

ADUR DISTRICT COUNCIL BUDGET ESTIMATES 2017/18 AND SETTING OF 2017/18 COUNCIL TAX

REPORT BY: DIRECTOR OF DIGITAL AND RESOURCES

1.0 SUMMARY

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

- The final revenue estimates for 2017/18 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2017/18, prior to its submission to the Council for approval on the 23rd February 2017. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Executive.

1.2 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals and any committed growth. The report also updates members about the impact of the draft 2017/18 settlement.

1.3 The major points raised within the report include:

- A full update on the impact of settlement. The Council should prepare itself for a continuation of the reduction in Government resources for another 2-5 years (see section 3.2) ;
- The Executive will need to consider whether to increase Council Tax by maximum level possible of 2% or by a lower amount (paragraph 5.10).

1.4 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2017/18 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2017/18 of £5.00 or 3.36%. The proposed 2017/18 budget was considered by the Sussex Police and Crime Panel (PCP) on 20th January 2017 and an increase of £5.00 was approved.

1.0 SUMMARY

- 1.6 The Chancellor's Autumn Statement in November 2016 contained very little that impacted directly on Local Government.
- 1.7 The draft Local Government Settlement confirmed that a 3% Council Tax increase specifically to support adult social care services is permissible. This is over and above the existing "referendum limit" of 2% permitted for general Council Tax increases, thereby permitting a maximum Council Tax increase of 5% for Councils with social care responsibilities.
- 1.8 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 17th February 2017. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 23rd February 2017.
- 1.9 The following appendices have been attached to this report:
- (i) **Appendix 1** Revenue Budget Summary Statement 2016/17 – 2021/22
 - (ii) **Appendix 2** Schedule of Earmarked Reserves
 - (iii) **Appendix 3** Property Analysis & Calculation of Tax Base
 - (iv) **Appendix 4** Adur Budget 2017/18 – Summary of Executive Member Portfolios
 - (v) **Appendix 5** Glossary of technical terms used in Local Government Settlement

2.0 BACKGROUND

- 2.1 The Joint Strategic Committee considered the 'Outline 5-year forecast for 2017/18 to 2021/22 and the Budget Strategy' on 13th September 2016. This report outlined the Financial Context, the Key Budget Pressures, the Options for Addressing the Budget Gap and the Budget Strategy for Adur and Worthing Councils. The report built on the strategy first proposed last year whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.
- 2.2 With this strategy in mind, the Councils have set-up several strategic boards who are responsible for taking forward key initiatives aimed at delivering savings for the future:
- **The Major Projects Board** will lead on delivering projects to increase employment space and additional housing;
 - **The Digital Programme Board** will lead on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work.

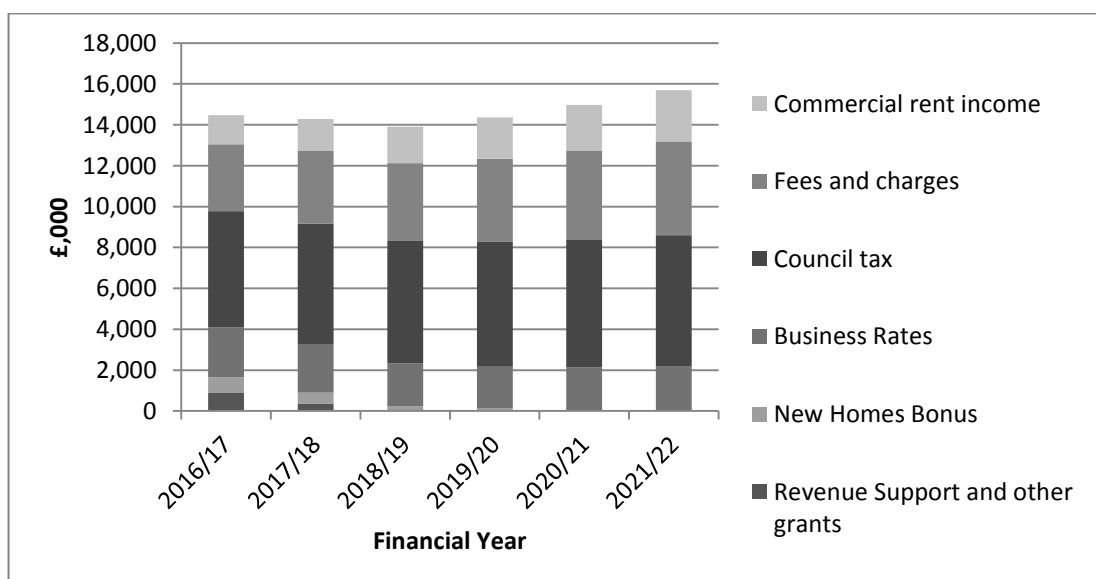
2.0 BACKGROUND

- **The Strategic Asset Management Board** will lead on delivering the income growth associated with the Strategic Property Fund; and
- **The Customer and Commercial Programme Board** will lead on the delivery of the income growth from commercial services and seek to improve the customer experience.

