considerable increase in appeals towards the end of 2014/15 as local business sought to submit appeals before the right to have claims backdated was removed. This has resulted in a deficit expected for 2015/16 which will be recovered in 2016/17.

3.9.4 Looking ahead, there have been several developments which have influence upon the rating income. Firstly, the new Premier Inn has opened with a valuation of £175,000 and by 2017/18 we expect both the new innovation centre and the extension to GlaxoSmithKline's building to be completed. These changes have resulted in additional income in the future years.

3.9.5 The forecast for 2016/17 is currently being finalised. The 2016/17 NNDR return which underpins this forecast is due to be submitted by the 31st January and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

3.9.6 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: Union Place and Teville Gate.

3.9.7 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 £1.2m retained locally to benefit the residents of West Sussex.

3.9.8 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 in any given year. There is no time limit on when an appeal might be lodged.

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.9 Business Rate Retention Scheme

- There is a specific risk associated with schools becoming academies. If a school assumes academy status then it will become eligible of mandatory rate relief which will reduce the Council's business rate income.
- The Councils have recently 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.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

3.9.9 Consequently there could be significant swings in the amount of business rate income in any one year. However, any shortfall in income will be recovered in the following financial year.

3.10 Long term implications of current government policy

3.10.1 The financing of local government has fundamentally changed. 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 the creation of employment space (Business Rate Retention Scheme). Consequently, the income from Council Tax forms a more significant proportion of the Council's overall income and so the decision regarding the annual increase has a greater strategic importance.

Breakdown of general income to the Council:

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	7,895	8,279	8,429	8,632	8,831	9,044
Business Rates *	2,764	2,809	3,144	3,279	3,178	3,350
Revenue Support Grant **	2,043	1,193	453	8	0	0
New Homes Bonus	1,081	1,599	1,514	1,484	1,488	1,220
	13,917	13,764	13,772	13,559	13,493	13,424

3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

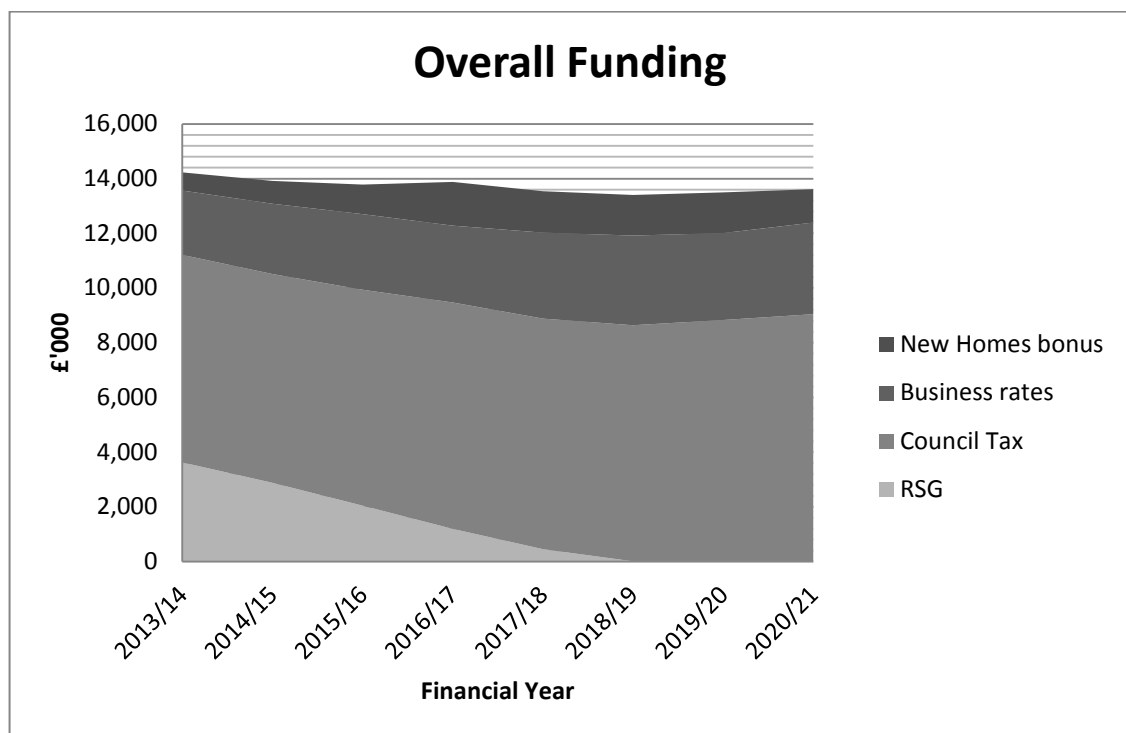
3.10 Long term implications of current government policy

* Includes any surplus or deficit on the collection fund

** Includes the Council Tax Freeze Grant

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Council Tax *	53.34%	54.85%	57.29%	59.64%	62.25%	64.41%
Business Rates *	16.53%	18.47%	20.05%	20.24%	23.22%	24.46%
Revenue Support Grant **	25.46%	20.68%	14.82%	8.60%	3.35%	0.06%
New Homes Bonus	4.67%	6.00%	7.84%	11.52%	11.18%	11.07%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

3.10.3 Breakdown of general income to the Council:



4.0 2015/16 BUDGET – CURRENT POSITION

4.1 The revenue monitoring report to the Joint Strategic Committee on 3rd December 2015 projected an overspend for the year of £26,000

	Forecast Over/(Under) spend
	£'000
Theatres Additional staff recruited to generate income plus shortfall in catering operation.	132
Development management Underachievement of predicted income.	65
Recycling Increase in garden bin & green sack take up.	(66)
South Downs Leisure Underachievement of savings due to Trust late start date & pension costs arising from actuarial valuation	236
Financial Services Savings from Treasury Management strategy, reduced borrowing arising from capital programme slippage, audit fee savings	(277)
Public Conveniences Public conveniences underspend.	(65)
Building Maintenance Increased council properties maintenance costs – car parks emergency concrete works, Theatres fire risk assessments, Splashpoint vandalism corrective works	100
Pension Underbilling by WSCC re Added Years costs dating back to 2008	127
Vacancies Staff vacancies throughout council being held for future restructures	(224)
Net other variations	(2)
Forecast Overspend as at 3rd December 2015	26

4.2 As at the end of the 2nd quarter, whilst there are some areas of concern within the Worthing Borough Council budget, these are mostly offset by Treasury Management gains. During 2015/16 more rigorous budget monitoring, involving the respective Executive Members of Resources, has taken place for Theatres and Parking. The trends identified as part of the monitoring during 2015/16 have been incorporated into the 2016/17 budgets.

4.0 2015/16 BUDGET – CURRENT POSITION

4.3 On past evidence, spending patterns between the 2nd quarter budget monitoring and the end of the financial year have shown that it is likely that the position may improve as the year progresses. The final outturn for 2015/16 will be reported when the outturn report comes before the Joint Strategic Committee in July 2016. Any overspends will have to be funded from the Council's reserves. Any final recommendations must be deferred until the outturn results are known.

5.0 DRAFT REVENUE ESTIMATES 2016/17

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £13,940,320. This includes the savings agreed at Joint Strategic Committee in December.

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 £13.94m 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 2015/16 to 2016/17 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
2015/16 Original Estimate		13,704
Add: General Pay and Price Increases		437
Add: Committed and Unavoidable Growth:		
Increased Expenditure as per 3 year forecast (net of any proposed use of reserves)	1,134	
Reduced Income as per 3 year forecast	63	
Impact of Capital Investment Programme	160	1,357
Less: Compensatory savings/Additional Income:		
Additional income		-6
2015/16 budget prior to agreed savings		15,492

5.0 DRAFT REVENUE ESTIMATES 2016/17

	£'000	£'000
2015/16 budget prior to agreed savings b/fwd		15,492
Less: Savings agreed by members		
Approved in December	-1,667	
Final adjustment to saving arising from the Housing restructure	10	
Final adjustment to the allocation of costs between the Councils	45	
		-1,612
Executive Member requirements		13,880
Potential contribution to reserves*		-
Potential budget requirement before external support		13,880
Collection fund surplus		-48
2016/17 BUDGET REQUIREMENT		13,832
*The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the non-committed growth items and the Council Tax increase.		

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, the proportion allocated to the HRA, and the proportion borne by the General Fund and the Capital Investment Programme.

Further details can be provided by request from Jo-Anne Chang-Rogers (Finance Manager) or Sarah Gobey (Chief Financial Officer).

5.7 The current net estimated 2016/17 spend is more than previously predicted and is mainly due to the following factors:

5.0 DRAFT REVENUE ESTIMATES 2016/17

	£'000
Reduction in Housing Benefit Administration Grant	40
Introduction of the 0.5% apprenticeship levy	31
Net Increase in insurance costs arising from 3% increase in Insurance Premium Tax	11
Temporary closure of Brooklands Golf Course	63

5.8 In addition to the above, the projected surplus on the Collection Fund is now estimated to be £341,520, of which £48,460 is the District Council share. This is a minor surplus in light of the overall income due which exceeds £56.4m, and is due to an improved level of income to the collection fund and a reduction in the cost of the Council Tax support scheme.

5.9 Members are now faced with two questions:

- What level of Council Tax to set?
- Which of the growth items in Appendix 3 to accept?

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

5.10 The Council Tax increase:

5.10.1 The budget forecast currently assumes that Council Tax will increase by just under 2.0% in 2016/17.

5.10.2 In the recent consultation the responses to increasing Council Tax were as follows.

Responses to 2016/17 potential Council Tax increase	%
A small increase which will help the Councils to protect priority services	63.2
To continue to freeze Council Tax and potentially reduce services	36.3
Not answered	0.5
	100.0

The consultation responses are similar to previous years which also indicated public support for a small increase.

5.0 DRAFT REVENUE ESTIMATES 2016/17

5.10 The Council Tax increase:

5.10.3 A 1.96% uplift would be a modest increase in the District council share of the bill for 2015/16 as follows:

Worthing Borough Council	£
Average Band D Council Tax in 2015/16	216.00
Annual impact of 1.96% increase	4.23
Amount per week	0.08

5.10.4 Members should also be aware that the Police and Crime Commissioner has been consulting on a 3.44% increase for the Police Authority share of the overall bill. There are indications that the County Council will set a 3.95% increase, just under their permitted 4%. Consequently, the total overall increase in the Council Tax bill for an average band D property would be just under 4%:

	2015/16	2016/17 (Indicative)	%
	£	£	
Worthing Borough Council	216.00	220.23	1.96%
West Sussex District Council	1,161.99	1,207.89	3.95%
Sussex Police and Crime Commissioner	143.91	148.86	3.44%
	1,521.90	1,576.98	3.62%

5.10.5 There are long term consequences to continuing to setting a Council Tax increase much lower than the maximum permitted 2%. This is particularly significant at the moment, given the scale of the reduction in Government funding that the Council will experience over the next 3 years.

Worthing Borough Council	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Council Tax income if Council Tax is increased by just under 2.0% every year	8,231	8,429	8,632	8,831	9,044
Council Tax income if Council Tax is frozen every year	8,070	8,102	8,134	8,159	8,192
Fall in income per annum if Council Tax is frozen	161	327	498	672	852

5.0 DRAFT REVENUE ESTIMATES 2016/17

5.10 The Council Tax increase:

5.10.6 Members are asked to consider which level of Council Tax increase that they support. Each 1% increase in Council Tax is worth £80,000 and increasing Council Tax by 1.96% will protect the longer term financial interests of the Council.

5.11 Uncommitted Growth Items:

5.11.1 Attached in Appendix 2 is a listing of the new uncommitted growth items which total £162,000. The current draft budget already includes an allowance of £90,000 for such items and so the net cost will be £72,000. Members are asked to consider which of the items should be included within the revenue estimates for 2016/17.

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

	£'000	£'000
Net budget requirement		13,940
Less: Government grant	1,193	
Baseline Funding	2,464	
Share of additional Business Rate income	346	
Council Tax (1.96% increase)	8,229	
New Homes Bonus	1,599	
Council Tax Support Scheme	60	
Administration Grant		
Collection Fund surplus	49	-13,940
Balanced budget based on 1.96% Council Tax increase		-
Maximum impact of accepting the growth items		72
		72
Maximum contribution from reserves		-72
		-

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 1.96% tax increase for 2016/17 which is to be considered as part of this report). The difficult 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)				
	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	1,612	2,380	3,250	3,795	4,399
Less:					
Net savings agreed in December and January	-1,612	-1,612	-1,612	-1,612	-1,612
Impact of accepting all the growth items at appendix 2	72	84	-	-	-
Potential contribution to reserves to be agreed	-72	-	-	-	-
Adjusted cumulative budget shortfall	-	852	1,638	2,183	2,787
Savings required each year	-	852	786	545	604

6.2 The continuation of the 'austerity measures' 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 3 above;
- Reduced cost of Council Tax benefits from any new jobs created;
- Additional Council Tax income from each new home;

The creation of a new major projects team last year is part of the strategy to further stimulate the local economy.

6.3 However, these measures are unlikely to be enough. The Council will also need to seek out new income generation opportunities and there will inevitably need to be a continuing emphasis on efficiency and value for money in the annual savings exercise. In addition, the Council will need to focus its scarce resources on key priorities.

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 77 '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 (6%) contingency to meet unforeseen costs arising during a budget year (e.g. supplementary estimates); 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 2015 was £844,000 which was 6.1% of net revenue expenditure – just within the range of 6%-10% set by the Council.

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

		£'000	%
31.03.2016	Balance carried forward – per Final Accounts	844	6.1
31.03.2017	No planned drawdown or contribution expected	844	6.2
31.03.2018	No planned drawdown or contribution expected	844	6.3
31.03.2019	No planned drawdown or contribution expected	844	6.3

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.

7.0 RESERVES

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 0.5% would cost the Council in a region of £55,000 in 2016/17.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £132,000.
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.

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2016/17 of £832,800 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 £1,388,000 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.

7.5 The estimated balance of general fund earmarked reserves as at 31st March, 2016 is £2,073,000, although this reduces to £1,455,000 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 3. 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.

7.0 RESERVES

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) **Income**

The Council receives income from a number of services which will be affected by demand. These include land charges, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2016/17, income may fall further than expected.

(ii) **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.

(iii) **Inflation**

A provision for 1% inflation has been built into non-pay budgets. Pay budgets have a 2% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2016/17, 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:

8.0 SIGNIFICANT RISKS

(iii) Inflation

	1% increase
	£'000
Pay	132
Non-pay	185

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 has undertaken a light touch consultation exercise this year. The consultation has taken the form of an on-line survey and leaflets placed in the main buildings.

9.2 The focus of this year's consultation was around the potential changes to Council Tax Reduction Scheme, and the level of Council Tax increase that the public would support. The results regarding the Council Tax increase are detailed in section 5.10 of the 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.

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. The Council has considered the revenue consequences of any proposed capital programme in agreeing the budget strategy for 2016/17. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2016/17 and future years.

10.0 UPDATE TO PRUDENTIAL INDICATORS

10.3 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 will be considered in detail in the report entitled 'Joint Treasury Management Strategy Statement and Annual Investment Strategy 2016/17 to 2018/19 for Adur District Council and Worthing Borough Council', which is to be discussed at the Joint Strategic Committee on the 2nd February 2016.

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:

- 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.

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

11.3 Overall view on the robustness of the estimates:

- 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 2015/16.

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 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 2016/17 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 2016/17 prior to the consideration of the budget proposals. This is based on 1.96% Council Tax increase:

12.0 COUNCIL TAX SETTING

12.3 Worthing Borough Council:

	£	£
Net 2016/17 Budget *		13,940,320
Less:		
Aggregate External Finance:		
Revenue Support Grant	-1,193,380	
Baseline Funding	-2,464,180	
Additional Retained Business Rate income	-345,440	
New Homes Bonus	-1,599,440	
Council Tax Reduction Scheme Administration Grant	-60,000	
Contribution from the Collection Fund surplus (as per paragraph 5.8)	-48,460	
		-5,710,900
Balance to be raised from Council Tax		8,229,420

* 2016/17 budget requirement after any contribution to or from reserves required to balance the budget.

Within section 5 of the report, members are given the options for the Council Tax and approving the non-committed growth items. Any reduction in income resulting from a lower Council Tax increase would be funded from the reserves.

(b) Council Tax Base

The Council's Tax base for 2016/17 is 37,360.30 Band D equivalent properties. There is an increase to the current year base of 36,564.40 which is due to an increasing number of homes and the falling cost of Council Tax benefits. The full calculation of the tax base is shown in Appendix 6.

(d) Worthing Borough Council Band D Council Tax

Members are now asked to consider which level of Council Tax to set for 2016/17. A Council Tax increase of 1.98% will ensure that the Council has a balanced budget.

12.0 COUNCIL TAX SETTING

12.3 Worthing Borough Council:

	2015/16	2016/17 (1% increase)	2016/17 (1.96% increase)
	£	£	£
Worthing Borough Council	216.00	218.16	220.23
Annual increase		2.16	4.23
Weekly increase		0.04	0.08

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 19th February, 2016. The Police and Crime Commissioner's proposed increase of around 3.44% is due to be considered by the Police and Crime Panel on 22nd January. The latest date that any increase by the Police and Crime Commission will be confirmed is the 18th February 2016.

	2015/16 £	2016/17 £
West Sussex County Council	1,161.99	t.b.a.
Sussex Police Authority	143.91	t.b.a.
TOTAL	1,305.90	t.b.a.

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 23rd February 2016.

13.0 CONCLUSION

- 13.1 This has been a very difficult settlement. The Council has seen the withdrawal of a significant amount of Revenue Support Grant. However, to meet this challenge the Council has identified over £1m of savings and is now in the position to set a balanced budget.

13.0 CONCLUSION

- 13.2 Looking further ahead, 2017-18 will be even more difficult as the Council expects another significant reduction in grant and has only limited opportunities to lever in New Homes Bonus. Consequently, the strategy of delivering income growth and efficiencies through the digital agenda assume a greater importance.
- 13.3 However, provided we meet this challenge, the Council will become increasingly financially resilient over the next 5 years as Revenue Support Grant disappears and we become largely funded by our community through Council Tax and Business Rates.
- 13.4 The aims of Surf's Up 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.
- 13.5 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
- 13.6 Finally, in preparing the strategy and forecast for 2016/17 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.

14.0 RECOMMENDATIONS

14.1 The Executive is recommended to:

- (a) Approve the growth items detailed at appendix 2;**
- (b) Agree to recommend to Council the draft budgets for 2016/17 at Appendix 7 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,940,320 , subject to any amendments above; and**
- (c) Consider which band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2016/17 as set out in paragraph 12.3.**

Local Government Act 1972

Background Papers :

Report to the Joint Strategic Committee 7th July 2015 Outline forecast 2016/17 to 2020/21 and Budget Strategy

Report to the Joint Strategic Committee 3rd December 2015 Outline 5 year forecast and savings proposals.

Local Authority Finance (England) Settlement Revenue Support Grant for 2016/17 and Related Matters: DCLG Letters and associated papers of 17th December 2015.

Spending Review and Autumn Statement 2015. HM Treasury

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf

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 2014/15

Report to Joint Strategic Committee 3rd December 2015 – “2nd Revenue Budget Monitoring 2015/16

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WORTHING:
Revenue Budget Report

WORTHING BOROUGH COUNCIL - APPENDIX 1
Revenue Budget Summary Statement 2015/16 - 2020/21

	2015/16 Base	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	13,704	13,704	13,704	13,704	13,704	13,704
(a) Annual Inflation						
Estimated inflation		437	1,013	1,608	2,213	2,847
(b) One -off / non-recurring items						
Local Elections (not held once every four years)		-	(76)	-	-	-
(c) Committed Growth						
Changes to National Insurance Contributions		405	413	421	429	438
Impact of Pension contribution increase		97	99	101	103	105
Housing condition survey - carried out once every 3 years		-	9	-	-	9
Additional maintenance costs associated with Splashpoint swimming pool		60	60	60	60	60
Impact of pension valuation for SDLT		175	149	123	96	70
Growth items identified by Heads of Service		175	175	175	175	175
Impact of employment levy		41	41	41	41	41
Loss of Housing Benefit Administration Grant		42	42	42	42	42
Closure of Brooklands Golf Course (reopens 2017/18)		63	(35)	(35)	(35)	(35)
Increase in insurance costs arising from 3% increase in Insurance Premium Tax		11	11	11	11	11
(e) Impact of capital programme						
Financing costs - General Programme		130	263	408	526	648
Financing costs - Refuse and Recycling vehicles		29	125	125	125	125
Financing costs - Addition to the capital programme		1	4	4	4	4
(f) Additional income						
Investment income		(6)	(55)	(113)	(180)	(209)
(g) Agreed Savings						
Splashpoint - Impact of sale of Aquarena site		-	(150)	(150)	(150)	(150)
(h) Approved Growth items						
Major Projects Team		38	38	38	38	38
Provision for new growth items		90	90	90	90	90
Total Cabinet Member Requirements	13,704	15,492	15,920	16,653	17,292	18,013
Total Cabinet Member Requirements b/fwd	13,704	15,492	15,920	16,653	17,292	18,013
Baseline funding	2,444	2,464	2,513	2,587	2,669	2,722
Add: Net retained additional business rates	234	520	631	692	509	629
Add: Share of 2014/15 surplus /deficit (-)		(175)				
Adjusted Baseline funding	2,678	2,809	3,144	3,279	3,178	3,351

WORTHING:
Revenue Budget Report

WORTHING BOROUGH COUNCIL - APPENDIX 1
Revenue Budget Summary Statement 2015/16 - 2020/21

	2015/16 Base	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	2,043	1,193	453	8	-	-
Council Tax income						
Adjusted Council Tax income	7,898	8,231	8,429	8,632	8,831	9,044
Council Tax Freeze grant 2015/16	86	-	-	-	-	-
New homes bonus (2011/12 - 2016/17)	273	273	-	-	-	-
New homes bonus (2012/13 - 2017/18)	172	172	-	-	-	-
New homes bonus (2013/14 - 2018/19)	220	220	220	-	-	-
New homes bonus (2014/15 - 2019/20)	170	170	170	-	-	-
New homes bonus (2015/16 - 2020/21)	246	246	246	246	-	-
New homes bonus (2016/17 -2019/20)	-	518	518	518	518	-
New homes bonus (2017/18 - 2020/21)	-	-	360	360	360	360
New homes bonus (2018/19- 2021/22)	-	-	-	360	360	360
New homes bonus (2019/20 - 2022/23)	-	-	-	-	250	250
New homes bonus (2020/21 - 2023/24)	-	-	-	-	-	250
Total NHB	1,081	1,599	1,514	1,484	1,488	1,220
Collection fund surplus/deficit (-)	(3)	48	-	-	-	-
Total other grants and contributions	1,164	1,647	1,514	1,484	1,488	1,220
Total Income from Taxation	13,783	13,880	13,540	13,403	13,497	13,615
(Surplus) / Shortfall in Resources	(79)	1,612	2,380	3,250	3,795	4,398
Use of / (contribution to) Res'ves to Balance Budget						
Capacity issues reserve	(79)	-	-	-	-	-
Total Income from Reserves	(79)	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,612	2,380	3,250	3,795	4,398
CLT - Strategic Initiatives to balance the budget						
Commercial activities and commissioning						
Commercial and Customer Board		508	508	508	508	508
Efficiency Measures						
Digital Strategy Board		118	118	118	118	118
Restructures and service plan savings not included above						
Identified in December		1,041	1,041	1,041	1,041	1,041
Final adjustment to saving arising from the restructure of the Housing Department		(10)	(10)	(10)	(10)	(10)
Final adjustment to allocations between the two Councils		(45)	(45)	(45)	(45)	(45)
		1,612	1,612	1,612	1,612	1,612
Savings still to be found/ (surplus)		-	768	1,638	2,183	2,786
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Average annual increase (Band D property)		£4.23	£4.31	£4.40	£4.49	£4.58
Average weekly increase (Band D property)		£0.08	£0.08	£0.08	£0.09	£0.09

APPENDIX 2

Non-Committed growth	When / Value?			2016/17			
	2016/17	2017/18	Beyond	Adur - GF	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DIGITAL AND RESOURCES DIRECTORATE							
<u>Digital & Design:</u>							
Provision for new digital strategy to move systems to the cloud	100.0	100.0	0.0	36.0	10.0	54.0	100.0
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
i) Take advantage of economies of scale from Cloud providers. Improved business continuity and system accessibility for users							
<i>Implication of unsuccessful bid</i>							
Continue to be reliant on own servers, continue with existing business continuity issues. Unable to lever in the potential financial benefits arising from the move.							
<u>Finance</u>							
Business Development Fund	75.0	75.0	75.0	30.0		45.0	75.0
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
i) Resources to provide capacity for funding business case for potential income generating or cost savings schemes							
<i>Implication of unsuccessful bid</i>							
As reserves become more depleted it is becoming more difficult to fund new initiatives. Potential income generating schemes will not be initiated or developed.							

WORTHING: Revenue Budget Report

APPENDIX 2

Non-Committed growth	When / Value?			2016/17			
	2016/17	2017/18	Beyond	Adur - GF	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>ECONOMY DIRECTORATE</u>							
<u>Place & Investment:</u>							
Funding for condition surveys on proposed investments acquired by the Strategic Property Investment Fund	25.0	25.0	25.0	10.0		15.0	25.0
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
i) Ensure that investment in property & potential for income generation is sound							
<i>Implication of unsuccessful bid</i>							
Unable to purchase property to deliver income streams or at miscalculate income potential due to less thorough survey							
<u>CUSTOMER SERVICES</u>							
Creation of additional posts within Customer Services	54.0	65.0	0.0	19.4	5.0	29.6	54.0
The Customer Contact team is currently over-stretched. Benchmarking has been undertaken which reveals that the team is not sufficiently resourced to meet the demands currently placed upon it. It is proposed to build capacity in the team for the next 2 years whilst the team stabilised and undergoes transformational activity.							
<i>Benefit/deliverables (outputs, impact on financial savings)</i>							
Improved capacity within the Customer Service Directorate teams							
<i>Implication of unsuccessful bid</i>							
Insufficient staff to deal with customer demand							

APPENDIX 2

Non-Committed growth	When / Value?			2016/17			
	2016/17	2017/18	Beyond	Adur - GF	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CHIEF EXECUTIVE							
<p>Policy Officer Support to the Chief Executive to respond to new Government initiatives. For example, the new Devolution Deals</p> <p>Benefit/deliverables (outputs, impact on financial savings) The Council will be better placed to respond to new Government Policy initiatives and will be able to lobby more effectively.</p> <p>Implication of unsuccessful bid Council misses opportunities presented by new Government initiatives.</p>	34.1	45.5	45.5	12.3	3.4	18.4	34.1
	288.1	310.5	145.5	107.7	18.4	162.0	288.1
less - Current allowance for committed growth items	150.0	150.0	150.0	60.0		90.0	150.0
Additional resources required over that already allowed for within the budgets	138.1	160.5	-4.5	47.7	18.4	72.0	138.1

WORTHING:
Revenue Budget Report
APPENDIX 3
SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.17
	£'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.	890	79	(744)	225		-	225
3. 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.	461	26	(80)	407	26	-	433

C = Capital Contribution

APPENDIX 3

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p>4. 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.</p>	22	-	(12)	10	-	-	10
<p>5. LEISURE LOTTERY AND OTHER PARTNERSHIP Purpose: The Leisure, Lottery and Other Partnerships Reserve was established in 1995/96 to assist in financing capital schemes attracting substantial support from the National Lottery distributor bodies and other funding agencies and organisations. This reserve is currently earmarked for support to the Museum Redevelopment bid and the Football Foundation bid.</p>	78 C	-	-	78	-	-	78
C = Capital Contribution							

WORTHING:
Revenue Budget Report
APPENDIX 3
SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6. 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.	107	-	-	107	-	-	107
7. THEATRE TICKET LEVY Purpose: Established in 2013/14 to fund refurbishment and other works for all of WBC's theatres.	35	60	(23)	72	80	(143)	9
8. PLANNING DELIVERY GRANT RESERVE Purpose: The Planning Delivery Grant was set up in 2006/07 to carry forward grant received in previous years, which has been approved by Cabinet to be spent on specific planning initiatives.	98	-	(69)	29	-	-	29
C = Capital Contribution							

APPENDIX 3

SCHEDULE OF EARMARKED RESERVES

Reserve		Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.17
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
9.	SPECIAL AND OTHER EMERGENCY EXPENDITURE	42	-	-	42	-	-	42
	Purpose:							
	The Special and Other Emergency Expenditure Reserve was set up to fund strategic or unforeseen one-off expenditure, which may arise.							
12.	CAPITAL EXPENDITURE RESERVE	73	-	-	73	-	-	73

C = Capital Contribution

WORTHING:
Revenue Budget Report
APPENDIX 3
SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. GRANTS & CONTRIBUTIONS Held in reserves*	477	-	-	477	-	-	477
14. PROJECTED UNDERSPEND Reserves to be identified at outturn.	-	- *see below	-	-	-	-	-
15. GENERAL FUND WORKING BALANCE	844	-	-	844	-	-	844
TOTAL	3,127	165	(928)	2,364	106	(143)	2,327

C = Capital Contribution - * Contribution to be confirmed at the year-end

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	7,593.00	11,020.00	12,773.00	9,114.00	5,325.00	2,318.00	888.00	25.00	49,056.00
Less: Exemptions	0.00	-144.00	-140.00	-113.00	-98.00	-66.00	-12.00	-6.00	0.00	-579.00
Disabled Relief Adjustment (net)	0.00	7,449.00	10,880.00	12,660.00	9,016.00	5,259.00	2,306.00	882.00	25.00	48,477.00
Chargeable Dwellings	6.00	34.00	17.00	-10.00	7.00	-28.00	9.00	-17.00	-18.00	0.00
Broken down as follows:	6.00	7,483.00	10,897.00	12,650.00	9,023.00	5,231.00	2,315.00	865.00	7.00	48,477.00
Full Charge	2.00	2,480.00	5,919.00	8,592.00	6,516.00	4,060.00	1,890.00	706.00	4.00	30,169.00
25% Discount (Including Adj for SP dis)	4.00	4,940.00	4,928.00	4,035.00	2,474.00	1,153.00	382.00	128.00	0.00	18,044.00
50% Discount	0.00	79.00	119.00	139.00	113.00	68.00	58.00	44.00	3.00	623.00
0% Discount (Long Term Empty Homes)	0.00	279.00	229.00	129.00	75.00	62.00	24.00	11.00	0.00	809.00
Total Equivalent Number of Dwellings	5.00	6,227.50	9,652.50	11,628.75	8,388.00	4,933.75	2,198.00	817.50	5.50	43,856.50
Reduction in tax base due to Council Tax Support	2.20	1,459.90	1,501.80	1,065.50	391.30	117.60	22.60	5.20	0.00	4,566.10
Adjusted equivalent total dwellings	2.80	4,767.60	8,150.70	10,563.25	7,996.70	4,816.15	2,175.40	812.30	5.50	39,290.40
Band D Equivalents										
Revenue Support Settlement	1.60	3,178.40	6,339.50	9,389.60	7,996.70	5,886.40	3,142.20	1,353.80	11.00	37,299.20
Add: Forecast new homes	0.00	13.30	40.10	184.40	59.50	2.40	0.70	0.70	0.00	301.10
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	240.00	0.00	0.00	0.00	0.00	240.00
COUNCIL TAX BASE	1.60	3,191.70	6,379.60	9,574.00	7,816.20	5,888.80	3,142.90	1,354.50	11.00	37,360.30
ADJUSTED COUNCIL TAX BASE										37,360.30

DECISION

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

DECISION THE EXECUTIVE

- (a) Approve the growth items detailed at appendix 2;
- (b) Agree to recommend to Council the draft budgets for 2016/17 at Appendix 7 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,940,320, subject to any amendments above; and
- (c) Consider which band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2016/17 as set out in paragraph 12.3.

The Chief Financial Officer reported verbally at the Executive meeting that:

Final settlement has been received. The Council will receive a transition Grant of £99,860, which will remove the need to fund an element of the growth items from reserves (£72,000). The residual amount of £27,860 will be placed in the Business Development Fund to resource one-off projects during 2016/17.

DECISION OF THE COUNCIL

At its meeting on the 23rd February, 2016, Worthing Council agreed a 1.96% Council for Tax for 2016/17.

The Council noted and agreed the following:

- (a) that on 9th February, 2016, the Executive calculated the Council Tax Base 2016/17 as **37,360.30** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (The "Act")];
- (b) the Council Tax requirement for the Council's own purposes for 2016/17 is **£8,227,860**.

