

**TITLE: ADUR OVERALL BUDGET ESTIMATES 2014/15 AND SETTING OF 2014/15 COUNCIL TAX**

**REPORT BY: SARAH GOBEY, EXECUTIVE HEAD (FINANCIAL SERVICES)**

## **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 2014/15;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2014/15, prior to its submission to the Council for approval on the 20<sup>th</sup> February 2014. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Cabinet.

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 2014/15 settlement.

1.3 The major points raised within the report include:

- The Council will benefit from surplus business rates in 2014/15 of £142,000 (paragraph 3.9.7);
- The Council expects to receive £198,000 more in New Homes Bonus in 2015/16 due to principally to the removal of the top-slice to the New Homes Bonus (paragraph 3.10.3);
- The referendum criterion has yet to be announced. Speculation within the press suggests that this will be set at a rate lower than 2%. Consequently, the maximum Council Tax increase that the Council can approve without triggering a referendum is likely to reduce and for planning purposes this is judged to be 1.5% (paragraph 3.11);
- The cabinet will need to consider whether to increase Council Tax by 1.5% or to freeze Council Tax for the fourth successive year and accept the Council Tax freeze grant (paragraph 5.12); and, finally
- The Cabinet needs to consider the growth items in appendix 2

## **1.0 SUMMARY**

- 1.4 The budget is analysed by Cabinet Member portfolio. In addition, the draft estimates for 2014/15 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities 2014/15 (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).
- 1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2014/15 of 3.6% and the proposed 2014/15 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 24<sup>th</sup> January 2014. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 21<sup>st</sup> February 2014 at which point the Commissioner will be in a position to confirm the Council Tax for 2014/15. If the proposals for the PCC's share of the Council Tax are not confirmed until 21<sup>st</sup> February, then the planned Council date of the 20<sup>th</sup> February will be rearranged to the 27<sup>th</sup> February 2014.
- 1.6 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 14<sup>th</sup> February 2014. Therefore the formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 20<sup>th</sup> February 2014.

## **2.0 BACKGROUND**

2.1 The outline forecast report to Joint Strategic Committee on 4<sup>th</sup> July 2013 identified an initial likely budget shortfall of £630,000 for 2014/15. The Council agreed a budget strategy to meet this challenge through three major work streams:

1. Major Service Reviews;
2. Efficiency Reviews;
3. Base Budget Review.

In addition to these reviews, the July 2013 report proposed two new additional strands of work to balance the 2014/15 budget:

- Procurement review
- Continuous Improvement Board, as a replacement to the Change Management Board which has subsequently been deferred and replaced by the 'Catching the Wave' programme of work lead by the Chief Executive

2.2 The report to the Joint Strategic Committee in September updated members about the likely impact of the changes to the Councils' financial prospects following the Comprehensive Spending Review and to consider the Councils' responses to the consultations that have been released over the summer months. This revealed a slightly improved position for 2014/15, but a deteriorating position from 2015/16 onwards due to the then proposed changes to the New Homes Bonus and Revenue Support Grant.

## 2.0 BACKGROUND

Adur District Council	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Overall shortfall - July forecast	630	1,005	1,740	2,102	2,616
Overall shortfall - September forecast	626	1,251	1,958	2,281	2,725
Increase / (Decrease) in shortfall	(4)	246	218	179	109

2.3 The subsequent report to the Joint Strategic Committee, on 3<sup>rd</sup> December 2013, outlined the options for savings and growth and updated Members as to the latest budgetary information. The 2014/15 savings proposals for the Council amounted to £665,000. Since this time some additional savings of £53,600 have been identified and were considered by the Joint Committee on the 7<sup>th</sup> January 2014. These are attached at appendix 2 for information.

2.4 Since the meeting on 3<sup>rd</sup> December, the Adur District Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any non-committed growth items. Overall, therefore, the current financial position of the Joint Strategic Committee for 2014/15 can be summarised as:

	£'000
Original shortfall as identified in September	626
Changes identified in December 2013	
Impact of revised projection of New Homes Bonus for 2014/15	52
Impact of 2014 pension valuation	67
Impact of job evaluation	8
Net committed growth items identified by Executive Heads	135
Removal of contingency budget	-200
Budget shortfall as at 3 <sup>rd</sup> December 2013	688
<b>Main changes to the revenue budget:</b>	
<b>Impact of Settlement:</b>	
Draft allocation of New Homes Bonus	-6
Final Revenue Support Grant and NNDR baseline funding is marginally lower than expected	2
Final adjustment to Council Tax Freeze Grant	-1
<b>Changes to Council Tax :</b>	
Estimated surplus on the Collection Fund	-60
Decrease Council Tax income resulting from changes to the tax base	9
Decrease in Council Tax income resulting from a possible change in the referendum criteria from 2% to 1.5%	27
Budget shortfall carried forward	659

## 2.0 BACKGROUND

	<b>£'000</b>
Budget shortfall brought forward	659
<b>Changes in business rate forecasts :</b>	
Estimated surplus in the Collection Fund	-63
Additional retained business rates	-79
Removal of business rate shortfall	-119
<b>Other changes identified:</b>	
Revised assessment for the cost of increments, inflation, and the capital programme.	23
Reduction in charges to HRA following savings exercise.	89
<b>Revised budget shortfall</b>	<b>510</b>
<b>Less:</b> Savings identified in December	-665
Savings identified in January	-54
Adjustment to allocations between the councils	6
Removal of no detriment	19
<b>BUDGET SURPLUS TO BE PLACED IN RESERVES (BEFORE ANY FURTHER ACTION AGREED)</b>	<b>-184</b>

- 2.5 Local Government has seen an unparalleled reduction in funding over recent years. The Comprehensive Spending Review in 2010 detailed reductions in support of 28% in real terms over the four years 2011/12 – 2014/15.

Local Government – Departmental Expenditure Limit (DEL)					
Departmental Expenditure Limit	£Billion				
	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015
Overall Total	28.5	26.1	24.4	24.2	22.9
Formula Grant Element	28.0	25.0	23.4	23.2	21.9
Council Tax Freeze	0	0.7	0.7	0.7	0.7
Other	0.5	0.5	0.4	0.4	0.4
Annual percentage reduction in Formula Grant		10.7%	6.4%	0.9%	5.6%
Overall reduction in Formula Grant Nationally overall funding available for all Councils will fall by 28% over the 4 years					21.8%

- 2.6 This trend of reducing Government support was further reinforced by the Comprehensive Spending Review announced on 26<sup>th</sup> June 2013 for 2014/15 and 2015/16

## 2.0 BACKGROUND

	2014-15 (£bn)	2015-16 (£bn)	Cash reduction (-)/ increase	Real terms growth
LG Resource DEL	25.6	23.5	-9.2%	-10.0%
Localised business rates	11.2	11.6	3.6%	1.7%
<b>Total Government Funding</b>	<b>36.8</b>	<b>35.1</b>	<b>-4.6%</b>	<b>-6.5%</b>

2.7 The review also announced that:

- 2011-12 and 2013-14 Council Tax freeze funding would be incorporated into Revenue Support Grant until at least 2015/16;
- a Council Tax freeze grant of 1% would be available for both 2014/15 and 2015/16;
- £300m to support the transformation of local services of which:
  - £200m was for an extension of Troubled Families programme to +400,000 families; and
  - £100m to enable efficiencies in service delivery.

These funding streams are subject to a bidding process

2.8 Consequently, Adur District Council has seen a significant reduction in support from Central Government via Revenue Support Grant and, now, baseline funding:

Adur District Council	2010/11 (adjusted)	2011/12	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m	£m	£m
Revenue Support Grant and 'baseline funding' *	4.132	3.470	3.094	2.803	2.287	1.772
Council Tax Freeze Grant 2011/12		0.153	0.153	0.154	0.154	0.154
Council Tax Freeze Grant 2013/14					0.062	0.062
Homelessness grant				0.057	0.056	0.056
Council Tax Support Grant **				0.850	0.850	0.850
		3.623	3.247	3.864	3.409	2.894
Annual reduction		0.662	0.376	0.291	0.516	0.515
Annual percentage reduction		16.02%	10.84%	9.41%	18.41%	22.51%
Cumulative total			1.038	1.329	1.845	2.360
			25.12%	32.16%	44.65%	57.11%

## 2.0 BACKGROUND

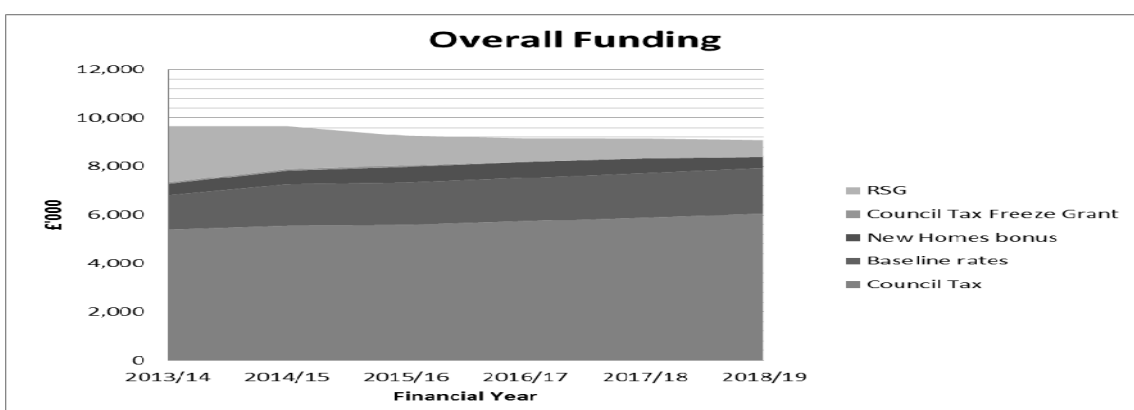
\* Excluding 2011/12 Council Tax freeze grant of £154k which was consolidated into the total in 2012/13; and Council Tax Support Grant of £850k and homelessness grant of £57k which will form part of government funding in 2013/14. The 2013/14 Council Tax freeze grant of £62k was consolidated in 2014/15.

\*\* The Council Tax Support Grant will form part of Revenue Support Grant and Baseline Funding from 2014/15 onwards.

2.9 One of the implications behind the reducing level of revenue support grant combined with the introduction of the business rate retention scheme and the New Homes Bonus is that over time these elements together with Council Tax form a more significant proportion of the council's overall income and consequently have a greater strategic importance. This means that decisions about whether or not to increase Council Tax become even more significant as they will influence not only income in the coming year but will also protect the income streams for future years providing a controllable and sustainable income source to the Council assisting the council in addressing unavoidable inflationary pressures.

Breakdown of general income to the Council	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	5,389	5,544	5,580	5,734	5,892	6,055
Baseline rates	1,428	1,716	1,746	1,790	1,835	1,880
RSG	2,320	1,771	1,213	970	825	701
New Homes bonus	459	566	653	653	591	438
Council Tax Freeze Grant 2013/14	62	63	63	0	0	0
	9,658	9,660	9,255	9,147	9,143	9,074

Breakdown of general income to the Council	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	%	%	%	%	%	%
Council Tax	55.80%	57.40%	60.28%	62.69%	64.45%	66.72%
Baseline rates	14.79%	17.76%	18.87%	19.57%	20.07%	20.72%
RSG	24.02%	18.33%	13.11%	10.60%	9.02%	7.73%
New Homes bonus	4.75%	5.86%	7.06%	7.14%	6.46%	4.83%
Council Tax Freeze Grant	0.64%	0.65%	0.68%	0.00%	0.00%	0.00%



## 2.0 BACKGROUND

Consequently, it is now clear that we cannot expect any easing of the financial pressure in the next 2 – 3 years.

- 2.10 The likely impact of the autumn statement and settlement for 2014/15 and 2015/16 is now known and this is discussed in detail in the next section of the report.

## 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

- 3.1 The Autumn Statement contained some good news for the Council. The Chancellor commented that:

*'We can therefore be confident in reducing the contingency reserve by £1 billion this year and reducing departmental budgets by a similar amount in the next two years. This will save a further £3 billion in total.....*

*We will not apply these additional savings to local government, because we expect them to freeze Council Tax next year'*

*Chancellor of the Exchequer George Osborne,  
The Autumn Statement 2013*

Contained within the detail of the statement was some further good news about New Homes Bonus

*The government will formally respond to the technical consultation on the New Homes Bonus and the Local Growth Fund in due course. The government will not include the New Homes Bonus in the Local Growth Fund, except for £70 million for the London Local Enterprise Partnership, which is chaired by the Mayor of London.*

*Autumn Statement*

It is now unlikely that the planned transfer of New Homes Bonus monies to the Local Growth Fund will take place (other than in London) in 2015/16. This is of particular significance to Adur District Council and will be discussed in more detail later in the report.