For 2017/18 the Digital Programme Board, the Customer and Commercial Board and the Strategic Asset Management Board were set explicit targets as part of the budget strategy.

- 2.3 The successful delivery of the strategy will fundamentally change how the Council is funded. The Council is moving increasingly away from government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities. Overall the Council benefits on average from over £14m of income per year.

Total income	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support and other grants	887	344	0	0	0	0
Business Rates	2,436	2,386	2,108	2,019	2,110	2,175
New Homes Bonus	767	553	228	142	27	26
Council tax	5,690	5,883	5,981	6,115	6,252	6,393
Income from taxation	9,780	9,166	8,317	8,276	8,389	8,594
Fees and charges	3,265	3,553	3,804	4,060	4,321	4,587
Commercial rent income	1,431	1,560	1,791	2,027	2,268	2,513
Income from commercial activity	4,696	5,113	5,595	6,087	6,589	7,100
Total income excluding specific grants	14,476	14,279	13,912	14,363	14,978	15,694



2.0 BACKGROUND

- 2.4 The subsequent report to the Joint Strategic Committee, on 6th December 2016 updated Members as to the latest budgetary information and the forecast shortfall, before savings or growth, was revised as follows:

Adur District Council	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – September forecast	1,156	2,260	2,747	3,148	3,395
Overall shortfall – December forecast (including net approved growth)	1,177	2,313	2,800	3,200	3,446
Increase / (Decrease) in shortfall	21	53	53	52	51
Overall shortfall – December forecast	1,177	2,313	2,800	3,200	3,446
Savings identified in December 2016 report	-1,099	-1,299	-1,499	-1,699	-1,899
Revised budget shortfall/Surplus(-) as at December 2016	78	1,014	1,301	1,501	1,547

- 2.5 The 2017/18 savings proposals identified within the report amounted to £1,099,000.
- 2.6 Since the meeting on 6th December 2016, the Adur District Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any non-committed growth items. Overall, therefore, the current financial position of the Council for 2017/18 can be summarised as:

Original shortfall as identified in September	£'000 1,156
Changes identified in December 2016:	
(a) Improvements to the income from Council Tax	-72
(b) Reduction in Government Grant for Council Tax Support Scheme administration (New Burdens Funding)	40
(d) Net committed growth items identified by budget holders	123
(e) Removal of contingency budget	-70
Budget shortfall as at 6th December 2016 c/forward	1,177

2.0 BACKGROUND

	£'000
Budget shortfall as at 6th December 2016 b/ forward	1,177
Settlement	
Impact of provisional New Homes Bonus allocation	99
Adjustment to other government grants	-5
Adjustment for final items identified	
Changes to the capital programme	
- Impact of latest estimates of spend and slippage	-154
- Running costs of Fishersgate Community Centre	16
- Impact of 2017 rates revaluation of the rates payable by the Council (may change?)	10
- Adjustment to insurance budget following increase in Insurance Premium Tax which is increasing by 2%	6
- Removal of provision for new growth items	-60
Final adjustment to allocations between the two Councils	
Revised budget shortfall – carried forward	1,089
Less: Net savings agreed in December	-1,099
Adjustment to final savings arising from allocations	6
Budget surplus to be placed in reserves (before any further action is agreed)	-4

3.0 AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.1 Autumn Statement 2016

3.1.1 The Chancellor Philip Hammond delivered the 2016 Autumn Statement on the 23rd November 2016, which included a substantial re-assessment of Government finances since the previous Budget. The Chancellor announced that the public purse will be £122bn worse off in the period until 2021, with debt rising from 84.2% of GDP last year to 87.3% this year, and further increasing to 90.2% in 2017/18.

3.1.2 As a result, one of the most significant policy decisions has been that the Government will no longer seek to deliver a budget surplus by the end of this current Parliament, although there is an ambition that public finances should return to a balanced budget by 'as early as possible' in the next Parliament. This decision has allowed the Chancellor to respond, not with further fiscal tightening and departmental funding reductions, but by maintaining the current spending plans and using additional borrowing to fund infrastructure investment.

3.0 AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.1 Autumn Statement 2016

3.1.3 However there will be no easing of the financial pressure for public services including Local Government but that said Local Government were not worse off as a result of the Autumn Statement. The Government clearly intended to operate within the four-year guarantee announced in the 2016/17 settlement. Nevertheless, this does continue with the significant reduction in Local Government funding over the period 2016/17 – 2019/20 announced as part of the spending review.

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

3.1.3 The Government will keep to the same broad priorities for the remainder of this Parliament in line with its previous spending decisions, including ring fencing funding for NHS, defence, and overseas aid; and the triple-lock guarantee of increases to pensions.