DECISION OF THE COUNCIL

That the following amounts be calculated by the Council for the year 2016/17 in accordance with Sections 31 to 36 of the Act:

- (a) **£79,223,240** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
- (b) **£70,995,380** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) **£8,227,860** 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) **£220.23** 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) **£220.23** 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 2016/17
Summary of Executive Member Requirements

INDIVIDUAL MEMBER PORTFOLIOS
Summary and Variance Pages

WORTHING BUDGET 2016/2017
Summary of Executive Member Portfolios

EXECUTIVE PORTFOLIO	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
Environment	3,265,280	3,201,790
Health and Wellbeing	1,225,000	1,225,150
Customer Services	3,981,290	4,625,800
Leader	883,980	996,520
Regeneration	2,296,610	2,605,470
Resources	2,782,420	3,014,020
Support Services Depreciation Not Charged To Services	864,510	248,130
NET SERVICE EXPENDITURE	15,299,090	15,916,880
Credit Back Depreciation / Impairments	(2,738,770)	(3,272,280)
Minimum Revenue Provision	1,221,070	1,307,770
	13,781,390	13,952,370
Transfer to / from Reserves	(17,190)	86,250
Balance Available to Transfer To / (From) Reserves	79,280	-
Total budget requirement before external support from government	13,843,480	14,038,620
Baseline Funding	(2,443,810)	(2,464,180)
Additional business rate income	(234,000)	(345,440)
Revenue Support Grant	(2,043,070)	(1,193,380)
Transition Grant	-	(99,860)
Council Tax Reduction Scheme Grant	(60,000)	(60,000)
Council Tax Freeze Grant	(85,710)	-
Other unfenced grants (New homes bonus & Ctax Transition)	(1,080,890)	(1,599,440)
Contribution to/ (from) Collection Fund	1,910	(48,460)
Amount required from Council Tax	7,897,910	8,227,860
Council Tax Base	36,564.4	37,360.3
Average Band D Council Tax - Worthing Borough	216.00	220.23
% increase	-	1.96%

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Engineering	57,370	55,520
Surveying & Design	428,130	351,800
	485,500	407,320
DIRECTOR OF COMMUNITIES		
Environment		
Allotments	59,200	61,940
Cemeteries	98,780	103,460
Crematorium	(1,228,840)	(1,449,360)
Environmental Health - Domestic	89,020	86,370
Pest Control	67,770	26,790
Parks	1,690,760	1,649,170
	776,690	478,370
Leisure		
South Downs Leisure	674,730	1,317,120
	674,730	1,317,120
Wellbeing		
Community Wellbeing	143,990	131,290
Environmental Health - Domestic	147,770	161,810
	291,760	293,100
DIRECTOR OF CUSTOMER SERVICES		
Waste and Cleansing		
Abandoned Vehicles	34,040	31,220
Clinical Waste	38,090	28,880
Compliance	(1,700)	(1,730)
Graffiti	19,750	4,610
Parking	(812,070)	(858,520)
Recycling	(158,710)	(327,390)
Refuse	1,421,990	1,382,200
Street Cleansing	758,710	764,270
Trade Refuse	(266,090)	(318,290)
Vehicle Workshop	2,590	630
	1,036,600	705,880
TOTAL ENVIRONMENT PORTFOLIO	3,265,280	3,201,790

WORTHING - ENVIRONMENT PORTFOLIO - 2016/2017 - 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 AND RESOURCES	£		£	£	£	£	£	£	£	£	£
Business and Technical Services											
Engineering	-	28,210	22,840	-	-	-	-	51,050	4,470	-	55,520
Surveying & Design	-	46,550	247,830	-	-	-	(570)	293,810	7,240	50,750	351,800
DIRECTOR OF COMMUNITIES											
Environment											
Allotments	-	16,360	9,200	-	-	-	(400)	25,160	34,140	2,640	61,940
Cemeteries	-	110,820	175,330	-	15,850	-	(251,680)	50,320	44,750	8,390	103,460
Crematorium	230,520	155,670	442,170	4,490	146,240	-	(2,567,260)	(1,588,170)	59,430	79,380	(1,449,360)
Environmental Health - Domestic	-	59,160	-	-	-	-	-	59,160	24,250	2,960	86,370
Pest Control	-	20,770	-	-	-	-	-	20,770	4,950	1,070	26,790
Parks	-	555,920	633,100	-	143,960	-	(191,900)	1,141,080	276,880	231,210	1,649,170
Leisure											
South Downs Leisure	(2,838,430)	55,890	(397,590)	(29,870)	(755,450)	(652,080)	4,888,640	271,110	378,880	667,130	1,317,120
Wellbeing											
Community Wellbeing	-	120,730	-	-	-	-	-	120,730	10,560	-	131,290
Environmental Health - Domestic	-	870	-	-	-	-	(3,240)	(2,370)	164,180	-	161,810
DIRECTOR OF CUSTOMER SERVICES											
Waste and Cleansing											
Abandoned Vehicles	-	-	-	-	2,200	-	(450)	1,750	29,470	-	31,220
Clinical Waste	-	(3,740)	-	-	-	-	-	(3,740)	30,790	1,830	28,880
Compliance	-	-	-	-	-	-	(1,730)	(1,730)	-	-	(1,730)
Graffiti	-	(3,440)	-	-	-	-	-	(3,440)	5,450	2,600	4,610
Parking	-	551,670	656,510	3,200	146,520	-	(2,387,460)	(1,029,560)	26,810	144,230	(858,520)
Recycling	-	(642,380)	-	-	-	1,400	-	(640,980)	175,420	138,170	(327,390)
Refuse	-	1,042,240	-	-	-	-	-	1,042,240	139,020	200,940	1,382,200
Street Cleansing	-	911,990	-	-	-	-	(316,990)	595,000	91,260	78,010	764,270
Trade Refuse	-	312,400	-	-	406,640	-	(1,113,940)	(394,900)	43,290	33,320	(318,290)
Vehicle Workshop	-	-	-	-	-	-	-	0	-	630	630
	(2,607,910)	3,339,690	1,789,390	(22,180)	105,960	(650,680)	(1,946,980)	7,290	1,551,240	1,643,260	3,201,790
Percentage Direct Cost	-133%	171%	92%	-1%	5%	-33%					

WORTHING - ENVIRONMENT PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS



SERVICE / ACTIVITY	Original Estimate 2015/2016	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£		£	£				£	£
DIRECTOR FOR DIGITAL AND RESOURCES									
Business and Technical Services									
Engineering	57,370	440	-	-	-	-	-	(2,290)	55,520
Surveying & Design	428,130	4,090	-	-	-	-	(62,060)	(18,360)	351,800
DIRECTOR OF COMMUNITIES									
Environment									
Allotments	59,200	180	-	-	-	-	-	2,560	61,940
Cemeteries	98,780	(2,070)	-	-	-	-	(12,750)	19,500	103,460
Crematorium	(1,228,840)	(36,840)	-	-	-	-	(193,050)	9,370	(1,449,360)
Environmental Health - Domestic	89,020	-	-	-	-	-	-	(2,650)	86,370
Pest Control	67,770	-	-	-	-	-	-	(40,980)	26,790
Parks	1,690,760	6,240	-	68,120	-	-	(1,440)	(114,510)	1,649,170
Leisure									
South Downs Leisure	674,730	2,010	-	235,000	-	-	-	405,380	1,317,120
Wellbeing									
Community Wellbeing	143,990	-	-	-	-	-	-	(12,700)	131,290
Environmental Health - Domestic	147,770	(60)	-	-	-	-	-	14,100	161,810
DIRECTOR OF ECONOMY									
DIRECTOR OF CUSTOMER SERVICES									
Waste and Cleansing									
Abandoned Vehicles	34,040	30	-	-	-	-	-	(2,850)	31,220
Clinical Waste	38,090	-	-	-	-	-	-	(9,210)	28,880
Compliance	(1,700)	(30)	-	-	-	-	-	-	(1,730)
Graffiti	19,750	-	-	-	-	-	-	(15,140)	4,610
Parking	(812,070)	(33,710)	-	-	-	-	-	(12,740)	(858,520)
Recycling	(158,710)	-	-	-	-	-	-	(168,680)	(327,390)
Refuse	1,421,990	-	-	-	-	-	-	(39,790)	1,382,200
Street Cleansing	758,710	(6,210)	-	-	-	-	-	11,770	764,270
Trade Refuse	(266,090)	(16,750)	-	-	-	-	(36,120)	670	(318,290)
Vehicle Workshop	2,590	-	-	-	-	-	-	(1,960)	630
	3,265,280	(82,680)	0	303,120	0	0	(305,420)	21,490	3,201,790

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF COMMUNITIES		
Worthing Festival	3,300	3,370
	3,300	3,370
Grants		
Grants	9,170	10,860
	9,170	10,860
Housing		
Housing	85,430	1,520
	85,430	1,520
Wellbeing		
Community Wellbeing	402,760	415,070
Community Safety	182,760	192,870
Environment Health - Commercial	320,610	304,490
Environment Health - Licensing	21,680	59,980
Environment Health - Domestic	118,820	157,610
	1,046,630	1,130,020
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Engineering	50,730	60,300
	50,730	60,300
DIRECTOR OF ECONOMY		
Culture		
Theatres	29,720	19,060
	29,720	19,060
DIRECTOR OF CUSTOMER SERVICES		
Revenues and Benefits		
Revenues	20	20
	20	20
TOTAL HEALTH AND WELLBEING PORTFOLIO	1,225,000	1,225,150

WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2016/2017 - 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											
Worthing Festival	-	-	2,920	-	450	-	-	3,370	-	-	3,370
Grants											
Grants	-	10,860	-	-	-	-	-	10,860	-	-	10,860
Housing											
Housing	-	-	-	-	1,620	-	(100)	1,520	-	-	1,520
Wellbeing											
Community Wellbeing	-	172,490	-	-	213,020	-	-	385,510	29,560	-	415,070
Community Safety	-	128,650	3,610	-	32,450	-	-	164,710	26,820	1,340	192,870
Environment Health - Commercial	-	268,750	-	-	15,210	-	(3,440)	280,520	23,970	-	304,490
Environment Health - Licensing	-	217,010	-	-	3,790	-	(213,050)	7,750	52,230	-	59,980
Environment Health - Domestic	-	740	-	-	38,710	-	(200)	39,250	114,340	4,020	157,610
DIRECTOR FOR DIGITAL AND RESOURCES											
Business and Technical Services											
Engineering	-	13,220	47,080	-	-	-	-	60,300	-	-	60,300
DIRECTOR OF ECONOMY											
Culture											
Theatres	-	-	5,470	-	13,590	-	-	19,060	-	-	19,060
DIRECTOR OF CUSTOMER SERVICES											
Revenues and Benefits											
Revenues	-	-	-	-	20	-	-	20	-	-	20
	0	811,720	59,080	0	318,860	0	(216,790)	972,870	246,920	5,360	1,225,150
Percentage Direct Cost	0%	68%	5%	0%	27%	0%					

WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS



SERVICE / ACTIVITY	Original Estimate 2015/2016	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£			£	£	£
DIRECTOR OF COMMUNITIES									
Worthing Festival	3,300	70	-	-	-	-	-	-	3,370
Grants									
Grants	9,170	-	-	-	-	-	-	1,690	10,860
Housing									
Housing	85,430	30	-	-	-	-	-	(83,940)	1,520
Wellbeing									
Community Wellbeing	402,760	3,550	-	-	-	-	(8,570)	17,330	415,070
Community Safety	182,760	700	-	-	-	-	-	9,410	192,870
Environment Health - Commercial	320,610	240	-	-	-	-	-	(16,360)	304,490
Environment Health - Licensing	21,680	(2,490)	-	-	-	-	-	40,790	59,980
Environment Health - Domestic	118,820	750	-	-	-	-	-	38,040	157,610
DIRECTOR FOR DIGITAL AND RESOURCES									
Business and Technical Services									
Engineering	50,730	930	-	-	-	-	-	8,640	60,300
DIRECTOR OF ECONOMY									
Culture									
Theatres	29,720	380	-	-	-	-	-	(11,040)	19,060
DIRECTOR OF CUSTOMER SERVICES									
Revenues and Benefits									
Revenues	20	-	-	-	-	-	-	-	20
	1,225,000	4,160	0	0			(8,570)	4,560	1,225,150

CUSTOMER SERVICES PORTFOLIO

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF COMMUNITIES		
Environment		
Lido/Pier/Pavilion	190,720	180,500
Community Parks & Open Spaces - Brooklands	(5,200)	-
	185,520	180,500
Housing		
Housing	869,970	927,170
Housing Improvement Assistance	119,820	95,190
Housing Strategy	30,890	60,160
	1,020,680	1,082,520
Wellbeing		
Community Wellbeing	193,870	183,030
	193,870	183,030
DIRECTOR OF ECONOMY		
Culture		
Theatres	1,288,270	1,423,430
Museums	543,180	536,600
	1,831,450	1,960,030
DIRECTOR OF DIGITAL AND RESOURCES		
Finance		
Fraud, Verification & Adjudication	20,000	20,800
	20,000	20,800
DIRECTOR OF CUSTOMER SERVICES		
Revenues and Benefits		
Revenues	257,560	392,740
Benefits	472,210	806,180
	729,770	1,198,920
TOTAL CUSTOMER SERVICES PORTFOLIO	3,981,290	4,625,800

WORTHING - CUSTOMER SERVICES PORTFOLIO - 2016/2017 - 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											
Lido/Pier/Pavilion	-	46,660	234,640	-	8,870	-	(118,570)	171,600	8,900	-	180,500
Brooklands	-	-	-	-	-	-	-	0	-	-	0
Culture											
Theatres	1,480,220	128,630	434,040	7,490	1,911,420	-	(3,235,930)	725,870	332,010	365,550	1,423,430
Museums	253,130	41,220	95,300	1,040	42,600	-	(57,720)	375,570	81,610	79,420	536,600
Housing											
Housing	-	547,660	-	-	417,010	151,980	(275,340)	841,310	82,620	3,240	927,170
Housing Improvement Assistance	-	131,140	-	-	-	-	(40,350)	90,790	4,400	-	95,190
Housing Strategy	-	30,520	-	-	-	-	-	30,520	29,640	-	60,160
Wellbeing											
Community Wellbeing	-	22,280	19,720	-	620	-	-	42,620	-	140,410	183,030
DIRECTOR FOR DIGITAL AND RESOURCES											
Finance											
Fraud, Verification & Adjudication	-	-	-	-	80,800	-	(60,000)	20,800	-	-	20,800
DIRECTOR OF CUSTOMER SERVICES											
Revenues and Benefits											
Revenues	355,970	40,160	-	3,250	86,630	-	(532,080)	(46,070)	438,810	-	392,740
Benefits	409,890	416,420	-	310	83,180	35,886,240	(36,591,440)	204,600	601,580	-	806,180
	2,499,210	1,404,690	783,700	12,090	2,631,130	36,038,220	(40,911,430)	2,457,610	1,579,570	588,620	4,625,800
Percentage Direct Cost	6%	3%	2%	0%	6%	83%					

WORTHING - CUSTOMER SERVICES PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS



SERVICE / ACTIVITY	Original Estimate 2015/2016	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£		£	£		£	£	£	£
DIRECTOR OF COMMUNITIES									
Lido/Pier/Pavilion	190,720	880	-	-	-	-	-	(11,100)	180,500
Brooklands	(5,200)	-	-	-	-	-	-	5,200	0
Culture									
Theatres	1,288,270	(31,330)	-	-	-	-	(113,500)	279,990	1,423,430
Museums	543,180	1,820	-	-	-	-	(10,000)	1,600	536,600
Housing									
Housing	869,970	2,330	-	-	-	-	-	54,870	927,170
Housing Improvement Assistance	119,820	(790)	-	-	-	-	-	(23,840)	95,190
Housing Strategy	30,890	-	-	-	-	-	-	29,270	60,160
Wellbeing									
Community Wellbeing	193,870	300	-	-	-	-	-	(11,140)	183,030
DIRECTOR FOR DIGITAL AND RESOURCES									
Finance									
Fraud, Verification & Adjudication	20,000	800	-	-	-	-	-	-	20,800
DIRECTOR OF CUSTOMER SERVICES									
Revenues and Benefits									
Revenues	257,560	(5,970)	-	-	-	-	-	141,150	392,740
Benefits	472,210	1,640	-	42,000	-	-	-	290,330	806,180
	3,981,290	(30,320)	0	42,000	0	0	(123,500)	756,330	4,625,800

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
CHIEF EXECUTIVE OFFICE Communications Communications Performance and Scrutiny	£ 16,290 200	£ 10,680 200
	16,490	10,880
DIRECTOR OF COMMUNITIES Wellbeing Democratic Services	586,580	692,090
	586,580	692,090
DIRECTOR OF CUSTOMER SERVICES Elections Elections	280,910	293,550
	280,910	293,550
TOTAL LEADER PORTFOLIO	883,980	996,520

WORTHING - THE LEADER PORTFOLIO - 2016/2017 - 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	-	3,980	-	-	-	-	-	3,980	6,700	-	10,680
Performance and Scrutiny	-	-	-	-	200	-	-	200	-	-	200
DIRECTOR OF COMMUNITIES											
Wellbeing											
Democratic Services	288,630	261,100	-	4,440	28,790	-	-	582,960	109,130	-	692,090
DIRECTOR OF CUSTOMER SERVICES											
Elections											
Elections	-	137,610	-	-	140,500	-	(5,330)	272,780	16,810	3,960	293,550
	288,630	402,690	0	4,440	169,490	0	(5,330)	859,920	132,640	3,960	996,520
Percentage Direct Cost	33%	47%	0%	1%	20%	0%					

WORTHING - THE LEADER PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Estimate 2015/2016	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£		£	£			£	£	£
CHIEF EXECUTIVE									
Communications									
Communications	16,290	-	-	-	-	-	-	(5,610)	10,680
Performance and Scrutiny	200	-	-	-	-	-	-	-	200
DIRECTOR OF COMMUNITIES									
Wellbeing									
Democratic Services	586,580	5,820	-	7,000	-	-	(4,200)	96,890	692,090
DIRECTOR OF CUSTOMER SERVICES									
Elections									
Elections	280,910	1,960	-	-	-	-	-	10,680	293,550
	883,980	7,780	0	7,000	0	0	(4,200)	101,960	996,520

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Business Services	62,460	51,780
Engineering	172,890	190,720
Energy and Sustainability	45,520	56,680
	280,870	299,180
DIRECTOR OF COMMUNITIES		
Environment		
Foreshores	496,280	738,430
	496,280	738,430
DIRECTOR OF ECONOMY		
Growth		
Planning Policy	296,610	338,990
Major Projects	27,500	76,410
Development Control	542,490	523,860
	866,600	939,260
Place & Investment		
Economic Development	343,190	339,770
	343,190	339,770
Regeneration		
Tourism	179,740	170,890
	179,740	170,890
DIRECTOR OF CUSTOMER SERVICES		
Building Control & Land Charges		
Building Control	129,930	117,940
	129,930	117,940
TOTAL REGENERATION PORTFOLIO	2,296,610	2,605,470

WORTHING - REGENERATION PORTFOLIO - 2016/2017 - 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											
Business Services	-	51,780	-	-	-	-	-	51,780	-	-	51,780
Engineering	-	80,860	99,900	-	4,730	-	(22,720)	162,770	9,320	18,630	190,720
Energy and Sustainability	-	46,380	-	-	-	-	-	46,380	10,300	-	56,680
DIRECTOR OF COMMUNITIES											
Environment											
Foreshores	-	230,090	404,400	6,710	30,620	-	(371,810)	300,010	90,770	347,650	738,430
DIRECTOR OF ECONOMY											
Growth											
Planning Policy	-	21,890	-	-	67,220	-	-	89,110	249,880	-	338,990
Major Projects	-	21,180	-	-	-	-	-	21,180	55,230	-	76,410
Development Control	-	799,420	-	-	69,890	5,200	(470,640)	403,870	119,530	460	523,860
Place & Investment											
Economic Development	-	181,640	1,450	-	55,910	-	-	239,000	83,530	17,240	339,770
Regeneration											
Tourism	-	90,800	9,870	-	65,930	-	-	166,600	3,280	1,010	170,890
DIRECTOR OF CUSTOMER SERVICES											
Building Control & Land Charges											
Building Control	-	387,920	-	-	3,880	-	(326,000)	65,800	52,140	-	117,940
	0	1,911,960	515,620	6,710	298,180	5,200	(1,191,170)	1,546,500	673,980	384,990	2,605,470
Percentage Direct Cost	0%	70%	19%	0%	11%	0%					

WORTHING - REGENERATION PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Estimate 2015/2016	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£		£	£	£	£			£
DIRECTOR FOR DIGITAL & RESOURCES									
Business and Technical Services									
Business Services	62,460	-	-	-	-	-	-	(10,680)	51,780
Engineering	172,890	810	-	-	-	-	(1,780)	18,800	190,720
Energy and Sustainability	45,520	-	-	-	-	-	-	11,160	56,680
DIRECTOR OF COMMUNITIES									
Environment	-	-	-	-	-	-	-	-	0
Foreshores	496,280	330	-	-	-	-	(20,110)	261,930	738,430
DIRECTOR OF ECONOMY									
Growth									
Planning Policy	296,610	870	-	-	-	-	(5,000)	46,510	338,990
Major Projects	27,500	-	-	-	-	-	-	48,910	76,410
Development Control	542,490	(7,560)	-	-	-	-	(10,000)	(1,070)	523,860
Place & Investment									
Economic Development	343,190	950	-	9,500	-	-	-	(13,870)	339,770
Regeneration									
Tourism	179,740	1,370	-	-	-	-	(27,470)	17,250	170,890
DIRECTOR OF CUSTOMER SERVICES									
Building Control & Land Charges									
Building Control	129,930	(5,900)	-	-	-	-	(21,000)	14,910	117,940
	2,296,610	(9,130)	0	9,500	0	0			2,605,470

RESOURCES PORTFOLIO

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Administrative Buildings	(710)	(730)
Surveying & Design	(52,550)	(21,920)
	(53,260)	(22,650)
Finance		
Corporate Management	2,686,540	2,650,400
Treasury Management	314,620	269,990
	3,001,160	2,920,390
DIRECTOR OF ECONOMY		
Estates		
Estates	(165,480)	105,610
	(165,480)	105,610
DIRECTOR OF CUSTOMER SERVICES		
Building Control & Land Charges		
Land Charges	-	10,670
	-	10,670
TOTAL RESOURCES PORTFOLIO	2,782,420	3,014,020

WORTHING - RESOURCES PORTFOLIO -2015/2016 - SUBJECTIVE ANALYSIS

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	-	-	-	-	-	(730)	(730)	-	-	(730)
Surveying & Design	-	15,520	51,700	3,270	80	(100,510)	(29,940)	2,370	5,650	(21,920)
Finance										
Corporate Management	2,268,230	310,670	18,570	(257,710)	-	(186,760)	2,153,000	493,820	3,580	2,650,400
Treasury Management	-	-	-	30	-	(169,120)	(169,090)	62,890	376,190	269,990
DIRECTOR OF ECONOMY										
Estates										
Estates	-	167,790	367,880	14,570	-	(763,410)	(213,170)	227,900	90,880	105,610
DIRECTOR OF CUSTOMER SERVICES										
Building Control & Land Charges										
Land Charges	-	109,400	-	45,120	-	(162,100)	(7,580)	18,250	-	10,670
	2,268,230	603,380	438,150	(194,720)	80	(1,382,630)	1,732,490	805,230	476,300	3,014,020
Percentage Direct Cost	73%	19%	14%	-6%	0%					

WORTHING - RESOURCES PORTFOLIO -2015/2016 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Estimate 2015/2016	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	(710)	(20)	-	-	-	-	-	-	-	(730)
Surveying & Design	(52,550)	(1,870)	-	-	-	-	-	-	32,500	(21,920)
Finance										
Corporate Management	2,686,540	51,850	-	41,000	-	-	10,910	189,860	(329,760)	2,650,400
Treasury Management	314,620	(350)	-	7,500	(9,800)	(6,000)	(32,500)	-	(3,480)	269,990
DIRECTOR OF ECONOMY										
Estates										
Estates	(165,480)	(9,930)	-	-	-	-	(21,500)	-	302,520	105,610
DIRECTOR OF CUSTOMER SERVICES										
Building Control & Land Charges										
Land Charges	-	(2,300)	-	-	-	-	-	-	12,970	10,670
	2,782,420	37,380	0	48,500	(9,800)	(6,000)	(43,090)	189,860	14,750	3,014,020

	2015/16 Estimate	2015/16 Revised	2016/17 Estimate
	£	£	£
COUNCIL TAX			
Payments			
Worthing Borough Council Demand	7,897,910	7,897,910	8,229,353
WSCC Precept	42,487,467	42,487,467	45,127,133
Sussex Police & Crime Commissioner	5,261,983	5,261,983	5,563,322
Total Payments	55,647,360	55,647,360	58,919,808
Council Tax			
Amount due from residents	62,720,960	61,810,100	64,620,508
Less: Council Tax Support Scheme	(6,988,000)	(5,358,000)	(5,438,000)
Gross Amount Due	55,732,960	56,452,100	59,182,508
Less: Provision for bad debts	(85,600)	(85,600)	(262,700)
Total Council Tax	55,647,360	56,366,500	58,919,808
Deficit/(Surplus)			
Deficit/(Surplus) for year	-	(719,140)	-
Deficit/(Surplus) Brought forward	13,483	214,000	(341,523)
Increase in provision for Bad Debts	-	177,100	-
Deficit charged to:	-	-	-
WBC	(1,917)	(1,917)	48,462
WSCC	(10,313)	(10,313)	260,753
SPCC	(1,253)	(1,253)	32,308
Deficit/(Surplus) Carried Forward	-	(341,523)	0

Property Band	2015/16				2016/17				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	774.66	95.94	144.00	1,014.60	805.26	99.27	146.85	1,051.38	30.60	3.33	2.85	36.78
B	903.77	111.93	168.00	1,183.70	939.47	115.82	171.32	1,226.61	35.70	3.89	3.32	42.91
C	1,032.88	127.92	192.00	1,352.80	1,073.68	132.36	195.80	1,401.84	40.80	4.44	3.80	49.04
D	1,161.99	143.91	216.00	1,521.90	1,207.89	148.91	220.27	1,577.07	45.90	5.00	4.27	55.17
E	1,420.21	175.89	264.00	1,860.10	1,476.31	182.00	269.22	1,927.53	56.10	6.11	5.22	67.43
F	1,678.43	207.87	312.00	2,198.30	1,744.73	215.09	318.17	2,277.99	66.30	7.22	6.17	79.69
G	1,936.65	239.85	360.00	2,536.50	2,013.15	248.18	367.12	2,628.45	76.50	8.33	7.12	91.95
H	2,323.98	287.82	432.00	3,043.80	2,415.78	297.82	440.54	3,154.14	91.80	10.00	8.54	110.34

WORTHING:
Comparison of Council Tax for 2015-16 and 2016-17

	2015/16 Estimate	2015/16 Revised	2016/17 Estimate
	£	£	£
NNDR (BUSINESS RATES)			
Payments			
Amount of NNDR to be paid to Central government	15,251,100	15,251,100	16,031,873
Amount to be retained by WBC under the rates retention scheme	12,333,121	12,333,121	12,956,541
Amount to be passed to West Sussex	3,050,220	3,050,220	3,206,375
Total amount due to authorities	30,634,440	30,634,440	32,194,788
Income			
Net Rates Payable by Business Sector after exemptions, reliefs & discounts	31,773,023	31,880,829	33,255,999
Less: Movement in Bad Debt Provision	103,100	103,100	54,240
Less: L.A's estimate of adjustment due to appeal	540,943	540,943	570,000
Less: Full Provision for backdated appeal decisions	0	0	0
Net Payable by Business Sector	31,128,980	31,236,786	32,631,759
Add: Net Transitional Protection Payments - Paid to the government	0	0	0
Less: Net Transitional Protection Payments - Paid by the government	0	0	0
Amount allowed to Council for - Administration costs and Interest on Repayments	132,241	132,241	131,043
Non Domestic Rating Income	30,996,739	31,104,545	32,500,716
Surplus (Deficit)			
In year change from original estimate - increase (+) / decrease (-)	0	470,105	0
Surplus/(Deficit) brought forward	0	-1,096,021	0
Suplus/(Deficit) distributed in year	-494,540	494,540	-436,971
Change in bad debt provision during the year	0	-3,036	0
Change in appeals provision during the year	0	-302,559	0
Add: Cost of Collection allowance	132,241	132,241	131,043
Amount Due to Authorities	30,634,440	30,799,815	32,194,788
(Surplus) / Deficit to be shared			
DCLG	247,270	247,270	218,485
WSCC	197,816	197,816	43,697
WBC	49,454	49,454	174,788
Change in Suplus/(Deficit)	0	-436,971	0
Surplus/(Deficit): Worthing Borough Council			
Business rates Baseline Target	12,439,821	12,439,821	12,543,486
Less: Tariff/Top-Up	-9,996,007	-9,996,007	-10,079,307
Baseline funding Target (A)	2,443,814	2,443,814	2,464,179
40% share of Actual business rate	12,398,696	12,333,121	13,000,286
Less: Tariff/Top-Up	-9,996,007	-9,996,007	-10,079,307
Baseline funding Retained (B)	2,402,689	2,337,114	2,920,979
Surplus/(deficit) (B-A)	-41,125	-106,700	456,800
Add : S31 grants paid directly to the General Fund	934,097	934,097	640,635
50% Levy payable to CG in case of Surplus	-446,486	-413,698	-548,718
Surplus to be retained by Council	446,486	413,698	548,718
Less: Original 2015/16 surplus		-446,486	
Additional surplus to benefit the Council in 2015/16		-32,788	

**HOUSING REVENUE ACCOUNT – BUDGET 2016/17****REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES AND
DIRECTOR FOR COMMUNITIES****1.0 SUMMARY**

- 1.1 This report sets out financial arrangements for the Housing Revenue Account and asks Members to set the rent levels and service charges for 2016/17. The report also considers some of the issues emerging from 2017/18 onwards.

2.0 INTRODUCTION

- 2.1 This report seeks to explain the main issues surrounding the budgets for the Housing Revenue Account to enable Members to set rent levels for 2016/17.
- 2.2 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.
- 2.3 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.
- 2.4 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 2016/17 onwards.
- 2.5 The challenge of creating a sustainable business plan was made more difficult by the announcement in the Summer by the Chancellor 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.

2.0 INTRODUCTION

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**

2.6 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 over the next 5 years. Officers are recommending a reduction of 1% in line with the requirements of the draft Welfare Reform and Work Bill.

2.7 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. The proposed rental decrease and growth items in this report were agreed by the AHMB at its meeting in January.

2.8 Adur Consultative Forum members will be invited to attend the Executive meeting to relay their views on the budgetary proposals.

3.0 RISKS AND CHALLENGES REGARDING RIGHT TO BUY (RTB) AND REFORM OF HOUSING BENEFITS

3.1 Council housing stock numbers are as follows:

	2014/15	2015/16 (Estimate)	2016/17 (Estimate)
Stock at 1 st April	2,631	2,617	2,603
Plus: Additions - Note(1)	2	2	5
Less: Right to Buy sales	16	16	16
Less: Disposals	0	0	0
Stock at 31st March	2,617	2,603	2,592

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.

3.0 RISKS AND CHALLENGES REGARDING RIGHT TO BUY (RTB) AND REFORM OF HOUSING BENEFITS

- 3.2 For 2016/17 the signs are that interest from tenants in the possible take up of RTB sales continues at a constant level. The propensity for sales to further increase is therefore real, although 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.
- 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 were the following principles contained in the 2012 CLG publication “Reinvigorating Right To Buy and One For One Replacement – Information for Local Authorities”
- 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% (the current maximum discount is £77,900). The cash cap increases in April every year in line with the Consumer Price Index.
- 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%.
- 3.6 Properties may be built by Adur Homes or another Registered Provider. Receipts from RTB will have to start to be returned from October 2015 if we cannot allocate the receipts to any new homes.