- 3.2 The settlement was released on the 18<sup>th</sup> December 2013 in the form of a written statement and this year has been largely as expected. So the likely impact of the settlement for 2014/15 and 2015/16 for the Council is now clear. The settlement included the following highlights:

- Efficiency Support for Sparse Areas grant worth £9.5 million so that the most rural local authorities can continue to drive forward efficiencies in their area. This is an increase on the grant paid for this purpose in 2013 to 2014 and we intend that the grant will be rolled in to the settlement in 2014 to 2015, offering further protection for the most rural authorities. Adur District Council will not benefit from this additional funding.

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

- The Government is providing up to £550 million of extra funding to local authorities so they can freeze Council Tax for the next 2 years. The Secretary of State has agreed with the Chancellor that the funding for the next 2 freeze years will also be built into the spending review baseline and so the support will continue on until at least 2016-2017. The Local Government Minister wrote:

*We hope this will give maximum possible certainty for councils that the extra funding for freezing Council Tax will remain available, and there will not be a 'cliff edge' effect from the freeze grant disappearing in due course. We have done our part – we now expect councils to do theirs in helping hard-working people with the cost of living.*

Written ministerial statement by Local Government Minister Brandon Lewis on the provisional local government finance settlement 2014/2015

- The Council Tax referendum threshold principles are to be announced separately later in the New Year. Interestingly, the Government are:

*'open to representations suggesting that some lower threshold be applied to all or some categories of authorities, given the strong need to protect taxpayers wherever possible from unreasonable increases in bills, and given next year's elections on 22 May across the country allow for referendums to be held at minimal cost'*

Local Government Minister, Brandon Lewis

The issue the Council will face is that, statutorily, it needs to set its Councils Tax by 11<sup>th</sup> March but the referendum referred to, if needed, is proposed to coincide with the Local Government elections in May. This will mean that the Council would incur significant rebilling costs if the referendum overturned the Council's Council Tax proposals.

Logistically, it would be far more helpful if the Government announced the criteria at an earlier stage to enable all Councils to more effectively plan any Council Tax increase. Without knowing the criteria – it will be difficult to know what level of increase is 'safe' and avoids the need for a referendum.

- 3.3 Helpfully the government has also provided illustrative grant figures for 2015-16 which will give the council some certainty for the coming year. Although with a general election on 7<sup>th</sup> May 2015, it is difficult to be certain about the level of Local Government funding in the future beyond 2015-16. However, given the tenor of the Chancellor's speech on the 6<sup>th</sup> January which announced a further £25 billion cuts in 2016/17 and 2017/18 of which £12 billion will be in welfare, it is inevitable that the Council will face further reductions in funding in the future.



### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

3.4 In overall terms, the settlement revealed that District and Borough Councils were the most heavily affected class of authority by an overall cut in funding of just under 13.5%.

<b>YEAR-ON-YEAR CHANGE FOR THE 2014-15 SETTLEMENT</b>			
<b>Class of Local Authority</b>	<b>2013-14 Adjusted settlement funding</b>	<b>2014-15 Settlement funding</b>	<b>Overall Reduction in funding</b>
	<b>£million</b>	<b>£million</b>	<b>%</b>
<b>England</b>	26,256.42	23,782.51	9.42%
<b>London Area</b>	6,023.71	5,510.29	8.52%
<b>Metropolitan Areas</b>	7,088.74	6,381.37	9.98%
<b>Shire Areas</b>	13,140.63	11,887.55	9.54%
<b>Isles of Scilly</b>	3.35	3.30	1.29%
<b>London Area</b>			
London Boroughs	4,859.199	4,354.84	10.38%
GLA – all functions	1,164.507	1,155.45	0.78%
<b>Metropolitan Areas</b>			
Metropolitan Districts	6,778.289	6,094.487	10.09%
Metropolitan Fire Authorities	310.447	286.884	7.59%
<b>Shire Areas</b>			
Shire unitaries with fire	473.009	426.120	9.91%
Shire unitaries without fire	4,998.291	4,503.665	9.90%
Shire counties with fire	2,391.602	2,193.651	8.28%
Shire counties without fire	3,520.281	3,213.572	8.71%
<b>Shire districts</b>	<b>1,263.788</b>	<b>1,093.588</b>	<b>13.47%</b>
Combined fire authorities	493.660	456.949	7.44%

3.5 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 15<sup>th</sup> January 2014 with final settlement expected in early February 2014.

3.6 It is unlikely that there will be any significant change at this late stage. If there are any significant changes arising from the final information members will be briefed before Council.

3.7 The local government finance settlement fundamentally changed in 2014-15. There are four different strands to local government funding which the Council needs to fully understand when setting the 2014-15 budget. These can be broken down into 4 topics, which are dealt with in more detail below:

1. Overall Government Funding
2. Business Rate Retention Scheme
3. New Homes Bonus
4. Council Tax referendum

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.8 Overall Government Funding

The total overall funding to the Council has reduced by 11.9%. The total funding from Government is then split into two components:

1. Baseline Funding
2. Revenue Support Grant

This split is based on a national calculation which has determined that the Baseline Funding will be 46.17% of the total funding. For Adur this means that the overall funding will be split as follows:

<b>Adur District Council</b>	<b>£'000</b>
Overall funding	3,409*
Split as follows:	
Baseline Funding (46.17%)	1,574
Revenue Support Grant (53.83%)	1,835

\* From 2014/15 onwards, revenue support grant includes the 2013/14 Council Tax freeze grant.

The Baseline Funding then forms one of the components of the new business rate retention scheme discussed in further detail below.

#### 3.9 Business Rate Retention Scheme

3.9.1 The new business rate retention scheme has now been in place for a year. 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 £118,040.
- 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
	<b>100</b>	<b>25</b>	<b>25</b>

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

3.9.2 Under the Business Rate Retention Scheme, the Council will be given a target income level for business rates. For 2014/15 this will be £16,495,230, of which 50% will be paid over to HM Treasury and 10% is paid to the County Council as follows:

	£
Business Rate target	16,495,230
Split as follows:	
HM Treasury (50%)	8,247,620
County Council (10%)	1,649,520
District Council (40%)	6,598,090

The monies paid over to the HM Treasury will be redistributed back to local government as Revenue Support Grant.

3.9.3 Those Councils whose share of business rate income target exceeds their baseline funding are known as 'tariff' Councils and will have to pay over business rate income to the Government equivalent to the surplus. Those Councils whose business rate income is less than their baseline will receive additional funding from the Government and are known as 'top-up' Councils. Adur District Council is a 'tariff' Council as follows:

<b>Tariff calculation</b>	£
Business Rate Target income	6,598,090
Less: Baseline funding	-1,534,830
	<hr/>
Tariff payment to government	5,063,260
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3.9.4 The new business rates system operates in a similar manner to the Council Tax. At the start of the year, the Council estimates how much business rates will be generated allowing for appeals, write-offs and administrative costs. The Council can then transfer its share of this estimated amount to the general fund. This is similar how Council Tax is dealt with.

3.9.5 At the end of the financial year, any surplus or deficit associated with business rates is assessed and this will benefit the Council in the following financial year.

3.9.6 However, any adjustment to the levy or safety net due to the government must be repaid to the government at the end of the current financial year (2013/14) despite the fact that the Council will benefit from this in the following financial year (2014/15).

3.9.7 The preliminary forecast for business rates for 2013/14 outturn and 2014/15 is as follows:

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

	2013/14 Original Estimate	2013/14 Updated Estimate	2014/15 Estimate
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Net Rates Payable (A)</b>	<b>16,813</b>	<b>16,613</b>	<b>17,186</b>
<b>Less Accounting Adjustments:</b>			
Movement in the bad debt provision and write-offs (B)	159	194	220
<b>Losses on Appeal</b>			
Provision for appeals in year	317	309	883
Full Provision for backdated appeal decisions	476	464	0
<b>Total losses on appeal (C)</b>	<b>793</b>	<b>773</b>	<b>488</b>
<b>Collectable Rates (D=A-B-C)</b>	<b>15,861</b>	<b>15,646</b>	<b>16,478</b>
Net Transitional Protection Payments - Paid by the government (E)	71	-584	-596
Allowable charge for administration costs (F)	85	85	86
<b>Non Domestic Rating Income (D-E-F)</b>	<b>15,705</b>	<b>16,145</b>	<b>16,988</b>
<b>2013/14 Original Estimate</b>		<b>15,705</b>	
Change from original estimate - increase (+) / decrease (-)		511	
<b>Surplus/(Deficit): Adur District Council</b>			
Business rates Baseline Target	6,510	6,510	6,637
<b>Less: Tariff/Top-Up</b>	<b>-4,966</b>	<b>-4,966</b>	<b>-5,063</b>
<b>Baseline funding Target (A)</b>	<b>1,544</b>	<b>1,544</b>	<b>1,574</b>
40% share of actual business rate income	6,282	6,458	6,795
<b>Less: Tariff/Top-Up</b>	<b>-4,966</b>	<b>-4,966</b>	<b>-5,063</b>
<b>Baseline funding Retained (B)</b>	<b>1,316</b>	<b>1,492</b>	<b>1,732</b>
<b>Surplus/(deficit) (B-A)</b>	<b>-228</b>	<b>-52</b>	<b>158</b>
50% Levy payable to Government in 2013/14	0	0	-79
Safety net payment	113	0	0
(Surplus) / Deficit to be retained by Council	115	-52	79
Less: Original 2013/14 deficit payment in current year		115	
<b>Additional surplus to benefit the Council in 2014/15</b>		<b>63</b>	

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

3.9.8 It should be appreciated that, when the 2013/14 original estimate was calculated, the Council had very little information about the outstanding level of appeals, consequently a 5% allowance for appeals was built into the estimate of business rate income (£793,000) together with an assumed level of write-offs of £159,000. However, since that time, the Valuation Office has improved the information supplied and the Council now receives a quarterly report on the level of outstanding appeals which has been used to update the current forecast for 2013/14.

3.9.9 The Council will fully provide for any known backdated business rates appeals at the 2013/14 year end, consequently the level of provision for new and outstanding appeals will reduce in 2014/15. This together with the business rates generated by the new football training facility will mean that the business rate income should exceed the government target set and benefit the overall revenue budget.

3.9.10 The Council is also working on a county wide project to improve the forecasting of appeals using some specialist software which, as time progresses, will ensure the forecast of the impact of appeals is more robust.

3.9.11 The forecast is currently being finalised. The government released the guidance for the 2014/15 NNDR return which underpins this forecast on the 6<sup>th</sup> January. The return is due to be submitted by the 31<sup>st</sup> January and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

3.9.12 Looking further ahead, the generation of additional business rates may become one of the solutions to the Council's ongoing financial pressures. Members will be aware that there are several schemes progressing within the Borough which will create employment space. For example, a significant new business in the area may bring financial benefits to the Council as follows:

Assumed rateable value £1m

Estimated Rates income: £462,000

	<b>Additional income</b>	<b>Levy paid to Treasury</b>	<b>Kept locally</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Split as follows:			
HM Treasury	231,000		
County Council	46,200	23,100	23,100
District Council	184,800	92,400	92,400
	<b>462,000</b>	<b>115,500</b>	<b>115,500</b>

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

3.9.13 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.
- There is a specific risk associated with schools becoming academies. At the moment it is not expected that any of the schools will become academies in 2014/15. However, if a school assumes academy status then it will become eligible of mandatory rate relief which will reduce the Council's business rate income.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

3.9.14 Consequently there could be significant swings in the amount of business rate income in any one year. However this will be tempered by the safety net. The maximum possible swing for 2014/15 would be:

	<b>£'000</b>
Loss of share of surplus	79
Maximum loss of baseline funding due to the safety net	118
	<u>197</u>

3.9.15 However, to help manage this risk it is proposed that at the end of 2013/14 a reserve is created specifically to manage this risk using any underspend. This reserve could also be used to manage any timing differences between when the Council is obliged to pay the government its share of any levy and when the Council will benefit from that surplus.

#### 3.10 New Homes Bonus

3.10.1 The New Homes Bonus is assuming a greater level of importance as source of funding. By 2015/16 the Council is expecting to receive £0.6m:

	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19
	£'000	£'000	£'000	£'000	£'000
New homes bonus (2011/12 - 2016/17)	62	62	62	0	0
New homes bonus (2012/13 - 2017/18)	153	153	153	153	0
New homes bonus (2013/14 - 2018/19)	244	244	244	244	244
New homes bonus (2014/15 - 2019/20)	107	107	107	107	107
New homes bonus (2015/16 - 2020/21)	0	58	58	58	58
<b>Total New Homes Bonus</b>	<b>566</b>	<b>624</b>	<b>624</b>	<b>562</b>	<b>409</b>

### **3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15**

#### **3.10 New Homes Bonus**

3.10.2 The final level of new homes bonus due to be received in 2014/15 is higher than expected by some £6,000. This is due to an increase in the amount of bonus awarded for affordable dwellings.

3.10.3 Looking further ahead, the announcement that New Homes Bonus would no longer be top sliced has significantly benefitted the Council in 2015/16 by £252,000.