3.1.4 There was a welcome final announcement that the timetabling of the national budgets has been changed. The Chancellor announced the intention to have the Budget in the autumn and a Spring Statement. This switch will allow more time for scrutiny of funding decisions before they come into effect.

3.1.5 Contained within the Autumn Statement were a few announcements which have particular relevance to the Council:

- The Chancellor announced that there would be £1 billion to invest in full-fibre broadband and trialling 5G networks. This investment will support the private sector to roll out more full-fibre broadband by 2020-21. Funding will also support trials of 5G mobile communications.

And from April 2017, the government will also provide a new 100% business rates relief for new full-fibre infrastructure for a 5 year period.

3.0 AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.1 Autumn Statement 2016

This is very welcome particularly in light of the Gigabit Coast project which seeks to facilitate improved digital infrastructure throughout the County and for which Adur and Worthing Councils will act as the pilot project.

- Rural Rates Relief will increase to 100% which will be welcome news for small business. The Councils expect to be fully reimbursed for this change through additional government grant.
- The living wage is set to increase from £7.20 to £7.50 per hour which will be welcome news for the low paid.
- Insurance Premium Tax will increase from 10% to 12% from 1st June 2017. It is inevitable that the insurance companies will pass this cost onto the consumers.

3.2 2017/18 Local Government Finance Settlement

3.2.1 The Secretary of State for the Department for Communities and Local Government (DCLG) Sajid Javit delivered the provisional Local Government Finance Settlement on the 15th December 2016. Consultation on the provisional settlement closed on the 13th January 2017.

3.2.2 The key features of the 2017/18 provisional settlement were outlined in the speech as:

- *Four year offer*
- *Changes to New Homes Bonus*
- *Funding for Social Care*
- *Fair Funding review*

Taking each of these in turn:

3.2.3 Four Year Offer

In his speech, the Secretary of State confirmed the Government's commitment to the 2016/17 four year funding plan.

"This [local government finance settlement](#) honours our commitment to 4-year funding certainty for councils that are committed to reform. "

The Secretary of State for Communities and Local Government – Sajid Javit

97% of councils submitted a long term efficiency plan.

3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.2 2017/18 Local Government Finance Settlement

The Council has received confirmation that its efficiency plan has been accepted by the government as so have certainty about the level of government funding from revenue support grant for the next three years.

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

3.2.4 New Homes Bonus (NHB)

Following the consultation on New Homes Bonus earlier in the year, significant changes were announced to the scheme as part of settlement. As expected, legacy payments are being reduced from 6 years to 5 years in 2017/18 and then to 4 years in 2018/19. More unexpectedly, a national baseline for housing growth of 0.4% will be introduced; growth below this threshold will not qualify for grant. The implication of this change is that 102 Band D equivalent properties will need to be completed each year before any grant will be awarded.

The national savings in New Homes Bonus generated by the new baseline will be used to contribute towards the cost of social care. A new £240m adult social care support grant has been created in 2017/18 and is distributed according to relative need.

It is further proposed that from 2018/19 the Government will withhold payments from authorities not supporting housing growth whether through an absence of a local plan or by not granting planning permission (which is then granted on appeal). There will be a further consultation on this element of the new scheme in the Summer 2017.

The retention of the New Homes Bonus will benefit those Councils who have capacity to build a significant number of homes. Consequently, due to the limited number of new homes currently being planned in the Adur district there is a risk that the council will not benefit from additional income in 2017/18 due to the effect of new national housing baseline.

3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.2 2017/18 Local Government Finance Settlement

3.2.4 New Homes Bonus (NHB)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Original assumption	652	590	437	193	86	0
Draft settlement						
Historic allocations	767	552	201	115		
2017/18 allocation		1	1	1	1	
Potential future allocations			26	26	26	26
Total New Homes Bonus	767	553	228	142	27	26
Increase / decrease (-) in grant from previous assumptions	115	-37	-209	-51	-59	26

The New Homes Bonus has been an important source of funding. The provisional 2017/18 allocation for this council is £553,293. It should be noted that the future allocations are indicative at this stage as the final details of the new scheme are dependent not only on the level of house building but on the outcome of the consultation planned for next Summer.

3.2.5 Funding for Social Care

There will be an increase in the allowable addition to the social care precept. This will increase from the current 2% to the new threshold of 3% in 2017-18 and 2018-19 which the Government estimates will yield £208m and £444m respectively.

This is a welcome change for those with social care responsibility but will only go part of the way to meeting the costs.

In effect, this will increase the maximum potential addition to the County Council share of the bill to 5% in each year.

3.2.6 Fair funding review

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

The review is looking at all the services provided by local government and will determine the starting point for local authorities under the new business rate retention scheme due to be introduced across the Country by 2019/20. Consequently this review will not only influence the level of Revenue Support Grant received by each Council but all the amount of business rates each Council will be able to retain.