3.0 RISKS AND CHALLENGES REGARDING RIGHT TO BUY (RTB) AND REFORM OF HOUSING BENEFITS

- 3.7 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 trialled in a number of areas, the planned national implementation for new claimants and those with a change of circumstances has been delayed. The introduction is being staggered and not expected to be fully complete until 2019. Early experience suggests that the reforms will increase the financial pressures on some of the most vulnerable people of society, due to the introduction of caps on the amount of weekly benefit, including further reductions for under occupation.
- 3.8 Also, 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. Hence the decision that benefit is to be spent on rent, as opposed to other expenditure, is in the hands of the individual recipient.
- 3.9 The current number of tenants affected by the under occupation charge is 158. This is a reduction of 6 since the previous year. This will be due to a number of reasons, such as: moving into employment; transferring to a smaller property; no longer being of working age (i.e. 62 and over); or moving into a private property. However, data is not recorded to identify how this is broken down. It should also be noted that 6 tenancies represents a net reduction, and over the past year some households would have become eligible for the under occupation charge as well as other households falling out of eligibility. This would be countered somewhat through the natural turnover of voids, meaning that under occupation is a risk that is identified at the pre-tenancy stage.
- 3.10 Data from CenSus indicate that approximately 69% of Adur Homes tenants are in receipt of benefits, and that 158 tenants are affected by the under occupation charge, (131 will lose 14% of their Housing Benefit and 27 will lose 25%). Some tenants will choose to manage this reduction from within their own resources, whilst others may seek alternative housing options. In the past year 6 Adur Homes tenants have downsized to a smaller property.
- 3.11 In the year up to (and including December 2015), a total of 31 Adur Homes households have been assisted by a Discretionary Housing Payment. Again, the data does not record whether this is due to rent arrears caused through the under occupation charge, but as one of the options to reduce the impact on households, it is reasonable to assume that it would include people who had arrears due to having one or more bedroom unoccupied. It should be remembered that a Discretionary Housing Payment is a short term solution, and may be used on a temporary basis whilst other options are progressed.

3.0 RISKS AND CHALLENGES REGARDING RIGHT TO BUY (RTB) AND REFORM OF HOUSING BENEFITS

- 3.12 The under occupation charge will continue to present a challenge for 2016/17, and although there are some options, such as those referred to in 3.10. Furthermore, changes to welfare benefits and the introduction from 1 April 2015 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 2015 (to date) there have been two tenancies terminated for arrears. although none of these were due to the under occupation charge. (Between 1 April 2014 and 31 March 2015 there were six tenancies terminated for arrears).
- 3.13 Some mitigation is in place to reduce tenants arrears from growing, with a greater emphasis on tenancy sustainment being introduced through the role of Tenancy Sustainment Officer. This year, this post has prevented 26 households from becoming homeless. Additionally, the implementation of Introductory Tenancies provides the opportunity to support new households, which includes financial support to prevent people from falling into arrears. This is incorporated as an item for growth (10.2).

4.0 THE HOUSING REVENUE ACCOUNT FOR 2016/17

- 4.1 The projected expenditure and income for the HRA in 2016/17 is as follows:-

	Estimate 2016/17
	£'000
Expenditure	13,359
Income	-13,359
Net (Surplus)/Deficit for the year	0
Proposed contribution to /(from) reserves	0
Overall position for the year	0
Balance brought forward 1 st April, 2016	-2,172
Balance carried forward 31 st March, 2017	-2,172

More detailed estimates for the Housing Revenue Account for 2015/16 and 2016/17 are shown in Appendix 1.

4.0 THE HOUSING REVENUE ACCOUNT FOR 2016/17

4.2 These projections take into account the budget from 2015/16, 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:

Expenditure:	£'000
2015/16 budget	13,591
Impact of inflation	229
Growth in salary budgets due to introduction of new posts (see section 10)	113
Impact of a new fraud service	20
Review of the Treasury Management budgets - Fall out of interest costs following the repayment of debt	-331
Reduction in contribution to New Acquisition and Development Reserve	-255
2016/17 budget	13,359

Income:	£'000
2015/16 budget	-13,591
Loss of income from Cecil Norris House	50
Impact of Right To Buy disposals on rental income	50
Closure of the hostel at 7 Albion Street	25
Impact of 1% rent decrease	125
Adjustment to service charges to reflect latest costs	18
Other rental increases detailed below	-36
2016/17 budget	-13,359

4.3 The 2016/17 budget shows a break-even position. This is despite a rent reduction of 1% costing the Council £0.35m in real terms in the first year. To achieve this position the currently level of contributions to reserves has been reviewed and the treasury management strategy has been revised. Looking ahead to 2017/18, the challenge of reducing rental income will become ever harder, with a need for services to be delivered as efficiently as possible.

5.0 RENT SETTING FOR 2016/17

5.1 In June 2014 the Adur Homes Management Board approved an Adur Homes rent policy. Part of the policy took into consideration a published DCLG consultation document 'Guidance on Rents for Social Housing'

5.0 RENT SETTING FOR 2016/17

The Adur Homes policy stated the following:-

The Council will continue to charge 'social rents' for existing Council properties. For a 10-year period beginning 2015/16, we will comply with the CLG policy of annual increases for social rents to be no more than the Consumer Price Index rate at September each year +1%.

- 5.2 However, earlier this year the Chancellor announced that for the next four years rent in the social housing sector would be reduced by 1%, thereby ending the flexibility introduced by DCLG only a year earlier. The legal provision to enforce this change is contained within the draft Welfare Reform and Work Bill.
- 5.3 The Council has recently received notification from the DWP that the requirement to reduce rent income by 1% may not apply to supported housing for 2016/17 which may be allowed to increase rent up to 0.9% (CPI + 1%). However, until the Bill is passed there is a degree of uncertainty regarding the final requirements for rent income.
- 5.4 In 2015/16 the rent increase was set at 2.2%, raising the average council dwelling rent by £1.98 to £92.00 per week.
- 5.5 Formula target rents were introduced as part of 2002/03 social rent reforms. Although this policy has been replaced, formula target rents continue to have important financial implications for Adur Homes. The £51.2m cost to 'buy-out' of the old subsidy regime and move to self-financing was based on a DCLG financial business model that assumed rents were set at the formula target rent. The average formula rent for 2016/17 is calculated at £100.19.
- 5.6 Adur continues to lag behind on formula target rent. The current average gap between formula and actual rent is significant. As a rough guide if all properties were on average £9 below the formula rent the income shortfall represents £1.2m. The new policy of reducing rents by 1% for the next few years will widen this gap further and the Council will not be able to address this until 2020/21 at the earliest.

This year's proposed average dwelling rent level

- 5.7 The **average rental decrease recommended** for 2016/17 is in line with the Welfare Reform and Work Bill. The required rental increase is 1%. This will decrease the average rent by £0.92 from £92.00 to **£91.08**. This rent reduction will apply to all current tenants with the possible exception of those in supported housing.
- 5.8 Given the uncertainty surrounding the possible rental increase for supported housing within the new legislation, it is proposed that the decision regarding this increase is delegated to the Head of Housing in consultation with the Cabinet Member for Customer Services.

5.0 RENT SETTING FOR 2016/17

5.9 The proposed average increase 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 2016/17, the current limit for Adur is £96.11.

5.10 It is intended to relet vacant properties to new tenants at target rent. This policy will not be applied to transfers or mutual exchanges.

5.11 However, the government policy of reducing rents by 1% per year for the next four years will result in a significant amount of lost income for the HRA.

	Forecast 2016/17	Forecast 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	-12,247	-12,125	-12,004	-11,884	-12,359
Income with CPI + 1% increase	-12,594	-12,972	-13,361	-13,762	-14,174
Income lost due to rental limitation	347	847	1,357	1,878	1,815

Garage Rents

5.12 Garage rents were increased by 2.2% (CPI + 1%) in 2015/16 to £9.03 per week (plus VAT for non-Council tenants). It is proposed that the garage rents be increased in 2016/17 by 5% to £9.48. These proposals will generate an extra £19,700 in income.

In 2016/17 it is intended to do a fundamental review of the garage charging policy.

6.0 DEBT FINANCING COSTS

6.1 The debt financing costs chargeable to HRA in 2016/17 relate to interest payments and Minimum Revenue Provision set aside for the repayment of the debt.

The table below provides analysis of this:

- 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;

6.0 DEBT FINANCING COSTS

- ii) debt incurred in 2012 to pay the HRA self-financing settlement payment of £51.185m, for which there will be a balance of £44.36m outstanding at 31 March 2016;
- iii) new borrowing for capital expenditure.

6.2 The budgeted costs are:

2016/17 Budget	Interest £000	MRP £000	Total
Historic Debt	974	423	1,397
Settlement Debt	1,348	1,294	2,642
2016/17 Borrowing	0	0	0
Total Budget	2,322	1,717	4,039

7.0 REPAIRS AND MAINTENANCE

7.1 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.

7.2 The budget for routine repair and maintenance has been increased by 2% which is 1.3% above inflation.

7.3 Housing Capital Investment Programme

7.3.1 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.

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

- (i) revenue contributions to capital expenditure;

7.0 REPAIRS AND MAINTENANCE

7.3 Housing Capital Investment Programme

- (ii) the Major Repairs Reserve. This will increase each year by an accounting adjustment for the amount of depreciation charged to the HRA (£2.2m). This contribution is ring-fenced for repayment of debt or for direct financing of capital and maintenance expenditure. This was a transitional arrangement granted by CLG to assist local authorities for the first 5 years of self-financing. There has been no update from central government about whether this accounting arrangement will be allowed to continue after 2017/18; and
- (iii) prudential borrowing (subject to affordability), but overall borrowing must be contained within the Debt Ceiling of £68.912m set by Central Government.

8.0 ADUR HOUSING INVESTMENT PROGRAMME

- 8.1 The HRA capital renovation programme for 2016/17 was approved at £4.6m by the Joint Strategic Committee at its meeting of 3rd December, 2015 at which it was reported that :

The estimated resources are sufficient to fund all the proposed schemes.

The first priority is the continued maintenance of decent homes standards for the benefit of existing tenants.

The decent homes standard requirement is that homes:-

- a) meet the current statutory minimum standard for housing*
- b) are in a reasonable state of repair*
- c) have reasonably modern facilities and services*
- d) provide a reasonable degree of thermal comfort.*

It should be noted that a stock condition survey is being undertaken in 2016/17. This will inform and develop future strategy and budget planning for the capital programme in future years and this may change the current assumptions made in the financial business plan (Appendix 2).

- 8.2 The programme also included an allowance for developing New Homes (£0.4m) as well as funding for the initial work on the redevelopment of Cecil Norris House (£0.5m).

8.0 ADUR HOUSING INVESTMENT PROGRAMME

8.3 In 2016/17 it is planned to do a detailed analysis of both the revenue maintenance spend and the capital spend to ensure that expenditure is targeted effectively.

9.0 REVENUE CONTRIBUTION TO CAPITAL EXPENDITURE

9.1 A revenue contribution to capital expenditure has been intended as a core resource in financing the Housing capital programme. The revenue contributions reflects a long-term strategy to fund a significant proportion of the proposed capital programme directly from revenue, thereby reducing the annual revenue cost of borrowing for the capital investment to the Housing Revenue Account.

The annual cost implications for each £1m borrowed comprises:

	£
Interest Charges based on 4% interest rate	40,000
Annual provision for the repayment of debt – repaid over 40 years	25,000
Total Revenue Cost Implications	65,000

9.2 Due to various factors there has been significant slippage in the capital programme since self financing was introduced. This has meant that although we have budgeted for borrowing to finance the capital programme it has not been necessary to do so generating significant in-year savings to the HRA. It is proposed that any surplus savings arising from this temporary situation will be set aside as for a future revenue contribution to capital. The revenue contribution to capital for 2016/17 will be £207,190.

10.0 GROWTH ITEMS

10.1 In line with the recent December report to JSC ‘Getting in Shape’ the Head of Housing has undertaken an organisational review of staff structures for Adur Homes.

10.2 Staff consultation has finished and staff are being appointed to their new roles. Overall growth in salaries will be £113,000 which has been included in the salaries budget. As part of the restructure, 3 new roles have been created.

	£
Introductory Tenancy Officer	36
Voids and Lettings Officer	36
Capital Projects Officer	41
Total	113

10.0 GROWTH ITEMS

In addition to the new roles, both pension costs and national insurance payments have increased over the past year.

10.3 The HRA has recently commissioned Worthing Borough Counter Fraud team to undertake work on its behalf. This work comprises of two main strands:

- (i) Initiatives to tackle tenance fraud;
- (ii) Review of Right to Buy applications to ensure that only eligible tenants are allowed to purchase a property.

To date this work has been very successful resulting in 2 Right To Buy applications being refused saving the Council £150,000 in discounts, and one property has been returned to the Council due to tenancy fraud. The cost of this work is £20,000 per year.

11.0 SERVICE CHARGES – CONTRACT PRICE INCREASES

11.1 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.

11.2 Contract review dates are staggered throughout the year and there may be instances when a small increase needs to be applied to such a small group of tenants that it is not cost effective to apply the charge immediately. Members are therefore requested to delegate to the Head of Adur Homes and the Chief Financial Officer in consultation with the Cabinet Member, Customer Services, authority to defer such an increase to a more cost-effective date.

12.0 REALLOCATIONS OF SALARIES AND CENTRAL COSTS

12.1 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.

12.0 REALLOCATIONS OF SALARIES AND CENTRAL COSTS

12.2 Each year there will be some swings in allocations for the Housing Revenue Account from central support services. There will also be movement in allocation for Adur Homes staff charging to HRA capital projects, in addition if the capital programme is not completed this budgeted cost will materialise into an overspend at year in the final outturn. These costs are reviewed each year as part of the budget setting process.

13.0 LEVEL OF RESERVE BALANCES

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

Reserves	Forecast Balance at 01/04/16	Increase	Decrease	Forecast balance at year end 2015/16
	£000's	£000's	£000's	£000's
Housing Revenue Account	2,172	-	-	2,172
Discretionary Assistance Fund	50	-	-	50
New Development & Acquisition Fund	822	311	900	233
Major Repair Reserve	776	2,200	2,890	86
TOTAL	3,820	2,511	3,790	2,541

13.2 HRA general reserve balances are forecast to be £2.172m at 1st April 2016 and 16% of total expenditure. This is over the target level explained in Para 13.3 below, but reflective of the emphasis placed in securing resources to underpin revenue operations and capital expenditure in future years.

13.3 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.

13.4 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 self-financing regime is still relatively new so that future risks surrounding revenues and costs (including the impact of the impending welfare reforms and RTB regime) are uncertain. Also, given the uncertainty of costs and timings relating to the Council's new build proposals a cautious approach in the early years is justified in striving to provide adequate reserves to build capacity for the future as part of a longer term strategy.

13.0 LEVEL OF RESERVE BALANCES

- 13.5 The balanced budget for 2016/17 includes a proposed contribution of £311,060 to the HRA New Development and Acquisition Reserve. It is intended that a proportion of any under-spend or surplus will be placed in this reserve over the next few years specifically to create capacity to take forward initiatives to increase the supply of affordable housing.
- 13.6 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 2016/17 capital budget includes provision for £2.9m to be utilised for financing HRA capital expenditure, comprising the carried forward balances and in-year contributions.
- 13.7 Although a balanced budget has been prepared, any underspends arising at the final revenue outturn for 2015/16 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.

14.0 IMPACT ON FUTURE YEARS

- 14.1 Attached at appendix 2 is the 30-year financial forecast. The focus for the 2016/17 budget has been to ensure that the HRA remains sustainable in the longer term. As with 2015/16, the budget for 2016/17 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 decent homes standards for the benefit of our existing tenants.
- 14.2 The financial plan assumes that there are rent decreases for the next four years in line with government policy, thereafter rent increases are in line with the Council's rent policy and the Government's previous proposals (i.e. CPI plus 1%).
- 14.3 The financial strategy within the 30-year forecast also includes the MRP allowance for the repayment of the debt, 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 £61.29m. This means that the Council's headroom for borrowing is £7.622m for 2016/17. This is in addition to future borrowing required for the current capital programme over the next 3 years.
- 14.4 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 Cecil Norris House.

14.0 IMPACT ON FUTURE YEARS

2. Repurchase of previously owned Council dwellings (particularly leasehold flats).
3. Construction of new homes on infill sites such as Leconfield Close

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.

- 14.5 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.

15.0 SUMMARY AND RENTAL OPTIONS

- 15.1 The Council has no option but to decrease rents for the next four years for the majority of properties, however despite this, the HRA remains in a financially viable position. 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.

16.0 LEGAL IMPLICATIONS

- 16.1 The draft Welfare Reform and Work Bill 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.’

The Bill is due to be considered by the House of Lords in January 2016 and should gain royal assent before the end of the financial year.

- 16.2 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).

16.0 LEGAL IMPLICATIONS

- 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.

17.0 RECOMMENDATIONS

17.1 The Cabinet is recommended to:-

- (i) consider and approve the Housing Revenue Account estimates
- (ii) determine the level of associated rents and charges with effect from week one of 2016/17:-
 - (a) **Rents of Council Dwellings (except supported housing)** – agree a decrease of 1.0% reducing the average council dwelling rent by £0.92 to £91.08 per week (average rent currently £92.00 per week) – (Para.5.7)
 - (b) **Rents of Council Dwellings (supported housing)** – delegate to the Head of Housing in consultation with the Cabinet Member for Customer Services, the setting of the rent charge for supported housing subject to a maximum increase of 0.9% (CPI + 1%)
 - (c) **Rents of Council garages** – agree an increase of 5.0% to £9.48. (currently £9.03 per week), plus VAT for non-Council tenants) (Para.5.14)
 - (d) **Service Charges** - delegate to the Head of Housing and Chief Finance Officer in consultation with the Cabinet Member for Customer Services, the setting of the service charges (para. 11.2)
- (iii) To approve a contribution of £311,000 to the earmarked reserve specifically for new development and refurbishment of council housing (para. 13.5)
- (iv) To approve the HRA Treasury Management Strategy contained in Appendix 3.

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 2015/16 and 2016/17
Welfare Work and Reform Bill

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SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

- 1.1 This report acknowledges the need to link all Council priorities with resource allocation in order to meet and deliver those objectives.

2.0 SPECIFIC TARGETS

- 2.1 (A) Matter considered and no issues identified.
(B) Matter considered and no issues identified.

3.0 SUSTAINABILITY ISSUES

- 3.1 Well-balanced communities rely upon a diversity of accommodation being available, enabling residents to make housing choices based upon consideration of size, type, tenure and affordability. A vital component of this mixture is accommodation provided by social landlords and the Council is the largest provider of such accommodation in the Adur District. To keep this accommodation well-managed and in good repair, the Council needs a flexible, adaptable approach, albeit with a diminished local freedom to tailor local solutions to meet local needs.

4.0 EQUALITY ISSUES

- 4.1 Matter considered and no issues identified.

5.0 COMMUNITY SAFETY ISSUES (SECTION 17)

- 5.1 Matter considered and no issues identified.

6.0 HUMAN RIGHTS ISSUES

- 6.1 Matter considered and no issues identified.

7.0 FINANCIAL IMPLICATIONS

- 7.1 Contained within the report.

SCHEDULE OF OTHER MATTERS

8.0 LEGAL IMPLICATIONS

8.1 Matter considered and no issues identified.

9.0 CONSULTATIONS

9.1 A consultation was originally considered and supported by the Adur Homes Management Board on 17 November 2014.

9.2 Consultation is conducted with the Adur Consultative Forum

10.0 RISK ASSESSMENT

10.1 Matter considered and no issues identified.

11.0 HEALTH & SAFETY ISSUES

11.1 Matter considered and no issues identified.

12.0 PROCUREMENT STRATEGY

12.1 Matter considered and no issues identified.

13.0 PARTNERSHIP WORKING

13.1 Matter considered and no issues identified.

ADUR HOMES HOUSING REVENUE ACCOUNT

	ORIGINAL ESTIMATE 2015/16	ESTIMATE 2016/17
	£	£
EXPENDITURE		
General Management	2,788,660	3,032,520
Special Services	836,930	812,770
Rent, Rates, Taxes & Other Charges	33,940	44,400
Repairs & Maintenance	2,552,810	2,716,960
Depreciation	2,000,000	2,201,840
Bad/Doubtful Debt	50,000	50,000
Provision for refurbishment and new build	566,060	311,000
Capital Financing Costs		
Loan Repayments	1,717,000	1,717,000
Interest charges	2,636,660	2,322,240
Revenue Contributions to Capital	409,060	207,190
TOTAL EXPENDITURE	13,591,120	13,415,920
INCOME		
Dwelling Rents	(12,496,040)	(12,246,470)
Non-Dwelling Rents	(527,080)	(550,790)
Heating and Service Charges	(435,960)	(370,380)
Leaseholder's Service Charges	(104,040)	(163,200)
Interest Received	(28,000)	(28,000)
TOTAL INCOME	(13,591,120)	(13,358,840)
NET (SURPLUS)/DEFICIENCY	-	57,080

ADUR:
Housing Revenue Account Budget Report

	HOUSING REVENUE ACCOUNT										APPENDIX 2
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EXPENDITURE											
General Management	2,789	3,032	3,093	3,155	3,218	3,282	3,348	3,415	3,483	3,553	
Special Services	837	813	829	846	863	880	897	915	934	953	
Rents, Rates, Taxes & Other Charges	34	44	45	46	47	48	49	50	51	52	
OVERALL RUNNING COSTS	3,660	3,889	3,967	4,047	4,128	4,210	4,294	4,380	4,468	4,558	
Annual Revenue Maintenance Costs	2,553	2,659	2,696	2,732	2,789	2,871	2,958	3,046	3,138	3,231	
Revenue Contribution to Capital	409	207	207	15	0	0	0	0	0	9	
Charges for Capital											
Depreciation	2,000	2,202	2,246	2,291	2,337	2,407	2,479	2,553	2,630	2,709	
Minimum Revenue Provision	1,717	1,717	1,725	1,786	1,861	1,948	2,045	2,145	2,247	2,352	
Interest payable											
Interest - on historic debt	974	974	974	974	974	974	974	974	974	974	
Interest - on assumed debt	1,662	1,347	1,279	1,229	1,176	1,124	1,073	1,021	970	918	
Interest - on capital programme	0	2	23	64	113	168	227	287	349	413	
Provisions For Bad Debt	50	50	50	50	50	50	50	50	50	50	
Contribution to Reserves	566	311	104	0	0	0	0	0	0	0	
TOTAL EXPENDITURE	13,591	13,358	13,271	13,188	13,428	13,752	14,100	14,456	14,826	15,214	
INCOME											
Dwelling Rents	-12,496	-12,246	-12,124	-12,002	-11,882	-12,239	-12,606	-12,984	-13,373	-13,775	
Other Rents and Charges	-1,067	-1,084	-1,120	-1,158	-1,196	-1,236	-1,278	-1,321	-1,365	-1,411	
Interest Received	-28	-28	-28	-28	-28	-28	-28	-28	-28	-28	
TOTAL INCOME	-13,591	-13,358	-13,272	-13,188	-13,106	-13,503	-13,912	-14,333	-14,766	-15,214	
NET COST OF SERVICES	0	0	0	0	322	249	188	123	60	0	

ADUR:
Housing Revenue Account Budget Report

HOUSING REVENUE ACCOUNT										APPENDIX 2
	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	2033/34 £'000	2034/35 £'000
EXPENDITURE										
General Management	3,624	3,714	3,807	3,902	4,000	4,100	4,202	4,307	4,415	4,525
Special Services	971	996	1,021	1,046	1,072	1,099	1,126	1,155	1,184	1,213
Rents, Rates, Taxes & Other Charges	53	54	56	57	59	60	62	63	65	66
OVERALL RUNNING COSTS	4,648	4,764	4,884	5,005	5,131	5,259	5,390	5,525	5,664	5,804
Annual Revenue Maintenance Costs	3,328	3,428	3,530	3,673	3,819	3,971	4,130	4,296	4,468	4,647
Revenue Contribution to Capital	92	178	252	265	276	289	302	343	461	614
Charges for Capital										
Depreciation	2,790	2,874	2,960	3,078	3,201	3,329	3,462	3,600	3,744	3,894
Minimum Revenue Provision	2,460	2,566	2,670	2,773	2,878	2,984	3,091	3,192	3,239	3,266
Interest payable										
Interest - on historic debt	963	938	932	932	932	932	932	932	932	932
Interest - on assumed debt	866	814	763	711	659	607	556	504	452	401
Interest - on capital programme	478	541	603	665	728	792	855	899	921	931
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	15,675	16,153	16,644	17,152	17,674	18,213	18,768	19,341	19,931	20,539
INCOME										
Dwelling Rents	-14,188	-14,614	-15,052	-15,504	-15,969	-16,448	-16,941	-17,450	-17,973	-18,512
Other Rents and Charges	-1,459	-1,511	-1,564	-1,620	-1,677	-1,737	-1,799	-1,863	-1,930	-1,999
Interest Received	-28	-28	-28	-28	-28	-28	-28	-28	-28	-28
TOTAL INCOME	-15,675	-16,153	-16,644	-17,152	-17,674	-18,213	-18,768	-19,341	-19,931	-20,539
NET COST OF SERVICES	0	0	0	0	0	0	0	0	0	0

HRA TREASURY MANAGEMENT STRATEGY**1.0 INTRODUCTION**

- 1.1 This Appendix sets out the HRA Treasury Management Strategy Statement for 2016-17. 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 strategy presented and proposed for 2016/17 is unchanged from 2015/16, 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.
- 1.3 Underpinning all Treasury Management activity of the Council is the CIPFA Treasury Management Code of Practice, which was last revised in November 2011 to address the implications for introducing HRA Self-financing from 2012/13.
- 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;

HRA TREASURY MANAGEMENT STRATEGY

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) Un-invested 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.

HRA TREASURY MANAGEMENT STRATEGY**2.0 OVERALL OBJECTIVES OF THE HRA TREASURY MANAGEMENT STRATEGY**

2.1 The central aim of the Strategy agreed for 2015/16 and unchanged for 2016/17 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.
- 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 arrangement (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 provides a key prudential indicator for performance management. The current estimates based on the capital investment programme for the next three years is shown in the table below:

HRA TREASURY MANAGEMENT STRATEGY

3.0 THE CURRENT POSITION – UNDERLYING NEED TO BORROW COMPARED TO ACTUAL BORROWING

Adur District Council	2014/15 Actual £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Capital Financing Requirement (CFR)					
General Fund	12.449	15.195	19.282	23.982	28.593
Housing Revenue Account	63.536	61.820	60.102	58.386	56.669
Total CFR	75.985	77.015	79.384	82.368	85.262
Actual Debt					
General Fund	(12.993)	(12.983)	(14.970)	(17.970)	(17.970)
Housing Revenue Account	(62.993)	(61.285)	(59.579)	(57.873)	(56.167)
Total Debt Amount	(75.986)	(74.268)	(75.549)	(75.843)	(74.137)
(Over)/Under Borrowing					
General Fund	(0.544)	2.212	4.312	6.012	10.623
Housing Revenue Account	0.543	0.535	0.523	0.513	0.502
Total	0.001	2.747	4.835	6.525	11.125
HRA Borrowing Headroom	5.919	7.637	9.239	10.051	10.711

(Note that the General Fund position is shown for comparative purposes and is extracted from the Annual Treasury Management & Annual Investment Strategy Report 2015/16-2017/18 submitted to the meeting of the Joint Strategic Committee on 2nd February 2016.

3.3 The comparison shows the HRA is under borrowed at the end of 2014/15 by £910k, reflecting the amount by which debt outstanding and 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 increases as the value of debt repaid and MRP provided for in each year exceeds the amount of new borrowing anticipated to fund capital investment.

HRA TREASURY MANAGEMENT STRATEGY**3.0 THE CURRENT POSITION – UNDERLYING NEED TO BORROW COMPARED TO ACTUAL BORROWING**

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 2015/16 to 2017/18 the CFR is projected to be below the debt as reflected in the capital investment proposals approved by the meeting of the Joint Strategic Committee on 2 December, 2014.

4.0 THE DEBT MATURITY PROFILE AND HEADROOM FOR NEW BORROWING

4.1 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 2018/19 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”.

HRA TREASURY MANAGEMENT STRATEGY

5.0 HOW TO ALLOCATE DEBT AND ATTRIBUTABLE FINANCING COSTS BETWEEN HRA AND GENERAL FUND EQUITABLY – THE TWO POOLED APPROACH

- 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 it 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.
- 6.2 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 is 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.

HRA TREASURY MANAGEMENT STRATEGY

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**



SERVICE BLOCKS	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
Chief Executive, Organisational Development & Communications	560,630	414,360
Director for Communities	5,781,170	5,918,310
Director for Customer Services	6,661,590	6,675,630
Director for Digital & Resources	8,849,720	8,597,500
Director for the Economy	3,039,460	3,272,990
TOTAL SERVICES	24,892,570	24,878,790
ALLOCATION OF COSTS		
Recharged to other joint services	(3,148,890)	(3,101,820)
	21,743,680	21,776,970
Adur District Council	(8,826,510)	(8,624,110)
Worthing Borough Council	(12,917,170)	(13,152,860)
TOTAL SERVICE BLOCK ALLOCATIONS	(21,743,680)	(21,776,970)

ADUR BUDGET SUMMARY SUMMARY OF DIRECTORATES

EXECUTIVE PORTFOLIO	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
Chief Executive, Organisational Development & Communications	15,750	9,870
Communities	5,500,530	4,243,060
Customer Services	2,127,710	1,747,510
Digital and Resources	3,094,290	3,849,400
Economy	608,140	1,162,490
Allocations	(1,073,010)	(665,500)
NET SERVICE EXPENDITURE	10,273,410	10,346,830
Credit Back Depreciation / Impairments	(1,403,250)	(1,776,510)
Minimum Revenue Provision	995,830	1,181,290
	9,865,990	9,751,610
Transfer to / from Reserves	(301,000)	14,000
Balance Available to Transfer To / (From) Reserves	40,870	14,700
Total budget requirement before external support from government	9,605,860	9,780,310
Baseline Funding	(1,603,900)	(1,617,270)
Additional business rate income	(270,730)	(818,820)
Revenue Support Grant	(1,347,920)	(773,930)
Transition Grant	-	(72,980)
Council Tax Reduction Scheme Grant	(40,000)	(40,000)
Council Tax Freeze Grant	(62,550)	-
Other unfenced grants (New homes bonus & Ctax Transition)	(652,190)	(766,640)
Contribution to/ (from) Collection Fund	(155,720)	(7,900)
Amount required from Council Tax - Adur District	5,472,850	5,682,770

WORTHING BUDGET SUMMARY SUMMARY OF DIRECTORATES

SERVICE BLOCKS	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
Chief Executive, Organisational Development & Communications	16,490	10,880
Director for the Communities	5,302,880	6,084,150
Director for Customer Services	2,668,500	2,684,900
Director for Digital and Resources	4,713,220	4,838,940
Director for the Economy	3,111,460	3,544,850
Allocations	(513,460)	(1,246,840)
NET SERVICE EXPENDITURE	15,299,090	15,916,880
Credit Back Depreciation	(2,738,770)	(3,272,280)
Minimum Revenue Provision	1,221,070	1,307,770
	13,781,390	13,952,370
Transfer to / from Reserves	(17,190)	86,250
Balance Available to Transfer To / (From) Reserves	79,280	-
Total budget requirement before external support from government	13,843,480	14,038,620
Baseline Funding	(2,443,810)	(2,464,180)
Additional business rate income	(234,000)	(345,440)
Revenue Support Grant	(2,043,070)	(1,193,380)
Transition Grant	-	(99,860)
Council Tax Reduction Scheme Grant	(60,000)	(60,000)
Council Tax Freeze Grant	(85,710)	-
Other unfenced grants (New homes bonus)	(1,080,890)	(1,599,440)
Contribution to/ (from) Collection Fund	1,910	(48,460)
Amount required from Council Tax	7,897,910	8,227,860

SERVICE BLOCK:
Chief Executive and 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**



SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
CHIEF EXECUTIVE		
Chief Executive Office	197,530	252,840
	197,530	252,840
Head of Communications		
Head of Communications - Office	64,690	66,570
Policy and Consultation	109,550	-
Communications	188,860	94,950
	363,100	161,520
TOTAL FOR CEO AND COMMUNICATIONS	560,630	414,360
ALLOCATION OF COSTS		
Recharged to other joint services	20	(10)
Adur District Council	272,660	198,190
Worthing Borough Council	272,660	200,890
South Downs Leisure Trust	15,290	15,290
	560,630	414,360

**JOINT VARIATIONS SERVICE BLOCK:
Chief Executive and Communications**

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
ORIGINAL ESTIMATE 2015/2016	£ 560,630
CHANGES TO BASE Virements between Directorates	(112,420)
INFLATION	7,300
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Impact of the Chief Executive's pay rise	13,820
Non Committed Growth	
Policy Officer - Chief Executive support to respond to new Government Initiatives	34,100
Agreed Savings	
Communications restructure	(65,010)
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	(8,770)
Other minor transfers	(15,290)
APPROVED ESTIMATE 2016/2017	414,360

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support Services	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE											
Chief Executive Office	2	225,900	-	1,040	6,940	-	-	233,880	560	18,400	252,840
Head of Communications											
Head of Communications - Office	1	60,030	-	-	-	-	-	60,030	350	6,190	66,570
Policy and Consultation	0	-	-	-	-	-	-	0	-	-	0
Communications	4	52,620	-	390	18,130	-	(9,180)	61,960	950	32,040	94,950
	7										
TOTAL COST		338,550	0	1,430	25,070	0	(9,180)	355,870	1,860	56,630	414,360
Percentage Direct Cost		93%	0%	0%	7%	0%					
<p>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</p>											

ADUR SUMMARY SERVICE BLOCK:
Chief Executive and Communications



SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
CHIEF EXECUTIVE	£	£
Head of Communications		
Policy and Consultation	15,750	9,870
	15,750	9,870
TOTAL FOR CEO AND COMMUNICATIONS	15,750	9,870

ADUR VARIATIONS SERVICE BLOCK:
Chief Executive and Communications

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2016/2017	ESTIMATE 2016/2017
ORIGINAL ESTIMATE 2015/2016	£ 15,750
Changes in allocation of recharge from other services	(5,880)
Other minor transfers	
APPROVED ESTIMATE 2016/2017	9,870

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 Policy and Consultation		-	3,980	-	-	-	-	-	3,980	5,890	-	9,870
TOTAL STAFF	0											
TOTAL COST		0	3,980	0	0	0	0	0	3,980	5,890	0	9,870
Percentage Direct Cost		0%	100%	0%	0%	0%	0%					

WORTHING SUMMARY SERVICE BLOCK:
Chief Executive and Communications

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
CHIEF EXECUTIVE		
Head of Communications		
Policy and Consultation	200	200
Communications	16,290	10,680
	16,490	10,880
TOTAL FOR CEO AND COMMUNICATIONS	16,490	10,880

WORTHING VARIATIONS SERVICE BLOCK:
Chief Executive and Communications

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
ORIGINAL ESTIMATE 2015/2016	£ 16,490
CHANGES TO BASE	-
INFLATION	-
Changes in allocation of recharge from other services	(5,610)
APPROVED ESTIMATE 2016/2017	10,880

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												
Policy and Consultation	0	-	-	-	-	200	-	-	200	-	-	200
Communications	0	-	3,980	-	-	-	-	-	3,980	6,700	-	10,680
	0											
		0	3,980	0	0	200	0	0	4,180	6,700	0	10,880
Percentage Direct Cost		0%	95%	0%	0%	5%	0%					

SERVICE BLOCK:
Communities Directorate

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.