3.10.4 Within Adur between 50 – 100 dwellings are constructed each year, although due to the development at the Southlands hospital site, over 200 were finished in 2012/13. For the purposes of forecasting the 2015/16 new homes bonus, it is assumed that 75 new dwellings will be completed by August 2014.

3.10.5 The future of New Homes Bonus from 2016/17 onwards is uncertain. The commitment to New Homes Bonus is until 2015/16 only and so it is assumed that there will be no new bonus from 2016/17 onwards.

#### **3.11 Council Tax Referendum**

3.11.1 Finally, as part of settlement, the Minister announced the referendum criteria would be announced after Christmas. It is unclear whether this relates to the 2014/15 criteria or the 2015/16 criteria, however it is suspected that this refers to 2014/15.

3.11.2 This overturned the criteria previously announced by the Chancellor in June which stated that:

The Council Tax referendum limit will be 2% in both 14/15 and 15/16. The Government will offer a Council Tax Freeze grant in both 2014/15 and 2015/16. This is likely to be allocated as a 1% grant for two years for those that freeze in 2014/15 and separately as a 1% grant for two years for those that freeze in 2015/16.

3.11.3 There has been some speculation in the press recently that the referendum limit will be reduced to 1.5%. The current budget forecast assumes a 2% increase. Clearly this 0.5% reduction would impact upon the Council's potential income from Council Tax by some £27,000. The late announcement of the referendum criteria introduces a degree of uncertainty into the budget process.

3.11.4 However, given that the original criteria announced is due to be changed, and the Secretary of State's often expressed view that Councils should accept the Council Tax Freeze grant; it seems unlikely that the limit will increase. Consequently, the budget forecast now assumes a maximum increase of 1.5%. Members will be briefed on the referendum criteria at the meeting if known.

3.11.5 Options for the Council Tax increase are discussed in detail later in the report.

#### 4.0 2013/14 BUDGET – CURRENT POSITION

- 4.1 The revenue monitoring report to Joint Strategic Committee on 7<sup>h</sup> November 2013 showed a forecast underspend for the year of £169,000 due to the following major factors:

	Forecast Over/(Under) spend
	£'000
<b>Homelessness</b>	
Private sector lease rental income in excess of the budget.	-50
<b>Investment Properties</b>	
Lower income due to empty properties.	60
<b>Refuse and Recycling Collection</b>	
Budget not required following change in accounting for MRP & Interest	-103
<b>Cross-Cutting savings</b>	
Reduction in energy costs across a variety of budgets.	-67
Net other over/(under) spends	-9
<b>Underspend as at 7<sup>th</sup> November 2013</b>	<b>-169</b>

- 4.2 The anticipated underspend of £169,000 will give the Council the much needed opportunity to place some funds into reserves to meet future needs as discussed elsewhere within this report. The ongoing trends that have been identified as part of this monitoring have been built into the 2014/15 revenue budget.
- 4.3 On past evidence, spending patterns between the November monitoring and the end of the financial year have shown there is every reason to expect that the position may continue to improve as the year progresses, which will be reported when the outturn report comes before the Joint Strategic Committee in June 2014. Consequently, any final recommendations regarding this underspend must be deferred until the outturn results are known.

#### 5.0 DRAFT REVENUE ESTIMATES 2014/15

- 5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £5,483,550. This includes the savings agreed at Joint Strategic Committee in December and January.
- 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.



## 5.0 DRAFT REVENUE ESTIMATES 2014/15

5.3 The key question of how the net budget requirement of £5.484m 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 2013/14 to 2014/15 are at Appendix 1. A breakdown of each Cabinet Member's summary budget is attached at Appendix 7. The changes can be summarised briefly as follows:

	£'000	£'000
<b>2013/14 Original Estimate</b>		9,634
<b>Add: General Pay and Price Increases</b>		218
<b>Add: Committed and Unavoidable Growth:</b>		
Increased Expenditure as per 3 year forecast (net of any proposed use of reserves)	242	
Reduced Income as per 3 year forecast	81	
Impact of Capital Investment Programme	-2	321
		10,173
<b>Less: Compensatory savings/Additional Income:</b>		
Compensatory savings	-40	
Additional income	-	-40
2013/14 budget prior to agreed savings		10,133
<b>Less: Savings agreed by members</b>		
Approved in 2013/14	-52	
Approved in December	-659	
Approved in January	-54	
Removal of 'no detriment' adjustment	19	
Adjustment of allocations to the HRA	89	-657
Cabinet member requirements		9,476
Potential contribution to reserves*		184
Potential budget requirement before external support		9,660
Collection fund surplus		-60
<b>2014/15 BUDGET REQUIREMENT</b>		<b>9,600</b>
*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 which was considered on 7<sup>th</sup> January 2014. The allocation of the costs of joint services under the remit of the JSC has been the subject of an annual review this year. The swing of costs between the two Councils has changed by 0.75% between the two Councils resulting in an overall 'no detriment' adjustment of around £19,000.

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

5.6 The initial report to members about the creation of the partnership discussed at the Simultaneous Executive Meeting on 12<sup>th</sup> July 2007 emphasised the need for stability of costs between the Councils, and it was not proposed to take action until a firm trend has established. There were several reasons for this:

- Any of the allocations for the newly created joint services are based on broad estimates which will be confirmed as the services mature;
- Some of the joint services have only been in operation for a relatively short-time and so it is impossible to identify whether there is a long-term trend in the allocation of costs.
- Some of the swings in costs may be temporary in nature.

5.7 Given the small amount of overall 'no detriment' adjustment within the accounts of the two Councils, it is now proposed to remove this adjustment from the revenue budgets of both Councils. The implication for the future is that there will be an annual adjustment between the two Councils for any swing in the overall costs from the Joint Strategic Committee.

5.8 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 (Executive Head (Financial Services)).

5.9 The current net estimated 2014/15 spend is less than previously predicted and is mainly due to the following factors:

	£'000
<b>Impact of settlement (see paragraph 2.5 and section 3 above)</b>	
Increase in grant arising from settlement (including the Council Tax Freeze Grant)	1
Expected increase in New Homes Bonus	-6
<b>Additional income from business rates (see section 3.8)</b>	-261
<b>Final adjustments in respect of inflation and salary increments</b>	23

5.10 In addition to the above, the projected surplus on the Collection Fund is now estimated to be £327,350, of which £60,130 is the District Council share. This is a minor surplus in light of the overall income due which exceeds £31.6m, and is due to an improved level of income to the collection fund.

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

5.11 Members are now faced with two questions:

- What level of Council Tax to set?
- Which of the growth items at appendix 2 to accept?

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

### 5.12 The Council Tax increase:

5.12.1 The budget forecast currently assumes that Council Tax will increase by 1.5% in 2014/15. This is a reduction from the previous forecast increase of 2% and reflects uncertainty about the referendum level.

5.12.2 In the recent consultation 58.8% of residents supported an increase in Council Tax and a 1.5% uplift would be a modest increase in the District council share of the bill for 2014/15 as follows:

<b>Adur District Council</b>	<b>£</b>
Average Band D Council Tax	274.27
Annual impact of 1.5% increase	4.11
Amount per week	0.08

5.12.3 Members should also be aware that the Police and Crime Commissioner has been consulting on a 3.6% increase for the Police Authority share of the overall bill. There are indications that the County Council will set a 0% increase. Consequently, the total overall increase in the Council Tax bill for an average band D property would be just over 0.5%:

	<b>2013/14</b>	<b>2014/15</b>	
	<b>£</b>	<b>£</b>	
Adur District Council	274.27	278.38	1.50%
West Sussex District Council	1,161.99	1,161.99	0.00%
Sussex Police and Crime Commissioner	138.42	143.37	3.60%
	<b>1,574.68</b>	<b>1,583.74</b>	<b>0.58%</b>

5.12.4 Members should also be aware that there may long term consequences to accepting the Council Tax Freeze Grant and setting a 0% Council Tax increase:

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

### 5.12 The Council Tax increase:

Adur District Council	2014/15	2015/16	2016/17	2017/18	2018/19
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Council Tax income if Council Tax is increased by 1.5%	5,484	5,580	5,734	5,892	6,055
Council Tax income if Council Tax is frozen	5,402	5,497	5,649	5,805	5,965
Net fall in income	82	83	85	87	90
Less: Grant from government	64	64	0	0	0
Increase/decrease (-) in income per annum if Council Tax is increased	18	19	85	87	90

5.12.5 Members are asked to consider which level of Council Tax increase that they support. Increasing Council Tax by 1.5% will protect the longer term financial interests of the Council and build some much need capacity in the next financial year to invest in priority initiatives. However, given the current economic climate, and the very small financial benefit in the first two years, members may want to freeze Council Tax to protect the local community and accept the Council Tax freeze grant.

### 5.13 Uncommitted Growth Items:

5.13.1 Attached at Appendix 2 is a listing of the new uncommitted growth items which total £61,200. These have already been considered at the Joint Strategic Committee on 7<sup>th</sup> January 2014 and those items which had support from both Adur and Worthing members are included in the appendix. Members are now asked to confirm which of the items should be included within the revenue estimates for 2014/15.

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

Net budget requirement	<b>£'000</b>	<b>£'000</b>
		9,517
<b>Less:</b> Government grant	-1,773	
Baseline Funding	-1,574	
Share of additional Business Rate income	-142	
Council Tax (1.5% increase)	-5,484	
2013/14 Council Tax Freeze Grant	-62	
Council Tax reduction scheme	-40	
administration grant		
New Homes Bonus	-566	
Collection Fund surplus	-60	-9,701
<b>Estimated budget surplus based on 1.5% Council Tax increase carried forward</b>		<b>-184</b>

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

	<b>£'000</b>
Estimated budget surplus based on 1.5% Council Tax increase brought forward	<b>-184</b>
Estimated impact of freezing Council Tax and accepting the Council Tax freeze grant	18
Maximum impact of accepting the growth items	61
	<b>-105</b>
<b>Maximum contribution to reserves</b>	<b>105</b>
	<b>-</b>

- 5.15 The budget could support a 0% Council Tax increase and support some priority projects for the coming year from the planned contribution to reserves. Looking further ahead to 2015/16, the surplus savings identified in 2014/15 will help the council address it's future budget shortfall.
- 5.16 However, budgets remain extremely tight and there is little flexibility to fund new initiatives to take forward key priorities such as economic development projects designed to stimulate the economy and create new jobs.

## 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 at Appendix 1 (which includes an assumed 1.5% tax increase for 2014/15 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)				
	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	421	1,062	1,899	2,240	2,735
<b>Less:</b>					
Net savings agreed in December and January	-605	-659	-681	-681	-681
Impact of accepting the Council Tax Freeze grant	18	19	85	87	90
Impact of accepting all the growth items at appendix 2	61	61	45	45	45
<b>Less:</b>					
Potential contribution from reserves to be agreed	-105	-	-	-	-
Adjusted cumulative budget shortfall	-	483	1,348	1,691	2,189
Savings required each year	-	483	865	343	498

## 6.0 IMPACT ON FUTURE YEARS

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 four benefits 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;
- New Homes bonus of £1,160 per band D home until at least 2015/16 and possibly beyond.

6.3 However, these measures are unlikely to be enough. There will 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.

6.4 Members should also be aware that the future of the overall funding for Local Government continues to be a cause for concern and there remains a risk that funding levels will reduce even beyond the current pessimistic projections.

## 7.0 RESERVES

7.1 Section 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 the 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 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 31<sup>st</sup> March 2013 was £857,000 which is 8.8% of net revenue expenditure.

## 7.0 RESERVES

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

		£'000	%
31.03.2014	Balance carried forward – per Final Accounts	857	8.9
31.03.2015	No planned drawdown or contribution expected	857	8.9
31.03.2016	No planned drawdown or contribution expected	857	9.3
31.03.2017	No planned drawdown or contribution expected	857	9.4

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:

1. A further fall in interest rates of 0.5% would cost the Council in a region of £110,000 in 2014/15.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £96,000.
3. Further adverse falls in income from such sources as development control income, car parks and land charges against a background of the recession which could result in falling income of over £100,000.
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 2014/15 of £580,000 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 £966,000 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of between 6% and 10% is valid and the forecast level falls within these parameters.

## 7.0 RESERVES

7.5 The estimated balance of earmarked reserves as at 31<sup>st</sup> March, 2014 is £3,513,000, although this will reduce to £3,074,000 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 key risks to the overall budget and the Council's reserves are detailed below.

7.6 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 but the size and nature of the risks to the overall budget leaves the Council with little 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 2014/15, 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 2.0% inflation has been built into non-pay budgets together with an allowance for additional inflation on fuel. Pay budgets have a 1% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation to drop throughout 2014/15, 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

	1% increase
	£'000
Pay	96
Non-pay	39

8.2 To help manage these risks, the council has a working balance of £857,000 and other earmarked reserves are also available to the Council to help mitigate these risks.

## 9.0 CONSULTATION

9.1 This report represents the culmination of the budget process which has involved consultation with Members, staff, members of the public and the business community.