3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.2 2017/18 Local Government Finance Settlement

3.2.7 Summary of 2017/18 Local Government Settlement

In overall terms, the 2017/18 settlement revealed that District and Borough Councils were the most heavily affected class of authority by an overall cut in government funding of 15.35%. For districts, this is even slightly less than last year's drop of 16.96%.

YEAR-ON-YEAR CHANGE FOR THE 2017/18 SETTLEMENT			
Class of Local Authority	2016-17 Adjusted settlement Funding Assessment	2017-18 Settlement Funding Assessment	Overall Reduction in funding
	£million	£million	%
England	18,601.46	16,630.16	-10.60%
London Area	4,555.10	4,235.48	-7.02%
Metropolitan Areas	4,999.32	4,553.31	-8.92%
Shire Areas	9,043.75	7,838.08	-13.33%
Isles of Scilly	3.29	3.29	0.00%
London Area			
London Boroughs	3,398.55	3,078.33	-9.42%
GLA	1,156.55	1,157.15	0.05%
Metropolitan Areas			
Metropolitan Districts	4,751.57	4,323.36	-9.01%
Metropolitan Fire Authorities	247.75	229.95	-7.18%
Shire Areas			
Shire unitaries with fire	321.61	283.17	-11.95%
Shire unitaries without fire	3,459.30	3,066.75	-11.35%
Shire counties with fire	1,677.09	1,426.86	-14.92%
Shire counties without fire	2,408.24	2,043.98	-15.13%
Shire districts	789.80	668.57	-15.35%
Combined fire authorities	387.71	348.75	-10.05%

3.2.8 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on Friday 13th January 2017 with final settlement expected by the first week in February.

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

3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.3 Other matters related to settlement

3.3.1 Council Tax Referendum

In parallel to the settlement, the proposed referendum criteria were published. Shire districts can increase council tax by 2% or £5.00 on Band D equivalent property whichever is higher. The proposed 2017/18 budget assumes an increase of 1.98%, which is equivalent to £5.49.

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

3.3.2 Business Rate Retention Scheme

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

- There is a 'safety net' in place for any Council whose actual business rates income falls short of the target income for business rates. The safety net arrangements will be of 7.5% of Baseline Funding which is equivalent to a maximum fall in income below the baseline funding level of £123,770.
- A 'levy' is in place for any Council whose business rates exceed the target set. The levy will mean that the Council can keep 50p of every additional £1 generated over its share of the business rate target.

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

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

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

3.3.3 The forecast for 2017/18 is currently being finalised. The 2017/18 NNDR return which underpins this forecast is due to be submitted by the 31st January 2017 and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.3 Other matters related to settlement

3.3.2 Business Rate Retention Scheme

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

3.3.5 The Council is now participating in a County based business rates pool. The business rates pool has been approved by DCLG. Participating in the pool will enable the participating Councils to retain any 'levy' paid which will be set aside to fund economic regeneration initiatives within the County area. This equates to an estimated additional business rate income of over £2m retained locally each year to benefit the residents of West Sussex.

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

- It is difficult to establish the number of appeals which are likely to come forward. There is no time limit on when an appeal might be lodged. This is particularly pertinent in a valuation year.
- There is a specific risk associated with schools becoming academies. If a school assumes academy status then it will become eligible for mandatory rate relief which will reduce the Council's business rate income. The risk in the Adur district is mainly related to the primary schools as the majority of secondary schools are already eligible for relief due to their academy or faith status.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

3.3.7 Consequently there could be significant swings in the amount of business rate income in any one year particularly following a rating revaluation. However, any shortfall in income will be recovered in the following financial year. The Council will fully provide for any known backdated business rates appeals at the 2016/17 year end.

3.4 Long term implications of current government policy

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

3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.4 Long term implications of current government policy

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

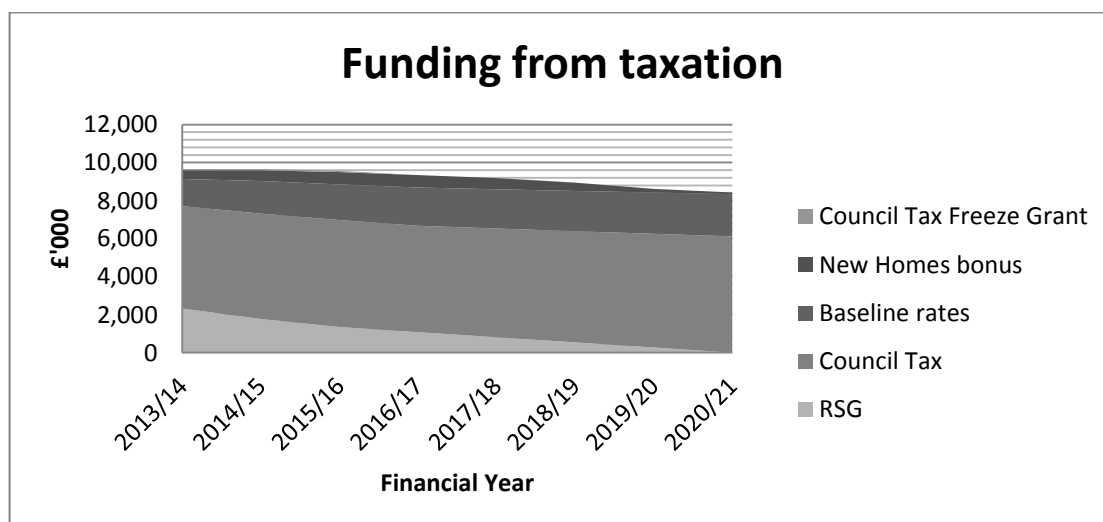
Breakdown of taxation income to the Council:

