

Extract from Executive - 6 February 2018

Purpose

The report detailed the Overall budget estimates required for 2018/19 and the recommendation to Council for the setting of the 2018/19 Council Tax.

Summary of Discussion

The Executive had before it a report from the Director for Digital and Resources, attached to these minutes as item 6.

The report was the final report of the year in the annual budgeting exercise requesting members to consider:

The final revenue estimates for 2018/19 including any adjustments arising from settlement;

An updated outline 5-year forecast; and

The provisional level of Council Tax for 2018/19, prior to its submission to the Council for approval on the 22nd February 2018, subject to any proposals to change the draft revenue budget at the meeting

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

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

The major points raised within the report included:

A full update on the impact of settlement; the Council should prepare itself for a continuation of the reduction in Government resources for another 2-5 years (see section 4.2 of the report) ;

The Executive would need to consider whether to increase Council Tax by maximum level possible 3% or by a lower amount (paragraph 5.10 of the report) ; and, finally

The Executive needed to consider the proposals to invest in services outlined in Appendix 2

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

The Police and Crime Commissioner consulted on an increase to the Council Tax for 2018/19 of £5.00 or 3.25%. Following the greater flexibility on Council Tax levels announced as part of settlement, the final increase recommended to the Sussex Police and Crime Panel (PCP) was £12.00 which is equivalent to a 7.8% increase. The proposed 2018/19 budget was approved by the PCP on 19th January 2018.

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

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

The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 16th February 2018. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 22nd February 2018.

The following appendices had been been circulated as attachments to the report : **Appendix 1** 5 year forecast for Adur District Council, **Appendix 2** Proposals for investment in services, **Appendix 3** Estimated Reserves, **Appendix 4** Council Tax base for 2018/19, **Appendix 5** Summary of Executive Member Portfolio budgets for 2018/19 and **Appendix 6** Glossary of terms used.

The Director for Digital and Resources spoke of the challenges in local government highlighting the successes and considerable progress made by the Council in delivering the aims of Platforms for Our Places. Highlighting the continuing pressures of homelessness addressed through the housing strategy and the successes in leading the gigabit and digital transformation programmes.

Page 30 of the report forecast the change in income over the next few years with the reduction in the RSG and how the Council was meeting the challenge by a combination of increasing fees and charges and rental income - there was uncertainty around business rates; plenty of challenges but achievable.

The Head of Finance announced that the Final Settlement had been published that day however it contained few changes and was very similar to the provisional announcement. An additional £150M had been made available for social care and some additional allocations to Councils with responsibility for rural services. She also warned Members about the uncertainty around the Business Rates retention scheme and the Fairer Funding

Review which is the subject of a current government consultation. A report will be presented to the Joint Strategic Committee on the proposed consultation response in March.

The Deputy Leader spoke on the report commenting on the efforts by officers to resolve the funding shortfall, he commented on the growth items that were needed to ensure services in the future. As Executive Member for Resources he proposed a 2.96% increase in Council tax which was seconded by Councillor Simmons.

The Head of Finance mentioned that there was an amendment to the recommendations, detailed in paragraph 12.3 (c) Special Expenses, the following needed to be included in the recommendation to Council as (iv):

‘recommend to Council the special expenses of £18.18 per Band D equivalent charged in all areas of the District except Lancing;’

Decision the Executive

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

Reason for Decision

Statutory requirement to set a budget

Alternative options considered

As detailed in the report.

Report link: <https://www.adur-worthing.gov.uk/media/media.147719.en.pdf>