9.2 Both Councils have undertaken a follow-up consultation to last year's area wide exercise entitled 'Your Chance to be the Chancellor'. This again took the form of a leaflet sent out to each home. The focus of this year's consultation was around the potential changes to the Council Tax Reduction Scheme in 2015/16, and the level of Council Tax increase that the public would support. 738 residents responded to the consultation and the full outcome of the consultation is attached at appendix 4.

9.3 With respect to the Council Tax increase, the Council asked and received the following response from residents:

*The Councils have managed to freeze Council Tax for the past three years, despite a reduction in government grant of over 32%. Both Councils expect a further reduction in a grant for 2014-15 of around 18% which is equivalent to £520,000 for Adur District Council and £790,000 for Worthing Borough Council.*

*With this in mind, would you prefer...*

<i>A small increase which will help the Councils to protect priority services</i>	<i>434</i>	<i>(58.8%)</i>
<i>To freeze Council Tax for the fourth year in a row and cut services</i>	<i>304</i>	<i>(41.2%)</i>

9.4 The annual briefing with the business community was held on 22<sup>nd</sup> January 2014.

## **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 including the financial impact of the acquisition of the refuse and recycling fleet and equipment which has been funded from prudential borrowing.
- 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 2014/15. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2014/15 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.
- 10.4 The full set of Prudential Indicators and Treasury Management Limits is at Appendix 5. They reflect the Capital Programme approved at the Joint Strategic Committee on 3<sup>rd</sup> December 2013.
- 10.5 Members should note that the indicator for the authorised borrowing limit is a statutory indicator requiring approval by full Council under Section 3(i) of the Local Government Act 2003.

## **11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER**

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

## 11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

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

### 11.3 Overall view on the robustness of the estimates:

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

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

It will therefore be important for members to maintain a diligent budget monitoring regime during 2014/15.

- 11.4 The Executive Head (Financial Services) 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 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 the 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.

## 12.0 COUNCIL TAX SETTING

12.2 Once the Cabinet has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2014/15 Budget, the resulting Council Tax for the District can be set. This takes into account the Total Aggregate External Finance (Revenue Support Grant and Business Rates contributions) and any contribution to or from the local Collection Fund.

### 12.3 Adur District Council:

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2014/15 prior to the consideration of the budget proposals. This is based on 1.5% Council Tax increase:

Net 2014/15 Budget *	£	£
		9,700,430
<b>Plus:</b>		
Contribution from the Collection Fund surplus (as per paragraph 5.10)		-60,130
Net Budget requirement - (see Appendix 7)		9,640,300
<b>Less:</b>		
Aggregate External Finance:		
Revenue Support Grant	-1,834,780	
Baseline Funding	-1,573,830	
Business Rate income	-142,540	
Council Tax Reduction Scheme administration grant	-40,000	
New Homes Bonus	-565,600	
		-4,156,750
<b>Balance to be raised from Council Tax</b>		<b>5,483,550</b>

\* 2014/15 budget requirement after any contribution to reserves required to balance the budget.

However, within section 5 of the report, members are given the option of freezing the Council Tax and approving the non-committed growth items. Any reduction in income would be funded from the budget surplus.

### (b) Council Tax Base

The Council's Tax base for 2014/15 is 19,697.80 Band D equivalent properties. There is an increase in the current year base of 19,680.70 is due to an increasing number of homes. The full calculation of the tax base is shown in Appendix 6.

## 12.0 COUNCIL TAX SETTING

### 12.3 Adur District Council:

#### (b) Council Tax Base

	2013/14 Tax Base	2014/15 Tax Base
Lancing	5,818.90	5,860.30
Sompting	2,601.00	2,622.00
Unparished	11,260.80	11,215.50
<b>TOTAL</b>	<b>19,680.70</b>	<b>19,697.80</b>

#### (c) Special expenses

At the extraordinary meeting of Council held on 10<sup>th</sup> 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 2014/15 expenditure of £243,399 (£239,040 in 2013/14) falls under the resolution and will need to be financed by a Band D Council Tax of £17.55, to be charged in all areas of the District except Lancing, which is 1.56% higher than the previous year's charge of £17.28.

#### (d) Adur District Council Band D Council Tax

In order to raise the required sum, and after allowing for special expenses, it is recommended that the Council Tax at Band D be increased by an average of 1.5% or 0% as follows:

Area	2013/14	2014/15 (0% increase)	2015/16 (1.5% increase)
	£	£	£
Lancing	262.08	261.90	265.95
Shoreham, Southwick, Sompting and Coombes			
Basic Council Tax	262.08	261.90	265.95
Special Expenses	17.28	17.55	17.55
<b>TOTAL in Shoreham, Southwick, Sompting and Coombes</b>	<b>279.36</b>	<b>279.45</b>	<b>283.50</b>

## 12.0 COUNCIL TAX SETTING

### 12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 14<sup>th</sup> February, 2014. The Police and Crime Commissioner's proposed increase of around 3.6% is due to be considered by the Police and Crime Panel on 24<sup>th</sup> January. The latest date that any increase by the Police and Crime Commission will be confirmed is the 21<sup>st</sup> February 2014.

	2013/14 £	2014/15 £
West Sussex County Council	1,161.99	t.b.a.
Sussex Police Authority	138.42	t.b.a.
<b>TOTAL</b>	<b>1,300.41</b>	<b>t.b.a.</b>

### 12.5 Lancing and Sompting Parish Precepts

- (a) Lancing Parish Council precept has been set at £282,170 at its meeting on 13<sup>th</sup> November 2013. In 2013/14 it was £278,000.
- (b) Sompting Parish Council is due to set its precept on 14<sup>th</sup> February 2013 preliminary indications are that this will remain unchanged from the previous year. In 2013/14 it was £82,693.

### 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 20<sup>th</sup> February 2014.

## 13.0 CONCLUSION

- 13.1 The past few years have been very difficult for the Council. The withdrawal of a significant amount of government grant has been challenging to address. Overall the Council has successfully identified further savings of over £1.4m to meet the current year's financial challenges. However, this has not been without pain. The council has reduced its workforce, with the inevitable pressure of additional work falling on the shoulders of the remaining staff. But we have largely, to date, protected the Council's front-line services.
- 13.2 Looking further ahead, 2015-16 will be equally as challenging as the Government continues deals with the national deficit. Whilst developing both the local economy to increase employment space and local jobs together with the provision of new homes will be one of the strategic measures that the Council can take to protect its longer term financial interests, there will be inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.

## **13.0 CONCLUSION**

- 13.3 It is difficult to be certain what the future will hold for the Council post the next general election, other than to plan for further reductions in funding.
- 13.4 But we must not forget that the Council is in good financial health with strong reserves, which will help us deal with this whilst the Council revisits its priorities and strives for further efficiencies.
- 13.5 In preparing the strategy and forecast for 2014/15 an assessment was carried out of the significant risks and factors 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.
- 13.6 The annual preparation of the budget is a huge exercise involving the co-operation and support of countless officers in all departments of the Council. Most of the work, of course, falls on the Financial Services team and has to be completed within tight time constraints at a difficult time of year.

## **14.0 RECOMMENDATIONS**

### **14.1 The Cabinet is recommended to:**

- (a) **Consider which of the growth items detailed at appendix 2 should be included within the revenue budget and funded from the budget surplus in 2014/15.**
- (b) **Agree to recommend to Council the draft budgets for 2014/15 at Appendix 7 as submitted in Cabinet Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £9,700,430, subject to any amendments above; and**
- (c) **Consider which band D Council Tax to recommend to Council for Adur District Council's requirements in 2014/15 as set out in paragraph 12.3; and**
- (d) **Agree to recommend to Council the special expenses of £17.55 per band D equivalent charged in all areas of the District except Lancing;**

**SARAH GOBEY**  
Executive Head  
(Financial Services) & Section 151 Officer

**ANDREW GARDINER**  
Strategic Director

## **Local Government Act 1972**

### **Background Papers :**

Report to the Joint Strategic Committee 3<sup>rd</sup> July, 2013 Outline forecast 2014/15 to 2018/19 and Budget Strategy

Report to the Joint Strategic Committee 3<sup>rd</sup> September 2013 Update to outline forecast 2014/15 – 2018/19 following the Comprehensive Spending Review.

Report to the Joint Strategic Committee 3<sup>rd</sup> December 2013 Outline 5 year forecast and savings proposals.

Report to the Joint Strategic Committee 7<sup>th</sup> January 2014 Joint Overall Budget Estimates.

Local Authority Finance (England) Settlement Revenue Support Grant for 2014/15 and Related Matters: DCLG Letters and associated papers of 18<sup>th</sup> December 2013.

The Autumn Statement 2013. 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

Statement of Accounts 2012/13

Report to Joint Strategic Committee 7<sup>th</sup> November 2013 – “2<sup>nd</sup> Capital, Revenue Budget and Performance Monitoring 2013/14

### **Contact Officer:**

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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.

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2013/14 - 2018/19						
	2013/14 Base	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Net Spending to be Financed from Taxation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Base budget</b>	<b>9,634</b>	9,634	9,634	9,634	9,634	9,634
<b>Annual Inflation</b>						
Estimated inflation		218	415	717	1,020	1,340
<b>One -off / non-recurring items</b>						
Local Elections (held every other year)		32		33		34
<b>Committed Growth</b>						
Changes to National Insurance Contributions		-	-	246	246	246
Impact of Pension contribution increase		67	136	228	233	238
Provision for job evaluation		8	8	8	8	8
Items identified by Executive Heads as reported in December		135	135	135	135	135
Contribution to Gypsy and Traveller site		-	15	15	15	15
<b>Compensatory savings</b>						
Fall out of early retirement costs		(40)	(65)	(65)	(65)	(65)
<b>Impact of capital programme</b>						
Financing costs		(2)	126	242	364	492
<b>Additional income</b>						
Investment income		81	(35)	(95)	(155)	(215)
Accommodation strategy (tbc)		(52)	(52)	(52)	(52)	(52)
<b>Total Cabinet Member Requirements</b>	<b>9,634</b>	<b>10,081</b>	<b>10,317</b>	<b>11,046</b>	<b>11,383</b>	<b>11,810</b>
<b>Baseline funding</b>	1,544	1,574	1,617	1,657	1,699	1,741
<b>Less: Safety net payment / business rate shortfall</b>	<b>(116)</b>	-	-	-	-	-
<b>Add: Retained additional business rates</b>		79	129	132	136	139
<b>Add: Share of 2013/14 surplus</b>		63				
<b>Adjusted Baseline funding</b>	1,428	1,716	1,746	1,790	1,835	1,880
<b>Revenue Support Grant</b>	2,320	1,771	1,213	970	825	701
<b>Council Tax</b>						
Adjusted Council Tax income	5,398	5,484	5,580	5,734	5,892	6,055
<b>Other grants</b>						
Council Tax Freeze grant 2013/14	62	63	63	-	-	-
New homes bonus (2011/12 - 2016/17)	62	62	62	62	-	-
New homes bonus (2012/13 - 2017/18)	153	153	153	153	153	-
New homes bonus (2013/14 - 2018/19)	244	244	244	244	244	244
New homes bonus (2014/15 - 2019/20)	-	107	107	107	107	107
New homes bonus (2015/16 - 2020/21)	-	-	87	87	87	87
Collection fund surplus/deficit (-)	(9)	60	-	-	-	-
<b>Total other grants and contributions</b>	512	689	716	653	591	438
<b>Total Income from Grants and Taxation</b>	<b>9,658</b>	<b>9,660</b>	<b>9,255</b>	<b>9,147</b>	<b>9,143</b>	<b>9,074</b>

<b>ADUR DISTRICT COUNCIL</b>						
<b>Revenue Budget Summary Statement 2013/14 - 2018/19</b>						
	<b>2013/14 Base</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>(Surplus) / Shortfall in Resources</b>	<b>(24)</b>	<b>421</b>	<b>1,062</b>	<b>1,899</b>	<b>2,240</b>	<b>2,735</b>
<b>Contribution to (-) / Use of Reserves to Balance</b>						
Capacity issues reserve	(24)	-	-	-	-	-
<b>Total Income from Reserves</b>	<b>(24)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>AMOUNT REQUIRED TO BALANCE BUDGET</b>	<b>-</b>	<b>421</b>	<b>1,062</b>	<b>1,899</b>	<b>2,240</b>	<b>2,735</b>
<b>Savings agreed in November</b>		<b>665</b>	<b>719</b>	<b>741</b>	<b>741</b>	<b>741</b>
<b>Savings agreed in January</b>		<b>54</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>54</b>
Final adjustments to the allocation of the December joint savings between the two Councils		<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>
Removal of no detriment		<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>
Allocation of savings to the HRA		<b>(89)</b>	<b>(89)</b>	<b>(89)</b>	<b>(89)</b>	<b>(89)</b>
<b>Total savings identified</b>		<b>605</b>	<b>659</b>	<b>681</b>	<b>681</b>	<b>681</b>
<b>Savings still to be found/ (surplus)</b>		<b>(184)</b>	<b>403</b>	<b>1,218</b>	<b>1,559</b>	<b>2,054</b>
<b>Council Tax increase</b>		<b>1.50%</b>	<b>1.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p><b><u>Corporate and Cultural Services</u></b></p> <p><i>Legal Services:</i></p> <p>Increase in hours of Senior Information Officer</p> <p>In 2008 the Census Partnership highlighted the lack of information security standards, procedures and practice to the Census Joint Steering Group who agreed for a Project Team to develop a suite of Information Security Policies. The policy was agreed by Joint Strategic Committee on 27<sup>th</sup> March 2012 and a suite of 12 policies have been developed and adopted by Management Team which set out the role and responsibilities of the Information Security Manager. These roles and responsibilities are new areas of work arising from the policies adopted by the Council. The work has been allocated to the Council's Senior Information Officer, who does not have the capacity to absorb this work into her current post.</p> <p>The duties of the role are to take day-to-day responsibility for developing, monitoring and overseeing the implementation of the Corporate Information and Records Management Policies, procedures and guidelines and proving the mechanisms for supporting Access to Information compliance.</p>	23.5	23.5	23.5	9.4	0.0	14.1	23.5