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	5,690	5,883	5,981	6,115	6,252	6,393
Business Rates *	2,436	2,386	2,108	2,019	2,110	2,175
Revenue Support and other grants **	887	380	32	29	26	24
New Homes Bonus	767	553	228	142	27	26
	9,780	9,202	8,349	8,305	8,415	8,618

* Includes any surplus or deficit on the collection fund

** Includes the Transition Grant and other minor grants

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Council Tax *	58.18%	63.93%	71.63%	73.63%	74.30%	74.18%
Business Rates *	24.91%	25.93%	25.25%	24.31%	25.07%	25.24%
Revenue Support and other grants **	9.07%	4.13%	0.39%	0.35%	0.31%	0.28%
New Homes Bonus	7.84%	6.01%	2.73%	1.71%	0.32%	0.30%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



4.0 2016/17 BUDGET – CURRENT POSITION

4.1 The revenue monitoring report to the Joint Strategic Committee on 8th November 2016 projected an overspend for the year of £32,000.

	Forecast Over/(Under) spend
	£'000
Homelessness	
Increasing caseloads	126
Treasury Management	
Impact of new MRP policy, the final 2015/16 capital programme and changes in interest rates	(236)
Car Parking	
Underachievement of income against budget Off Street	100
Underachievement of income against budget On Street	35
Net other variations	7
Forecast Overspend as at 8th November 2016	32

4.2 As at the end of the 2nd quarter, Adur District Council is likely to overspend. The on-going trends identified as part of the monitoring during 2016/17 have been incorporated into the 2017/18 budgets.

4.3 On past evidence, spending patterns between the 2nd quarter budget monitoring and the end of the financial year have shown that it is likely that the position may improve as the year progresses. The final outturn for 2017/18 will be reported when the outturn report comes before the Joint Strategic Committee in July 2017. Any overspends will have to be funded from the Council's reserves. Any final recommendations must be deferred until the outturn results are known.

5.0 DRAFT REVENUE ESTIMATES 2017/18

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £9,165,860. This includes the savings and committed growth proposals agreed at Joint Strategic Committee in December.

5.2 The final budget will be dependent on Members consideration of any non-committed growth proposals, and the Council Tax increase that Members are prepared to support.

5.0 DRAFT REVENUE ESTIMATES 2017/18

- 5.3 The key question of how the net budget requirement of £9.2m 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 2016/17 to 2017/18 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 4. The changes can be summarised briefly as follows:

	£'000	£'000
2016/17 Original Estimate		9,780
Add: General Pay and Price Increases		117
Add: Committed and Unavoidable Growth:		
Increased Expenditure as per 3 year forecast (net of any proposed use of reserves)	397	
Reduced Income as per 3 year forecast	76	
		473
Less: Compensatory savings/Additional Income:		
Compensatory savings	-42	
Impact of Capital Investment Programme	-73	
		-115
2017/18 budget prior to agreed savings		10,255
Less: Savings agreed by members		
Approved in December		-1,099
Final adjustment to saving		6
Executive Member requirements		9,162
Potential contribution to reserves*		4
Potential budget requirement before external support		9,166
Collection fund surplus		-34
2017/18 BUDGET REQUIREMENT		9,132
*The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the non-committed growth items and the Council Tax increase.		

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

5.0 DRAFT REVENUE ESTIMATES 2017/18

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

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

5.7 The current net estimated 2017/18 spend is less than previously predicted and is mainly due to the following factors:

	£'000
Reduction in New Homes Bonus	99
Impact of latest estimates of capital spend and slippage	-154
Removal of provision for new growth items	-60

5.8 In addition to the above, the projected surplus on the Collection Fund is now estimated to be £198,120, of which £34,100 is the District Council share. This is a minor surplus in light of the overall income due which exceeds £34.2m, and is due to a slight improvement in the level of income to the collection fund.

5.9 Members are now faced with the question:

- What level of Council Tax to set?