Environmental Health - 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 Community Grants, Wellbeing Hubs.

The Money Tree – Worthing's Money Tree is a participatory budgeting process which has a dedicated budget of £20,000. The process is aimed at projects by or for 11 to 25 year old in the Worthing borough and must contribute towards the delivery of Every Child Matters outcomes. Applications can be anything up to £2,500

Pot of Gold – Adur's Pot of Gold is a participatory budgeting process which has a dedicated budget of £70,000. The process is open to resident associations, community groups and charity organisations to apply for anything up to £10,000 the aim of their project must leave a lasting legacy in the district and fall into one of three themes; Wellbeing, improvements to community facilities or appearance of the district.

SERVICE BLOCK:
Communities Directorate

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

ENVIRONMENT

Parks and Foreshore - Grounds maintenance, parks management including events on parks and open spaces, Parks Watch service, managing beach huts and chalets and Worthing foreshore management.

Bereavement Services - Cemetery management and cremations.

Environmental Health - Dog Control

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 administration of Right to Buy and services to leaseholders, which will be funded through services charges or fees, rather than the HRA.

Adur Building Services – Carrying out general maintenance and repairs to Adur Homes assets (i.e. both property and wider environment that sits within the HRA).

Strategy, Systems and Clienting - Management of contractors either carrying out services, repairs or stock investment within the Adur Homes portfolio. Development of a future supply of housing, either directly built and managed by the local authority, or delivered by Registered Providers with subsequent nominations. Provision of all other internal functions supporting the delivery of the Housing service, including systems support, performance management, administration and rent accounting (Adur Homes).

SERVICE BLOCK:
Communities Directorate

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

HOUSING

Private Sector Housing - Ensuring private sector properties meet the required standard, providing support to landlords where necessary and enforcement where standards fail to be achieved. Targeted action to bring empty properties back into use. Delivery of the Community Alarm and Telecare Service, enabling vulnerable people to live securely in their homes. Providing assistance for people to adapt their home in accordance to their need, providing grants (where appropriate)

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 2016-17.

However major Health reforms are likely to have a significant impact on how services are delivered in the future. The Government has introduced a number of changes to planning regulations and policy and continues to do so which need to be addressed.

The Council has a statutory obligation to provide the following 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.

The Council has a statutory obligation to provide the following Environment services:

- Cemetery provision

The Council has a statutory obligation to provide the following 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.

SERVICE BLOCK: ***Communities Directorate***

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**

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR COMMUNITIES		
Director for Communities office	136,650	136,240
Leisure Support residual costs	17,620	-
	154,270	136,240
HEAD OF HOUSING		
Head of Housing	88,620	187,090
Housing	575,610	577,120
Environmental Health / Protection Team	-	325,240
Home Improvement Assistance	183,340	199,420
Housing Strategy	72,550	76,610
	920,120	1,365,480
HEAD OF ENVIRONMENT		
Head of Environment	79,830	110,760
Parks	1,524,910	1,591,740
Foreshores	174,580	195,620
Environmental Health	109,190	97,980
	1,888,510	1,996,100
HEAD OF WELLBEING		
Head of Wellbeing	322,530	182,440
Community Wellbeing	495,020	517,020
Community Safety	229,230	271,500
Environmental Health - Commercial	494,220	477,530
Environmental Health - Domestic	672,370	350,600
Licensing	289,940	311,950
Democratic Services	314,960	309,450
	2,818,270	2,420,490
TOTAL FOR COMMUNITIES	5,781,170	5,918,310
ALLOCATION OF COSTS		
Recharged to other joint services	26,970	20
Adur District Council	2,347,020	2,324,540
Worthing Borough Council	3,390,850	3,587,560
South Downs Leisure Trust	16,330	6,190
	5,781,170	5,918,310

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
	£
ORIGINAL ESTIMATE 2015/2016	5,764,840
CHANGES TO BASE	
Virements	(61,610)
Joint transfers	213,450
INFLATION	119,060
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	-
Changes to National Insurance contributions	69,930
Impact of Pension contribution increase	17,740
Agreed Savings	
Director of Communities, base budget review	(2,000)
Head of Environment restructure	(42,000)
Grounds Maintenance - petrol and vehicle maintenance savings	(25,000)
Grounds Maintenance - procurement savings	(15,000)
Additional Grounds Maintenance contract income from new services	(60,000)
Head of Wellbeing - base budget review	(6,770)
Head of Wellbeing - restructure	(25,770)
Environmental Health - system no longer required	(8,000)
Community Wellbeing - restructure	(890)
Community Wellbeing - base budget review	(5,930)
Environmental Health Domestic - Getting in Shape restructure	(59,670)
Environmental Health Commercial - Getting in Shape restructure	(56,530)
Democratic Services - deletion of posts and base budget review	(22,400)
Community Safety - Net impact of secondment of Community Safety Manager to West Sussex County Council. Also includes a base budget review and deletion of unused budgets	5,970
Licensing - review of base budget	(70)
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	(20,790)
Payroll changes	139,750
Other minor transfers	-
APPROVED ESTIMATE 2016/2017	5,918,310

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	TOTAL BUDGET
		£		£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Director of Communities Office	1	123,660	370	-	-	5,100	-	-	129,130	7,110	136,240
Leisure Support		-	-	-	-	-	-	-	0	-	0
Head of Housing											
Head of Housing	1	97,650	20	-	-	82,610	-	-	180,280	6,810	187,090
Housing	15.6	655,140	3,360	-	10,200	7,220	-	(163,110)	512,810	64,310	577,120
Environmental Health - Domestic	7.6	309,600	-	-	7,240	6,370	-	-	323,210	2,030	325,240
Home Improvement Assistance	4.1	159,190	1,490	-	2,120	1,920	-	-	164,720	34,700	199,420
Housing Strategy	1	55,950	370	-	750	12,430	-	-	69,500	7,110	76,610
Head of Environment											
Head of Environment	1	105,070	20	-	-	-	-	-	105,090	5,670	110,760
Parks	53.8	1,785,820	2,950	-	324,050	231,460	-	(844,480)	1,499,800	91,940	1,591,740
Foreshores	5.8	192,770	-	-	-	-	-	(5,200)	187,570	8,050	195,620
Environmental Health	2.5	81,170	-	-	3,330	14,850	-	(4,150)	95,200	2,780	97,980
Head of Wellbeing											
Head of Wellbeing	3.1	143,420	1,820	-	2,130	6,740	-	-	154,110	28,330	182,440
Community Wellbeing	9	835,100	3,330	-	3,590	32,790	-	(490,770)	384,040	132,980	517,020
Community Safety	3	182,700	4,370	-	2,070	4,680	-	(5,870)	187,950	83,550	271,500
Environmental Health- Commercial	7.6	379,320	3,380	-	7,520	3,240	-	-	393,460	84,070	477,530
Environmental Health- Domestic	6.1	297,560	3,610	-	6,390	1,070	-	-	308,630	41,970	350,600
Licensing	5.8	244,370	2,260	-	4,520	4,770	-	-	255,920	56,030	311,950
Democratic Services	6	246,980	1,680	-	170	18,650	-	-	267,480	41,970	309,450
	133										
TOTAL COST		5,895,470	29,030	0	374,080	433,900	0	(1,513,580)	5,218,900	699,410	5,918,310
Percentage Direct Cost		88%	0%	0%	6%	6%	0%				

ADUR SUMMARY SERVICE BLOCK:
Communities Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR COMMUNITIES		
Leisure Support	544,490	560,200
	544,490	560,200
HEAD OF HOUSING		
Temporary Accommodation & Community Alarm	968,260	87,250
Housing	570,520	635,590
Home Improvement Assistance	29,900	55,560
Housing Strategy	87,270	65,620
	1,655,950	844,020
HEAD OF ENVIRONMENT		
Dog Warden	50,340	50,380
Parks	798,310	719,900
Foreshores	(18,310)	7,700
Environmental Health	55,200	59,990
Cemeteries	247,560	286,530
	1,133,100	1,124,500
HEAD OF WELLBEING		
Community Wellbeing	544,350	553,320
Community Safety	166,260	170,020
Environmental Health - Commercial	244,640	224,870
Environmental Health - Domestic	268,620	168,370
Licensing	95,290	77,120
Democratic Services	509,980	520,640
	1,829,140	1,714,340
TOTAL FOR COMMUNITIES	5,162,680	4,243,060

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2016/2017	ESTIMATE 2016/2017
	£
ORIGINAL ESTIMATE 2015/2016	5,162,680
CHANGES TO BASE	
Virements	(804,370)
Joint Transfers	(9,970)
INFLATION	(3,220)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
A new tree inspection programme is to be implemented to ensure public safety	15,000
An over inflation increase in Members Allowances	27,000
Agreed Savings	
Leisure support base budget review	(5,000)
ADC grant to Impulse leisure reduces by this amount per annum until 2017/18	(10,000)
Review of members budgets	(4,000)
Combination of an increase in burial fees and additional memorialisation income	(12,260)
Increase in Beach Hut fees	(4,290)
Adjustments to fees and charges within parks	(3,450)
Non Recurring items	-
Additional Income	-
Impact of Capital Programme	-
Changes in allocation of recharge from other services	(662,970)
Payroll changes	18,840
Asset Hire/Impairment	539,070
Other minor transfers	
APPROVED ESTIMATE 2016/2017	4,243,060

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 Support		-	17,380	48,920	-	4,370	170,000	(9,120)	231,550	5,500	323,150	560,200
HEAD OF HOUSING												
Temporary Accomodation & Community Alarm	4.4	136,590	(4,720)	473,400	6,800	41,180	39,650	(755,270)	(62,370)	134,180	15,440	87,250
Housing		-	315,020	-	-	320,520	16,360	(122,480)	529,420	105,770	400	635,590
Home Improvement Assistance		-	31,440	-	-	-	-	-	31,440	24,120	-	55,560
Housing Strategy		-	91,260	-	-	-	-	(33,110)	58,150	7,470	-	65,620
HEAD OF ENVIRONMENT												
Dog Warden		-	39,190	-	-	-	-	-	39,190	9,720	1,470	50,380
Parks		-	217,420	242,440	-	52,330	-	(147,820)	364,370	231,190	124,340	719,900
Foreshores		-	-	12,260	-	8,600	-	(90,090)	(69,230)	23,200	53,730	7,700
Environmental		-	14,060	40,620	-	-	-	(41,110)	13,570	43,930	2,490	59,990
Cemeteries		-	146,380	254,180	-	-	-	(177,100)	223,460	47,260	15,810	286,530
HEAD OF WELLBEING												
Community Wellbeing	1	24,850	254,710	1,200	-	222,540	-	(6,400)	496,900	56,420	-	553,320
Community Safety		-	126,020	1,300	-	25,750	-	-	153,070	16,950	-	170,020
Environmental Health - Commercial		-	187,930	-	-	10,240	-	(670)	197,500	25,130	2,240	224,870
Environmental Health - Domestic		-	1,980	-	-	15,680	4,650	(11,380)	10,930	157,440	-	168,370
Licensing		-	143,920	-	-	12,960	-	(106,360)	50,520	26,600	-	77,120
Democratic Services		205,010	78,020	-	-	18,720	-	(15,600)	286,150	234,490	-	520,640
TOTAL STAFF	5.4											
TOTAL COST		366,450	1,660,010	1,074,320	6,800	732,890	230,660	(1,516,510)	2,554,620	1,149,370	539,070	4,243,060
Percentage Direct Cost		9%	41%	26%	0%	18%	6%					

WORTHING SUMMARY SERVICE BLOCK:
Communities Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR COMMUNITIES		
Director for Communities office	194,030	183,880
Southdowns Leisure	674,730	1,317,120
	868,760	1,501,000
HEAD OF HOUSING		
Housing	955,400	928,690
Home Improvement Assistance	30,890	60,160
Housing Strategy	119,820	95,190
	1,106,110	1,084,040
HEAD OF ENVIRONMENT		
Parks	1,685,560	1,649,170
Foreshores	496,280	738,430
Allotments	59,200	61,940
Cemeteries	98,780	103,460
Crematorium	(1,228,840)	(1,449,360)
Environmental Health	89,020	86,370
	1,200,000	1,190,010
HEAD OF WELLBEING		
Community Wellbeing	749,790	740,250
Community Safety	182,760	192,870
Environmental Health - Commercial	320,610	304,490
Environmental Health - Domestic	266,590	319,420
Licensing	21,680	59,980
Democratic Services	586,580	692,090
	2,128,010	2,309,100
TOTAL FOR COMMUNITIES	5,302,880	6,084,150

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
	£
ORIGINAL ESTIMATE 2015/2016	5,302,880
CHANGES TO BASE	
Virements	(184,570)
Joint transfers	(120,870)
INFLATION	(8,320)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Changes to National Insurance Contributions	6,450
Impact of Pension contribution increase	2,160
Impact of pension valuation for South Downs Leisure Trust	175,000
Additional maintenance costs associated with Splashpoint swimming pool	60,000
Above inflation increase in Members Allowances	7,000
Closure of Brooklands Golf Course (reopens 2017/18)	63,120
A tree inspection programme in parks to start to ensure public safety	5,000
Agreed Savings	
Increase in burial fees	(12,750)
Increase in cremation fees	(163,050)
Additional Memorialisation income	(30,000)
Increase in Beach Hut fees	(20,110)
Parks - adjustments to fees and charges	(1,440)
Wellbeing restructure	(8,570)
Reduction in Mayoral transport costs	(4,200)
Changes in allocation of recharge from other services	(471,960)
Asset Hire/Impairmnt	1,488,370
Other minor transfers	10
APPROVED ESTIMATE 2016/2017	6,084,150

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		£		£	£	£	£	£	£	£	£	£
Director for Communities office		10	46,660	237,560	-	9,320	-	(118,570)	174,980	8,900	-	183,880
South Downs Leisure		-	55,890	485,700	-	175,000	-	(445,480)	271,110	378,880	667,130	1,317,120
HEAD OF HOUSING												
Housing		-	547,660	-	-	418,630	151,980	(275,440)	842,830	82,620	3,240	928,690
Home Improvement Assistance		-	30,520	-	-	-	-	-	30,520	29,640	-	60,160
Housing Strategy		-	131,140	-	-	-	-	(40,350)	90,790	4,400	-	95,190
HEAD OF ENVIRONMENT												
Parks		-	555,920	633,100	-	143,960	-	(191,900)	1,141,080	276,880	231,210	1,649,170
Foreshores		-	230,090	404,400	6,710	30,620	-	(371,810)	300,010	90,770	347,650	738,430
Allotments		-	16,360	9,200	-	-	-	(400)	25,160	34,140	2,640	61,940
Cemeteries		-	110,820	175,330	-	15,850	-	(251,680)	50,320	44,750	8,390	103,460
Crematorium	10	230,520	155,670	442,170	4,490	146,240	-	(2,567,260)	(1,588,170)	59,430	79,380	(1,449,360)
Environmental Health		-	59,160	-	-	-	-	-	59,160	24,250	2,960	86,370
HEAD OF WELLBEING												
Community Wellbeing		-	326,360	19,720	-	213,640	-	-	559,720	40,120	140,410	740,250
Community Safety		-	128,650	3,610	-	32,450	-	-	164,710	26,820	1,340	192,870
Environmental Health - Commercial		-	268,750	-	-	15,210	-	(3,440)	280,520	23,970	-	304,490
Environmental Health - Domestic		-	1,610	-	-	38,710	-	(3,440)	36,880	278,520	4,020	319,420
Licensing		-	217,010	-	-	3,790	-	(213,050)	7,750	52,230	-	59,980
Democratic Services	0	288,630	261,100	-	4,440	28,790	-	-	582,960	109,130	-	692,090
	10											
		519,160	3,143,370	2,410,790	15,640	1,272,210	151,980	(4,482,820)	3,030,330	1,565,450	1,488,370	6,084,150
Percentage Direct Cost		7%	42%	32%	0%	17%	2%					

SERVICE BLOCK:
Customer Services Directorate

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

WASTE AND CLEANSING

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.

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 and 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.

Environmental Health – Provision of the Pest Control service.

CUSTOMER CONTACT AND ENGAGEMENT

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, 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.

REVENUES AND BENEFITS

Worthing Revenues and Recovery – The billing, collection and enforcement of Council Tax, National Non Domestic Rates and the Business Improvement District levy.

SERVICE BLOCK:
Customer Services Directorate

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

REVENUES AND BENEFITS

Worthing Housing Benefit and Council Tax Support - assessment, payment and maintenance of claims.

Adur's Revenues and Benefits - services are provided by CenSus.

CenSus Relationship (Adur) - The Head of Revenues & Benefits is a member of the Census Programme Management Board and acts as client officer for Adur Revenues and Benefits Service.

BUILDING CONTROL AND LAND CHARGES

Building Control - Building Regulation applications and notices, Dangerous Structures and enforcement of the Building Acts.

Land Charges - The Local Land Charges Team maintain the register of local land charges and provide them to persons upon request.

The Council is obliged by statute to provide the following services:

- Household refuse and recycling
- Street cleansing including abandoned vehicles
- Clinical waste collection
- Commercial waste
- 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 and Waste Management became part of Adur and Worthing Joint Shared Services on various dates as detailed below:

- Waste Management 2007; Cleansing 2009; Customer Services 2009.
- Management of Adur Revenues and Benefits Services was transferred to CenSus in April 2007

SERVICE BLOCK:

Customer Services Directorate

Major changes in services planned for 2016/17 are:-

- ◆ Corporate Contact Centre – The service is responsible for dealing with customer enquiries through a multi-channel contact centre and in-person customer reception facilities in Portland house and the Shoreham Centre. Our aim is to support customers through improved communication; making information accessible and understandable; reduce the need for contact by encouraging customers to make use of alternative channels including self-service, on-line and emerging hand held technologies; develop our reach in communities to support local initiatives.
- ◆ Worthing Revenues and Benefits – The service will ensure that further changes associated with the localisation of Council Tax Support and the introduction of Universal Credit, are implemented correctly and on time. Customers will be offered the opportunity to be billed electronically.

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.

**JOINT SUMMARY SERVICE BLOCK:
Customer Services Directorate**

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF CUSTOMER SERVICES		
Director for Customer Services office	170,780	164,300
Head of Waste & Cleansing		
Waste Management	345,800	326,960
Commerce Way Depot	106,790	108,290
Clinical Waste Collection	(6,180)	(5,880)
Recycling	(723,580)	(1,017,030)
Refuse Collection	1,669,410	1,631,740
Street Sweeping & Cleansing	1,478,490	1,502,480
Trade Refuse Collection	425,490	439,940
Vehicle Workshop	610,030	611,840
Graffiti: Visual Quality Initiative	23,310	(5,740)
Pest Control	74,020	34,000
Waste Strategy	284,680	254,390
	4,288,260	3,880,990
Less: Vehicle Works Trading Account - recharged to services per job	(600,920)	(612,940)
Head of Customer Services		
Customer Services	1,085,770	1,223,010
Parking Services	296,750	621,470
Business Support	285,640	258,650
Elections	200,830	214,910
	1,868,990	2,318,040
Head of Revenues & Benefits		
Head of Revenues & Benefits	66,560	81,880
	66,560	81,880
Head of Building Control & Land Charges		
Building Control	688,490	673,610
LLPG	45,920	30,520
Land Charges	133,510	139,230
	867,920	843,360
TOTAL for CUSTOMER SERVICES	6,661,590	6,675,630
ALLOCATION OF COSTS		
Recharged to other joint services	300,540	161,440
Adur District Council	2,432,660	2,349,540
Worthing Borough Council	3,928,390	4,164,650
South Downs Leisure Trust	-	-
	6,661,590	6,675,630

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
ORIGINAL ESTIMATE 2015/2016	£ 6,661,590
CHANGES TO BASE	
Budget transfer from Worthing - Revenues & Benefits	(28,550)
Joint transfers	283,420
INFLATION	130,220
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Changes to National Insurance contributions	98,030
Impact of Pension contribution increase	64,560
Agreed Savings	
Reduction in fuel budget due to reducing prices	(75,000)
Base budget review	(13,000)
Reduce agency budget on Commercial Waste	(6,000)
Increase in green bin income arising from increase demand based on 2015/16 growth	(65,000)
Increase price for green bins to £65.00 from £62.00 in 2016/17 with further increases	(21,820)
Stretch sales target of an additional 500 bins per year	(32,500)
Increase the cost of garden sacks from £0.80 to £0.90	(13,860)
Pest control - Base budget review	(12,000)
Pest control - increased income	(40,000)
Bulky waste - Impact of 2015/16 increase in sales	(10,000)
Bulky waste - Increase fees above inflation	(2,130)
Refuse and Recycling - Impact of new fleet on cost of maintenance.	(10,000)
Increased income for recycling from WSCC	(76,060)
Delete production of collection calendars	(17,000)
Restructuring of service	(87,460)
Additional cleansing income	(10,000)
Loss of vacant post in Business Support	(33,100)
Loss of Senior Building Control post	(48,000)
Additional income expected	(10,000)
Less: Cost of full time post	12,000
Rationalisation of LLPG / SNN service	(19,000)
Non Committed Growth	
Customer Services - Additional posts to build stability during transformation	54,000
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	(132,370)
Payroll changes	134,660
APPROVED ESTIMATE 2016/2017	6,675,630

JOINT SUBJECTIVE ANALYSIS
Customer Services Directorate

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support	TOTAL BUDGET
		£	£	£	£	£	£	£		£	£
DIRECTOR OF CUSTOMER SERVICES Director for Customer Services office	2	152,370	-	650	3,400	-	(10)	156,410	520	7,370	164,300
Head of Waste & Cleansing											
Waste Management	6	286,550	100	4,330	16,450	-	(18,620)	288,810	1,490	36,660	326,960
Commerce Way Depot	0	-	148,060	60	10,540	-	(57,730)	100,930	6,590	770	108,290
Clinical Waste Collection	1	26,160	-	7,650	11,600	-	(52,170)	(6,760)	-	880	(5,880)
Recycling	24	658,330	-	182,450	100,010	-	(2,025,770)	(1,084,980)	60	67,890	(1,017,030)
Refuse Collection	41	1,302,630	-	350,920	22,230	-	(102,060)	1,573,720	120	57,900	1,631,740
Street Sweeping & Cleansing	47.3	1,262,630	-	237,990	50,830	(10)	(109,080)	1,442,360	140	59,980	1,502,480
Trade Refuse Collection	9.8	286,260	-	103,390	27,150	-	(5,020)	411,780	40	28,120	439,940
Vehicle Workshop	8.7	297,970	260	9,350	312,170	-	(33,240)	586,510	560	24,770	611,840
Graffiti: Visual Quality Initiative		210	-	6,670	6,430	-	(19,930)	(6,620)	-	880	(5,740)
Pest Control	2.6	98,420	520	8,270	10,940	-	(90,910)	27,240	-	6,760	34,000
Waste Strategy	5.6	192,090	-	12,540	-	-	-	204,630	2,260	47,500	254,390
Less: Vehicle Works Trading Account - recharged to services per job		-	-	-	-	-	(612,940)	(612,940)	-	-	(612,940)
Head of Customer Services											
Customer Services	30.4	962,420	-	50	10,840	-	-	973,310	9,400	240,300	1,223,010
Parking Services	18.4	578,390	-	-	-	-	-	578,390	4,640	38,440	621,470
Business Support	7.8	209,980	-	-	78,430	-	(83,630)	204,780	2,970	50,900	258,650
Elections	4.9	163,480	-	500	2,120	-	-	166,100	2,040	46,770	214,910
Head of Revenues & Benefits											
Head of Revenues & Benefits	1	81,710	-	-	-	-	-	81,710	-	170	81,880
Head of Building Control & Land Charges											
Charges											
Building Control	10.9	554,870	2,850	11,350	46,340	-	(14,080)	601,330	3,880	68,400	673,610
LLPG	2	55,250	-	510	15,870	-	(41,110)	30,520	-	-	30,520
Land Charges	3.4	106,040	-	-	3,340	-	-	109,380	1,120	28,730	139,230
TOTAL COST		7,275,760	151,790	936,680	728,690	(10)	(3,266,300)	5,826,610	35,830	813,190	6,675,630
Percentage Direct Cost		80%	2%	10%	8%	0%					

ADUR SUMMARY SERVICE BLOCK:
Customer Services Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF CUSTOMER SERVICES		
Head of Waste & Cleansing		
Waste Management	24,310	25,730
Clinical Waste Collection	18,160	17,360
Pest Control	47,860	18,350
Recycling	(50,300)	(155,090)
Refuse Collection	850,130	823,040
Street Sweeping & Cleansing	572,420	579,010
Trade Refuse Collection	(113,790)	(152,520)
Vehicle Workshop	7,800	-
Graffiti: Visual Quality Initiative	15,480	3,680
Waste Strategy	1,200	1,290
	1,373,270	1,160,850
Head of Customer Services		
Elections	140,280	177,270
Parking	(106,050)	(266,240)
	34,230	(88,970)
Head of Revenues & Benefits		
Benefits	156,310	167,120
Revenues	393,560	395,220
	549,870	562,340
Head of Building Control & Land Charges		
Building Control	124,560	125,670
Land Charges	(4,610)	(12,380)
	119,950	113,290
TOTAL for CUSTOMER SERVICES	2,077,320	1,747,510

ADUR VARIATIONS SERVICE BLOCK:
Customer Services Directorate

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2016/2017	ESTIMATE 2016/2017
ORIGINAL ESTIMATE 2015/2016	£ 2,077,320
INFLATION	(23,120)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Loss of Housing Benefit Grant	40,000
Agreed Savings	
Increased income from commercial waste	(4,950)
Increased sales of commercial waste	(12,000)
Commercial waste - Increased income from bin hire	(4,590)
Commercial waste - Impact of 2015/16 increase in sales	(9,300)
Increase in cost of disposal of commercial waste	15,360
R&B - Deletion of Relocation budget	(22,100)
Car Parking	(150,000)
Above inflation increase in building control fees	(14,000)
Non Recurring items	42,000
Changes in allocation of recharge from other services	(463,570)
Asset Hire/Impairment	276,460
Other minor transfers	
APPROVED ESTIMATE 2016/2017	1,747,510

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	Depreciation /Impairment	TOTAL BUDGET
		£		£	£	£	£	£	£	£	£		£
DIRECTOR OF CUSTOMER SERVICES													
Head of Waste & Cleansing													
Waste Management		-	-	-	1,100	-	4,690	-	5,790	19,940	-	-	25,730
Clinical Waste Collection		-	(2,140)	-	-	-	-	-	(2,140)	19,500	-	-	17,360
Pest Control		-	13,970	-	-	-	-	-	13,970	3,310	1,070	1,070	18,350
Recycling		-	(367,240)	-	-	-	-	-	(367,240)	129,750	82,400	82,400	(155,090)
Refuse Collection		-	596,920	-	-	-	-	-	596,920	104,890	121,230	121,230	823,040
Street Sweeping & Cleansing		-	593,460	-	-	-	-	(125,360)	468,100	74,200	36,710	36,710	579,010
Trade Refuse Collection		-	134,940	-	-	207,870	-	(545,660)	(202,850)	31,260	19,070	19,070	(152,520)
Vehicle Workshop		-	-	-	-	-	-	-	0	-	-	-	0
Graffiti: Visual Quality Initiative		-	(2,290)	-	-	-	-	-	(2,290)	4,220	1,750	1,750	3,680
Waste Strategy		-	-	-	-	-	-	-	0	-	1,290	1,290	1,290
Head of Customer Services													
Elections		42,660	81,750	-	-	41,900	-	(3,200)	163,110	10,060	4,100	4,100	177,270
Parking		-	74,130	105,320	-	126,680	57,800	(655,610)	(291,680)	18,660	6,780	6,780	(266,240)
Head of Revenues & Benefits													
Benefits		-	4,100	-	-	13,000	21,389,350	(21,415,910)	(9,460)	174,520	2,060	2,060	167,120
Revenues		-	4,100	-	-	-	501,960	(249,850)	256,210	139,010	-	-	395,220
Head of Building Control & Land Charges													
Building Control		-	285,460	-	-	-	-	(185,350)	100,110	25,560	-	-	125,670
Land Charges		-	49,810	-	-	19,510	-	(92,050)	(22,730)	10,350	-	-	(12,380)
TOTAL STAFF	0												
TOTAL COST		42,660	1,466,970	105,320	1,100	408,960	21,953,800	(23,272,990)	705,820	765,230	276,460	276,460	1,747,510
Percentage Direct Cost		0%	6%	0%	0%	2%	92%						

WORTHING SUMMARY SERVICE BLOCK:
Customer Services Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR OF CUSTOMER SERVICES		
Head of Waste & Cleansing		
Waste Management	34,040	31,220
Clinical Waste Collection	38,090	28,880
Pest Control	67,770	26,790
Recycling	(158,710)	(327,390)
Refuse Collection	1,421,990	1,382,200
Street Sweeping & Cleansing	1,161,730	1,092,840
Trade Refuse Collection	(266,090)	(318,290)
Vehicle Workshop	2,590	630
Graffiti: Visual Quality Initiative	19,750	4,610
Waste Strategy	9,320	830
	2,330,480	1,922,320
Head of Customer Services		
Customer Services	9,460	-
Car Parking	(812,070)	(858,520)
Elections	280,910	293,550
	(521,700)	(564,970)
Head of Revenues & Benefits		
Head of Revenues & Benefits	-	-
Benefits	472,210	806,180
Revenues	257,580	392,760
	729,790	1,198,940
Head of Building Control & Land Charges		
Building Control	129,930	117,940
Land Charges	-	10,670
	129,930	128,610
TOTAL for CUSTOMER SERVICES	2,668,500	2,684,900

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
	£
ORIGINAL ESTIMATE 2015/2016	2,668,500
CHANGES TO BASE	
Virements	(14,200)
Joint transfers	(15,900)
INFLATION	(36,790)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Loss of Housing Benefit Administration Grant	42,000
Agreed Savings	
Increased income from commercial waste	(11,550)
Increased sales of commercial waste	(28,000)
Commercial waste - Increased income from bin hire	(10,710)
Commercial waste - Impact of 2015/16 increase in sales	(21,700)
Increase in cost of disposal of commercial waste	35,840
Above inflation increase in building control fees	(21,000)
	(62,060)
Changes in allocation of recharge from other services	(497,600)
Asset Hire/Impairmnt	658,070
Other minor transfers	
APPROVED ESTIMATE 2016/2017	2,684,900

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR OF CUSTOMER SERVICES		£		£	£	£	£	£	£	£	£	£
Head of Waste & Cleansing												
Waste Management		-	-	-	-	2,200	-	(450)	1,750	29,470	-	31,220
Clinical Waste Collection		-	(3,740)	-	-	-	-	-	(3,740)	30,790	1,830	28,880
Pest Control		-	20,770	-	-	-	-	-	20,770	4,950	1,070	26,790
Recycling		-	(642,380)	-	-	-	1,400	-	(640,980)	175,420	138,170	(327,390)
Refuse Collection		-	1,042,240	-	-	-	-	-	1,042,240	139,020	200,940	1,382,200
Street Sweeping & Cleansing		-	949,370	235,080	-	-	-	(317,560)	866,890	97,190	128,760	1,092,840
Trade Refuse Collection		-	312,400	-	-	406,640	-	(1,113,940)	(394,900)	43,290	33,320	(318,290)
Vehicle Workshop		-	-	-	-	-	-	-	0	-	630	630
Graffiti: Visual Quality Initiative		-	(3,440)	-	-	-	-	-	(3,440)	5,450	2,600	4,610
Waste Strategy		-	-	-	-	-	-	(1,730)	(1,730)	-	2,560	830
Head of Customer Services												
Car Parking		-	551,670	656,510	3,200	146,520	-	(2,387,460)	(1,029,560)	26,810	144,230	(858,520)
Elections		-	137,610	-	-	140,500	-	(5,330)	272,780	16,810	3,960	293,550
Head of Revenues & Benefits												
Benefits	15.3	409,890	416,420	-	310	83,180	35,886,240	(36,591,440)	204,600	601,580	-	806,180
Revenues	12	355,970	40,160	-	3,250	86,650	-	(532,080)	(46,050)	438,810	-	392,760
Head of Building Control & Land Charges												
Building Control		-	387,920	-	-	3,880	-	(326,000)	65,800	52,140	-	117,940
Land Charges		-	109,400	-	-	45,120	-	(162,100)	(7,580)	18,250	-	10,670
	27.3											
		765,860	3,318,400	891,590	6,760	914,690	35,887,640	(41,438,090)	346,850	1,679,980	658,070	2,684,900
Percentage Direct Cost		2%	8%	2%	0%	2%	86%					

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

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

Staff learning and development, skills training, work experience, training needs analysis

BUSINESS AND TECHNICAL SERVICES

Engineering & 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 & 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.