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p><b><u>Corporate and Cultural Services</u></b></p> <p><i>Legal Services:</i></p> <p>The policy approved by Joint Strategic Committee commits the Councils to putting in place policies, procedures, guidelines and mechanisms for improving good information management, information security and record keeping. The role and responsibilities assigned to the Information Security Manager are essential to the successful implementation and continued commitment to the laudable aims and objectives of the policy.</p> <p><b>Benefit/deliverables (outputs, impact on financial savings)</b></p> <p>i) Safeguarding the Councils and avoiding breaches of statutory data protection rules.</p> <p><b>Implication of unsuccessful bid</b></p> <p>There will be insufficient resources to carry out the role of Information Security Manager</p> <p><i>Human Resources</i></p> <p>Computerisation of recruitment process</p> <p>Part of an on-going project to improve the efficiency of HR and Payroll processes through the use of IT. In 2013/14, the continued investment in this project levered in a annual saving of £8,000 in payroll administration costs.</p>							
	6.0	6.0	6.0	2.4	0.0	3.6	6.0

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p><b>Benefit/deliverables (outputs, impact on financial savings)</b>                      i) Non cashable efficiency savings as staff have less direct involvement in an on-line process. This is part of a Council wide initiative to reduce administration burden.</p> <p><b>Implication of unsuccessful bid</b>                      Unable to implement this system and progress the “channel shift” in recruitment</p> <p><i>Museum and art gallery</i></p> <p>Annual valuation of Museum Collection                      The Council is now required to regularly value it's collection for audit purposes. This will also have the benefit of making sure that this is not undervalued for insurance purposes.</p> <p><b>Benefit/deliverables (outputs, impact on financial savings)</b>                      The revaluation of the collection is a requirement for the statement of accounts. Museum curatorial team will not have to withdraw from income generating activities to carry out this task</p> <p><b>Implication of unsuccessful bid</b>                      The museum collections may be under insured and the assessment of heritage assets may not be accurate if a full valuation is not carried out.</p>	21.3	21.3	21.3	0.0	0.0	21.3	21.3

APPENDIX 2

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Technical Services</b>							
<i>Estates</i> Additional Senior Estates Surveyor for two years to move forward the large number of simultaneous major sales being expected at the moment.	40.0	40.0	0.0	16.0	0.0	24.0	40.0
<b>Benefit/deliverables (outputs, impact on financial savings)</b> i) Lever in capital receipts to the benefit of both Councils as part of major projects such as NWoW and the new swimming pool.							
<b>Implication of unsuccessful bid</b> Unable to progress sales of sites as quickly as expected							
<i>Engineers</i> Additional engineer to support a variety of revenue projects including the Adur River Walls project, and Brooklands lake options.	40.0	40.0	40.0	16.0	0.0	24.0	40.0
<b>Implication of unsuccessful bid</b> Unable to progress a number of projects as quickly as expected							

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Planning Regeneration and Wellbeing</u></b>							
<i>Economic Regeneration</i>							
Events Coordinator	43.4	43.4	43.4	17.4	0.0	26.0	43.4
Lack of co-ordinated approach to the delivery of events across the council. The responsibility is divided across several departments which lead to inefficiency and confusion internally and externally.							
Final release of this funding is subject to a report to the Joint Strategic Committee outlining the remit of the role and confirming the salary level.							
	174.2	174.2	134.2	61.2	0.0	113.0	174.2



## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.13 per note 8 of 12/13 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>1. CAPACITY ISSUES FUND</b> <b>Purpose:</b> To enable the Council to fund one-off initiatives. Now includes Carry Forward Reserve.	2,057	24 *see below	(869)	1,212	184 **see below	(569)	827
<b>2. PARTNERSHIP DEVELOPMENT FUND</b> <b>Purpose:</b> To fund the initial set up costs of the partnership.	67	- *see below	(15)	52	-	-	52
<b>3. INSURANCE FUND</b> <b>Purpose:</b> To offset the costs of insurance excesses and fund insurance risk management initiatives.	127	30	(9)	148	-	-	148

\* To be confirmed at year end

\*\* Includes £184k surplus from revenue budget to be considered as part of this report.

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

**SCHEDULE OF EARMARKED RESERVES**

Reserve	Balance as at 01.04.13	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>4. INVESTMENT PROPERTY MAINTENANCE FUND</b> <b>Purpose:</b> To offset future maintenance costs of investment properties.	68	-	(68)	0	-	-	0
<b>5. BUILDING MAINTENANCE FUND</b> <b>Purpose:</b> To offset the future maintenance costs of the Council's operation buildings.	151	-	-	151	-	-	151
<b>6. PERFORMANCE REWARD GRANT</b> <b>Purpose:</b> Balance of unspent grant earmarked for spending on projects to achieve agreed LAA outcomes.	26	-	-	26	-	-	26
* Contribution to be confirmed at the year end C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget							

**SCHEDULE OF EARMARKED RESERVES**

<b>Reserve</b>	<b>Balance as at 01.04.13</b>	<b>Planned Contributions</b>	<b>Planned Withdrawals</b>	<b>Forecast Balance as at 01.04.14</b>	<b>Planned Contributions</b>	<b>Planned Withdrawals</b>	<b>Forecast Balance as at 31.03.15</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>7. NEW TECHNOLOGY FUND</b> Purpose: To fund additional IT equipment.	37	-	(15)	22	-	-	22
<b>8. HEALTH AND SAFETY FUND</b> Purpose: To offset unexpected costs arising from health and safety issues.	33	-	-	33	-	-	33
<b>9. LOCAL PLAN RESERVE</b> To fund consultation and preparation of Adur Local Plan	192	-	(94)	98	-	(37)	61
<b>10. SPECIAL &amp; OTHER EMERGENCY RESERVE</b>	250	-	-	250	-	-	250
<b>11. VEHICLE REPAIR AND RENEWAL</b> To fund future maintenance	29	-	-	29	-	-	29

\* Contribution to be confirmed at the year end

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

<b>SCHEDULE OF EARMARKED RESERVES</b>							
<b>Reserve</b>	<b>Balance as at 01.04.13</b>	<b>Planned Contributions</b>	<b>Planned Withdrawals</b>	<b>Forecast Balance as at 01.04.14</b>	<b>Planned Contributions</b>	<b>Planned Withdrawals</b>	<b>Forecast Balance as at 31.03.15</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>12. OTHER SMALL RESERVES (under £20,000)</b>	36	-	(11)	25	-	-	25
All other reserves held with a balance under £20,000							
<b>13. GRANTS &amp; CONTRIBUTIONS HELD IN RESERVES</b>	441	-	-	441	-	-	441
<b>14. RESIDUAL PROJECTED UNDERSPEND</b>	-	169	-	169	-	-	169
Reserves to be identified at outturn.		*see below					
<b>15. GENERAL FUND WORKING BALANCE</b>	857	-	-	857	-	-	857
<b>TOTAL</b>	<b>4,371</b>	<b>223</b>	<b>(1,081)</b>	<b>3,513</b>	<b>184</b>	<b>(606)</b>	<b>3,091</b>
* Contribution to be confirmed at the year end C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget							

**ADUR DISTRICT COUNCIL SURVEY  
YOUR CHANCE TO BE THE CHANCELLOR –  
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

Before you start the survey please be aware that you are required to give an answer for all the multiple choice questions.

In order for us to be able to analyse the results in the best way possible, please could you tell us the following:

**ABOUT YOU:**

**1. Do you live in:**

<b>Adur District Council</b>	<b>738</b>	<b>(100.0%)</b>
Adur District Council	0	(0.0%)

**2. Do you currently claim Council Tax Benefit?**

Yes	79	(10.7%)
No	659	(89.3%)

We have come up with five ideas of how we could make changes to our current scheme. Please could you answer all the questions:

**IDEA 1**

**3. All working age claimants should pay something?**

Strongly Agree	330	(44.7%)
Agree	298	(40.4%)
Disagree	64	(8.7%)
Strongly Disagree	46	(6.2%)

**4. Some claimants currently have no Council Tax to pay because they receive the maximum level of Council Tax support. After Council Tax support has been awarded to these working age claimants, should they be asked to pay?**

Nothing	111	(15.0%)
At least £2.50 per week	196	(26.6%)
At least £5.00 per week	257	(34.8%)
More than £5.00 per week	174	(23.6%)

**IDEA 2**

**5. Working age claimants living in larger properties should pay proportionately more than claimants living in smaller properties?**

Strongly Agree	265	(35.9%)
Agree	295	(40.0%)
Disagree	115	(15.6%)
Strongly Disagree	63	(8.5%)

**ADUR DISTRICT COUNCIL SURVEY  
YOUR CHANCE TO BE THE CHANCELLOR –  
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

**IDEA 2**

- 6. Do you think the maximum support a claimant is entitled to should be higher or lower than the average Council Tax Band C (equivalent to £1,404.32 per year)?**

More than Band C	67	(9.1%)
Same as Band C	302	(40.9%)

**IDEA 3**

- 7. Some people can afford to pay their Council Tax, but they pay a lower amount because a family member or friend (who is on a low income) lives with them. Do you think these awards should stop for working age claimants?**

Strongly Agree	346	(46.9%)
Agree	287	(38.9%)
Disagree	65	(8.8%)
Strongly Disagree	40	(5.4%)

**IDEA 4**

- 8. Working age claimants with savings should pay more than those with little or no savings? (The current savings cap set by the government is £16,000).**

Strongly Agree	136	(18.4%)
Agree	224	(30.4%)
Disagree	238	(32.2%)
Strongly Disagree	140	(19.0%)

- 9. What is the level of savings people can have and still be able to claim benefit?**

None	126	(17.1%)
£6,000	211	(28.6%)
£10,000	184	(24.9%)
More than £10,000	217	(29.4%)

- 10. If these ideas go ahead, what level of impact do you think this would have on your household?**

High Impact	20	(2.7%)
Medium Impact	81	(11.0%)
Low Impact	145	(19.6%)
No Impact	377	(51.1%)
I don't know	115	(15.6%)

**ADUR DISTRICT COUNCIL SURVEY  
YOUR CHANCE TO BE THE CHANCELLOR –  
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

**IDEA 5**

- 11. Before someone of working age is allowed to claim for Council Tax support do you think they should have lived in the area for a certain length of time?**

0 Years	145	(19.6%)
2 Years	325	(44.0%)
5 Years	268	(36.3%)

**COUNCIL TAX FOR NEXT YEAR**

**The Councils have managed to freeze Council Tax for the past three years, despite a reduction in government grant of over 32%. Both Councils expect a further reduction in a grant for 2014-15 of around 18% which is equivalent to £520,000 for Adur District Council and £790,000 for Adur District Council.**

- 12. With this in mind, would you prefer...**

A small increase which will help the Councils to protect priority services	434	(58.8%)
To freeze Council Tax for the fourth year in a row and cut services	304	(41.2%)

- 13. If you would like to freeze Council Tax for another year, please could you give us an idea of which services you would be prepared to have reduced or cut.**

**301 (100.0%)**

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 1 BACKGROUND

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. Under the prudential system, individual authorities are responsible for deciding their own level of borrowing, having regard to CIPFA's Code. The essence of the code is that borrowing for capital investment purposes should be affordable, sustainable and prudent.

### 2. NET BORROWING AND THE CAPITAL FINANCING REQUIREMENT

This is a key indicator of prudence. Net external borrowing is the difference between gross investments and borrowing. The capital financing requirement (CFR) is a separate estimate of the underlying need to borrow, and is shown at Paragraph 5 below.

In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional (CFR) for the current and next two financial years.

The Executive Head (Financial Services) reports that the Council had no difficulty meeting this requirement in 2012/13, nor are there any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

### 3. ESTIMATES OF CAPITAL EXPENDITURE

- 3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax - and in the case of the Housing Revenue Account (HRA), housing rent levels.