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

5.10 The Council Tax increase:

5.10.1 The budget forecast currently assumes that Council Tax will increase by just under 2.0% in 2017/18.

5.10.2 The consultation undertaken last year revealed that:

5.0 DRAFT REVENUE ESTIMATES 2017/18

5.10 The Council Tax increase:

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

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

5.10.3 A 1.98% increase in the level of Council Tax would be a modest increase in the District council share of the bill for 2017/18 as follows:

Adur District Council	£
Average Band D Council Tax in 2016/17	276.93
Annual impact of 1.98% increase	5.49
Amount per week	0.11

5.10.4 Members should also be aware that the Police and Crime Commissioner has been consulting on a £5.00 (3.36%) increase for their share of the overall bill. There are indications that the County Council will set a 3.95% increase, just under their permitted 4%. Consequently, the total overall increase in the Council Tax bill for an average band D property would be just under 4%:

	2016/17	2017/18 (Indicative)	%
	£	£	
Adur District Council	276.93	282.42	1.98%
West Sussex District Council	1,207.89	1,255.60	3.95%
Sussex Police and Crime Commissioner	148.91	153.91	3.36%
	1,633.73	1,691.93	3.56%

5.10.5 There are long term consequences in setting a Council Tax increase significantly lower than the maximum permitted. This is particularly significant at the moment given the scale of the withdrawal of government funding the Council will contend with over the next 5 years. The financial impact of freezing Council Tax rather than increasing by 2% is detailed below.

5.0 DRAFT REVENUE ESTIMATES 2017/18

Adur District Council	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Council Tax income if Council Tax is increased by just under 2.0% every year	5,849	5,981	6,115	6,252	6,393
Council Tax income if Council Tax is frozen every year	5,734	5,748	5,762	5,776	5,790
Fall in income per annum if Council Tax is frozen	115	233	353	476	603
Current budget shortfall based on 2% council tax increase	1,093	2,469	3,083	3,696	3,769
Revised budget shortfall if Council Tax is frozen	1,208	2,702	3,436	4,172	4,372

5.10.6 Members are asked to consider which level of Council Tax increase that they support. An increase of just under 2% would enable the Council to set a balanced budget.

5.10.7 Each 1% increase in Council Tax is worth £57,000 and increasing Council Tax by just under 2.0% will protect the longer term financial interests of the Council during a particularly challenging time.

5.11 Summary of budget position

Depending on the choices made regarding the Council Tax increase the overall budget position will be:

Net budget requirement	£'000	£'000
		9,162
Less: Government grant (including transition grant)	344	
Baseline Funding	1,650	
Share of additional Business Rate income	736	
Council Tax (1.98% increase)	5,849	
New Homes Bonus	553	
Collection Fund surplus	34	-9,166
Balanced Budget based on 1.98% Council Tax increase		-4
		-4
Maximum contribution to reserves		4
		-

6.0 IMPACT ON FUTURE YEARS

6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown in Appendix 1 (which includes an assumed 1.98% tax increase for 2017/18 which is to be considered as part of this report). The settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

	Expected shortfall (Cumulative)				
	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	1,089	2,461	3,072	3,682	3,753
Less:					
Net savings agreed in December	-1,093	-1,293	-1,493	-1,693	-1,893
Potential contribution to reserves to be agreed	4	-	-	-	-
Adjusted cumulative budget shortfall	-	1,168	1,579	1,989	1,860
Savings required each year	-	1,168	411	410	-129

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

- Increased income from business rates which is discussed fully in section 3 above;
- Reduced cost of Council Tax benefits from any new jobs created;
- Additional Council Tax income from each new home;

6.3 However, these measures are unlikely to be enough. The Council will also need to deliver on the strategy to generate £180k more commercial income per year and invest in property. Alongside this, there will need to be a continuing emphasis on efficiency in the annual savings exercise; whether this is through the digital strategy or by improving customer service. Overall, if the Council delivers upon the current budget strategy then the level of new initiatives required each year to balance the budget will reduce as follows:

6.0 IMPACT ON FUTURE YEARS

	Expected shortfall (Cumulative)			
	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Cumulative budget shortfall	1,168	1,579	1,989	1,860
Future savings from budget strategy:				
Customer and Commercial Board	-180	-360	-540	-720
Digital Programme Board	-80	-160	-240	-320
New savings initiatives to be identified	908	1,059	1,209	820
New initiatives required each year	908	151	150	-389

2018/19 remains a particularly challenging year.

7.0 RESERVES

- 7.1 Sections 26 and 27 of The Local Government Act 2003 require the Council's Chief Financial Officer to comment on the adequacy of the Council's reserves. The reserves have therefore been reviewed in accordance with best practice as advised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in LAAP 99 'Local Authority Reserves and Balances'.
- 7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The **General Fund Working Balance** which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. unexpected increases in the demand for services); and **Earmarked Reserves** which are sums held for specific defined purposes and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.
- 7.3 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. This is even more important in the current economic climate when there are so many uncertainties. The balance as at 31st March 2016 was £407,000 which was 4.2% of net 2016/17 revenue expenditure. This is below the lower level set out in the policy and was the result of spend arising from unforeseen circumstances. In future, any underspends will provide the opportunity to put money back into reserves. There are no plans to draw down from the working balance.