DESIGN AND DIGITAL

The Digital and Design Service is responsible for the digital transformation, service design and innovation programmes within the Councils and for ensuring the smooth running of the existing technology infrastructure with our partners and suppliers. Digital and Design are also responsible for the Councils' websites, geographic information systems, performance and risk management, and scrutiny.

SERVICE BLOCK:
Digital and Resources Directorate

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

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 & 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 2016/17.

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:-

- 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 2016/17.

SERVICE BLOCK:

Digital and Resources Directorate

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**

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Director for Digital and Resources office	133,110	167,990
	133,110	167,990
Head of Finance		
Head of Finance office	145,560	146,070
Management, Technical and Strategic Accounting	1,208,400	1,084,280
Exchequer and Fraud	813,080	729,650
Internal Audit	24,190	480
	2,191,230	1,960,480
Head of Legal Services		
Legal Services	1,060,390	839,990
	1,060,390	839,990
Head of Digital and Design		
Head of Digital and Design	96,220	97,690
ICT, Systems Support and Development Team	1,548,590	2,033,050
	1,644,810	2,130,740
Head of Human Resources		
Human Resources	493,320	360,990
	493,320	360,990
Head of Business and Technical Services		
Head of Business and Technical Services	81,110	93,710
Business Services	545,170	467,070
Engineers	546,570	660,170
Surveyors and Sustainability	914,810	941,100
Facilities - Admin Buildings	742,340	637,350
Centralised Costs	83,820	27,970
GIS	71,880	-
	2,985,700	2,827,370
Head of Organisational Development		
Head of Organisational Development Office	135,550	120,540
Organisational Development	205,610	189,400
	341,160	309,940
TOTAL for DIGITAL AND RESOURCES	8,849,720	8,597,500
ALLOCATION OF COSTS		
Recharged to other joint services	2,821,360	2,926,720
Adur District Council	2,615,410	2,474,260
Worthing Borough Council	2,999,560	2,854,810
South Downs Leisure Trust	413,390	341,710
	8,849,720	8,597,500

JOINT VARIATIONS SERVICE BLOCK:
Digital and Resources Directorate

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
ORIGINAL ESTIMATE 2015/2016	£ 8,436,330
CHANGES TO BASE	
Joint transfers	302,380
Virements between Directorates	(150,910)
INFLATION	200,180
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
CenSus ICT	110,000
Google licences coming back in house	48,000
Amazon cloud based services	8,000
Changes to National Insurance contributions	82,860
Impact of Pension contribution increase	19,980
Agreed Savings	
Rental income from local community group	(20,000)
Closure of cash office	(15,110)
Bring car park cash handling back in house	(12,000)
Reduction in external audit fees - Joint Strategic Committee will no longer be subject	(24,190)
Restructure of management and accountancy teams	(129,400)
Deletion of exchequer and investigations manager post	(22,380)
Deletion of Exchequer officer post	(13,380)
Insurances and financial administration - Business Services to provide support to the insurance manager	(10,050)
Legal - Impact of restructure	(229,000)
Deletion of Covalent licence	(8,180)
Reprocurement of telephony solution	(64,000)
Reduction in courier van maintenance costs following purchase of a new vehicle	(1,000)
Town Hall grounds maintenance costs	(10,780)
Deletion of surveyors agency staff budget	(15,850)
Plan printer budget no longer required	(5,000)
Reduction in training budget	(16,360)
Change in on-line training	(4,200)
Organisational Development	(32,870)
Non Committed Growth	
Provison for new Digital Strategy to move to the cloud	100,000
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	146,110
Reduction in Southdown Leisure Allocation	(71,680)
APPROVED ESTIMATE 2016/2017	8,597,500

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL& RESOURCES											
Director Office	2	160,250	-	650	3,400	-	(10)	164,290	-	3,700	167,990
Head of Finance											
Head of Finance office	2	126,360	-	540	5,130	-	(30)	132,000	740	13,330	146,070
Management, Technical & Strategic Accounting	28	883,690	-	630	56,840	-	(29,150)	912,010	6,140	166,130	1,084,280
Exchequer and Fraud	12	495,840	-	90	51,770	-	(19,410)	528,290	6,230	195,130	729,650
Internal Audit	0	-	-	-	480	-	-	480	-	-	480
Head of Legal Services											
Legal Services		760,070	-	1,720	40,060	-	(106,100)	695,750	6,310	137,930	839,990
Head of Digital and Design											
Head of Digital and Design	1	94,860	-	-	70	-	-	94,930	370	2,390	97,690
ICT, Systems Support and Development Team	10	464,970	-	1,860	261,400	1,297,910	-	2,026,140	1,040	5,870	2,033,050
Head of Human Resources											
Human Resources	5.2	303,890	-	2,410	16,840	-	-	323,140	3,590	34,260	360,990
Head of Business & Technical Services											
Head of Business & Technical Services	1	87,630	-	-	-	-	-	87,630	20	6,060	93,710
Business Services	15	423,180	50	3,550	73,140	-	(113,030)	386,890	4,760	75,420	467,070
Engineers	14	598,370	-	7,830	11,180	-	(48,700)	568,680	3,210	88,280	660,170
Surveyors	18	825,980	-	5,250	21,180	-	-	852,410	2,150	86,540	941,100
Facilities - Admin Buildings	0	-	524,870	-	27,100	-	(73,850)	478,120	5,180	154,050	637,350
GIS	0	-	-	-	351,400	-	(323,430)	27,970	-	-	27,970
Centralised Costs	0	-	-	-	-	-	-	0	-	-	0
Head of Organisational Development											
Head of Organisational Development Office	1	109,800	-	-	-	-	-	109,800	870	9,870	120,540
Organisational Development	2	184,870	-	30	2,300	-	-	187,200	-	2,200	189,400
TOTAL COST		5,519,760	524,920	24,560	922,290	1,297,910	(713,710)	7,575,730	40,610	981,160	8,597,500
Percentage Direct Cost		67%	6%	0%	11%	16%					

ADUR SUMMARY SERVICE BLOCK:
Digital and Resources Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Head of Finance		
Head of Finance office	1,346,090	1,462,730
Treasury Management	590,330	647,800
Exchequer and Fraud	235,530	265,820
Internal Audit	96,960	67,070
	2,268,910	2,443,420
Head of Legal Services		
Legal Services	(1,990)	(1,200)
	(1,990)	(1,200)
Head of Digital and Design		
ICT, Systems Support and Development Team	241,960	278,650
	241,960	278,650
Head of Human Resources		
Human Resources	-	-
	-	-
Head of Business and Technical Services		
Business Services	46,220	42,150
Engineers	279,100	287,180
Surveyors and Sustainability	256,210	245,020
Facilities - Admin Buildings	227,890	239,300
Administrative Buildings	416,290	314,880
	1,225,710	1,128,530
TOTAL for DIGITAL AND RESOURCES	3,734,590	3,849,400

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2016/2017	ESTIMATE 2016/2017
	£
ORIGINAL ESTIMATE 2015/2016	3,734,590
CHANGES TO BASE	
Virements	(30,550)
INFLATION	71,340
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Corporate Management	31,000
Net Saving of Adur Civic Presence offset by movement in reserves	(103,800)
Unavoidable Growth	
Business Development Fund, moving digital strategy to the Cloud & Policy Officer	132,980
Agreed Savings	
Deletion of subscription to WSASP which funded Lagan	(10,000)
Business & Technical Services base budget review	(12,260)
Public Convenience Contract Cleaning	(8,500)
Community Buildings - deletion of maintenance budgets	(7,440)
Audit Fees for the constituent Councils due to reduce by 25%	(18,840)
Reduction in the Internal Audit plan by 1/3rd	(29,510)
Net effect of the fall out of Pension Costs	4,690
Additional Income	
Treasury Management income	(13,000)
Impact of Capital Programme	(32,160)
Changes in allocation of recharge from other services	(551,220)
Asset Hire/Impairment	692,080
Other minor transfers	
APPROVED ESTIMATE 2016/2017	3,849,400

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													
Head of Finance office		1,225,550	333,480	121,610	-	(14,310)	28,920	(508,580)	1,186,670	352,800	(62,420)	(14,320)	1,462,730
Treasury Management		-	-	-	-	-	-	(241,560)	(241,560)	62,480	-	826,880	647,800
Exchequer and Fraud	0	150,230	-	90,080	21,190	4,320	-	-	265,820	-	-	-	265,820
Internal Audit		-	-	-	-	67,070	-	-	67,070	-	-	-	67,070
Head of Legal Services													
Legal Services		-	-	-	-	49,740	-	(52,990)	(3,250)	2,050	-	-	(1,200)
Head of Digital & Design													
ICT, Systems Support & Development Team		-	-	-	-	16,570	-	-	16,570	-	-	262,080	278,650
Head of Business and Technical Services													
Business Services		-	39,990	-	-	-	-	-	39,990	2,160	-	-	42,150
Engineers		-	110,800	44,610	-	21,020	-	(7,840)	168,590	11,200	-	107,390	287,180
Surveyors & Sustainability		-	80,340	144,090	-	120	-	(330)	224,220	2,760	-	18,040	245,020
Facilities - Admin Buildings		-	37,880	40,570	-	4,090	-	-	82,540	3,630	-	153,130	239,300
Administrative Buildings	3	58,260	-	164,630	-	78,390	-	(139,000)	162,280	3,680	-	148,920	314,880
TOTAL STAFF	3												
TOTAL COST		1,434,040	602,490	605,590	21,190	227,010	28,920	(950,300)	1,968,940	440,760	(62,420)	1,502,120	3,849,400
Percentage Direct Cost		49%	21%	21%	1%	8%	1%						

WORTHING SUMMARY SERVICE BLOCK:
Digital and Resources Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Head of Finance		
Head of Finance office	2,686,540	2,650,400
Management, Technical and Strategic Accounting	36,150	37,700
Treasury Management	314,620	269,990
Exchequer and Fraud	355,870	398,560
Internal Audit	147,430	130,630
Fraud, Verification & Adjudication	323,250	395,640
	3,863,860	3,882,920
Head of Legal Services		
Legal Services	(20,820)	(2,230)
	(20,820)	(2,230)
Head of Digital and Design		
ICT, Systems Support and Development Team	252,070	294,350
	252,070	294,350
Head of Human Resources		
Human Resources	20,880	20,870
	20,880	20,870
Head of Business and Technical Services		
Business Services	72,290	53,970
Engineers	280,990	306,540
Surveyors and Sustainability	18,080	57,990
Facilities - Admin Buildings	225,870	224,530
	597,230	643,030
TOTAL for DIGITAL AND RESOURCES	4,713,220	4,838,940

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
	£
ORIGINAL ESTIMATE 2015/2016	4,713,220
CHANGES TO BASE	
Virements	(22,910)
Joint transfers	44,450
INFLATION	101,100
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Finance	41,000
Interest payments	7,500
Agreed Savings	
Deletion of subscription to WSASP which funded Lagan	(10,000)
Audit fees for the constituent Councils due to reduce by 25%	(1,340)
Pension Strain	22,250
RSL Loan scheme to Worthing Homes	(32,500)
Reduction in the internal audit plan by 1/3rd	(29,510)
HRA work provided by Legal	(20,000)
Cancellation of Northgate contract - consolidation onto main corporate solution removes need for separate licence	(16,750)
Legal Services	20,000
Engineers Base budget review	(1,780)
Public Convenience Cleaning	
Additional Income	
Investment income	(6,000)
Non Committed Growth	
Policy Officer, Business Development Fund, Strategic Property Investment Fund and moving digital strategy to the cloud.	189,860
Impact of Capital Programme	(9,800)
Changes in allocation of recharge from other services	(710,900)
Asset Hire/Impairment	561,050
Other minor transfers	
APPROVED ESTIMATE 2016/2017	4,838,940

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 AND RESOURCES												
Head of Finance												
Head of Finance office	0	2,268,230	310,670	18,570	-	(257,710)	-	(186,760)	2,153,000	493,820	3,580	2,650,400
Management, Technical and Strategic Accounting		-	-	-	-	-	-	-	0	-	37,700	37,700
Treasury Management		-	-	-	-	30	-	(169,120)	(169,090)	62,890	376,190	269,990
Exchequer and Fraud	0	89,840	-	240,400	60,600	(10)	-	-	390,830	-	7,730	398,560
Internal Audit	1	40,370	350	-	210	72,670	-	-	113,600	17,030	-	130,630
Fraud, Verification & Adjudication	9.2	244,400	1,920	-	7,760	220,170	-	(217,280)	256,970	136,740	1,930	395,640
Head of Legal Services												
Legal Services		-	-	-	-	46,120	-	(48,730)	(2,610)	380	-	(2,230)
Head of Digital and Design												
ICT, Systems Support and Development Team		-	-	-	-	16,570	-	-	16,570	-	277,780	294,350
Head of Human Resources												
Human Resources		-	-	-	-	-	-	-	0	-	20,870	20,870
Head of Business & Technical Services												
Business Services		-	51,780	-	-	-	-	-	51,780	-	2,190	53,970
Engineers		-	122,290	169,820	-	4,730	-	(22,720)	274,120	13,790	18,630	306,540
Surveyors and Sustainability		-	71,070	64,450	-	3,270	80	(100,510)	38,360	13,980	5,650	57,990
Facilities - Admin Buildings		-	-	40,270	-	-	-	(730)	39,540	-	184,990	224,530
	10.2											
		2,642,840	558,080	533,510	68,570	105,840	80	(745,850)	3,163,070	738,630	937,240	4,838,940
Percentage Direct Cost		68%	14%	14%	2%	3%	0%					

SERVICE BLOCK:
Economy Directorate

HEAD OF SERVICE:

DETAILED SERVICES INCLUDED

CULTURE:

Museums - Worthing Museum 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 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. During 2016/17 Museums will be developing a Future Plan for the improvement and long term refurbishment of the collections display

The Art Gallery provides storage, cataloguing and display of the Council's collection of art work.

Venues - The Worthing Theatres includes the Pavilion Theatre and Denton, Connaught Theatre/Cinema, Connaught Studio Theatre (which is due to be refurbished in May 2016) / 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. The service will be co-ordinating wedding services at the Town Hall as an additional income stream from April 2016.

Improvements are planned to the Studio seating, Pavilion sound system and the software provision for box office and venue management.

Cultural Partnership - Commit to Culture is the Cultural Partnership for Adur & Worthing which will encourage excellent and inclusive cultural activities, bringing together the energy, creativity and resources of individuals, organisations and business involved in delivering and supporting cultural activity.

PLACE & INVESTMENT:

Integrated Place and Investment Strategies, Inward Investment, Business Retention, Economic Development and Employment Growth, Town Centres and Regeneration, Skills and Apprenticeships, EU and External Funding and Investment, Local Enterprise Partnership, Business Partnerships, Regional Policy.

GROWTH:

Planning Policy - Local Plans, 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.

SERVICE BLOCK:
Economy Directorate

HEAD OF SERVICE:

DETAILED SERVICES INCLUDED

GROWTH:

Estates - Asset management, sales, purchases, leases, licences, easements, corporate property terriers, etc.

Development Management - Planning applications, enforcement, trees, advertisements, conservation and listed buildings

The Council is obliged by statute to provide the following services:

- Development Management for 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 2016/17 are:-

- ◆ Wedding Services in the Town Hall.
- ◆ Refurbishment of Connaught Studio.
- ◆ Installation of improved box office and venue management software
- ◆ Refurbishment of Pavilion sound system
- ◆ Restructured staff team in place from April 2016
- ◆ Reassessment of catering provision in the Denton
- ◆ The Government has introduced a number of changes to planning regulations and policy and continues to do so.
- ◆ Tourism & Events to become part of the Place & Investment service effective from 1st April 2016.

The Directorate for the Economy is responsible for the contract for NSL for on-street parking management in Worthing, on-street parking management in Adur and off-street car parking management in Adur, which expires on 31st March 2020.

JOINT SUMMARY SERVICE BLOCK:
Economy Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR ECONOMY		
Director of Economy Office	174,210	177,940
Growth		
Head of Growth	161,970	106,180
Planning Policy	374,170	559,020
Estates	421,650	424,810
Development Control	1,248,500	1,330,350
	2,206,290	2,420,360
Place & Investment		
Head of Place & Investment	79,870	86,860
Economic Development	468,470	375,080
	548,340	461,940
Culture		
Head of Culture	87,820	95,030
Tourism	22,800	117,720
	110,620	212,750
TOTAL for ECONOMY	3,039,460	3,272,990
ALLOCATION OF COSTS		
Recharged to other joint services	-	13,650
Adur District Council	1,158,760	1,277,580
Worthing Borough Council	1,880,700	1,981,760
South Downs Leisure Trust		
	3,039,460	3,272,990

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
	£
ORIGINAL ESTIMATE 2015/2016	3,039,460
CHANGES TO BASE	
Virements	19,980
INFLATION	73,770
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Planning policy - a post previously funded by Planning Delivery Grant	35,500
Planning policy Senior Planning Officer - salary higher than that allowed for in the budget	10,000
Major projects team - increase in funding	54,000
Changes to National Insurance contributions	57,580
Impact of Pension contribution increase	39,990
Agreed Savings	
Development Management - Savings on computer costs	(10,000)
Development Management - Charging for pre-application advice and PPAs (Planning Performance Agreements)	(25,000)
Place and Investment - Deletion of vacant post	(23,500)
Culture - Theatres - music promotion income	(15,000)
Culture - Tourism and Events - Increase in filming income	(5,000)
Culture - Getting in Shape restructure	
Non Committed Growth	
Place & Investment - funding for condition surveys on proposed investments	25,000
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	(3,790)
Other minor transfers	
APPROVED ESTIMATE 2016/2017	3,272,990

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	161,580	560	-	100	1,410	-	-	163,650	14,290	177,940
Growth											
Head of Growth	1	97,270	370	-	510	730	-	-	98,880	7,300	106,180
Planning Policy	10.42	507,720	2,610	-	4,540	81,920	-	(101,280)	495,510	63,510	559,020
Estates	6.5	361,100	1,680	-	3,510	13,670	-	-	379,960	44,850	424,810
Development Control	24.57	1,058,030	8,280	-	5,410	67,160	-	(25,000)	1,113,880	216,470	1,330,350
Place & Investment											
Head of Place & Investment	1	86,390	-	-	-	-	-	-	86,390	470	86,860
Economic Development	6.19	297,080	2,780	-	6,120	11,580	-	-	317,560	57,520	375,080
Culture											
Head of Culture	1	94,860	-	-	-	-	-	-	94,860	170	95,030
Tourism and Events	2.81	99,520	5,790	-	140	13,560	-	(20,000)	99,010	18,710	117,720
	55.49										
TOTAL COST		2,763,550	22,070	0	20,330	190,030	0	(146,280)	2,849,700	423,290	3,272,990
Percentage Direct Cost		92%	1%	0%	1%	6%	0%				

ADUR SUMMARY SERVICE BLOCK:
Economy Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR ECONOMY		
Growth		
Planning Policy	297,200	300,510
Major Projects	27,500	59,230
Estates	(241,890)	58,990
Development Control	384,970	415,340
	467,780	834,070
Place & Investment		
Economic Development	246,410	328,420
TOTAL for ECONOMY	714,190	1,162,490

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2016/2017	ESTIMATE 2016/2017
ORIGINAL ESTIMATE 2015/2016	£ 714,190
CHANGES TO BASE	
Virements	26,030
Joint Transfers	-
INFLATION	(11,550)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	6,100
Place and Investment - Annual contribution to the Greater Brighton Economic Board	
Agreed Savings	
Estaes - Predicted additional income on commercial property	(30,000)
Changes in allocation of recharge from other services	220,390
Asset Hire/Impairment	237,330
APPROVED ESTIMATE 2016/2017	1,162,490

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	-	143,690	34,510	-	-	17,190	-	(143,100)	52,290	248,220	-	300,510
Major Projects	-	-	4,000	-	-	-	-	-	4,000	55,230	-	59,230
Estates	-	-	70,180	126,570	-	14,720	-	(511,380)	(299,910)	170,130	188,770	58,990
Development Control	-	-	541,680	-	-	8,330	5,200	(218,040)	337,170	78,170	-	415,340
Place & Investment												
Economic Development	-	-	189,200	50	340	82,120	-	(28,480)	243,230	36,630	48,560	328,420
TOTAL STAFF	0											
TOTAL COST		143,690	839,570	126,620	340	122,360	5,200	(901,000)	336,780	588,380	237,330	1,162,490
Percentage Direct Cost		12%	68%	10%	0%	10%	0%					

WORTHING SUMMARY SERVICE BLOCK:
Economy Directorate

SERVICE	ESTIMATE 2015/2016	ESTIMATE 2016/2017
	£	£
DIRECTOR FOR ECONOMY		
Growth		
Planning Policy	296,610	338,990
Major Projects	27,500	76,410
Estates	(139,240)	115,840
Development Control	542,490	523,860
	727,360	1,055,100
Place & Investment		
Economic Development	343,190	339,770
Culture		
Theatres	1,317,990	1,442,490
Museums	543,180	536,600
Tourism	179,740	170,890
	2,040,910	2,149,980
TOTAL for ECONOMY	3,111,460	3,544,850

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2015/2016	ESTIMATE 2016/2017
	£
ORIGINAL ESTIMATE 2015/2016	3,111,460
CHANGES TO BASE	
Virements	232,390
Joint transfers	-
INFLATION	124,540
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Annual contribution to the Greater Brighton Economic Board	9,500
Museum - impact of job evaluation	-
Agreed Savings	
Predicted additional income on commercial property	(36,500)
Less: Rates budget for unlet properties	15,000
Planning policy - Base budget review	(5,000)
Cease advertising all planning applications	(10,000)
Full year impact of the closure of the TIC (including the shop)	(12,470)
Museum Energy costs lower than expected	(4,000)
Base budget review - Theatres	(34,800)
Proposed Town Hall wedding service	(19,000)
Additional income from the museum shop	(6,000)
Additional catering income - East Kiosk	(10,000)
Reduction in tourism marketing budget	(15,000)
Additional box office receipts	(15,000)
Additional marketing income for theatres	(2,000)
Restructure savings from museums and theatres	(22,000)
Theatres - Additional income from hire of venue	(10,700)
Changes in allocation of recharge from other services	(310,360)
Asset Hire/Impairmnt	564,790
APPROVED ESTIMATE 2016/2017	3,544,850

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	-	21,890	-	-	67,220	-	-	89,110	249,880	-	338,990
Major Projects	-	-	21,180	-	-	-	-	-	21,180	55,230	-	76,410
Estates	-	-	167,790	367,880	-	14,570	-	(763,410)	(213,170)	227,900	101,110	115,840
Development Control	-	-	799,420	-	-	69,890	5,200	(470,640)	403,870	119,530	460	523,860
Place & Investment												
Economic Development	-	-	181,640	1,450	-	55,910	-	-	239,000	83,530	17,240	339,770
Culture												
Theatres	54	1,480,220	128,630	439,510	7,490	1,925,010	-	(3,235,930)	744,930	332,010	365,550	1,442,490
Museums	8	253,130	41,220	95,300	1,040	42,600	-	(57,720)	375,570	81,610	79,420	536,600
Tourism	-	-	90,800	9,870	-	65,930	-	-	166,600	3,280	1,010	170,890
	65.36											
		1,733,350	1,452,570	914,010	8,530	2,241,130	5,200	(4,527,700)	1,827,090	1,152,970	564,790	3,544,850
Percentage Direct Cost		27%	23%	14%	0%	35%	0%					

CAPITAL INVESTMENT PROGRAMME INTRODUCTION

CAPITAL PROGRAMME 2016/17

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 2015/16 – 2017/18, including funding, is shown from page 469.

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.



**CAPITAL INVESTMENT PROGRAMME 2016/17 - 2018/19 ADUR DISTRICT COUNCIL,
WORTHING BOROUGH COUNCIL AND JOINT COMMITTEE**
REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES

1.0 SUMMARY

- 1.1 The report recommends the schemes for inclusion in the overall Capital Investment Programme for the three years 2016/2017 - 2018/2019 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 prioritisation system;
 - (ii) **Appendix 2** The Adur District Council proposed programme of new General Fund schemes which is recommended for approval;
 - (iii) **Appendix 3** The Worthing Borough Council proposed programme of new General Fund schemes, which is 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.

1.0 SUMMARY

1.4 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 Worthing Council on the 15th December, 2015 and Adur Council on the 17th December, 2015.

2.0 BACKGROUND

2.1 The Adur and Worthing Capital Strategy 2015-2018 was updated and agreed by JSC on 7th July, 2015. The harmonised strategy and financing policy for the proposed Capital Investment Programme was set out in the “Outline Forecast 2016/17 – 2020/21 and Budget Strategy” report and agreed by JSC at the same meeting in July.

2.2 The Outline Forecast, set out the following:

- (a) A maximum level of funding available per year for the next 5 years to fund new General Fund schemes:

Adur District Council	£1m (plus £3.7m for the Housing Investment Programme)
Worthing Borough Council:	£1.5m

- (b) The Outline Forecast 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 and capital receipts.
- (c) Additional capital expenditure will only be agreed where additional funding from capital grants, contributions, earmarked receipts, approved additional prudential borrowing or use of reserves has been secured.

2.3 The Capital Strategy agreed in July 2015 included the following changes to resource allocations:

- The financial management system will need to be replaced in 2016/17 at an overall cost of £0.5m.
- The refuse and recycling fleet will need to be replaced during 2016/17 at an overall cost of £4.5m
- A Strategic Property Investment Fund of £2m for each Council.

2.0 BACKGROUND

2.4 As the July 2015 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 2016/17, only the following resources will remain for other schemes:

- **Adur District Council** – agreed in July £490,000 but now decreased to £430,500
- **Worthing Borough Council** - agreed in July £760,000 but now decreased to £702,460

3.0 UPDATE ON KEY SCHEMES WITHIN THE EXISTING CAPITAL INVESTMENT PROGRAMME

3.1 The following paragraphs are an update on the current progress and status of key issues and investment areas:

(a) *Overall programme progress*

Progress on the programme is regularly reported to members, the most recent report is included elsewhere on the agenda.

(b) *Shoreham Community Centre extension works*

The works have now completed and the final cost of the project is £3.xm

(c) *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 provisions on housing developments. Worthing currently has capital receipts set aside as a result of Right to Buy clawback from Worthing Homes and from time to time there are ring fenced s.106 receipts for both Councils from developers in lieu of providing affordable housing on site. This is a useful source of funding to top-up schemes part funded from elsewhere, in order to ensure that schemes actually happen and get people off the Housing Register. The use of the Council's own assets to enable affordable housing development is becoming increasingly important as the more traditional funding sources, such as the Homes and Communities Agency (HCA) decrease The Housing Strategy targets 120 new affordable homes per annum.

3.0 UPDATE ON KEY SCHEMES WITHIN THE EXISTING CAPITAL INVESTMENT PROGRAMME

(c) *Adur and Worthing Affordable Housing*

The need for a budget provision:

However, the announcement in the Budget to cut social housing rents by 1% per annum over the next four years is likely to have a significant negative impact on affordable housing over the coming years. This is because the rent reduction will impact on registered providers' business model which was previously based on a rent increase of CPI plus 1% each year for the next 10 years.

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 Council to input where appropriate when a site becomes available.

In theory the more affordable homes that are available, the less pressure there would be on the authority to source and pay for temporary accommodation. The direct effect on these budgets of a housing development is relatively small although in practice the Councils have nomination rights to the properties and at subsequent relets.

No schemes have come forward for Adur in 2015/16 and the budget will be re-profiled to 2016/17. Worthing has one scheme in progress with an estimated further contribution of £250,000 expected. No further allocations are currently expected in 2015/16 and the remaining budget will be re-profiled to 2016/17.

The Homes and Communities Agency (HCA) contributions to housing developments:

The £2.8 billion Affordable Homes Programme (AHP) 2015-18 will function in a similar way to the current 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 upcoming AHP programme are expected to be 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.

3.0 UPDATE ON KEY SCHEMES WITHIN THE EXISTING CAPITAL INVESTMENT PROGRAMME

(d) Adur Homes Programme

There will be slippage in the 2015/16 capital programme, the extent of which cannot be fully determined at this point in the financial year as there are a number of influencing factors which cannot be predicted until contracts are in place and performance assessed.

(e) Disabled Facilities Grants

The Councils have previously received a government grant towards the cost of Disabled Facilities Grant. This covered about 60% - 70% of the cost of the improvements.

Since 2015/16 this has been funded from the Better Care Fund which will be managed in by West Sussex County Council (WSSCC) in its Public Health capacity with the Care Commissioning Groups.

The 2015/16 grants received from WSSCC are as follows:-

- Adur £293,283
- Worthing £550,094

3.2 The 2015/16 Capital programme continues to be monitored and reported to the Capital Working Group and members on a quarterly basis.

4.0 RESOURCES

4.1 There are two influences on the overall size of the capital programmes, namely:

- (i) the level of available resources to fund the programmes;
- (ii) the extent to which the revenue consequences of the programmes in terms of the cost of borrowing and any associated running costs can be accommodated within the revenue budget.

4.2 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 the size of programmes outlined in 2.2 to 2.4 for the foreseeable future. These programmes have remained at this size for some time and there is an growing need to increase the amount available, however this needs to be balanced against the difficult financial position of the Councils.

4.0 RESOURCES

4.3 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.

4.4 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. Investment will be financed using a mix of the following types of resources:

4.4.1 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 intended 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 will have to start to be returned from October 2015 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 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 is currently using any new receipts generated to pay down the debt associated with 'Splashpoint' swimming pool including the receipt expected from the sale of the Aquarena site.

4.0 RESOURCES

4.4.1 Usable Capital Receipts derived from the sale of assets

ii) Worthing Borough Council

Worthing Borough Council also has the right to a proportion of the receipts generated from the sales of homes by Worthing Homes.