No. 1	Capital Expenditure	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	Non-HRA	3.838	4.753	3.557	1.674	2.772
	HRA	4.852	4.646	3.526	3.205	3.285
	<b>TOTAL</b>	<b>8.690</b>	<b>9.399</b>	<b>7.083</b>	<b>4.879</b>	<b>6.057</b>



## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 3. ESTIMATES OF CAPITAL EXPENDITURE

3.2 Capital expenditure will be financed as follows:

Capital Financing	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Capital receipts	0.435	0.203	0.373	0.123	0.123
Government Grants	1.191	0.381	1.161	0.242	0.242
Revenue contributions	1.962	1.841	0.035	0.036	0.036
Revenue reserves	2.055	2.567	3.261	2.481	2.481
Unsupported borrowing *	2.808	4.313	1.916	1.997	3.175
Other Contributions	0.239	0.094	0.337	-	-
<b>TOTAL</b>	<b>8.690</b>	<b>9.399</b>	<b>7.083</b>	<b>4.879</b>	<b>6.057</b>

*\*Note: the element to be financed from unsupported borrowing impacts on the movement in the Capital Financing Requirement (CFR).*

### 4. RATIO OF FINANCING COSTS TO NET REVENUE STREAM

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the Council's net revenue streams required to meet borrowing costs. The definition of financing costs is set out at paragraph 69 of the Prudential Code (2011) and mainly comprises interest payable and revenue provisions for repayment of debt.

4.2 The ratio is based on costs net of investment income.

The ratio is positive as the cost of borrowing exceeds interest receipts from investment income.

No. 2	Ratio of Financing Costs to Net Revenue Stream	2013/14 Approved %	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
	Non-HRA	13.71	14.51	12.47	13.50	13.54
	HRA	41.99	44.08	40.88	39.43	36.68
	<b>TOTAL</b>	<b>55.70</b>	<b>58.59</b>	<b>53.35</b>	<b>52.93</b>	<b>50.22</b>

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 4. RATIO OF FINANCING COSTS TO NET REVENUE STREAM

- 4.3 The General Fund ratio is relatively constant due to the financing costs of long term debt being at fixed rates of interest. Also the movement reflects in year changes to borrowing costs relative to the interest receivable from investments. For the HRA the ratio is reducing as the element of total debt relating to Self-Financing is being repaid on an equal instalments of principal basis resulting in an annual reduction of interest costs.

### 5. CAPITAL FINANCING REQUIREMENT

- 5.1 The Capital Financing Requirement (CFR) measures the Councils' underlying need to borrow for capital purposes. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing. It is an aggregation of 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.

No. 3	Capital Financing Requirement	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	Non-HRA	12.892	14.076	15.108	15.361	16.713
	HRA	66.078	65.562	63.994	63.284	62.655
	<b>TOTAL</b>	<b>78.970</b>	<b>79.638</b>	<b>79.102</b>	<b>78.645</b>	<b>79.368</b>

- 5.2 The year-on-year change in the CFR is due to the following

Capital Financing Requirement	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
<b>BALANCE B/F</b>	<b>78.988</b>	<b>77.779</b>	<b>79.638</b>	<b>79.102</b>	<b>78.645</b>
Capital expenditure financed from unsupported borrowing (per 3.2)	2.529	4.313	1.916	1.997	3.175
Revenue provision for debt Redemption.	(2.547)	(2.454)	(2.452)	(2.454)	(2.452)
<b>BALANCE C/F</b>	<b>78.970</b>	<b>79.638</b>	<b>79.102</b>	<b>78.645</b>	<b>79.368</b>

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 6. ACTUAL EXTERNAL DEBT

- 6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31/03/2013	£m
	<b>BORROWING</b>	
	HRA	66.869
	General Fund	13.185
	Total Borrowing	80.054
	Other Long-term Liabilities	-
	<b>TOTAL DEBT</b>	<b>80.054</b>

### 7. INCREMENTAL IMPACT OF CAPITAL INVESTMENT DECISIONS

- 7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

No. 5	Incremental Impact of Capital Investment Decisions	2013/14 Approved £	2013/14 Revised £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Increase in Band D Council Tax	5.98	0.29	1.21	11.55	9.77
	Increase in Average Weekly Housing Rents	-0.02	-0.10	-0.69	-0.21	-0.04

- 7.2 The 2013/14 General Fund revised amount is lower than the original estimate due to slippage in capital expenditure during 2012/13 and the deferral of borrowing, which impacts on MRP applied in the following year. The movement in HRA values reflects the changes in capital programme and incidental borrowing costs.

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

8. **AUTHORISED LIMIT AND OPERATIONAL BOUNDARY FOR EXTERNAL DEBT**
- 8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.
- 8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

No. 6	Authorised Limit for External Debt	2013/14 Approved £	2013/14 Revised £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Borrowing	99.0	99.0	99.0	99.0	99.0
	Other Long-term Liabilities	1.0	1.0	1.0	1.0	1.0
	<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The **Operational Boundary** links directly to the Council's estimate of the CFR and other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

**PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017**

**8. AUTHORISED LIMIT AND OPERATIONAL BOUNDARY FOR EXTERNAL DEBT**

- 8.5 The Executive Head (Financial Services) has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet at the earliest opportunity.

<b>No. 7</b>	<b>Operational Boundary for External Debt</b>	<b>2013/14 Approved £</b>	<b>2013/14 Revised £</b>	<b>2014/15 Estimate £</b>	<b>2015/16 Estimate £</b>	<b>2016/17 Estimate £</b>
	Borrowing	93.0	93.0	93.0	93.0	93.0
	Other Long-term Liabilities	1.0	1.0	1.0	1.0	1.0
	<b>TOTAL</b>	<b>94.0</b>	<b>94.0</b>	<b>94.0</b>	<b>94.0</b>	<b>94.0</b>

**9. ADOPTION OF THE CIPFA TREASURY MANAGEMENT CODE**

- 9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

<b>No. 8</b>	<b>Adoption of the CIPFA Code of Practice in Treasury Management</b>
	Adur Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 21 March 2002.

**10. UPPER LIMITS FOR FIXED INTEREST RATE EXPOSURE AND VARIABLE INTEREST RATE EXPOSURE**

- 10.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Council calculate these limits on net principal outstanding sums, (i.e. total debt net of total investments).

**PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017**

**10. UPPER LIMITS FOR FIXED INTEREST RATE EXPOSURE AND VARIABLE INTEREST RATE EXPOSURE**

10.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

No. 9	Upper Limit for Fixed Interest Rate Exposure:	2013/14 Approved %	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
	Investments only	-73	-100	-100	-100	-100
	Borrowing only	65	100	100	100	100
	Limit Based on Net debt	83	83	82	81	80

No. 10	Upper Limit for Variable Interest Rate Exposure :	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	Investments only	-35	-35	-35	-35	-35
	Borrowing only	27	50	50	50	50
	Limit Based on Net Debt	18	18	19	20	21

10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

**11. MATURITY STRUCTURE OF FIXED RATE BORROWING**

11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

**PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017**
**11. MATURITY STRUCTURE OF FIXED RATE BORROWING**

- 11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

<b>No. 11</b>	<b>Maturity structure of fixed rate borrowing</b>	<b>Lower Limit %</b>	<b>Upper Limit %</b>
	under 12 months	3	16
	12 months and within 24 months	3	16
	24 months and within 5 years	6	21
	5 years and within 10 years	11	22
	10 years and within 20 years	24	48
	20 years and within 30 years	18	58
	30 years and within 40 years	1	41
	40 years and within 50 years	12	73
	50 years and above	23	100

**12. UPPER LIMIT FOR TOTAL PRINCIPAL SUMS INVESTED OVER 364 DAYS**

- 12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Councils having to seek early repayment of the sums invested.

<b>No. 12</b>	<b>Upper Limit for total principal sums invested over 364 days</b>	<b>2013/14 Approved %</b>	<b>2013/14 Revised %</b>	<b>2014/15 Estimate %</b>	<b>2015/16 Estimate %</b>	<b>2016/17 Estimate %</b>
		50.0	50.0	50.0	50.0	50.0

**13. GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT(CFR)**

- 13.1 This indicator was introduced by CIPFA in December 2012. It requires the comparison of actual Gross Debt with CFR (the underlying need to borrow), as it is a requirement to keep Gross Debt below CFR, except for short term variations. For this purpose CFR is taken as the amount in the preceding year, plus estimates of any additional CFR for the current and next two financial years.

**PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017**

**13. GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT (CFR)**

No. 13	Gross Debt and CFR	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000
	Actual Gross Debt	(78.167)	(77.878)	(78.168)	(79.637)
	CFR	79.638	79.102	78.645	79.368
	<b>Under/(over) Borrowing</b>	<b>1.471</b>	<b>1.224</b>	<b>0.477</b>	<b>(0.269)</b>

13.2 This comparison is a key indicator of prudence, and is aimed to ensure that debt is only entered into for capital expenditure. Where the comparison highlights variations, the reasons are to be explained.

13.3 The table above shows the overall position for Adur combining the General Fund and HRA. The Council is under borrowed up to 2016/17, when it would be approximately £269k over borrowed if all the council's borrowing plans to finance the capital programme in the intervening years are realised. In accordance with the approved Treasury Management Strategy, the council will manage the position to ensure that actual gross debt does not exceed CFR other than temporarily for the short term.

**14. HRA SELF-FINANCING SETTLEMENT**

14.1 This indicator arises from the revision to the CIPFA Treasury Management Code of Practice in November 2011. It requires the Housing Authority to report the limit imposed on indebtedness by the Department for Communities and Local Government (DCLG) in regard to the HRA Self-financing arrangements, and to compare this limit with the HRA Capital Financing Requirement.

No. 14	HRA Debt Limit Compared to the Capital Financing Requirement	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	HRA Debt Limit	68.912	68.912	68.912	68.912
	HRA CFR	65.562	63.994	63.284	62.655
	<b>CFR Below Debt Limit by :</b>	<b>3.350</b>	<b>4.918</b>	<b>5.628</b>	<b>6.257</b>



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	2,688.00	4,945.00	11,303.00	6,088.00	1,887.00	700.00	302.00	10.00	27,923.00
Less: Exemptions	0.00	-50.00	-46.00	-90.00	-54.00	-19.00	-2.00	-4.00	0.00	-265.00
	<b>0.00</b>	<b>2,638.00</b>	<b>4,899.00</b>	<b>11,213.00</b>	<b>6,034.00</b>	<b>1,868.00</b>	<b>698.00</b>	<b>298.00</b>	<b>10.00</b>	<b>27,658.00</b>
Disabled Relief Adjustment (net)	7.00	12.00	27.00	1.00	-25.00	-13.00	1.00	-3.00	-7.00	0.00
Chargeable Dwellings	<b>7.00</b>	<b>2,650.00</b>	<b>4,926.00</b>	<b>11,214.00</b>	<b>6,009.00</b>	<b>1,855.00</b>	<b>699.00</b>	<b>295.00</b>	<b>3.00</b>	<b>27,658.00</b>
Broken down as follows:										
Full Charge	3.00	814.00	2,583.00	7,494.00	4,281.00	1,476.00	581.00	242.00	1.00	17,475.00
25% Discount (including adj for SP Dis)	4.00	1,761.00	2,252.00	3,546.00	1,638.00	357.00	102.00	41.00	1.00	9,702.00
50% Discount	0.00	22.00	30.00	74.00	46.00	14.00	13.00	11.00	0.00	210.00
0% Discount (Long Term Empty Homes)	0.00	53.00	61.00	100.00	44.00	8.00	3.00	1.00	1.00	271.00
Total Equivalent Number of Dwellings	6.00	2,145.75	4,287.00	10,190.50	5,532.50	1,750.75	664.00	278.25	1.75	24,856.50
Reduction in tax base due to Council Tax Support	10.56	783.66	1,160.45	1,441.08	380.89	62.65	8.97	3.10	0.00	3,851.35
Adjusted equivalent total dwellings	<b>-4.56</b>	<b>1,362.09</b>	<b>3,126.55</b>	<b>8,749.42</b>	<b>5,151.61</b>	<b>1,688.10</b>	<b>655.03</b>	<b>275.15</b>	<b>1.75</b>	<b>21,005.15</b>
<u>Band D Equivalents</u>										
Revenue Support Settlement	-2.50	908.10	2,431.90	7,777.30	5,151.70	2,063.20	946.20	458.60	3.50	19,738.00
Add: Forecast new homes	0.00	1.90	6.10	17.00	12.90	5.70	2.60	1.30	0.00	47.50
Add: Second Homes	0.00	10.70	16.70	44.00	33.00	10.40	5.80	1.70	0.00	122.30
Less: Adjustments for Losses on Collection, and Void Properties	0.00	0.00	0.00	0.00	210.00	0.00	0.00	0.00	0.00	210.00
<b>COUNCIL TAX BASE</b>	<b>-2.50</b>	<b>908.10</b>	<b>2,431.90</b>	<b>7,777.30</b>	<b>5,361.70</b>	<b>2,063.20</b>	<b>946.20</b>	<b>458.60</b>	<b>3.50</b>	<b>19,697.80</b>
										<b>19,697.80</b>