7.0 RESERVES

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

		£'000	%
31.03.2017	Balance carried forward – per Final Accounts	407	4.4
31.03.2018	No planned drawdown or contribution expected	407	4.9
31.03.2019	No planned drawdown or contribution expected	407	4.9
31.03.2020	No planned drawdown or contribution expected	407	4.8

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

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

1. A further fall in interest rates of 0.25% would cost the Council in a region of £60,210 in 2017/18.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £91,800.
3. Further adverse falls in income from such sources as development control income, car parks and land.
4. Demand is increasing for services such as homelessness and housing benefit which may well lead to increased (and unbudgeted) costs.
5. Other unforeseen circumstances such as the failure of a major contract
6. Any use of the working balance would be difficult to recoup in the short term. Consequently, the reserve needs to be sufficient enough to cope with at least two years of adverse impacts.

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2017/18 of £552,120 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 £920,200 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 as the opportunity arises funds should be put into the reserve to bring the forecast level back within these parameters.

7.0 RESERVES

7.5 The estimated balance of general fund earmarked reserves as at 31st March, 2018 is £946,000, although this reduces to £473,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. A detailed schedule of the earmarked reserves is attached at Appendix 2. The significant risks to the overall budget and the Council's reserves are detailed below.

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

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

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

8.0 SIGNIFICANT RISKS

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

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

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

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

8.0 SIGNIFICANT RISKS

In addition, there will be a change to the funding regime. Currently, an additional £60.00 per week per family can be claimed from housing benefit towards the cost of accommodating clients in bed and breakfast. From 1st April, this funding is to be replaced with a grant and it is not known how the grant will be assessed.

- (ii) **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 2017/18, income may fall further than expected or new targets for commercial income may not be met.
- (iii) **Withdrawal of funding by partners** - All budgets within the public sector are under scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, the council may lose funding for key priorities and be left with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.
- (iv) **Inflation** - A provision for 1% inflation has been built into non-pay budgets. Pay budgets have a 1% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2017/18, there is a risk that inflation will run at a higher rate than allowed for within the budget. Each 1% increase in inflation is equivalent to the following amount:

	1% increase
	£'000
Pay	92
Non-pay	32

- 8.2 To help manage these risks, the council has a working balance of £407,000 and other earmarked reserves are also available to the Council to help mitigate these risks.

9.0 CONSULTATION

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

10.0 UPDATE TO PRUDENTIAL INDICATORS

- 10.1 The Council's budget fully reflects the cost of financing the capital programme. Members have previously approved sufficient growth to accommodate the proposed capital programme.
- 10.2 Under the Prudential Code of Practice and the capital finance system introduced in April 2004, the capital programme is based on the Council's assessment of affordability. This includes any new borrowing which the Council wishes to undertake. The Council has considered the revenue consequences of any proposed capital programme in agreeing the budget strategy for 2017/18. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2017/18 and future years.
- 10.3 The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. These will be considered in detail in the report entitled 'Joint Treasury Management Strategy Statement and Annual Investment Strategy 2017/18 to 2019/20 for Adur District Council and Worthing Borough Council', which is to be discussed at the Joint Strategic Committee on the 2nd February 2017.

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

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

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

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 2017/18.

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

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

12.0 COUNCIL TAX SETTING

- 12.1 The Council is obliged to raise the balance of its resources after grant to finance the General Fund Revenue Budget from its local Council Taxpayers. The Adur District Council Tax will be added to the Precepts from West Sussex County Council and the Sussex Police and Crime Commissioner to form a combined Council Tax to levy on the taxpayers of Adur District.
- 12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2017/18 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.

12.0 COUNCIL TAX SETTING

12.3 Adur District Council:

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2017/18 prior to the consideration of the budget proposals. This is based on 1.98% Council Tax increase:

Net 2017/18 Budget *	£	£
		9,165,860
Less:		
Aggregate External Finance:		
Revenue Support Grant	-271,200	
Baseline Funding	-1,650,290	
Additional Retained Business Rate income	-736,110	
New Homes Bonus	-553,290	
Contribution from the Collection Fund surplus (as per paragraph 5.8)	-34,100	
Transition Grant	-72,710	
		-3,317,700
Balance to be raised from Council Tax		5,848,160

* 2017/18 budget requirement after any contribution to or from reserves required to balance the budget.

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

(b) Council Tax Base

The Council's Tax base for 2017/18 is 20,707.30 Band D equivalent properties. There is an increase to the current year base of 20,520.6 which is due to an increasing number of homes and the falling cost of Council Tax benefits. The full calculation of the tax base is shown in Appendix 3.