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:-

	Year 1 £	Year 2 £
Interest at say 1.0%	5,000	10,000

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 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:

4.0 RESOURCES

4.4.1 Usable Capital Receipts derived from the sale of assets

Adur District Council

Adur District Council		Balance at 1st April £'000	* Receipts Generated £'000	Planned Use £'000	Balance at 31 st March £'000
2016/17	General	0	0	0	0
	Ring-fenced	3,182	466	(544)	3,094
	Total	3,182	466	(544)	3,094
2017/18	General	0	0	0	0
	Ring-fenced	3,094	466	(406)	3,154
	Total	3,094	466	(406)	3,154
2018/19	General	0	0	0	0
	Ring-fenced	3,154	466	(406)	3,214
	Total	3,154	466	(406)	3,214

Worthing Borough Council

Worthing Borough Council		Balance at 1 st April £'000	Receipts Generated £'000	Planned Use £'000	Balance at 31 st March £'000
2016/17	General	0	0	0	0
	Ring-fenced	4,445	146	(496)	4,095
	Total	4,445	146	(496)	4,095
2017/18	General	0	0	0	0
	Ring-fenced	4,095	145	(502)	3,738
	Total	4,095	145	(502)	3,738
2018/19	General	0	0	0	0
	Ring-fenced	3,738	145	(502)	3,381
	Total	3,738	145	(502)	3,381

4.0 RESOURCES

4.4.1 Usable Capital Receipts derived from the sale of assets

Worthing Borough Council

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.

4.4.2 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 £7m.

Consequently from 2012/13 onwards, the HRA has made a minimum revenue provision (MRP) for the repayment of debt. This will be based on repaying the debt over the life of any asset acquired or the life of improvement made. This can be funded from the depreciation which is set aside into the Major Repairs Reserve (see 4.6 below). There is also the option to make additional voluntary provisions for repayment of debt if this is affordable.

However, the recent announcements on rent levels for the next 4 years will impact on the affordability of any new borrowing. The high level 30 year financial business plan will be updated and presented to Adur Cabinet in February 2016 and will consider further the impact of the 1% rent reduction.

The annual revenue costs of each additional £1m of Prudential Code borrowing are estimated to be as follows:-

	Year 1 £	Year 2 £
Principal repayment – 7% average revenue provision*	0	70,000
Interest at say 3%	15,000	30,000
Total costs	15,000	100,000

* 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.

4.0 RESOURCES

4.4.2 Prudential Borrowing

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.

4.4.3 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. For the first five years of the self-financing regime it is permissible to limit the depreciation set aside to the equivalent value of the major repairs allowance previously received under the subsidy regime. The major repairs allowance calculation for 2012/13 was set at £2.081 million.

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). The latter source of funding requires amounts to be set aside for repayment of debt.

4.4.4 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 Adur Housing Revenue Account revenue contribution towards the Adur Homes capital programme for 2015/16 is set at £409,000. The revenue contribution reflects a long term strategy to fund a significant proportion of the proposed HRA capital programme from revenue thereby making a revenue saving on the cost of borrowing. The Joint Strategic Committee will be considering the Housing Revenue Account budget in February 2016, the contribution is expected to be at a similar level but may increase if there is adequate capacity within the budget.

In addition, 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 some planned pilot developments in 2016/17.

4.4.5 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 2016/17 capital programme:

4.0 RESOURCES

4.4.5 Capital Grants and other external funding

Adur District Council External Funding

	£
Disabled Facilities Grant (Better Care Fund)	239,000

Worthing Borough Council External Funding

	£
Disabled Facilities Grant (Better Care Fund)	445,000
South Downs Leisure Trust	12,000

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. As spend on this budget is largely demand-led, both Councils have had overspends in the past but demand is currently reduced and no overspend is anticipated in 2015/16, and Worthing Borough Council is currently forecasting an underspend of up to £150,000.

5.0 DRAFT PROGRAMMES

General Fund Programme

- 5.1 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.
- 5.2 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.

5.0 DRAFT PROGRAMMES

General Fund Programme

5.3 Other matters

5.3.1 Maintenance of Worthing Car Parks

The Council has recently undertaken a condition survey of Grafton car park which has revealed that there are some urgent maintenance issues that need to be addressed. In addition, the other car parks are due to be surveyed in 2016/17. At this stage it is proposed that an additional provision of £0.5m be set aside in 2016/17 only whilst a prioritised maintenance programme is developed. The revenue implications of this increase to the capital programme are:

	2016/17 £	2017/18 £
Principal repayment – repaid over 15 years.	0	33,400
Interest at say 3.00%	7,500	15,000
Total costs	7,500	48,400

The budget update report elsewhere on the agenda reveals that this additional cost can be accommodated from within the proposed 2016/17 revenue budget. The final programme of works will be approved by the Executive Member for the Environment.

It is recommended that members approve this increase to the capital programme.

5.3.2 Allocation of the cost of Trade Waste vehicles

The volume of business undertaken within the Worthing area has increased in relation to the business undertaken within Adur and is reflected in the increasing amount of income generated for Worthing Borough Council. This change has prompted a review of the allocation of the cost of the service across the two areas. Consequently, the cost of these vehicle will be split on a 70 (Worthing) / 30 (Adur) in future compared to the previous allocation of 67:33

5.3.3 Adur Community Leisure schemes:

Adur Community Leisure bid for two schemes in 2016/17:

1. Improvements to the changing facilities at Wadurs swimming pool (£100,000);
and
2. An extension to the car park at Lancing Leisure Centre (£250,000)

5.0 DRAFT PROGRAMMES

General Fund Programme

5.3 Other matters

5.3.3 Adur Community Leisure schemes:

Wadurs is currently experiencing increased attendances and a record number of people attending swimming lessons. The service is suffering from cramped changing rooms which cause logistical issues when delivering classes and sessions. The Adur S106 (BHAFC) Funding Working Group have approved the use of S106 resources to fund the improvement to the swimming pool in recognition of the popularity of facility and the need to upgrade the facilities for the benefit of all users.

However, the proposal extend the car park at Lancing Manor Park is currently unfunded with in the draft programme. The car park has reached capacity and Leisure Centre users struggle to park on a daily basis. The proposal is to use the Orchard area at the east end of the existing car park to provide a minimum of an extra 55 spaces. This land is owned by Adur Council land and is currently overgrown and unused. There is also a requirement to provide adequate lighting to the car park area. The extension of the car will allow for increased useage of the Leisure Centre and will unlock £350,000 of investment by Impulse Leisure into upgrading facilities at the Leisure Centre.

There are a number of options available for the extension of the car park. These include:

- i) Fully engineered hard surface car park finished in macadam;
- ii) Installation of a heavy graded grass mesh

Under the Councils' current Capital Strategy a report will come forward to the Joint Strategic Committee consider which of the options proposed represents best value to the Councils in the long term. The budget of £250,000 should be sufficient to fund a hard surface with an expected life of 20 years. Preliminary investigatory works will be undertaken in the coming months funded from within existing budgets which will inform the choice. It is intended to apply for planning permission in the spring which should allow for the preferred option to be constructed in the late Summer / Autumn.

	2016/17 £	2017/18 £
Principal repayment – repaid over 20 years.	0	12,500
Interest at say 3.00%	3,750	7,500
Total costs	3,750	20,000

5.0 DRAFT PROGRAMMES

General Fund Programme

5.4 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.

This scheme may be affected by the comprehensive spending review due in November as the New Homes Bonus (NHB) may be phased out. 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

5.0 DRAFT PROGRAMMES

General Fund Programme

5.4 Invest to save schemes

(i) Empty Properties

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

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 bought back into occupancy as a four bed HMO nomination rights to this property will be awarded to the council for the next five years.

5.0 DRAFT PROGRAMMES

5.4 Invest to save schemes

(i) Empty Properties

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 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, it is proposed that each individual purchase or development is the subject of a business case which is approved by the relevant Executive Member of Resources.

5.5 Schemes currently below programme financial cut-off

5.5.1 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. The Adur programme has also been increased marginally by £50,000 to accommodate the Street Scene project which has been a key priority for the Council in the past. The revenue consequence of this minor amendment (£2,000 in 2016/17 and £5,500 thereafter) will have to be accommodated within the revenue budget.

5.6 Adur Housing Investment Programme

5.6.1 The estimated resources available to fund the 2016/17 HRA Investment Programme of £4,600,000 are sufficient to fund all the proposed schemes (Appendix 5). Under the new self-financing regime, the HRA is in a much more sustainable position.

5.6.2 The first priority is the continued maintenance of decent homes standards for the benefit of existing tenants.

5.0 DRAFT PROGRAMMES

5.6 Adur Housing Investment Programme

5.6.3 The decent homes standard requirement is that homes:-

- a) meet the current statutory minimum standard for housing
- b) are in a reasonable state of repair
- c) have reasonably modern facilities and services
- d) provide a reasonable degree of thermal comfort.

5.7 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.

5.8 The following table is a summary of total resources used to fund the new schemes included in the draft programme.

Adur District Council

Programme Year	Revenue Contributions and Reserves £	Major Repairs Reserve £	Capital Grants and Contributions £	Usable Capital Receipts £	Borrowing £	TOTAL £
2016/2017						
General Fund	46,000	0	339,000	14,000	4,633,910	5,032,910
HRA	900,000	3,300,000	0	400,000	0	4,600,000
Total	946,000	3,300,000	339,000	414,000	4,633,910	9,632,910
2017/2018						
General Fund	46,000	0	539,000	6,000	5,994,000	6,585,000
HRA	400,000	3,353,550	0	400,000	0	4,153,550
Total	446,000	3,353,550	539,000	406,000	5,994,000	10,738,550

5.0 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	46,000	0	239,000	6,000	5,994,000	6,285,000
HRA	400,000	3,413,770	0	400,000	0	4,213,770
Total	446,000	3,413,770	239,000	406,000	5,994,000	10,498,770
TOTAL						
General Fund	138,000	0	1,117,000	26,000	16,621,910	17,902,910
HRA	1,700,000	10,067,320	0	1,200,000	0	12,967,320
GRAND TOTAL	1,838,000	10,067,320	1,117,000	1,226,000	16,621,910	30,870,230

5.9 Members will note that the total planned new spending over the next three years, is £30,870,230. The table above indicates how this proposed programme will be financed.

5.10 Worthing Borough Council

Programme Year	Revenue Contributions and Reserves £	Capital Grants and Contributions £	Theatres Levy £	Usable Capital Receipts £	Borrowing £	TOTAL £
2016/2017						
General Fund	90,230	847,000	0	0	6,271,760	7,208,990
2017/2018						
General Fund	50,000	445,000	50,000	500,000	6,000,000	7,045,000
2018/2019						
General Fund	50,000	445,000	50,000	500,000	5,876,090	6,921,090
GRAND TOTAL	190,230	1,737,000	100,000	1,000,000	18,147,850	21,175,080

5.0 DRAFT PROGRAMMES

5.11 Members will note that the total planned new spending over the next three years, is £21,175,080. The table above indicates how this proposed programme will be financed.

6.0 REVENUE IMPLICATIONS

6.1 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.

6.2 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 £	
2016/2017	463,531	4,000	463,531	4,000	2017/2018
2017/2018	599,460	4,000	1,062,991	8,000	2018/2019
2018/2019	599,460	4,000	1,662,451	12,000	2019/2020

Worthing Borough Council

Programme Year	Revenue Impact		Cumulative		Full-Year Impact in
	Borrowing £	Capital Receipts £	Borrowing £	Capital Receipts £	
2016/2017	627,176	0	627,176	0	2017/2018
2017/2018	600,000	5,000	1227,176	5,000	2018/2019
2018/2019	587,609	5,000	1814,785	10,000	2019/2020

6.0 REVENUE IMPLICATIONS

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.

7.0 PRUDENTIAL INDICATORS

7.1 Part of the core process for the Prudential Code is for Members to set Prudential Indicators 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 Cabinet as part of the Revenue Budget report.

8.0 EQUALITIES IMPACT ASSESSMENT

8.1 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.

9.0 LEGAL

- 9.1 Part 1 of the Local Government Act, 2003 sets out the framework for capital finance and expenditure.
- 9.2 The Local Government (Capital Finance and Accounting) (England) Regulations 2003 provide more detailed requirements.
- 9.3 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.

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, £1.5m for Worthing Borough Council each year and £4.7m 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 2016/17 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 RECOMMENDATIONS

11.1 The Joint Strategic Committee is recommended to:

- (a) **Consider increasing the Worthing Borough Council programme by £0.5m to provide for essential maintenance of the car parks;**
- (b) **Consider the three General Fund Capital Investment Programmes for the three-year period 2016/17 to 2018/2019 and confirm the schemes to be included as detailed in Appendix 2, 3 and 4 as amended by the decision above;**

11.0 RECOMMENDATIONS

- (b) **Agree the Adur Housing Renovation Programme for the three-year period 2016/17 to 2018/2019 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 3 Year Programmes for approval by the respective Councils on the 17th December 2015 and 15th December 2015**

Local Government Act 1972

Background Papers:

CIPFA Prudential Code for Capital Finance in Local Government 2003

Capital Estimates 2016/17 – Working papers

Capital Strategy 2015-18 – Report to Joint Strategic Committee on 7th July 2015

Outline Forecast 2016/17- 2020/21 Budget Strategy - Report to Joint Strategic Committee on 7th July 2015

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SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

1.1 The budget supports the Council's achievement of all its priorities.

2.0 SPECIFIC ACTION PLANS

2.1 Matters considered and no issues identified.

3.0 SUSTAINABILITY ISSUES

3.1 Matter considered and no issues identified

4.0 EQUALITY ISSUES

4.1 The capital programme prioritisation model awards points for capital project proposals that address DDA requirements and reduce inequalities (see para. 7).

5.0 COMMUNITY SAFETY ISSUES (SECTION 17)

5.1 Matter considered and no issues identified

6.0 HUMAN RIGHTS ISSUES

6.1 Matter considered and no issues identified

7.0 REPUTATION

7.1 Matter considered and no issues identified

8.0 CONSULTATIONS

8.1 Matter considered and no issues identified

9.0 RISK ASSESSMENT

9.1 Matter considered and no issues identified

10.0 HEALTH AND SAFETY ISSUES

10.1 Matter considered and no issues identified

11.0 PROCUREMENT STRATEGY

11.1 Matter considered and no issues identified

12.0 PARTNERSHIP WORKING

12.1 The report considers the impact that partnership working has on the overall budget.


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 - £100,000 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 £100,000 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 2015 - 2018 in July 2015 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 2015 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 Cabinet 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 Cabinet 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 2015/16 – 2018/19 Capital Investment Programmes.**


INDEX OF LEAD OFFICERS

ADJ	Arjan de Jong	Housing Strategy and Enabling Officer
AE	Andy Edwards	Head of Environment
AN	Andy Northeast	Transport Manager
AO	Amanda O'Reilly	Head of Culture
BR	Bruce Reynolds	Team Leader, Environmental Health
CS	Charlie Strong	Manager – Building Service
DM	Derek Magee	Engineering and Surveying Manager
DS	David Steadman	Adur Town Centres and Street Scene Co-ordinator
GH	Greg Harris	Project Surveyor, Regeneration
JA	James Appleton	Head of Growth
JACR	Jo-Anne Chang-Rogers	Finance Manager
JM	John Mitchell	Director for Communities
JO	Jo Osborne	Events Manager for Culture
JP	Jason Passfield	Principal Parking Officer
PC	Paul Cooper	Head of Housing
PT	Paul Turner	Monitoring and Systems Support Team Leader
SG	Sarah Gobey	Chief Finance Officer
SH	Sue Hart	Supported Housing Services Manager
TB	Teresa Bryant	Electoral Services Manager
TP	Tony Patching	Head of Waste Management and Cleansing


**ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	Future Years £
					Original £	Revised £				
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<u>PARTNERSHIP SCHEMES</u>										
Admin Buildings										
* Commerce Way - Vehicle Workshop replacement of roof including the provision of solar panels	18602	DM	20,000	-	253,000	20,000	-	-	-	-
Compliance Service										
Replacement of 1 vehicle	98068	AN	13,000	-	-	-	13,000	-	-	-
Courier Service										
Vehicle replacement	98072	AN	17,500	-	17,500	17,500	-	-	-	-
Environmental Health										
Replacement of 2 vehicles	98069	AN	43,000	-	18,000	18,000	-	25,000	-	-
Grounds Maintenance										
Provision of a storage building with solar panels at Commerce Way for grounds maintenance vehicles and equipment	98070	DM	250,000	-	250,000	-	250,000	-	-	-
Machinery replacements - ride on mower and one tractor	98067	AN	90,500	-	90,500	90,500	-	-	-	-
Vehicle replacements - 7 vehicles	98067	AN	315,000	-	46,000	46,000	-	69,000	200,000	-
Information and Communications Technology										
Corporate Asset Management System	98076	PT	80,000	-	-	-	80,000	-	-	-
CenSus ICT Partnership Schemes	98063	DB	642,660	-	194,000	60,000	132,660	150,000	150,000	150,000

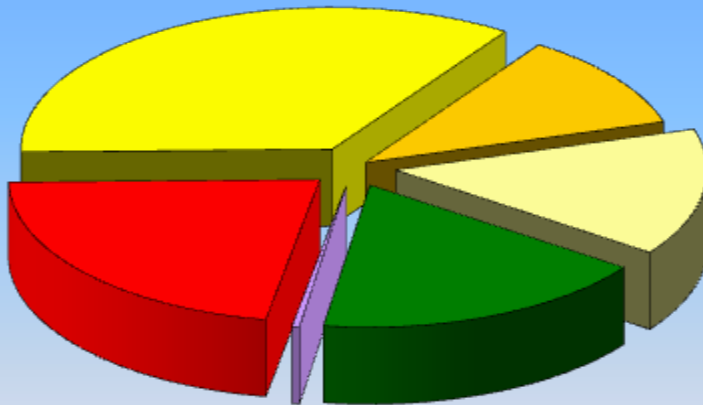
**ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	Future Years £
					Original £	Revised £				
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<u>PARTNERSHIP SCHEMES (continued)</u>										
<i>Information and Communications Technology (continued)</i>										
Corporate ICT hardware and infrastructure replacement programme	98065	DB	591,350	-	172,500	191,350	100,000	100,000	100,000	100,000
Digital Strategy General Provision to facilitate delivery of the digital strategy	98073	DB	440,000	106,660	215,000	206,340	127,000	-	-	-
EDRMS - Electronic Document and Records Management System Phase 2	98100	DB	50,000	18,110	25,000	31,890	-	-	-	-
Financial Management System - Total licence extension, Total documents and document service facilities	98000	JACR	565,000	-	-	-	565,000	-	-	-
<i>Refuse/Recycling Service</i>										
Provision of wheeled bins	98047	TP	100,000	-	20,000	20,000	20,000	20,000	20,000	20,000
Vehicle Replacements	98061	AN	4,641,610	-	49,500	49,500	4,358,110	234,000	-	-
<i>Refuse/Recycling/Street Cleansing</i>										
Vehicle Communications and Data Transfer System	98048	TP	123,750	112,240	-	-	11,510	-	-	-
<i>Street Cleansing</i>										
Vehicle Replacements	98062	AN	417,000	-	-	-	109,000	113,500	194,500	-

**ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

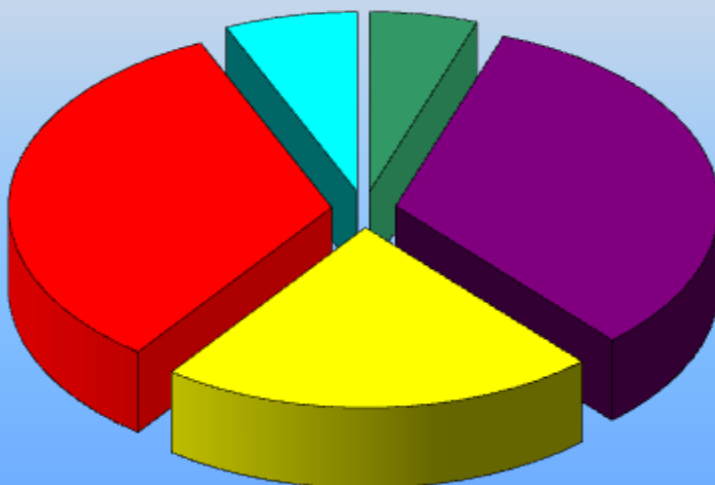
 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	Future Years £
					Original £	Revised £				
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<u>PARTNERSHIP SCHEMES (continued)</u>										
Vehicle Workshop Upgrade of MOT equipment (Replacement funded from the revenue programme)	98071	AN	-	-	30,000	-	-	-	-	-
TOTAL			8,400,370	237,010	1,381,000	751,080	5,766,280	711,500	664,500	270,000

Capital Expenditure




- Regeneration: £3.701m
- Customer Services (Adur Homes): £5.857m
- Customer Services (Other): £1.847m
- Resources: £2.446m
- Environment: £2.961m
- Health and Wellbeing: £0.066m

Capital Financing




- Capital Receipts: £0.912m
- Reserves and Revenue Contributions: £5.559m
- Government Grants: £3.692m
- Borrowing: £5.594m
- External Contributions: £1.121m


SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 Adur District Council	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
		Prior to 1.4.2015 £ (5)	2015/2016		2016/2017 Estimate £ (8)	2017/2018 Estimate £ (9)	2018/2019 Estimate £ (10)	Future Years £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)
			Original £ (6)	Current £ (7)						
Column Reference (1)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
BUDGETS										
Executive Member for Customer Services	27,955,010	11,240	6,267,120	4,466,880	7,703,800	5,449,550	5,163,770	5,159,770	326,900	(56,000)
Executive Member for Environment	4,347,600	201,730	1,184,160	569,140	2,961,440	265,100	260,410	89,780	364,280	(1,000)
Executive Member for Health and Wellbeing	179,810	-	32,570	38,310	65,500	26,000	25,000	25,000	5,490	-
Executive Member for Regeneration	5,876,270	407,840	963,450	1,466,660	3,701,500	237,770	12,500	50,000	15,400	-
Executive Member for Resources	21,505,000	1,360,110	963,870	2,554,160	2,446,240	5,047,900	5,049,590	5,047,000	2,150,500	-
	59,863,690	1,980,920	9,411,170	9,095,150	16,878,480	11,026,320	10,511,270	10,371,550	2,862,570	(57,000)
FINANCING										
Capital Grants and Contributions										
Communities and Local Government			122,960	55,150	152,210	225,270	-	-		
Cabinet Office			-	2,170	-	-	-	-		
Environment Agency			752,500	1,282,270	3,539,500	12,500	12,500	50,000		
S106 Contributions from Planning Agreements			594,000	-	844,000	300,000	-	-		
Other Contributions			470,340	338,680	276,860	239,000	239,000	239,000		
Prudential Borrowing			2,718,550	3,361,670	5,594,440	5,994,000	5,994,000	5,816,780		
Revenue Contributions and Reserves										
Revenue Contributions			41,200	235,730	177,220	96,000	46,000	46,000		
Revenue Reserves			3,980,620	3,413,480	5,382,250	3,753,550	3,813,770	3,813,770		
Usable Capital Receipts			731,000	406,000	912,000	406,000	406,000	406,000		
			9,411,170	9,095,150	16,878,480	11,026,320	10,511,270	10,371,550		


SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 Column Reference (1)	CAPITAL ESTIMATES					
	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	Future Years £
	Original £	Current £				
	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING						
Capital Grants and Contributions						
<u>Cabinet Office</u>						
A3 Forms Hardware Capital Grant (Election Service)	-	2,170	-	-	-	-
	-	2,170	-	-	-	-
<u>Communities and Local Government</u>						
Planning Delivery Grant (Ferry Road Environmental Improvements)	80,460	-	80,460	-	-	-
Shoreham Harbour Growth Point Grant (Fishersgate Play Area improvements)	10,000	10,000	-	-	-	-
(Shoreham Harbour Projects)	-	40,000	35,000	225,270	-	-
(Ferry Road Environmental Improvements)	32,500	5,150	36,750	-	-	-
	122,960	55,150	152,210	225,270	-	-
<u>Environment Agency</u>						
Coast Protection Grant (Adur Beach Management Plan - Preliminary Study for the Rivers Arun to Adur)	-	40,000	32,000	-	-	-
(Strategic Monitoring Project for the South East Phases 3 and 4)	12,500	12,500	12,500	12,500	12,500	50,000
(Southwick Beach - Coast Protection)	740,000	1,224,770	-	-	-	-
(Shoreham Harbour Walls Project)	-	5,000	3,495,000	-	-	-
	752,500	1,282,270	3,539,500	12,500	12,500	50,000

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME


 Adur District Council	CAPITAL ESTIMATES					
	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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</u>						
(Affordable Housing - Unallocated provision)	477,000	-	477,000	-	-	-
(Buckingham Park Pavilion - Replacement)	-	-	150,000	-	-	-
(Lower Beach Road Car Park - Enhancements)	117,000	-	117,000	-	-	-
(Southwick Leisure Centre - All weather pitch for football / tennis / netball)	-	-	-	300,000	-	-
(Wadurs Swimming Pool - Expansion of changing facilities)	-	-	100,000	-	-	-
	594,000	-	844,000	300,000	-	-
<u>Other Contributions</u>						
Sompting Parish Council (Sompting Recreation Ground - Outdoor fitness equipment)	-	5,000	-	-	-	-
Veolia Environmental Trust (Croft Avenue Rest Gardens Improvement Project)	-	400	-	-	-	-
(Fishersgate Play Area)	-	15,000	20,000	-	-	-
West Sussex County Council (Better Care Fund - Disabled Facilities Grant)	293,000	293,280	239,000	239,000	239,000	239,000
(Lower Beach Road Car Park - Enhancements)	50,840	15,000	17,860	-	-	-
Worthing Borough Council (Commerce Way - Vehicle Workshop replacement of roof covering)	126,500	10,000	-	-	-	-
	470,340	338,680	276,860	239,000	239,000	239,000

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME


 Adur District Council	CAPITAL ESTIMATES					
	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	Future Years £
	Original £	Current £				
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING (Continued)						
Prudential Borrowing						
<u>Adur Homes Capital Investment Programme</u>						
	355,900	-	-	-	-	-
<u>Invest to Save Schemes</u>						
(Commerce Way - Vehicle Workshop replacement of roof covering)	95,000	-	-	-	-	-
(Commerce Way - Provision of a storage building for grounds maintenance equipment)	32,000	-	32,000	-	-	-
(Purchase and installation of new beach huts)	20,000	20,000	-	-	-	-
(Strategic Property Investment Fund for investments in commercial property)	-	-	2,000,000	5,000,000	5,000,000	5,000,000
<u>General Fund Schemes</u>						
(Replacement of refuse/recycling fleet)	-	-	1,586,350	-	-	-
(Other Schemes)	2,215,650	3,341,670	1,976,090	994,000	994,000	816,780
	2,718,550	3,361,670	5,594,440	5,994,000	5,994,000	5,816,780
Revenue Contributions and Reserves						
<u>Revenue Contributions</u>						
Community Alarm Service						
(Purchase of community alarm equipment)	-	25,000	25,000	25,000	25,000	25,000
Housing Revenue Account						
(Leasehold Database Software)	10,200	12,150	-	-	-	-
(Asset Management System)	-	-	45,000	-	-	-
(Adur Homes Capital Investment Programme)	-	124,630	74,480	50,000	-	-
New Homes Bonus						
(Empty Properties - Grants and loans to bring empty properties back into use)	26,000	33,000	32,740	21,000	21,000	21,000
(Discretionary Home Repair Grants - To fund damp proofing)	-	550	-	-	-	-
Play Areas						
(Buckingham Park - Play area improvements)	5,000	-	-	-	-	-
Revenues and Benefits						
(Purchase of ICT CenSus Capita Modules)	-	14,400	-	-	-	-

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME




 Column Reference (1)	CAPITAL ESTIMATES					
	2015/2016		2016/2017 Estimate	2017/2018 Estimate	2018/2019 Estimate	Future Years
	Original	Current				
	£	£	£	£	£	£
(6)	(7)	(8)	(9)	(10)	(11)	
DETAILED FUNDING (Continued)						
Revenue Contributions and Reserves (Continued)						
<u>Revenue Contributions (Continued)</u>						
Shoreham Centre and Civic Centre Maintenance Budget (Shoreham Centre - Extension for Adur Civic Presence)	-	26,000	-	-	-	-
	41,200	235,730	177,220	96,000	46,000	46,000
<u>Revenue Reserves</u>						
Building Maintenance Reserve (Fishersgate Community Centre - Play Area Fencing)	-	30,000	-	-	-	-
Capacity Issues Reserve (Travellers Exclusion Measures)	-	4,900	-	-	-	-
Reserve for Development and Refurbishment of Housing (Development and refurbishment of Council Dwellings)	950,620	348,580	1,496,250	400,000	400,000	400,000
Major Repairs Reserve (Adur Homes Capital Investment Programme)	3,030,000	3,030,000	3,886,000	3,353,550	3,413,770	3,413,770
	3,980,620	3,413,480	5,382,250	3,753,550	3,813,770	3,813,770
Usable Capital Receipts						
Affordable Housing	-	-	140,480	-	-	-
Adur Homes Capital Investment Programme	400,000	400,000	400,000	400,000	400,000	400,000
General Fund Schemes	6,000	6,000	6,000	6,000	6,000	6,000
Ring-Fenced (Shoreham Renaissance - Lower Beach Car Park refurbishment)	325,000	-	365,520	-	-	-
	731,000	406,000	912,000	406,000	406,000	406,000


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER												
Electoral Services												
Purchase of elections equipment (Funded from the Cabinet Office)	18621	TB	5,560	3,390	-	2,170	-	-	-	-	-	-
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	65,740	-	26,000	33,000	32,740	-	-	-	-	(14,000)
Housing Renewal Assistance												
<u>Discretionary Grants</u>												
Home Repair Assistance Grants	18006	BR	115,550	-	50,000	50,550	65,000	-	-	-	11,560	-
<u>Mandatory Grants</u>												
Disabled Facilities Grants (Part funded by a Better Care Fund Grant estimated at £532,280)	18005	BR	750,000	-	400,000	400,000	350,000	-	-	-	21,770	-
Revenues and Benefits												
Purchase of ICT CenSus Capita Modules	18626	SG	14,400	-	-	14,400	-	-	-	-	-	-
Southwick Leisure Centre												
* Boiler - Replacement	18520	DM	96,000	-	96,000	2,000	94,000	-	-	-	9,600	-
* Renewal of flat roof areas	18520	DM	55,000	-	-	-	55,000	-	-	-	5,500	-
* Tennis Courts - Improvements	18520	DM	22,000	-	22,000	-	22,000	-	-	-	2,200	-
			1,124,250	3,390	594,000	502,120	618,740	-	-	-	50,630	(14,000)


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 (LASHG) Grants to Registered Social Landlords for the provision of affordable housing (£477,000 funded from S106 receipts)	18080	ADJ	810,000	-	810,000	-	810,000	-	-	-	33,300	-
CenSus ICT Partnership Provision for ICT schemes (Partnership scheme with CenSus Partners. Total cost £193,660)	18020	SG	96,330	-	97,000	30,000	66,330	-	-	-	9,630	-
Lancing Manor Leisure Centre Car Park Extension	18091	DM	267,400	-	17,400	17,400	250,000	-	-	-	26,740	-
Wadurs Swimming Pool Expansion of changing facilities (Funded from S106 receipts)	18513	JM	100,000	-	-	-	100,000	-	-	-	-	-
			1,273,730	-	924,400	47,400	1,226,330	-	-	-	69,670	-
FUTURE PROGRAMME												
Affordable Housing (LASHG) Grants to Registered Social Landlords for the provision of affordable housing	18080	ADJ	1,500,000	-	-	-	-	500,000	500,000	500,000	150,000	-
CenSus ICT Partnership Provision for ICT schemes (Partnership scheme with CenSus Partners)	18020	SG	225,000	-	-	-	-	75,000	75,000	75,000	22,500	-


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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>												
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	63,000	-	-	-	-	21,000	21,000	21,000	-	(42,000)
Housing Renewal Assistance Mandatory Grants Disabled Facilities Grants (Part funded by a Better Care Fund Grant estimated at £239,000 p.a.)	18005	BR	1,050,000	-	-	-	-	350,000	350,000	350,000	33,300	-
Southwick Leisure Centre Replace outdoor courts 1 - 3 with an all weather pitch for football / tennis / netball (Possible Invest to Save Scheme)	18520	JM	300,000	-	-	-	-	300,000	-	-	-	-
Contingency: Inflation and Fluctuations	18599		8,000	-	2,000	2,000	2,000	-	4,000	-	800	-
			3,146,000	-	2,000	2,000	2,000	1,246,000	950,000	946,000	206,600	(42,000)
TOTAL GENERAL FUND SCHEMES			5,543,980	3,390	1,520,400	551,520	1,847,070	1,246,000	950,000	946,000	326,900	(56,000)