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**APPENDIX 7**  
**CIVIC BUDGET TABLE 2014/2015**  
**Summary of Cabinet Member Requirements**

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**INDIVIDUAL MEMBER PORTFOLIOS**  
**Summary and Variance Pages**

# ADUR BUDGET 2014/15

## Summary of Cabinet Member Portfolios



CABINET PORTFOLIO	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
Environment	3,377,650	3,150,480
Health and Wellbeing	989,420	1,011,480
Customer Services	1,059,200	1,179,930
Leader	556,480	543,470
Regeneration	1,803,590	1,804,090
Resources	2,116,660	1,930,840
Support Services Depreciation Not Charged To Services	389,890	607,620
<b>NET SERVICE EXPENDITURE</b>	<b>10,292,890</b>	<b>10,227,910</b>
Credit Back Depreciation / Impairments	(1,499,980)	(1,366,190)
Minimum Revenue Provision	847,280	963,680
	<b>9,640,190</b>	<b>9,825,400</b>
Transfer to / from Reserves	(5,940)	(308,520)
Potential contribution to Reserves	24,170	183,550
<b>Total budget requirement before external support from government</b>	<b>9,658,420</b>	<b>9,700,430</b>
Potential under achievement of business rate target	115,790	(142,540)
Baseline Funding	(1,543,810)	(1,573,830)
Revenue Support Grant	(2,320,560)	(1,834,780)
Council Tax Freeze Grant	(61,980)	-
Council Tax reduction scheme administration grant	-	(40,000)
New Homes Bonus	(458,670)	(565,600)
Contribution to/(from) Collection Fund	8,640	(60,130)
<b>Amount required from Council Tax - Adur District</b>	<b>5,397,830</b>	<b>5,483,550</b>
		-
Council Tax Base (See paragraph 12.3)	<b>19680.7</b>	<b>19697.8</b>
<b>Average Band D Council Tax - Adur District</b>	<b>274.27</b>	<b>278.38</b>
% increase	0%	1.5%

# LEADER PORTFOLIO



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>CORPORATE AND CULTURAL SERVICES</b>		
Elections	159,440	191,500
Members' Expenses and Allowances	362,090	319,510
	<b>521,530</b>	<b>511,010</b>
<b>CHIEF EXECUTIVE</b>		
Corporate Management - Executive Office	<b>34,950</b>	<b>32,460</b>
<b>TOTAL LEADER PORTFOLIO</b>	<b>556,480</b>	<b>543,470</b>

**LEADER SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14**



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Corporate &amp; Cultural Services</b>											
Elections	159,440	1,030	32,000	-	-	-	-	-	-	(970)	191,500
Members Expenses & Allowances	362,090	3,770	-	-	-	-	-	-	(3,000)	(43,350)	319,510
	521,530	4,800	32,000	-	-	-	-	-	(3,000)	(44,320)	511,010
<b>Chief Executive</b>											
Corporate Management - Executive Office	34,950	100	-	-	-	-	-	-	-	(2,590)	32,460
<b>APPROVED ESTIMATE 2013/2014</b>	<b>556,480</b>	<b>4,900</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,000)</b>	<b>(46,910)</b>	<b>543,470</b>

**ADUR LEADER PORTFOLIO 2014/15 - SUBJECTIVE ANALYSIS**



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Corporate &amp; Cultural Services</b>											
Elections	32,330	73,770	80	-	53,410	-	(3,160)	156,430	29,840	5,230	191,500
Members Expenses & Allowances	165,240	74,050	-	-	24,290	-	(15,860)	247,720	71,790	-	319,510
<b>Chief Executive</b>											
Corporate Management - Executive Office	-	9,840	-	-	-	-	-	9,840	22,620	-	32,460
	197,570	157,660	80	-	77,700	-	(19,020)	413,990	124,250	5,230	543,470
<b>Percentage of Direct Cost</b>	46%	36%	0%	0%	18%						

# ENVIRONMENT PORTFOLIO



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
<b>CUSTOMER SERVICES &amp; WASTE MANAGEMENT</b>	<b>£</b>	<b>£</b>
Abandoned Vehicles	19,470	17,250
Refuse Collection	940,560	812,290
Recycling	38,530	(58,590)
Street Sweeping & Cleansing	560,480	577,260
Trade Refuse Collection	(53,190)	(78,660)
Clinical Waste Collection	12,440	12,650
Visual Quality Initiative	67,880	60,290
	<b>1,586,170</b>	<b>1,342,490</b>
<b>HOUSING, HEALTH &amp; COMMUNITY SAFETY</b>		
Environmental Health - Domestic	320,460	295,810
Environmental Health - Commercial	85,700	84,930
Dog Warden	45,120	40,470
Pest Control	54,100	50,770
	<b>505,380</b>	<b>471,980</b>
<b>PLANNING, REGENERATION AND WELLBEING SERVICES</b>		
Streetscene	<b>64,750</b>	<b>64,890</b>
<b>TECHNICAL SERVICES</b>		
Allotments	55,630	60,600
Cemeteries & Churchyards	218,790	239,910
Parks	731,510	654,360
Recreation Grounds	0	90,430
Car Parks	(111,630)	(95,360)
Highways	21,160	23,550
Street Lighting	39,320	41,130
Transportation	63,590	59,690
Public Toilets	202,980	196,810
	<b>1,221,350</b>	<b>1,271,120</b>
<b>TOTAL CABINET MEMBER FOR ENVIRONMENT</b>	<b>3,377,650</b>	<b>3,150,480</b>

**ENVIRONMENT SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14**



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Technical Services</b>											
Allotments	55,630	-	-	-	-	-	(1,300)	-	-	6,270	60,600
Cemeteries & Churchyards	218,790	1,850	-	-	-	-	-	-	-	19,270	239,910
Parks	731,510	5,420	-	-	-	-	-	-	-	(82,570)	654,360
Recreation Grounds	-	1,770	-	-	-	-	-	-	-	88,660	90,430
Car Parks	(111,630)	(4,400)	-	-	-	-	-	-	(2,000)	22,670	(95,360)
Highways	21,160	180	-	-	-	-	-	-	-	2,210	23,550
Street Lighting	39,320	440	-	-	-	-	-	-	-	1,370	41,130
Transportation	63,590	760	-	-	-	-	-	-	(6,610)	1,950	59,690
Public Toilets	202,980	1,560	-	-	-	-	-	-	(3,160)	(4,570)	196,810
	1,221,350	7,580	-	-	-	-	(1,300)	-	(11,770)	55,260	1,271,120
<b>Planning Regeneration &amp; Wellbeing</b>											
Streetscene	64,750	20	-	-	-	-	-	-	-	120	64,890
<b>Recycling and Waste Management</b>											
Abandoned Vehicles	19,470	20	-	-	-	-	-	-	-	(2,240)	17,250
Refuse Collection	940,560	-	-	-	-	-	-	-	-	(128,270)	812,290
Recycling	38,530	-	-	-	-	-	-	-	-	(97,120)	(58,590)
Street Sweeping & Cleansing	560,480	(2,360)	-	-	-	-	-	-	-	19,140	577,260
Trade Refuse Collection	(53,190)	(5,590)	-	-	-	-	-	-	(15,000)	(4,880)	(78,660)
Clinical Waste Collection	12,440	-	-	-	-	-	-	-	-	210	12,650
Visual Quality Initiative	67,880	-	-	-	-	-	-	-	-	(7,590)	60,290
	1,586,170	(7,930)	-	-	-	-	-	-	(15,000)	(220,750)	1,342,490



**ENVIRONMENT SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14**



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Housing Health &amp; Community Safety</b>											
Environmental Health - Domestic	320,460	570	-	-	-	-	-	-	(16,600)	(8,620)	295,810
Environmental Health - Commercial	85,700	20	-	-	-	-	-	-	-	(790)	84,930
Dog Warden	45,120	-	-	-	-	-	-	-	-	(4,650)	40,470
Pest Control	54,100	-	-	-	-	-	-	-	-	(3,330)	50,770
	505,380	590	-	-	-	-	-	-	(16,600)	(17,390)	471,980
<b>APPROVED ESTIMATE 2013/2014</b>	<b>3,377,650</b>	<b>260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,300)</b>	<b>-</b>	<b>(43,370)</b>	<b>(182,760)</b>	<b>3,150,480</b>

## ADUR ENVIRONMENT PORTFOLIO 2014/15 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
	£	£	£	£	£	£	£	£	£	£	£
<b>Technical Services</b>											
Allotments	-	-	39,030	-	-	-	(39,510)	(480)	60,370	710	60,600
Cemeteries & Churchyards	-	71,920	255,200	-	-	-	(158,440)	168,680	56,230	15,000	239,910
Parks	-	43,220	315,980	-	29,830	-	(67,890)	321,140	242,430	90,790	654,360
Recreation Grounds	-	-	95,750	-	48,560	-	(53,880)	90,430	-	-	90,430
Car Parks	-	69,590	100,390	-	180,520	-	(507,790)	(157,290)	33,330	28,600	(95,360)
Highways	-	-	2,850	-	13,080	-	(6,560)	9,370	14,180	-	23,550
Street Lighting	-	-	11,980	-	10,060	-	-	22,040	9,350	9,740	41,130
Transportation	-	-	32,890	-	-	-	(980)	31,910	13,300	14,480	59,690
Public Toilets	-	-	79,680	-	120	63,480	(310)	142,970	33,240	20,600	196,810
<b>Planning Regeneration &amp; Wellbeing</b>											
Streetscene	-	9,910	50	380	38,150	-	(37,180)	11,310	8,690	44,890	64,890
<b>Recycling and Waste Management</b>											
Abandoned Vehicles	-	10,720	-	1,060	-	4,690	-	16,470	780	-	17,250
Refuse Collection	-	604,620	-	-	-	-	-	604,620	87,390	120,280	812,290
Recycling	-	(244,720)	-	-	-	-	-	(244,720)	104,190	81,940	(58,590)
Street Sweeping & Cleansing	-	606,180	-	-	-	-	(120,490)	485,690	55,940	35,630	577,260
Trade Refuse Collection	-	158,720	-	-	186,800	-	(486,990)	(141,470)	31,550	31,260	(78,660)
Clinical Waste Collection	-	(1,060)	-	-	-	-	-	(1,060)	13,710	-	12,650
Visual Quality Initiative	-	56,350	-	-	-	-	-	56,350	2,190	1,750	60,290
<b>Housing Health &amp; Community Safety</b>											
Environmental Health - Domestic	-	-	-	-	19,620	4,470	(10,930)	13,160	282,650	-	295,810
Environmental Health - Commercial	-	41,700	-	-	1,540	-	(650)	42,590	41,690	650	84,930
Dog Warden	-	38,330	-	-	-	-	-	38,330	1,030	1,110	40,470
Pest Control	-	33,300	-	-	-	-	-	33,300	16,640	830	50,770
	-	1,498,780	933,800	1,440	528,280	72,640	(1,491,600)	1,543,340	1,108,880	498,260	3,150,480
<b>Percentage of Direct Cost</b>	0%	49%	31%	0%	17%	2%					

# HEALTH AND WELLBEING PORTFOLIO



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>ADUR HOMES</b>		
Community Alarm	(112,430)	(34,230)
<b>HOUSING, HEALTH &amp; COMMUNITY SAFETY</b>		
Environmental Health - Commercial	127,400	120,630
Community Safety	132,230	133,390
CCTV	16,140	11,980
Licensing	62,680	64,840
	<b>338,450</b>	<b>330,840</b>
<b>PLANNING, REGENERATION AND WELLBEING SERVICES</b>		
Community Planning	75,600	71,610
Community & Welfare Grants	318,730	310,640
Community & Health Development	105,750	62,560
Leisure Development	90,710	105,920
	<b>590,790</b>	<b>550,730</b>
<b>TECHNICAL SERVICES</b>		
Land Drainage & Coastal Protection	121,260	100,560
Sustainable Development	18,670	22,310
Beaches & Amenities	(7,860)	(1,470)
Emergency Planning	40,540	42,740
	<b>172,610</b>	<b>164,140</b>
<b>TOTAL HEALTH AND WELLBEING PORTFOLIO</b>	<b>989,420</b>	<b>1,011,480</b>

