

Extract from the Adur Executive - 5 February 2018

A EX/005/18-19 Adur District Council Budget Estimates 2019/20 and Setting of 2019/20 Council Tax

The Executive had before it a report from the Director for Digital and Resources, attached to these minutes as item 5.

The report was the final budget report of the year, the culmination of the annual budgeting exercise, and asked members to consider:

- The final revenue estimates for 2019/20 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2019/20, prior to its submission to the Council for approval on the 28th February 2019. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Executive.

The report outlined the medium term financial challenge through to 2023/24, and set out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. The current budget strategy was having a significant effect on how the Councils would be funded in the future with increasing income generated from commercial income and rents. However the challenge still remained significant for 2020/21, with the earlier identification of initiatives to bridge the emerging budget gap a priority.

These budgets reflected the Council's ambitions set out in *Platforms for our Places*, and agreed savings proposals contributing to the financial sustainability of the Councils. The report also updated members about the impact of the draft 2019/20 settlement.

The major points raised within the report included:

- A full update on the impact of settlement with the Council being advised that it should prepare itself for a continuation of the reduction in Government resources for 2020/21 and beyond ;

- Highlighted the proposed funding for initiatives to support the Councils' ambitions set out in Platforms for our Places;
- The impact of recent County Council decisions upon the Council;
- The Executive was asked to consider a number of proposals to invest in services which were outlined in Appendix 2; and,
- The Executive was asked to consider whether to increase Council Tax by the maximum level possible 3% or by a lower amount.

The budget was analysed by Executive Member portfolio. In addition, the draft estimates for 2019/20 had been prepared, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that did not impact either on the Budget Requirement or the Council Tax Requirement).

The Police and Crime Commissioner had consulted on an increase to the Council Tax for 2019/20 of £12.00 or 7.23%. The proposed 2019/20 budget was considered by the Sussex Police and Crime Panel (PCP) on 1 February 2019 and an increase for 2019/20 of £24 or 14.5% had been proposed.

The draft Local Government Settlement allowed Councils to increase core Council Tax by up to 3% in addition to the 2% Council Tax increase permitted specifically to support adult social care services (subject to a maximum increase for social care of 6% in the period 2017/18 to 2019/20). Therefore a maximum Council Tax increase of 5% for Councils with social care responsibilities was allowed.

The precept for West Sussex County Council had not yet been finalised and would not be confirmed until 15 February 2019. The formal detailed resolution setting the overall Council Tax for next year would be presented direct to the Council Meeting on 28 February 2019.

Officers advised that in order to meet the proposals to invest in services, outlined in Appendix 2, Council Tax would need to increase by 3%.

The Committee sought clarification regarding 'special expenses'. Officers advised that 'special expenses' covered services that were delivered in part of the District by the District Council and in part by the Parish Council. In regards to the 'special expenses' in Lancing, these were specifically to do with greens and open spaces and community buildings. Lancing provided its own Parish Hall and was responsible for a significant amount of greens and open spaces, including beach green. There was not such a significant overlap of services in relation to Sompting. A significant increase to the 'special expenses' had been proposed this year as a result of falling income from greens and open spaces.

A Member questioned the 'Borough Levy' highlighted in the table on page 53 of the report. Officers advised that this should have read as the 'District & Borough Council Levy'.

It was proposed and seconded that the Adur District Council share of Council Tax be increased by 2.97% which represented a weekly increase on band D of 17p and would increase the annual cost of a band D to £299.43.

Decision

The Executive:-

- (a) approved the proposals to invest in services outlined in Appendix 2;
- (b) recommended to Council, the draft budgets for 2019/20 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £8,598,470, subject to any amendments agreed above; and**
- (c) recommended a Band D of £299.43 per annum, an increase of 2.97%, for Adur District Council's requirements in 2019/20 as set out in paragraph 5.11;**
- (d) recommended to Council that special expenses of £21.42 per Band D equivalent 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.

Link to the report on the website

<https://www.adur-worthing.gov.uk/media/media.152404.en.pdf>