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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												
COMMITTED SCHEMES												
1 Disability Adaptations for Homes On-going programme providing access and home facilities for Council tenants with disabilities	18056	BR	588,160	-	348,000	328,160	260,000	-	-	-	-	-
2 i) Flat Roof Recovering/Replacement Programme	18057	DM	2,050,280	-	538,000	80,000	1,970,280	-	-	-	-	-
ii) Re-Pointing Programme and Structural Works Essential work to keep buildings water tight and maintain structures	18058											
iii) Pitched Roofs Recovering/Replacement Renewal of roof coverings, timber structures, chimney stacks and firewalls	18065											
iv) External Joinery and Window Replacements Replacement of double glazed windows, external doors and timber frames	18069											
3 i) Kitchen and Bathroom Improvements Refurbishment programme to meet Government decency standards	18060	DM	2,935,560	-	1,770,000	1,862,360	1,073,200	-	-	-	-	-


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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)												
6 i) Test and Upgrade of Electrical Systems Upgrade of circuits and fittings including additional sockets and external lighting	18068	CS	29,000	-	10,000	19,000	10,000	-	-	-	-	-
7 i) Central Heating Installation Programme	18070	DM/CS	1,011,200	-	614,400	611,200	400,000	-	-	-	-	-
ii) Boiler & Central Heating Replacements Replacement of failing boilers and heating systems with high efficiency boilers	18071 18072											
8 Upgrade of Remaining Sheltered Accommodation TV Aerial Systems Some sheltered accommodation blocks with older systems require replacement with full integrated reception systems	18077	CS	30,000	-	30,000	30,000	-	-	-	-	-	-
9 Stock Condition Survey To inform and develop future strategy and budget planning	18508	DM	141,790	-	97,500	141,790	-	-	-	-	-	-
10 Lift Refurbishment and Major Works Replacement controllers, drives, door operators and car refurbishment to current DDA standards	18509	DM	46,580	-	-	46,580	-	-	-	-	-	-
11 Leasehold Database Software	18511	PT	20,000	7,850	10,200	12,150	-	-	-	-	-	-
12 Sheltered Accommodation - Community Alarms Systems Replacement of existing community alarm communication/alert system	18512	SH	170,000	-	93,000	-	120,000	50,000	-	-	-	-


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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)												
iv) External Joinery and Window Replacements Replacement of double glazed windows, external doors and timber frames	18069											
3 i) Kitchen and Bathroom Improvements Refurbishment programme to meet Government decency standards replacements	18060	DM	3,368,790	-	-	-	-	1,088,130	1,140,330	1,140,330	-	-
ii) Insulation Upgrade and Energy Related Improvements Rolling annual programme to increase levels of insulation to new standards or introduce energy efficiency/environmentally related measures into residents homes	18065											
4 i) Environmental Improvements Provision of improvements to external communal areas to include estate lighting, fencing, pathways, planting and landscaping	18063	DM	156,310	-	-	-	-	51,250	52,530	52,530	-	-
ii) Upgrade/Repair Car Park Areas and Garages Major repairs to garages, compound and car park resurfacing and lighting	18076											


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 i) Communal Wav Refurbishments Replacement floor coverings, door entry replacement systems, lighting and window replacements	18064	DM	1,350,300	-	-	-	-	446,000	452,150	452,150	-	-
ii) Replacement of Door Entry Systems Replacement of failing door entry systems and entrance doors/locking mechanisms	18073											
iii) Fire Safety Order Works Rolling programme of works to meet Regulatory Reform (Fire Safety) Order 2005	18505											
6 i) Test and Upgrade of Electrical Systems Upgrade of circuits and fittings including additional sockets and external lighting	18068	DM	31,270	-	-	-	-	10,250	10,510	10,510	-	-
7 i) Central Heating Installation Programme ii) Boiler & Central Heating Replacements Replacement of failing boilers and heating systems with high efficiency boilers	18070 18071 18072	DM	1,250,500	-	-	-	-	410,000	420,250	420,250	-	-
8 Sheltered Accommodation - Community Alarms Systems Replacement of existing community alarm communication/alert system	18512	SH	32,800	-	-	-	-	32,800	-	-	-	-


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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)												
9 Development of Properties The development of new properties for let by Adur Homes. (Funded from the new Development and Acquisition Reserve)	18506	PC	1,200,000	-	-	-	-	400,000	400,000	400,000	-	-
			12,581,090	-	-	-	-	4,153,550	4,213,770	4,213,770	-	-
TOTAL HOUSING INVESTMENT PROGRAMME			22,411,030	7,850	4,746,720	3,915,360	5,856,730	4,203,550	4,213,770	4,213,770	-	-
TOTAL			27,955,010	11,240	6,267,120	4,466,880	7,703,800	5,449,550	5,163,770	5,159,770	326,900	(56,000)


**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER												
Allotments												
* The Meads Allotment Site - Refurbishment of land drainage pipework (Replacement of existing land drainage system to address flooding at allotment site and adjacent playing field)	18085	DM	33,000	2,200	-	30,800	-	-	-	-	3,300	-
* Williams Road Allotment Site - Refurbishment of tenants' shed and resurfacing of paths and access roads	18085	DM	26,400	-	26,400	-	26,400	-	-	-	2,640	-
Car Parks												
* South Street Lancing car park resurfacing of hard surfaces	18095	DM	32,000	2,880	30,000	-	29,120	-	-	-	3,200	-
Compliance Service												
Replacement of 1 vehicle (Partnership scheme with Worthing Borough Council. Total cost £13,000)	18212	AN	5,200	-	-	-	5,200	-	-	-	520	-
Environmental Health												
Replacement of 1 dog warden's van (Partnership scheme with Worthing Borough Council. Total cost £18,000)	18213	AN	9,000	-	9,000	9,000	-	-	-	-	900	-
Foreshore												
Beach Huts - Purchase and installation of new huts (Invest to Save Scheme)	18305	AE	20,000	-	20,000	20,000	-	-	-	-	-	-


**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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>COMMITTED SCHEMES - £100,000 AND UNDER</u>												
<u>(continued)</u>												
<i>Foreshore (continued)</i>												
Kingston Beach - Environmental improvements	18304	AE	20,000	2,000	18,000	-	18,000	-	-	-	2,000	-
Shoreham Beach - Extension of existing boardwalk path on Shoreham Beach to improve access to the beach	18031	DM	134,500	13,570	-	120,930	-	-	-	-	13,450	-
<i>Grounds Maintenance Service</i>												
Machinery replacements - Ride on mower and one tractor (Partnership scheme with Worthing Borough Council. Total cost £90,500)	18207	AN	36,200	-	36,200	36,200	-	-	-	-	3,620	-
Vehicle replacements (Partnership scheme with Worthing Borough Council. Total cost £46,000)	18207	AN	18,400	-	18,400	18,400	-	-	-	-	1,840	-
<i>Parks and Open Spaces</i>												
Adur Recreation Ground - Remediation of contaminated land	18221	AE	36,500	1,500	-	35,000	-	-	-	-	3,650	-
Croft Avenue Rest Gardens Improvement Project (Provision of a second entrance, linking pathway, landscaping, bulb planting and tree work. Funded from a Veolia Environmental Grant and a revenue contribution)	18215	AE	14,500	14,100	-	400	-	-	-	-	-	-


**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER (continued)												
<i>Parks and Open Spaces (continued)</i>												
* Southwick Recreation Ground - Provision of a footpath along the southern side of the access road adjacent to the Bowls Club and refurbishment of the main access	18113	DM	11,000	-	25,000	-	11,000	-	-	-	1,100	-
* Southwick Recreation Ground - Refurbishment of access road	18113	DM	25,000	2,500	22,500	-	22,500	-	-	-	2,500	-
Traveller exclusion measures (Provision of bunds, ditches and barriers to reduce incursions on to Council Land)	18211	AE	82,820	-	60,000	82,820	-	-	-	-	8,280	(1,000)
<i>Play Area Improvements</i>												
Buckingham Park - Play area improvements (£10,000 funded from revenue resources)	18209	AE	37,000	5,450	32,000	31,550	-	-	-	-	3,700	-
Elmgrove Open Space	18209	AE	82,500	-	-	-	82,500	-	-	-	8,250	-
Hamble Recreation Ground	18209	AE	82,500	-	-	-	82,500	-	-	-	8,250	-
Sompting Recreation Ground - Provision of outdoor fitness equipment	18222	AE	22,000	-	22,000	22,000	-	-	-	-	2,200	-
<i>Refuse/Recycling Service</i>												
Provision of wheeled bins (Partnership scheme with Worthing Borough Council. Total cost £20,000 p.a.)	18100	TP	14,560	-	7,280	7,280	7,280	-	-	-	1,460	-


**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER (continued)												
Refuse/Recycling Service (continued)												
Replacement of 1 vehicle (Partnership scheme with Worthing Borough Council. Total cost £49,500)	18202	AN	18,020	-	18,020	18,020	-	-	-	-	1,800	-
Refuse/Recycling/Street Cleansing												
Vehicle Communications and Data Transfer System (Partnership scheme with Worthing Borough Council. Total cost £123,750)	18103	TP	45,170	40,910	-	-	4,260	-	-	-	4,520	-
Street Cleansing												
Replacement of 2 vehicles (Partnership scheme with Worthing Borough Council. Total cost £109,000)	18102	AN	42,950	-	-	-	42,950	-	-	-	4,300	-
Street Lighting												
Enhancements to WSCC lighting in Conservation Areas or near Heritage Sites (Upgrade of WSCC street lighting)	18216	DM	30,000	-	-	30,000	-	-	-	-	3,000	-
Streetscene												
Replacement of one vehicle	18223	AN	33,000	-	33,000	-	33,000	-	-	-	3,300	-
Rolling programme of works to improve the environment of Adur District	18096	DS	140,240	-	90,000	20,240	120,000	-	-	-	14,020	-


**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER (continued)												
Vehicle Workshop Upgrade of MOT equipment (Upgrade funded from revenue budget as the cost was under the capitalisation threshold)	18217	AN	-	-	12,000	-	-	-	-	-	-	-
			1,052,460	85,110	479,800	482,640	484,710	-	-	-	101,800	(1,000)
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	116,620	486,360	15,000	500,380	-	-	-	3,660	-
Grounds Maintenance Provision of a storage building with solar panels at Commerce Way for vehicles and equipment (Partnership scheme with Worthing Borough Council. Total cost £250,000)	18218	DM	100,000	-	100,000	-	100,000	-	-	-	10,000	-
Parks and Open Spaces Buckingham Park - Replacement of pavilion (£150,000 funded from S106 receipts)	18224	JM	172,000	-	22,000	-	172,000	-	-	-	17,200	-


**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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)												
Play Area Improvements												
Fishersgate Recreation Ground (£10,000 funded from Shoreham Harbour Growth Point Grant, £35,000 Veolia Environmental Trust and £30,000 Building Maintenance Reserve)	18209	AE	155,000	-	85,000	55,000	100,000	-	-	-	8,000	-
Refuse/Recycling Service												
Replacement of 24 refuse/recycling vehicles (Partnership scheme with Worthing Borough Council. Total cost £4,357,110)	18202	AN	1,586,350	-	-	-	1,586,350	-	-	-	158,640	-
			2,645,350	116,620	693,360	70,000	2,458,730	-	-	-	197,500	-
FUTURE PROGRAMME												
Environmental Health												
Replacement of 1 dog wardens van (Partnership scheme with Worthing Borough Council. Total cost £25,000)	18213	AN	12,500	-	-	-	-	12,500	-	-	1,250	-
Grounds Maintenance Service												
Vehicle replacements (Partnership scheme with Worthing Borough Council. Total cost £269,000)	18207	AN	107,600	-	-	-	-	27,600	80,000	-	10,760	-
Play Area Improvements												
General Provision	18209	AE	247,500	-	-	-	-	82,500	82,500	82,500	24,750	-


**CABINET MEMBER FOR ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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)												
Refuse/Recycling Service Provision of wheeled bins (Partnership scheme with Worthing Borough Council. Total cost £20,000 p.a.)	18100	TP	21,840	-	-	-	-	7,280	7,280	7,280	2,180	-
Refuse/Recycling/Street Cleansing/ Trade Waste Replacement of vehicles for the joint service (Partnership scheme with Worthing Council. Total cost £855,000)	18102 18202	AN	205,850	-	-	-	-	129,220	76,630	-	20,590	-
Contingency: Inflation and Fluctuations	18114		54,500	-	11,000	16,500	18,000	6,000	14,000	-	5,450	-
			649,790	-	11,000	16,500	18,000	265,100	260,410	89,780	64,980	-
TOTAL			4,347,600	201,730	1,184,160	569,140	2,961,440	265,100	260,410	89,780	364,280	(1,000)


**CABINET MEMBER FOR HEALTH AND WELLBEING
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER												
Community Alarm Service Purchase of community alarm equipment to replace old equipment (Funded from the Community Alarm Service)	18307	SH	50,000	-	-	25,000	25,000	-	-	-	-	-
Equalities Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	18031	DM	17,460	-	16,500	6,460	11,000	-	-	-	1,750	-
Disability Discrimination Act Improvements - Extension of the existing footpath at Middle Road Recreation Ground to Shoreham Football Club	18031	DM	12,000	-	-	-	12,000	-	-	-	1,200	-
Public Health Asbestos Removal - Provision for removal of asbestos from Council buildings	18039	DM	22,350	-	15,070	5,850	16,500	-	-	-	2,240	-
			101,810	-	31,570	37,310	64,500	-	-	-	5,190	-
FUTURE PROGRAMME												
Community Alarm Service Purchase of community alarm equipment to replace old equipment (Funded from the Community Alarm Service)	18307	SH	75,000	-	-	-	-	25,000	25,000	25,000	-	-
Contingency: Inflation and Fluctuations	18399		3,000	-	1,000	1,000	1,000	1,000	-	-	300	-
			78,000	-	1,000	1,000	1,000	26,000	25,000	25,000	300	-
TOTAL			179,810	-	32,570	38,310	65,500	26,000	25,000	25,000	5,490	-


**CABINET MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 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	18408	DM	72,000	-	-	40,000	32,000	-	-	-	-	-
			72,000	-	-	40,000	32,000	-	-	-	-	-
COMMITTED SCHEMES - KEY DECISIONS												
Coast Protection Southwick Beach repairs to coast protection defences (Funded from Government's Recovery Support Grant and reserves)	18309	DM	1,546,000	321,230	740,000	1,224,770	-	-	-	-	-	-
Lancing Vision Regeneration Refurbishment of Beach Green public conveniences	18404	GH	143,000	4,760	87,200	138,240	-	-	-	-	14,300	-
Shoreham Harbour Walls Project (Funded from Governments Growth Deal)	18407	DM	3,500,000	-	-	5,000	3,495,000	-	-	-	-	-
Strategic Monitoring Project for the South East Phases 3 and 4. Contribution to the partnership scheme between Maritime Authorities (Funded by the Environment Agency)	18306	DM	171,500	71,500	12,500	12,500	12,500	12,500	12,500	50,000	-	-


**CABINET MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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												
<u>(continued)</u>												
<i>Economic Development</i>												
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	142,500	10,350	122,750	5,150	127,000	-	-	-	1,000	-
<i>Shoreham Harbour Projects</i> (Approved by the Shoreham Harbour Project Board and funded from Shoreham Harbour Growth Point Grant)	18054	JA	300,270	-	-	40,000	35,000	225,270	-	-	-	-
			5,803,270	407,840	962,450	1,425,660	3,669,500	237,770	12,500	50,000	15,300	-
<i>Contingency: Inflation and Fluctuations</i>	18499		1,000	-	1,000	1,000	-	-	-	-	100	-
			1,000	-	1,000	1,000	-	-	-	-	100	-
TOTAL			5,876,270	407,840	963,450	1,466,660	3,701,500	237,770	12,500	50,000	15,400	-


**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER												
Corporate Buildings												
* Commerce Way Vehicle Workshop - Roof repairs (Contribution of £10,000 from Worthing Borough Council)	18602	DM	20,000	-	253,000	20,000	-	-	-	-	2,000	-
* 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	11,000	-	-	-	11,000	-	-	-	1,100	-
Courier Service												
Vehicle replacement (Partnership scheme with Worthing Borough Council. Total cost £17,500)	18624	AN	7,000	-	7,000	7,000	-	-	-	-	700	-
Information and Communications Technology												
Corporate Asset Management System												
Corporate ICT hardware and infrastructure replacement programme 2015/2016 and 2016/2017 (Partnership scheme with Worthing Borough Council. Total cost £291,350)	18627	PT	59,000	-	-	-	59,000	-	-	-	5,900	-
Corporate ICT hardware and infrastructure replacement programme 2015/2016 and 2016/2017 (Partnership scheme with Worthing Borough Council. Total cost £291,350)	18121	SG	136,940	-	81,070	89,940	47,000	-	-	-	13,690	-
EDRMS - Electronic Document and Records Management System Phase 2 (Partnership scheme with Worthing Borough Council. Total cost £50,000)	18615	SG	23,500	8,510	11,750	14,990	-	-	-	-	2,350	-
			257,440	8,510	352,820	131,930	117,000	-	-	-	25,740	-

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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												
Admin Buildings Shoreham Community Centre - Extension for New Ways of Working	18617	DM	3,616,720	1,301,470	500,000	2,315,250	-	-	-	-	361,670	-
Information and Communications Technology Digital Strategy General Provision (Partnership scheme with Worthing Borough Council. Total cost £440,000 to facilitate delivery of the digital strategy)	18625	SG	206,800	50,130	101,050	96,980	59,690	-	-	-	20,680	-
Financial Management System Replacement (Partnership scheme with Worthing Borough Council. Total cost £565,000)	18619	JACR	265,550	-	-	-	265,550	-	-	-	26,560	-
Strategic Property Investment Investments in commercial property to generate income	18630	SG	2,000,000	-	-	-	2,000,000	-	-	-	200,000	Variable Income
			6,089,070	1,351,600	601,050	2,412,230	2,325,240	-	-	-	608,910	-
FUTURE PROGRAMME												
Information and Communications Technology Corporate hardware and infrastructure replacement programme (Partnership scheme with Worthing Borough Council. Total cost £100,000 p.a.)	18121	SG	141,000	-	-	-	-	47,000	47,000	47,000	14,100	-

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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)												
<i>Strategic Property Investment</i> Investments in commercial property to generate income	18630	SG	15,000,000	-	-	-	-	5,000,000	5,000,000	5,000,000	1,500,000	Variable Income
<i>Contingency: Inflation and Fluctuations</i>	18650		17,490	-	10,000	10,000	4,000	900	2,590	-	1,750	-
			15,158,490	-	10,000	10,000	4,000	5,047,900	5,049,590	5,047,000	1,515,850	-
TOTAL			21,505,000	1,360,110	963,870	2,554,160	2,446,240	5,047,900	5,049,590	5,047,000	2,150,500	-



ADUR'S
CAPITAL SCHEMES
RESERVE LISTS

	Estimates £
(a) <u>YEARS 4-7</u>	
AFFORDABLE HOUSING (LASHG) Partnership schemes with Registered Social Landlords to provide affordable housing (Annual provision)	500,000
CENSUS ICT PARTNERSHIP CenSus ICT Partnership Schemes (Annual provision for partnership schemes with CenSus Partners)	75,000
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
LANCING LEISURE CENTRE Renewal of reception and entranceway roof coverings and associated works	15,400
SOUTHWICK LEISURE CENTRE Tennis Courts - Fencing renewal	19,800
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u>	
ALLOTMENTS	
Rolling programme to resurface roads and paths (Annual provision)	16,500
Security and gate fencing at allotment sites (Annual provision)	22,000
CAR PARKS	
Rolling programme of works to resurface car parks' hard surfaces (Annual provision)	22,000
Fishersgate Recreation Ground Car Park - Enhancement and reconstruction	68,000
CEMETERIES AND CHURCHYARDS	
Rolling programme of works to resurface hard surfaces in cemeteries and churchyards (Annual provision)	16,500
HIGHWAYS	
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
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 (2019/2020 - 2020/2021)	54,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u> (continued)	
<i>PARKS</i>	
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)	82,500
Programme of works to resurface hard surfaces in the Council's parks (Annual provision)	22,000
<i>PUBLIC CONVENIENCES</i>	
Programme of works to improve and upgrade the Council's public conveniences (Annual provision)	33,000
* Lancing Manor Park - Provision of a public convenience	132,000
<i>REFUSE/RECYCLING/STREET CLEANSING SERVICE</i>	
Provision for the replacement of vehicles for the joint service 2019/2020 - 2020/2021 (Partnership scheme with Worthing Borough Council. Total cost £420,500)	163,187
Wheeled bins replacement programme - Annual provision (Partnership scheme with Worthing Borough Council. Total annual provision £20,000)	7,280
<i>STREET SCENE</i>	
Rolling programme of works to improve the environment of Adur District (Annual provision)	50,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u>	
COMMUNITY ALARM SERVICE	
* Purchase of community alarm equipment (Annual provision)	25,000
DISABILITY DISCRIMINATION ACT IMPROVEMENTS	
Shoreham Coastal Footway - Provision of a footpath to improve and extend the existing footpath from Ferry Road to Beach Road	420,000
EQUALITIES	
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties (Annual provision)	16,500
PUBLIC HEALTH	
Asbestos removal from Council buildings (Annual provision)	11,000
N/C = Not Costed * = New Scheme	

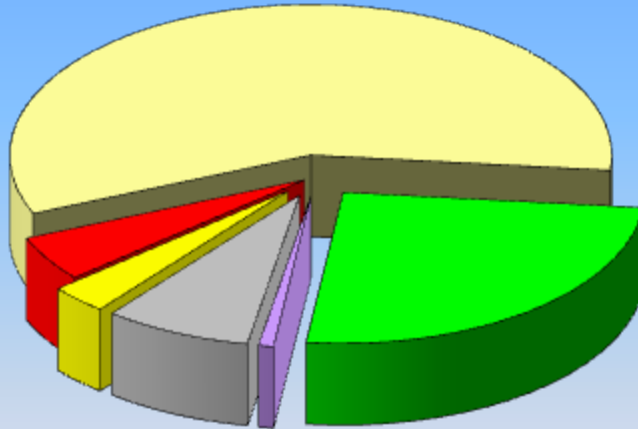
	Estimates £
<p>(a) <u>YEARS 4-7</u></p> <p>COAST PROTECTION WORKS Strategic Monitoring Project for the South East Phase 4. Contribution to the partnership scheme between Maritime Authorities (Funded by the Environment Agency)</p>	<p>50,000</p>
<p>N/C = Not Costed * = New Scheme</p>	

	Estimates £
<p>(a) <u>YEARS 4-7</u></p> <p>ADMIN BUILDINGS Commerce Way 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>INFORMATION AND COMMUNICATIONS TECHNOLOGY 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>47,000</p>
<p>N/C = Not Costed * = New Scheme</p>	

WORTHING:

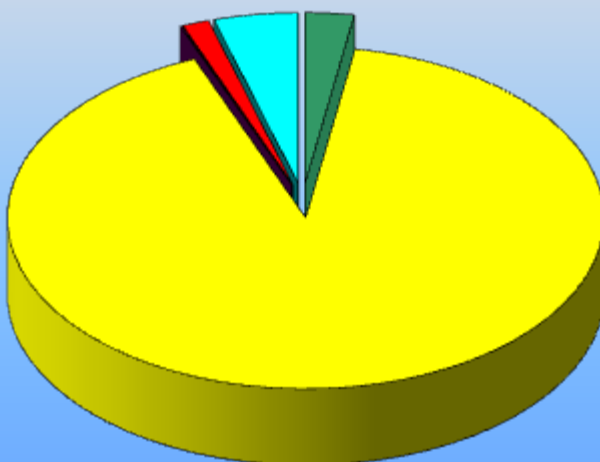
Capital Spending 2016-2017 : £22.379m

Capital Expenditure




- Regeneration: £1.771m
- Customer Services (Affordable Housing): £0.694m
- Customer Services (Other): £1.091m
- Resources: £12.968m
- Environment: £5.675m
- Health and Wellbeing: £0.180m

Capital Financing




- Capital Receipts: £0.593m
- Prudential Borrowing: £20.424m
- Government Grants: £0.017m
- Reserves and Revenue Contributions: £0.325m
- External Contributions: £1.020m

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME

	CAPITAL ESTIMATES								ANNUAL REVENUE COSTS	
	Total Estimate £	Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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	7,291,540	291,110	1,462,900	943,650	1,784,680	1,392,100	1,440,000	1,440,000	211,260	(100,000)
Executive Member for Environment	9,238,280	902,860	3,677,750	1,399,450	5,675,480	804,900	353,090	102,500	768,460	-
Executive Member for Health and Wellbeing	220,710	-	90,060	41,000	179,710	-	-	-	23,840	-
Executive Member for Regeneration	2,684,560	419,750	201,700	369,510	1,770,800	37,000	17,500	70,000	175,910	(17,585)
Executive Member for Resources	28,774,880	66,120	824,630	281,670	12,968,590	5,202,500	5,128,000	5,128,000	2,837,990	-
	48,209,970	1,679,840	6,257,040	3,035,280	22,379,260	7,436,500	6,938,590	6,740,500	4,017,460	(117,585)
FINANCING										
<i>Capital Grants and Contributions</i>										
Communities and Local Government			7,950	102,820	-	-	-	-		
Environment Agency			17,500	17,500	17,500	17,500	17,500	70,000		
S106 Contributions from Planning Agreements			443,000	206,780	563,000	49,500	30,000	30,000		
Other Contributions			588,900	609,480	457,000	463,300	445,000	445,000		
<i>Prudential Borrowing</i>			4,603,290	1,853,360	20,424,350	6,246,200	5,786,090	5,535,500		
<i>Revenue Contributions and Reserves</i>										
Revenue Contributions			160,000	142,860	161,780	110,000	110,000	110,000		
Revenue Reserves			142,500	101,480	162,730	50,000	50,000	50,000		
<i>Usable Capital Receipts</i>										
General			293,900	1,000	592,900	500,000	500,000	500,000		
			6,257,040	3,035,280	22,379,260	7,436,500	6,938,590	6,740,500		

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME


 Column Reference (1)	CAPITAL ESTIMATES					
	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	Future Years £
	Original £	Current £				
(6)	(7)	(8)	(9)	(10)	(11)	
<u>DETAILED FUNDING</u>						
<i>Capital Grants and Contributions</i>						
<u>Cabinet Office</u>						
A3 Forms Hardware Capital Grant (Election Service)	-	2,170	-	-	-	-
	-	2,170	-	-	-	-
<u>Communities and Local Government</u>						
Coastal Communities Fund (Colonnade House - Refurbishment of inside to provide artists studios)	-	89,050	-	-	-	-
Planning Delivery Grant (EDRMS - Electronic Document and Records Management)	7,950	11,600	-	-	-	-
	7,950	100,650	-	-	-	-
<u>Environment Agency</u>						
Coast Protection Grant (Contribution to the Strategic Monitoring Project for the South East Phases 3 and 4)	17,500	17,500	17,500	17,500	17,500	70,000
	17,500	17,500	17,500	17,500	17,500	70,000
<u>S106 Contributions from Planning Agreements</u>						
(Active Seafront Zone (Affordable Housing - Unallocated provision)	25,000 300,000	25,000 -	- 325,000	- -	- -	- -

**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**



Column Reference (1)	CAPITAL ESTIMATES					
	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	Future Years £
	Original £	Current £				
	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING (continued)						
Capital Grants and Contributions (continued)						
<u>S106 Contributions from Planning Agreements (continued)</u>						
(Colonnade House - Refurbishment of building to provide artists studios)	-	40,000	-	-	-	-
(Homefield Park - Refurbishment of tennis courts)	-	-	150,000	-	-	-
(Homefield Skate Park - Improvements)	88,000	65,000	23,000	-	-	-
(Outdoor Fitness Equipment - Pond Lane)	-	1,780	-	-	-	-
(Outdoor Fitness Equipment - Victoria Park)	-	-	20,000	-	-	-
(Play Area Improvements - The Gallops Open Space - Hill Barn/Rotary Recreation Ground)	30,000	5,000	25,000	30,000	30,000	30,000
(WSCC Scheme to pedestrianise the area at the Montague Street end of Portland Road)	-	-	20,000	19,500	-	-
(Innovation Hub at Northbrook College, Broadwater Campus)	-	70,000	-	-	-	-
	443,000	206,780	563,000	49,500	30,000	30,000
<u>Other Contributions</u>						
Chapman Group (Highdown Gardens - Resurfacing of vehicular access)	-	-	-	18,300	-	-
Scope (Seafront Dome Public Conveniences - Provision of a DDA compliant facility)	-	10,000	-	-	-	-
South Downs Leisure Trust (Worthing Leisure Centre - Main hall floor replacement)	-	-	12,000	-	-	-
West Sussex County Council (Kickstart Grant - Active Seafront Zone seafront improvements)	38,900	49,390	-	-	-	-
(Better Care Fund - Disabled Facilities Grants)	550,000	550,090	445,000	445,000	445,000	445,000
	588,900	609,480	457,000	463,300	445,000	445,000

SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME


 Worthing Borough Council	CAPITAL ESTIMATES					
	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	Future Years £
	Original £	Current £				
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING (continued)						
Prudential Borrowing						
<u>Invest to Save Schemes</u>						
(Contribution to Adur District Council to provide solar panels on Commerce Way Vehicle Workshop roof)	126,500	-	-	-	-	-
(General Provision)	-	-	-	74,500	-	-
(Grounds Maintenance - Provision of a storage building at Commerce Way)	48,000	-	48,000	-	-	-
(Purchase and installation of new beach huts)	25,700	2,000	32,220	-	-	-
(Solar renewable energy projects - Portland House, Assembly Hall and Worthing Leisure Centre)	368,500	-	368,500	-	-	-
(Strategic Property Investment Fund for investments in commercial property)	-	-	2,000,000	5,000,000	5,000,000	5,000,000
(Worthing Leisure Centre - Replacement of astroturf and refurbishment of match pitches)	-	42,630	-	-	-	-
<u>General Fund Schemes</u>						
(Car Parks - Essential maintenance)	-	-	500,000	-	-	-
(Durrington Cemetery Extension - Extension of burial space)	300,000	30,000	270,000	-	-	-
(Leisure Facilities - Investment in Leisure Facilities Trust)	194,700	194,700	-	-	-	-
(Loans - Worthing Homes Limited to finance social housing)	-	-	10,000,000	-	-	-
(Property Acquisitions - Grafton site purchase of properties)	-	-	1,500,000	-	-	-
(Replacement of refuse/recycling fleet)	-	-	2,771,760	-	-	-
(Other Schemes)	3,539,890	1,584,030	2,933,870	1,171,700	786,090	535,500
	4,603,290	1,853,360	20,424,350	6,246,200	5,786,090	5,535,500

**SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**




	CAPITAL ESTIMATES					
	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	Future Years £
	Original £	Current £				
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
<u>DETAILED FUNDING (continued)</u>						
<i>Revenue Contributions and Reserves</i>						
<i>Revenue Contributions</i>						
Crematorium Trading Account (Crematorium Improvement Scheme repaid from additional income estimated at the rate of £60,000 p.a. over the next 14 years)	60,000	60,000	60,000	60,000	60,000	60,000
Maintenance Budget (Colonnade House - Refurbishment of building to provide artists studios)	-	7,860	-	-	-	-
New Homes Bonus (Empty Properties - Grants and loans to bring empty properties back into use)	100,000	75,000	101,780	50,000	50,000	50,000
	160,000	142,860	161,780	110,000	110,000	110,000
<i>Revenue Reserves</i>						
Capacity Issues Reserve (Colonnade House - Refurbishment of building to provide artists studios)	-	20,000	-	-	-	-
(Theatres - Purchase of new box office system)	-	15,950	-	-	-	-
Insurance Reserve (Beach House Park New Pavilion - Provision of changing facilities)	-	40,000	-	-	-	-
Leisure Lottery and Other Capital Partnership Fund (Worthing Sculpture Trail Plinths)	-	-	40,230	-	-	-
Theatres Restoration Levy (Worthing Theatres - Capital improvements)	142,500	25,530	122,500	50,000	50,000	50,000
	142,500	101,480	162,730	50,000	50,000	50,000
<i>Usable Capital Receipts</i>						
Affordable Housing	68,900	-	368,900	500,000	500,000	500,000
Ring Fenced Capital Receipt (EON Windfarm)	225,000	1,000	224,000	-	-	-
	293,900	1,000	592,900	500,000	500,000	500,000