## HEALTH & WELLBEING SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Adur Homes</b>											
Community Alarm	(112,430)	(3,290)	-	60,000	-	-	-	-	-	21,490	(34,230)
<b>Housing Health &amp; Community Safety</b>											
Environmental Health - Commercial	127,400	220	-	-	-	-	-	-	(2,900)	(4,090)	120,630
Community Safety	132,230	330	-	-	-	-	-	-	-	830	133,390
CCTV	16,140	170	-	-	-	-	-	-	-	(4,330)	11,980
Licensing	62,680	(1,790)	-	-	-	-	-	-	-	3,950	64,840
	338,450	(1,070)	-	-	-	-	-	-	(2,900)	(3,640)	330,840
<b>Planning Regeneration &amp; Wellbeing</b>											
Community Planning	75,600	-	-	-	-	-	-	-	-	(3,990)	71,610
Community & Welfare Grants	318,730	-	-	-	-	-	-	-	(5,160)	(2,930)	310,640
Community & Health Development	105,750	250	-	-	-	-	-	-	-	(43,440)	62,560
Leisure Development	90,710	-	-	-	-	-	-	-	-	15,210	105,920
	590,790	250	-	-	-	-	-	-	(5,160)	(35,150)	550,730
<b>Technical Services</b>											
Land Drainage & Coast Protection	121,260	520	-	-	-	-	-	-	(5,000)	(16,220)	100,560
Sustainable Development	18,670	-	-	-	-	-	-	-	-	3,640	22,310
Beaches and Amenities	(7,860)	(920)	-	-	-	-	-	-	-	7,310	(1,470)
Emergency Planning (Misc)	40,540	-	-	-	-	-	-	-	-	2,200	42,740
	172,610	(400)	-	-	-	-	-	-	(5,000)	(3,070)	164,140
<b>APPROVED ESTIMATE 2013/2014</b>	<b>989,420</b>	<b>(4,510)</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,060)</b>	<b>(20,370)</b>	<b>1,011,480</b>

## ADUR HEALTH & WELLBEING PORTFOLIO 2013/14 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Adur Homes</b>											
Community Alarm	94,480	-	-	6,120	45,120	38,110	(259,380)	(75,550)	30,160	11,160	(34,230)
<b>Planning Regeneration &amp; Wellbeing</b>											
Community Planning	-	66,590	-	-	-	-	-	66,590	5,020	-	71,610
Community & Welfare Grants	-	67,650	-	-	229,820	-	-	297,470	13,170	-	310,640
Community & Health Development	17,980	31,760	-	-	-	-	-	49,740	12,820	-	62,560
Leisure Development	-	104,230	-	-	-	-	-	104,230	1,690	-	105,920
<b>Technical Services</b>											
Land Drainage & Coast Protection	-	-	9,240	-	11,970	-	-	21,210	57,160	22,190	100,560
Sustainable Development	-	22,310	-	-	-	-	-	22,310	-	-	22,310
Beaches & Amenities	-	-	16,500	-	8,260	-	(71,220)	(46,460)	35,360	9,630	(1,470)
Emergency Planning (Misc)	-	28,630	-	-	-	-	-	28,630	14,110	-	42,740
<b>Housing Health &amp; Community Safety</b>											
Environmental Health - Commercial	-	92,670	-	-	8,310	-	-	100,980	19,650	-	120,630
Community Safety	-	81,960	-	-	16,570	-	-	98,530	34,860	-	133,390
CCTV	-	1,860	1,240	-	7,780	-	-	10,880	1,100	-	11,980
Licensing	-	110,300	-	-	12,450	-	(102,900)	19,850	44,990	-	64,840
	112,460	607,960	26,980	6,120	340,280	38,110	(433,500)	698,410	270,090	42,980	1,011,480
<b>Percentage of Direct Cost</b>	10%	54%	2%	1%	30%	3%					

# CUSTOMER SERVICES PORTFOLIO



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>CUSTOMER SERVICES AND WASTE MANAGEMENT</b>		
Collection of Revenues	394,690	454,580
Council Tax Benefits	(151,780)	16,870
Rent Allowances	247,880	139,500
	<b>490,790</b>	<b>610,950</b>
<b>CORPORATE AND CULTURAL SERVICES</b>		
Leisure Centre Management	<b>568,410</b>	<b>568,980</b>
<b>TOTAL CUSTOMERS SERVICES PORTFOLIO</b>	<b>1,059,200</b>	<b>1,179,930</b>

**CUSTOMER SERVICES SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14**



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Customer Services &amp; Waste Management</b>											
Collection of Revenues	394,690	7,110	-	-	-	-	-	-	-	52,780	454,580
Council Tax Benefits	(151,780)	1,910	-	122,730	-	-	-	-	-	44,010	16,870
Rent Allowances	247,880	410	-	(55,340)	-	-	-	-	(80,000)	26,550	139,500
	490,790	9,430	-	67,390	-	-	-	-	(80,000)	123,340	610,950
<b>Corporate &amp; Cultural Services</b>											
Leisure Centres Management	568,410	270	-	-	-	-	-	-	-	300	568,980
<b>APPROVED ESTIMATE 2013/2014</b>	<b>1,059,200</b>	<b>9,700</b>	<b>-</b>	<b>67,390</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(80,000)</b>	<b>123,640</b>	<b>1,179,930</b>

## ADUR CUSTOMER SERVICES PORTFOLIO 2014/15 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Customer Services &amp; Waste Management</b>											
Collection of Revenues	-	-	-	23,090	26,560	487,240	(243,890)	293,000	161,580	-	454,580
Council Tax Benefits	-	-	-	-	-	97,360	(156,380)	(59,020)	72,280	3,610	16,870
Rent Allowances	-	-	-	23,090	12,490	21,277,290	(21,303,910)	8,960	130,540	-	139,500
<b>Corporate &amp; Cultural Services</b>											
Leisure Centres Management	-	-	45,070	-	9,010	211,790	(21,830)	244,040	16,500	308,440	568,980
	-	-	45,070	46,180	48,060	22,073,680	(21,726,010)	486,980	380,900	312,050	1,179,930
<b>Percentage of Direct Cost</b>	0%	0%	32%	33%	34%						



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>HOUSING, HEALTH &amp; COMMUNITY SAFETY</b>		
Housing General District	118,930	147,420
Homelessness	603,020	570,010
	<b>721,950</b>	<b>717,430</b>
<b>PLANNING, REGENERATION AND WELLBEING SERVICES</b>		
Building Control	162,990	138,550
Development Control	378,260	383,090
Planning Policy & Implementation	255,170	254,220
Economic Regeneration	220,800	238,030
	<b>1,017,220</b>	<b>1,013,890</b>
<b>ADUR HOMES</b>		
Drain Clearing	(40)	(70)
Homelessness	64,460	72,840
	<b>64,420</b>	<b>72,770</b>
<b>TOTAL REGENERATION PORTFOLIO</b>	<b>1,803,590</b>	<b>1,804,090</b>

**REGENERATION SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14**



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Housing Health &amp; Community Safety</b>											
Housing General District	118,930	(570)	-	3,290	-	-	-	-	(6,250)	32,020	147,420
Homelessness - General	603,020	3,720	-	-	-	-	-	-	-	(36,730)	570,010
	721,950	3,150	-	3,290	-	-	-	-	(6,250)	(4,710)	717,430
<b>Planning Regeneration &amp; Wellbeing</b>											
Building Control	162,990	(3,000)	-	-	-	-	-	-	-	(21,440)	138,550
Development Control	378,260	(3,950)	-	-	-	-	-	-	-	8,780	383,090
Planning Policy & Implementation	255,170	1,200	-	-	-	-	-	-	(1,800)	(350)	254,220
Economic Regeneration	220,800	610	-	-	-	-	-	-	(1,000)	17,620	238,030
	1,017,220	(5,140)	-	-	-	-	-	-	(2,800)	4,610	1,013,890
<b>Adur Homes</b>											
Drain Clearing	(40)	(30)	-	-	-	-	-	-	-	-	(70)
Homelessness - Leasehold	64,460	540	-	-	-	-	-	-	-	7,840	72,840
			-	-	-	-	-	-	-		72,770
<b>APPROVED ESTIMATE 2013/2014</b>	<b>1,739,170</b>	<b>(1,990)</b>	<b>-</b>	<b>3,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,050)</b>	<b>(100)</b>	<b>1,804,090</b>

**ADUR REGENERATION PORTFOLIO 2014/2015 - SUBJECTIVE ANALYSIS**



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Housing Health &amp; Community Safety</b>											
Housing General District	-	114,430	-	-	-	1,060	(31,820)	83,670	63,750	-	147,420
Homelessness - General	-	248,220	-	-	307,460	-	(117,710)	437,970	131,240	800	570,010
<b>Planning Regeneration &amp; Wellbeing</b>											
Building Control	-	273,740	-	-	-	-	(152,930)	120,810	17,740	-	138,550
Development Control	-	496,170	-	-	8,010	-	(209,570)	294,610	88,480	-	383,090
Planning Policy & Implementation	84,820	14,870	-	-	16,520	-	(83,150)	33,060	221,160	-	254,220
Economic Regeneration	-	165,930	-	-	45,810	-	-	211,740	26,290	-	238,030
<b>Adur Homes</b>											
Drain Clearing	-	-	-	-	-	-	(1,360)	(1,360)	-	1,290	(70)
Homelessness - Leasehold	26,190	-	464,170	410	510	-	(466,540)	24,740	48,100	-	72,840
	111,010	1,313,360	464,170	410	378,310	1,060	(1,063,080)	1,205,240	596,760	2,090	1,804,090
<b>Percentage of Direct Cost</b>	5%	58%	20%	0%	17%	0%					

# RESOURCES PORTFOLIO



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>FINANCIAL SERVICES</b>		
Corporate Management	849,790	552,470
Miscellaneous	(226,310)	(241,630)
Non-Distributed Costs	941,840	943,830
Treasury Management	603,240	668,420
	<b>2,168,560</b>	<b>1,923,090</b>
<b>CORPORATE AND CULTURAL SERVICES</b>		
Local Land Charges	8,840	4,830
	<b>8,840</b>	<b>4,830</b>
<b>TECHNICAL SERVICES</b>		
Community Buildings	283,500	309,870
Property Management	(215,830)	(216,370)
Grounds Maintenance	17,210	-
	<b>84,880</b>	<b>93,500</b>
<b>ADUR HOMES</b>		
Building Maintenance	(145,620)	(90,580)
	<b>(145,620)</b>	<b>(90,580)</b>
<b>TOTAL RESOURCES PORTFOLIO</b>	<b>2,116,660</b>	<b>1,930,840</b>

**RESOURCES SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14**



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	BUDGET ESTIMATE 2014/15
	£	£	£	£	£	£	£	£	£	£	£
<b>Financial Services</b>											
Corporate Management	849,790	5,160	-	-	-	-	-	(52,000)	-	(250,480)	552,470
Miscellaneous	(226,310)	(4,230)	-	-	-	-	-	-	(11,090)	-	(241,630)
Non-Distributed Costs	941,840	1,460	-	66,000	(40,000)	-	-	-	(22,000)	(3,470)	943,830
Treasury Management	603,240	-	-	-	-	-	(104,000)	81,000	-	88,180	668,420
	2,168,560	2,390	-	66,000	(40,000)	-	(104,000)	29,000	(33,090)	(165,770)	1,923,090
<b>Corporate And Cultural Services</b>											
Local Land Charges	8,840	(1,270)	-	-	-	-	-	-	-	(2,740)	4,830
<b>Technical Services</b>											
Community Buildings	283,500	1,230	-	7,000	-	-	-	-	-	18,140	309,870
Property Management	(215,830)	(9,690)	-	-	-	-	-	-	(440)	9,590	(216,370)
Grounds Maintenance	17,210	-	-	-	-	-	-	-	-	(17,210)	-
	84,880	(8,460)	-	7,000	-	-	-	-	(440)	10,520	93,500
<b>Adur Homes</b>											
Building Maintenance	(145,620)	10,200	-	-	-	-	(3,150)	-	(45,000)	92,990	(90,580)
<b>APPROVED ESTIMATE 2013/2014</b>	<b>2,116,660</b>	<b>2,860</b>	<b>-</b>	<b>73,000</b>	<b>(40,000)</b>	<b>-</b>	<b>(107,150)</b>	<b>29,000</b>	<b>(78,530)</b>	<b>(65,000)</b>	<b>1,930,840</b>

**ADUR RESOURCES PORTFOLIO 2014/2015 - SUBJECTIVE ANALYSIS**



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Financial Services</b>											
Corporate Management	2,530	436,920	114,630		172,670	14,000	(401,850)	338,900	229,760	(16,190)	552,470
Miscellaneous					(240,480)	14,340	(15,490)	(241,630)			(241,630)
Non-Distributed Costs	1,244,730						(300,890)	943,840	(10)		943,830
Treasury Management							(242,110)	(242,110)	46,290	864,240	668,420
<b>Corporate &amp; Cultural Services</b>											
Local Land Charges		59,290			18,750		(83,730)	(5,690)	10,520		4,830
<b>Technical Services</b>											
Community Buildings			77,270		3,930			81,200	75,270	153,400	309,870
Property Management	3,920		91,580		14,160		(590,850)	(481,190)	264,820		(216,370)
Grounds Maintenance								-		-	-
<b>Adur Homes</b>											
Building Maintenance	457,400		54,130		407,820		(1,144,650)	(225,300)	118,020	16,700	(90,580)
	1,708,580	496,210	337,610	-	376,850	28,340	(2,779,570)	168,020	744,670	1,018,150	1,930,840
<b>Percentage of Direct Cost</b>	58%	17%	11%	0%	13%	1%					