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER												
Electoral Services												
Purchase of elections equipment (Funded from the Cabinet Office Grant)	58621	TB	5,560	3,390	-	2,170	-	-	-	-	-	-
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	176,780	-	100,000	75,000	101,780	-	-	-	-	(40,000)
Housing Renewal Assistance												
<u>Discretionary Grants</u>												
Home Repair Assistance Grants	58506	BR	190,000	-	75,000	100,000	90,000	-	-	-	19,000	-
<u>Mandatory Grants</u>												
Disabled Facilities Grants (Better Care Fund Grant £550,090 2015/2016 and £445,000 anticipated 2016/2017)	58049	BR	1,475,000	-	750,000	725,000	750,000	-	-	-	47,990	-
Museum and Art Gallery												
Conversion of ground floor area vacated by Tourist Information Centre into useable accommodation/exhibition space	58503	DM	27,500	1,000	26,500	-	26,500	-	-	-	2,750	-
Theatres												
Capital improvements to Worthing Theatres (Funded from the Theatres Restoration Levy)	58507	AO	199,500	51,470	142,500	25,530	122,500	-	-	-	-	-


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER (continued)												
<i>Theatres (continued)</i>												
Purchase of new box office system (£80,000 funded from the Capacity Issues Reserve)	58015	AO	126,200	110,250	-	15,950	-	-	-	-	4,620	-
			2,200,540	166,110	1,094,000	943,650	1,090,780	-	-	-	74,360	(40,000)
COMMITTED SCHEMES - KEY DECISIONS												
<i>Affordable Housing</i>												
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	ADJ	568,900	-	368,900	-	568,900	-	-	-	5,690	-
<i>Worthing Homes</i>												
Littlehampton Road Site (22 Units) (Funded by Right to Buy Clawback Receipts and Housing Capital Receipts)	58054	ADJ	250,000	125,000	-	-	125,000	-	-	-	2,500	-
			818,900	125,000	368,900	-	693,900	-	-	-	8,190	-
FUTURE PROGRAMME												
<i>Affordable Housing</i>												
Grants to Registered Social Landlords for the provision of affordable housing (Funded by Right to Buy Clawback Receipts and Housing Capital Receipts)	58054	ADJ	1,500,000	-	-	-	-	500,000	500,000	500,000	15,000	-


**CABINET MEMBER FOR CUSTOMER SERVICES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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>												
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	150,000	-	-	-	-	50,000	50,000	50,000	-	(60,000)
Housing Renewal Assistance <u>Discretionary Grants</u> Home Repair Assistance Grants	58506	BR	222,100	-	-	-	-	42,100	90,000	90,000	22,210	-
<u>Mandatory Grants</u> Disabled Facilities Grants (Better Care Grant funding anticipated at £445,000 p.a.)	58049	BR	2,250,000	-	-	-	-	750,000	750,000	750,000	91,500	-
Theatres Capital improvements to Worthing Theatres (Funded from the Theatres Restoration Levy)	58507	AO	150,000	-	-	-	-	50,000	50,000	50,000	-	-
			4,272,100	-	-	-	-	1,392,100	1,440,000	1,440,000	128,710	(60,000)
TOTAL			7,291,540	291,110	1,462,900	943,650	1,784,680	1,392,100	1,440,000	1,440,000	211,260	(100,000)


**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER												
Allotments												
* Replacement of water pipe at West Tarring Allotment	58004	DM	49,500	-	49,500	1,000	48,500	-	-	-	4,950	-
Beach House Park												
Bowling Greens - Replacement of irrigation system	58212	AE	65,000	-	65,000	32,500	32,500	-	-	-	6,500	-
* New Pavilion - Renew electrical mains and rewiring, and refurbish to provide changing rooms for the Bowls Club	58212	DM	62,000	9,900	-	52,100	-	-	-	-	6,200	-
Boundary Signs												
Replacement of existing boundary signs on main entry routes into Worthing and additional signs on the A27	58236	JO	42,000	-	42,000	-	42,000	-	-	-	4,200	-
Car Parks												
Surface Car Parks - Replacement of pay and display equipment	58234	JP	72,350	-	72,350	72,350	-	-	-	-	7,240	-
Multi Storey Car Parks - Renewal of CCTV	58123	DM	99,000	-	99,000	-	99,000	-	-	-	9,900	-
Compliance Service												
Replacement of 1 vehicle (Partnership scheme with Worthing Borough Council. Total cost £13,000)	58220	AN	7,800	-	-	-	7,800	-	-	-	780	-
Crematorium												
* Replacement and resiting of car park attendant's kiosk	58217	DM	19,800	-	19,800	-	19,800	-	-	-	1,980	-


**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER (continued)												
Davisons Leisure Centre Contribution to WSCC Scheme to refurbish the tennis courts to improve the drainage	58226	JM	30,000	-	30,000	30,000	-	-	-	-	3,000	-
Environmental Health Service Replacement of 1 dog warden's van (Partnership scheme with Adur District Council. Total cost £18,000)	58221	AN	9,000	-	9,000	9,000	-	-	-	-	900	-
Field Place * Main house refurbishment of toilets	58204	DM	46,000	1,600	-	44,400	-	-	-	-	4,600	-
* Main house renewal of asphalt roof	58204	DM	24,200	-	24,200	24,200	-	-	-	-	2,420	-
* Fire Alarm System - Replacement	58204	DM	35,000	-	-	35,000	-	-	-	-	3,500	-
Grounds Maintenance Machinery replacements - ride on mower and one tractor (Partnership scheme with Adur District Council. Total cost £90,500)	58218	AN	54,300	-	54,300	54,300	-	-	-	-	5,430	-
Replacement of 4 tippers (Partnership scheme with Adur District Council. Total cost £46,000)	58218	AN	27,600	-	27,600	27,600	-	-	-	-	2,760	-
Parks and Open Spaces Broadwater Green - Replacement cricket net	58237	AE	16,500	-	16,500	16,500	-	-	-	-	1,650	-


**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER (continued)												
<i>Parks and Open Spaces (Continued)</i>												
* Brooklands Park - Stabilization of the lake bank adjacent to the toilet block (Works will prevent further deterioration of the banks which could collapse and cause flooding flooding upstream)	58227	DM	62,200	6,210	-	55,990	-	-	-	-	6,220	-
* Goring Recreation Ground - Renewal of a high level fence	58222	DM	30,200	-	30,200	-	30,200	-	-	-	3,020	-
* Highdown Gardens - Resurfacing of vehicular access (Contribution of £18,300 from the Chapman Group)	58223	DM	55,000	-	-	-	-	55,000	-	-	3,670	-
Outdoor Fitness Equipment (Pond Lane and seafront. £2,888 funded from S106 receipts)	58229	AE	51,290	1,110	47,400	50,180	-	-	-	-	4,840	-
(Victoria Park. Funded from S106 receipts)	58229	AE	20,000	-	-	-	20,000	-	-	-	-	-
* Pond Lane Recreation Ground Pavilion - Renewal of roof covering	58215	DM	26,500	15,500	-	11,000	-	-	-	-	2,650	-
* Resurfacing and repair of hard surfaces	58003	DM	49,500	3,480	46,020	15,000	31,020	-	-	-	4,950	-
Traveller exclusion measures (Provision of bunds, ditches and barriers to reduce incursions on to Council land)	58216	AE	22,880	-	16,500	22,880	-	-	-	-	2,290	-


**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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>COMMITTED SCHEMES - £100,000 AND UNDER</u> <u>(continued)</u>												
<i>Play Area Improvements</i>												
Dominion Open Space and Bourne Close Site	58224	AE	82,500	4,480	77,500	78,020	-	-	-	-	8,250	-
Hill Barn/Rotary Recreation Ground Site (£20,000 funded from S106 receipts)	58224	AE	82,500	-	-	-	82,500	-	-	-	6,250	-
<i>Public Conveniences</i>												
Improvement and upgrading - Beach House Park	58225	DM	15,000	-	55,000	15,000	-	-	-	-	1,500	-
Sites to be agreed	58225	DM	51,000	-	-	-	51,000	-	-	-	5,100	-
<i>Refuse/Recycling Service</i>												
Provision of wheeled bins (Partnership scheme with Adur District Council. Total cost £20,000 p.a.)	58036	TP	25,440	-	12,720	12,720	12,720	-	-	-	2,540	-
<i>Refuse/Recycling Service</i>												
Replacement of 1 vehicle (Partnership scheme with Adur District Council. Total cost £49,500)	58208	AN	31,480	-	31,480	31,480	-	-	-	-	3,150	-
<i>Refuse/Recycling/Street Cleansing</i>												
Vehicle Communications and Data Transfer System (Partnership scheme with Adur District Council. Total cost £123,750)	58042	TP	78,580	71,330	-	-	7,250	-	-	-	7,860	-


**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER (continued)												
Splashpoint Leisure Centre Purchase of an additional turnstile in the fitness suite and modification of reception turnstiles	58230	JM	44,920	17,420	-	27,500	-	-	-	-	4,490	-
Street Lighting Enhancements in Conservation Areas or near Heritage Sites (Upgrade of WSCC street lighting)	58231	DM	30,000	-	30,000	-	30,000	-	-	-	3,000	-
Worthing Leisure Centre Main hall floor replacement (Contribution of £12,000 from South Downs Leisure Trust)	58205	DM	95,460	-	-	-	95,460	-	-	-	8,350	-
* Renewal of fire alarm system	58205	DM	55,000	-	-	-	55,000	-	-	-	5,500	-
* Renewal of glazing in the nursery and café area	58205	DM	38,500	-	38,500	5,500	33,000	-	-	-	3,850	-
Vehicle Workshop Upgrade of MOT equipment (Upgrade funded from revenue budget as the cost was under the capitalisation threshold)	58232	AN	-	-	18,000	-	-	-	-	-	-	-
			1,608,000	131,030	912,570	724,220	697,750	55,000	-	-	153,490	-


**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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												
Brooklands Park												
Replacement of Par 3 Club House (Funded from ring-fenced capital receipts)	58227	AE	225,000	-	225,000	1,000	224,000	-	-	-	2,250	-
Car Parks												
* Grafton Multi Storey Car Park - Structural repair works	58123	DM	133,000	-	33,000	5,000	128,000	-	-	-	13,300	-
Lyndhurst Road (West) Surface Car Park - Increased parking	58234	DM	275,000	-	275,000	-	50,000	225,000	-	-	27,500	-
Multi Storey Car Parks - Replacement of payment and barrier equipment	58234	DM	392,910	278,520	-	114,390	-	-	-	-	39,290	-
* Provision for essential maintenance	58200	DM	500,000	-	-	-	500,000	-	-	-	5,000	-
Cemeteries												
Durrington Cemetery - Extension of burial space	58213	AE	369,300	40,570	300,000	58,730	270,000	-	-	-	36,930	-
Crematorium												
Driveway works: i) Upgrade of ICT connection ii) Replacement of gas main * iii) Driveway resurface	58217	DM	213,070	13,070	244,130	20,000	180,000	-	-	-	21,310	-
Provision of a car parking surface for the overflow car park	58217	DM	126,000	-	126,000	26,000	100,000	-	-	-	12,600	-
Field Place												
Car Park extension to increase the number of parking spaces	58204	DM	132,000	-	132,000	132,000	-	-	-	-	13,200	-


**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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)												
Grounds Maintenance												
Provision of a storage building with solar panels at Commerce Way for grounds maintenance vehicles and equipment (Partnership scheme with Adur District Council. Total cost £250,000)	58233	DM	150,000	-	150,000	-	150,000	-	-	-	15,000	-
Homefield Park												
Provision of a multi use games area on the existing tennis courts to include the provision of lighting and repair of the northern tennis court (£150,000 funded from S106 receipts)	58228	AE	191,000	-	41,000	-	191,000	-	-	-	4,100	-
Skate Park improvements to include an improved surface and the provision of a range of features/ramps to encourage a wider range of users. (£88,000 funded from S106 receipts)	58228	AE	165,000	-	165,000	65,000	100,000	-	-	-	7,700	-
Play Area Improvements												
The Gallops Open Space (£30,000 funded from S106 receipts)	58224	AE	103,900	-	103,900	5,000	98,900	-	-	-	7,390	-
Public Conveniences												
Dome Site - DDA works and refurbishment (£10,000 funded from an external grant from Scope)	58225	DM	154,540	5,000	20,000	149,540	-	-	-	-	13,860	-


**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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)												
Refuse/Recycling Service												
Replacement of 24 refuse/recycling vehicles (Partnership scheme with Adur District Council. Total cost £4,357,110)	58208	AN	2,771,760	-	-	-	2,771,760	-	-	-	277,180	-
Street Cleansing												
Replacement of 2 vehicles (Partnership scheme with Adur District Council. Total cost £109,000)	58209	AN	66,050	-	-	-	66,050	-	-	-	6,610	-
Worthing Leisure Centre												
Replacement of current astroturf and convert the area into 6 pitches, upgrade the current changing area and install floodlighting (Invest to Save Scheme)	58205	DM	451,380	408,750	-	42,630	-	-	-	-	-	-
* Replacement of service pipework	58205	DM	156,000	25,920	-	5,000	125,080	-	-	-	15,600	-
			6,575,910	771,830	1,815,030	624,290	4,954,790	225,000	-	-	518,820	-
FUTURE PROGRAMME												
Environmental Health												
Replacement of 1 dog wardens van (Partnership scheme with Adur District Council. Total cost £25,000)	58221	AN	12,500	-	-	-	-	12,500	-	-	1,250	-
Field Place												
Tennis Courts - Resurfacing and drainage improvements	58204	DM	137,500	-	-	-	-	137,500	-	-	13,750	-


**CABINET MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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>Grounds Maintenance Service</i>												
Vehicle replacements (Partnership scheme with Adur District Council. Total cost £269,000)	58218	AN	161,400	-	-	-	-	41,400	120,000	-	16,140	-
<i>Parks and Open Spaces</i>												
Outdoor Fitness Equipment Areas	58229	AE	60,000	-	-	-	-	20,000	20,000	20,000	5,710	-
Play Area Improvements	58224	AE	247,500	-	-	-	-	82,500	82,500	82,500	15,750	-
<i>Refuse/Recycling Service</i>												
Provision of wheeled bins (Partnership scheme with Adur District Council. Total cost £20,000 p.a.)	58036	TP	25,440	-	-	-	-	12,720	12,720	-	2,540	-
<i>Refuse/Recycling/Street Cleansing/ Trade Waste</i>												
Replacement of vehicles for the joint service (Partnership scheme with Worthing Council. Total cost £855,000)	58200	AN	336,150	-	-	-	-	218,280	117,870	-	33,620	-
<i>VAT Provision</i>												
(The provision is no longer required as the Council has not exceeded the partial exemption limit)			-	-	926,650	-	-	-	-	-	-	-
<i>Contingency: Inflation and Fluctuations</i>												
	58044		73,880	-	23,500	50,940	22,940	-	-	-	7,390	-
			1,054,370	-	950,150	50,940	22,940	524,900	353,090	102,500	96,150	-
TOTAL			9,238,280	902,860	3,677,750	1,399,450	5,675,480	804,900	353,090	102,500	768,460	-


**CABINET MEMBER FOR HEALTH AND WELLBEING
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER												
Equalities Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	58301	DM	61,190	-	47,190	20,000	41,190	-	-	-	6,610	-
			61,190	-	47,190	20,000	41,190	-	-	-	6,610	-
COMMITTED SCHEMES - KEY DECISIONS												
Public Health Asbestos removal from Council buildings Provision of minor alterations and improvements to Council properties	58302	DM	157,520	-	41,870	20,000	137,520	-	-	-	17,010	-
Contingency: Inflation and Fluctuations	58399		2,000	-	1,000	1,000	1,000	-	-	-	220	-
			159,520	-	42,870	21,000	138,520	-	-	-	17,230	-
TOTAL			220,710	-	90,060	41,000	179,710	-	-	-	23,840	-


**CABINET MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER												
Foreshore Management												
* Promenade - Resurfacing of areas between George V Avenue and pier	58000	DM	16,500	-	16,500	-	16,500	-	-	-	1,650	-
Windsor Lawns Beach Shelter - Refurbishment (Refurbishment of the current shelter to create 2 business units)	58407	GH	53,350	-	-	-	53,350	-	-	-	5,340	-
Regeneration												
Contribution to WSCC scheme to pedestrianise the area at the Montague Street end of Portland Road (Funded from S106 receipts)	58068	JA	19,500	-	-	-	-	19,500	-	-	-	-
Innovation Hub (Contribution to a new Innovation Hub within the new college buildings at Northbrook College, Broadwater Campus to provide space for up to 22 small companies and business support staff. Funded from S106 receipts)	58405	JA	70,000	-	-	70,000	-	-	-	-	-	-
Worthing Sculpture Trail Plinths (Installation of 8 plinths to facilitate a changeable sculpture trail which will enable exhibitions in the public realm. Funded from revenue reserves)	58503	AO	40,230	-	-	-	40,230	-	-	-	-	-
Worthing Pier												
* Replacement of pier decking	58510	DM	22,000	22,000	22,000	-	-	-	-	-	2,200	-
			221,580	22,000	38,500	70,000	110,080	19,500	-	-	9,190	-


**CABINET MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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												
Coast Protection												
Strategic Monitoring Project for the South East Phases 3 and 4. Contribution to the Maritime Authorities partnership scheme) (Funded by the Environment Agency)	58403	DM	198,970	58,970	17,500	17,500	17,500	17,500	17,500	70,000	-	-
Economic Development												
Grafton Site purchase of properties	58631	JA	1,500,000	-	-	-	1,500,000	-	-	-	150,000	-
Foreshore Management												
Purchase and installation of new beach huts (Invest to Save Scheme)	58000	DM	145,000	110,780	25,700	2,000	32,220	-	-	-	-	(17,585)
Regeneration												
Active Seafront Zone - Environmental improvements (€300,000 funded from WSCC Kickstart Grant. £25,000 funded from S106 receipts)	58404	DM	351,100	228,000	120,000	123,100	-	-	-	-	5,610	-
Colonnade House - Refurbishment of building to provide artists studios (Part funded from a Coastal Communities Fund Grant and S106 receipts)	58608	GH	156,910	-	-	156,910	-	-	-	-	-	-
Worthing Pier												
* Fire prevention works	58510	DM	110,000	-	-	-	110,000	-	-	-	11,000	-
			2,461,980	397,750	163,200	299,510	1,659,720	17,500	17,500	70,000	166,610	(17,585)
Contingency: Inflation and Fluctuations												
	58499		1,000	-	-	-	1,000	-	-	-	110	-
			1,000	-	-	-	1,000	-	-	-	110	-
TOTAL			2,684,560	419,750	201,700	369,510	1,770,800	37,000	17,500	70,000	175,910	(17,585)


**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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 - £100,000 AND UNDER												
Corporate Buildings												
* Commerce Way Vehicle Workshop - Roof repairs (Contribution to Adur District Council Scheme. Total cost £20,000)	58607	DM	10,000	-	126,500	10,000	-	-	-	-	1,000	-
* 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	88,000	-	-	-	88,000	-	-	-	8,800	-
Courier Service Vehicle replacement (Partnership scheme with Adur District Council. Total cost £17,500)	58624	AN	10,500	-	10,500	10,500	-	-	-	-	1,050	-
Information and Communications Technology Corporate Asset Management System	58627	PT	21,000	-	-	-	21,000	-	-	-	2,100	-
EDRMS - Electronic Document and Records Management System Phase 2 (Partnership scheme with Adur District Council. Total cost £50,000. Funded from Planning Delivery Grant)	58056	SG	26,490	9,590	13,250	16,900	-	-	-	-	-	-
Invest to Save Schemes General Provision	58604	SG	74,500	-	-	-	-	74,500	-	-	7,450	-
			230,490	9,590	150,250	37,400	109,000	74,500	-	-	20,400	-

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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												
Information and Communications Technology												
CenSus Partnership - Provision for ICT schemes (CenSus ICT Partnership scheme)	58601	SG	96,330	-	97,000	30,000	66,330	-	-	-	9,630	-
Corporate ICT hardware and infrastructure replacement programme 2015/2016 and 2016/2017 (Partnership scheme with Adur District Council. Total cost £291,350)	58055	SG	154,410	-	91,430	101,410	53,000	-	-	-	15,440	-
Digital Strategy General Provision (Partnership scheme with Adur District Council. Total cost £440,000 to facilitate delivery of the digital strategy)	58625	SG	233,200	56,530	113,950	109,360	67,310	-	-	-	23,320	-
Financial Management System Replacement (Partnership scheme with Adur District Council. Total cost £565,000)	58060	JACR	299,450	-	-	-	299,450	-	-	-	29,950	-
Loans												
Worthing Homes Limited (To finance social housing within the Borough of Worthing)	58628	SG	10,000,000	-	-	-	10,000,000	-	-	-	1,000,000	-
Properties												
Solar Renewable Energy Projects (Funded from energy savings)	58618	DM	368,500	-	368,500	-	368,500	-	-	-	-	-

**CABINET MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
				Prior to 1.4.2015 £	2015/2016		2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 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)												
<i>Strategic Property Investment</i> Investments in commercial property to generate income	58630	SG	2,000,000	-	-	-	2,000,000	-	-	-	200,000	Variable Income
			13,151,890	56,530	670,880	240,770	12,854,590	-	-	-	1,278,340	-
FUTURE PROGRAMME												
<i>Information and Communications Technology</i> Corporate hardware and infrastructure replacement programme (Partnership scheme with Adur District Council. Total cost £100,000 p.a.)	58055	SG	159,000	-	-	-	-	53,000	53,000	53,000	15,900	-
<i>Information and Communications Technology (continued)</i> CenSus Partnership - Provision for ICT schemes (Partnership scheme with CenSus Partners. Total cost £150,000 p.a.)	58601	SG	225,000	-	-	-	-	75,000	75,000	75,000	22,500	-
<i>Strategic Property Investment</i> Investments in commercial property to generate income	58630	SG	15,000,000	-	-	-	-	5,000,000	5,000,000	5,000,000	1,500,000	Variable Income
<i>Contingency: Inflation and Fluctuations</i>	58076		8,500	-	3,500	3,500	5,000	-	-	-	850	-
			15,392,500	-	3,500	3,500	5,000	5,128,000	5,128,000	5,128,000	1,539,250	-
TOTAL			28,774,880	66,120	824,630	281,670	12,968,590	5,202,500	5,128,000	5,128,000	2,837,990	-



WORTHING'S
CAPITAL SCHEMES
RESERVE LISTS

WORTHING RESERVE LISTS:
Customer Services Portfolio

	Estimates £
(a) YEARS 4-7	
AFFORDABLE HOUSING	
Partnership schemes with Registered Social Landlords to provide affordable housing (Annual provision)	500,000
ASSEMBLY HALL	
Boilers - Replacement of controls	20,000
Building - Repairs to asphalt roof	30,000
Dressing Rooms - Refurbishment	25,000
Flooring - New carpet and flooring to the main dance area, bar area, bar surround, foyer and reception area	39,600
Theatre - Renew blackout facilities	N/C
Theatre - Renewal of temporary storage rollalong units	N/C
Theatre - Re-upholstery of auditorium seating (stalls)	38,000
Theatre - Seating replacement	203,500
Theatre - Stage extensions	15,000
CONNAUGHT THEATRE	
Building - Repairs to asphalt roof	15,000
Building - Repairs to external brickwork and rendering	27,000
Dressing Rooms - Refurbishment	40,000
Theatre - Improvements to auditorium ventilation	N/C
DENTON LOUNGE	
Bar Area - Improvements	N/C
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
DENTON LOUNGE (continued)	
Ceilings - Repairs and redecoration to ornate ceiling	40,000
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)	90,000
MUSEUM AND ART GALLERY	
Building - Renewal of existing electrics	N/C
Refurbishment and redevelopment	6,350,000
Replacement of display cases	16,200
PIER AND PAVILION	
Dressing rooms - Refurbishment	30,000
Theatre - Improvements to auditorium ventilation	80,000
Windows - Replacement of office windows	32,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
<i>RICHMOND ROOM</i>	
Internal screen door - Replacement	27,500
Main hall ceiling - Replacement	22,000
Roof - Renewal of felt covering	51,700
<i>RITZ CINEMA</i>	
Auditorium - Provision of air conditioning	33,000
Building - Renewal of existing electrics	N/C
Fire escape - Replacement	15,000
* Slate Roof - Renewal	71,500
Toilets - Refurbishment	15,500
<i>THEATRES</i>	
Replacement of operational vehicle	19,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u>	
<i>ALLOTMENTS</i>	
Chesswood Allotment Site - Provision of toilet facilities	20,000
Rolling programme of renewals to boundary and entrance fencing (Annual provision)	15,000
<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
Repair of surface water sewer Phase 2	81,000
<i>CAR PARKS</i>	
Buckingham Multi-Storey Car Park - Concrete repairs	250,000
Buckingham Multi-Storey Car Park - Major structural works	2,100,000
Buckingham Multi-Storey Car Park - Renew car parking deck surface coating	300,000
Grafton Multi-Storey Car Park - Concrete repairs to car park structure	100,000
Grafton Multi-Storey Car Park - Major structural works	5,200,000
* Grafton Multi-Storey Car Park - Renewal of lifts	209,000
Grafton Multi-Storey Car Park - Replace profilit glazing to stairways with new system	450,000
N/C = Not Costed * = New Scheme	

(a) <u>YEARS 4-7</u> (continued)	Estimates £
CAR PARKS (continued)	
High Street Multi-Storey Car Park - Concrete repairs	50,000
High Street Multi-Storey Car Park - General replacement of doors, refurbishment of lift lobbies, floor repairs, etc.	250,000
High Street Multi-Storey Car Park - Major structural works	3,120,000
High Street Multi-Storey Car Park - Renew car parking deck surface coating	230,000
* High Street Multi-Storey Car Park - Replace/refurbish lifts	209,000
Teville Gate Multi-Storey Car Park - Major repairs and refurbishment	N/C
Teville Gate Multi-Storey Car Park - Renew proflit glazing panels	11,000
Teville Gate Multi-Storey Car Park - Resurface the top deck	88,000
CEMETERIES	
Durrington Cemetery - Phase 2 of the extension to provide burial space for the next 30 - 35 years	200,000
CREMATORIUM	
Main building fascias replacement	11,000
Toilet refurbishment	16,500
Window replacement	44,000
CYCLE STRATEGY	
Seafront Cycle Route Phase 3	256,000
Seafront Cycle Route Phase 4	35,000
N/C = Not Costed * = New Scheme	

(a) <u>YEARS 4-7</u> (continued)	Estimates £
HIGHWAYS	
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
LIDO	
Major substructure repairs	N/C
Renewal of hand rails	50,000
OPERATIONAL VEHICLES	
Provision for the replacement of operational vehicles for Adur District Council and Worthing Borough Council joint services (2019/2020 - 2020/2021)	81,000
Provision for the replacement of vehicles for Worthing services	42,000
PARKS AND OPEN SPACES	
Boundary Fencing Replacements (Annual provision)	30,000
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)	100,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u> (continued)	
PARKS AND OPEN SPACES (continued)	
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
Selected refurbishment programme (Annual provision)	55,000
REFUSE / RECYCLING / STREET CLEANSING	
Provision for the replacement of vehicles for the joint service 2019/2020 - 2020/2021 (Partnership scheme with Adur District Council. Total cost £420,500)	257,313
Wheeled bins replacement programme - Annual provision (Partnership scheme with Adur District Council. Total annual provision £20,000)	12,720
REPROVISION OF LEISURE FACILITIES	
Refurbishment of the Durrington Leisure Centre	5,860,000
SPLASH POINT LEISURE CENTRE	
Pool terrace works phase 2	N/C
N/C = Not Costed * = New Scheme	

WORTHING RESERVE LISTS:
Environment Portfolio

	Estimates £
(a) <u>YEARS 4-7</u> (continued)	
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
General improvements - Annual provision	28,000
* Roof Areas - Renewal of flat roof areas	225,500
N/C = Not Costed * = New Scheme	

WORTHING RESERVE LISTS:
Health and Wellbeing Portfolio

	Estimates £
(a) <u>YEARS 4-7</u>	
COMMUNITY CENTRES	
Broadwater Community Centre - Contribution to new building	330,000
Broadwater Community Centre - Contribution to future scheme	50,000
COMMUNITY DEVELOPMENT	
West Durrington community leisure facility	N/C
West Durrington sports changing rooms/pavilion	300,000
EQUALITIES	
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties (Annual provision)	22,000
HEALTH PROTECTION	
Asbestos removal from Council offices (Annual provision)	16,500
N/C = Not Costed * = New Scheme	

	Estimates £
(a) <u>YEARS 4-7</u>	
<i>COAST PROTECTION WORKS</i>	
Worthing Beach Management Plan Delivery	4,030,000
* Strategic Monitoring Project for the South East Phase 4. Contribution to the partnership scheme between Maritime Authorities (Funded by the Environment Agency)	70,000
<i>FORESHORE MANAGEMENT</i>	
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>	
<i>FORESHORE MANAGEMENT</i>	
Sea Wall - Extension westwards of Splash Point	N/C
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7	
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) YEARS 4-7 (continued)	
INFORMATION AND COMMUNICATIONS TECHNOLOGY (continued)	
* CensuS ICT Partnership Schemes (Partnership scheme with Adur District Council. Total annual provision £150,000)	75,000
OFFICE EQUIPMENT	
Replacement of committee rooms conference microphones	25,000
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
Provision of wheeled bin storage facilities and demolition of existing building	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 Equivalents</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. Before 1 April 2009 there were 354.
<i>Business 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.
<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.

GLOSSARY OF TERMS

Capital Financing Requirement	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.
Capital Receipts	Income exceeding £10,000 from the sale of land and buildings or other assets, which can be used to finance capital expenditure
Capital Strategy	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
Collection Fund	A fund administered by Adur and Worthing Councils as billing authority (each District 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).
Control totals	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
Corporate Management	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.
Council Tax	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.
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 01 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%

GLOSSARY OF TERMS

<i>Council Tax Base</i>	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.
<i>Council Tax Benefit</i>	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.
<i>DCLG</i>	Department for Communities and Local Government, the Central Government department which oversees the affairs and finances of local government.
<i>Debt Limit for Housing Revenue Account (HRA)</i>	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.
<i>Estimated Business Rates Aggregate</i>	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).
<i>External Finance From Government</i>	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.
<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.

GLOSSARY OF TERMS

<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.
<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 uprated 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
<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.

GLOSSARY OF TERMS

<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>	These are the 421 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.
<i>Revenue Expenditure</i>	This is expenditure on recurring items, including the running costs of services and the financing of capital spending.
<i>Revenue Support Grant (RSG)</i>	A Government Grant which can be used to finance revenue expenditure on any service.
<i>Ringfenced grant</i>	A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent.
<i>Safety net</i>	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).
<i>Self-Financing for Housing Revenue Account (HRA)</i>	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
<i>Service Reporting Code of Practice (SRCOP)</i>	Service Reporting Code of Practice is an authoritative guide to financial accounting for local authorities. The Code provides a framework for local authority accounting.

GLOSSARY OF TERMS

<i>Sets of services</i>	<p>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:</p> <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.
<i>Settlement core funding</i>	<p>The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:</p> <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.
<i>Settlement Funding Assessment</i>	<p>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.</p>
<i>Specific grants</i>	<p>Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ringfenced.</p>
<i>Specified body</i>	<p>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.</p>
<i>Subjective Analysis</i>	<p>This is the analysis of income and expenditure by reference to its different sources e.g. employers pay.</p>
<i>Tariffs and top ups</i>	<p>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.</p>

GLOSSARY OF TERMS

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

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).

- A.26 (a) *A Strategic Director may, after consultation with the Chief Financial Officer, vire up to £10,000 within the approved revenue or capital budget.*
- (b) *An Executive Member may vire up to £40,000 between any heads of income or expenditure within their approved revenue budget, or capital budget.*
- (c) *The Executive 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 contingency set up for the purpose; or*
 - (ii) *It is to be met from proven savings elsewhere in the revenue budget and does not exceed £100,000; or*
 - (iii) *It is to be met from proven savings in that financial year in the Capital programme and does not exceed £100,000 per project; and*
 - (iv) *The expenditure does not have the affect of changing Council policy.*
- (d) *Any proposal to vire, which is not covered in A26(c), 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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