	2016/17 Tax Base	2017/18 Tax Base
Lancing	6,096.50	6,129.00
Sompting	2,719.40	2,742.20
Unparished	11,704.70	11,836.10
TOTAL	20,520.60	20,707.30

12.0 COUNCIL TAX SETTING

12.3 Adur District Council:

(c) Special expenses

At the extraordinary meeting of Council held on 10th January 1995, Maintenance of recreation grounds and provision of community buildings were agreed as special expenses not chargeable in the Lancing area under the terms of Section 35 of the Local Government Finance Act 1992. In 2017/18 expenditure of £265,800 (£257,210 in 2016/17) falls under the resolution and will need to be financed by a Band D Council Tax of £18.18, to be charged in all areas of the District except Lancing, which is the same as the previous year's.

(d) Adur District Council Band D Council Tax

Members are now asked to consider which level of Council Tax to set for 2017/18. An average Council Tax increase of 1.98% will ensure that the Council has a balanced budget.

Area	2016/17	2017/18 (Average 1% increase)	2017/18 (Average 1.98% increase)
Lancing	£ 264.33	£ 266.97	£ 269.55
Percentage increase		1%	1.97%
Annual increase (Band D)		2.64	5.22
Weekly increase (Band D)		0.05	0.10
Shoreham, Southwick, Sompting and Coombes			
Basic Council Tax	264.33	266.97	269.55
Special Expenses	17.82	18.18	18.18
TOTAL in Shoreham, Southwick, Sompting and Coombes	282.15	285.15	287.73
Percentage increase		1.1%	1.98%
Annual increase (Band D)		3.00	5.58
Weekly increase (Band D)		0.06	0.11

12.0 COUNCIL TAX SETTING

12.4 West Sussex County Council and Sussex Police and Crime Commissioner

- (a) The County Council requirements are expected to be confirmed on 19th February, 2016. The Police and Crime Commissioner's proposed increase of around 3.36% is due to be considered by the Police and Crime Panel on 20th January. The latest date that any increase by the Police and Crime Commission will be confirmed is the 20th February 2017.

	2016/17 £	2017/18 £
West Sussex County Council	1,207.89	t.b.c.
Sussex Police and Crime Commissioner	148.91	153.91
TOTAL	1,356.80	t.b.c.

12.5 Overall Council Tax

The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the District Council at its meeting on 21st February 2017.

13.0 CONCLUSION

- 13.1 This has been a very difficult settlement. The Council has seen the withdrawal of a significant amount of Revenue Support Grant. However, to meet this challenge the Council has identified just under £1.1m of savings and is now in the position to set a balanced budget.
- 13.2 Looking further ahead, 2018/19 will be even more difficult as the Council expects another significant reduction in grant and has only limited opportunities to lever in New Homes Bonus. Consequently, the strategy of delivering commercial income growth and business efficiencies through the digital agenda assumes a greater importance.
- 13.3 However, provided we meet this challenge, the Council will become increasingly financially resilient over the next 5 years as Revenue Support Grant disappears and we become largely funded by our community through Council Tax and Business Rates and income from our commercial services.
- 13.4 The aims of 'Platforms for our Places' are critical to our success. Developing the local economy to increase employment space and local jobs together with the provision of new homes is one of the strategic measures that the Council can take to protect its longer term financial interests, however there will be inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.

13.0 CONCLUSION

- 13.5 There will need to be a sharp focus on financial health over the next couple of years whilst we balance the budget and rebuild the reserves. However, we must not forget that the Council has a good track record in dealing with such challenges
- 13.6 Finally, in preparing the strategy and forecast for 2017/18 an assessment was carried out of the significant risks and opportunities which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.

14.0 RECOMMENDATIONS

14.1 The Executive is recommended to:

- (a) Agree to recommend to Council the draft budgets for 2017/18 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £9,165,860 subject to any amendments above; and**
- (b) Consider which band D Council Tax to recommend to Council for Adur District Council's requirements in 2017/18 as set out in paragraph 12.3.**
- (c) Agree to recommend to Council the special expenses of £18.18 per band D equivalent charged in all areas of the District except Lancing;**

Local Government Act 1972

Background Papers :

Report to the Joint Strategic Committee September 2016 Outline forecast 2017/18 to 2021/22 and Budget Strategy

Report to the Joint Strategic Committee 6th December 2016 Updated Outline 5 year forecast and savings proposals.

Background Papers :

Local Authority Finance (England) Settlement Revenue Support Grant for 017/18 and Related Matters: DCLG Letters and associated papers of 15th December 2016.

Autumn Statement 2016. 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 2015/16

Report to Joint Strategic Committee 6th December 2015 – 2nd Revenue Budget Monitoring 2015/16

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ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2016/17 - 2021/22

	2016/17 Base	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	9,780	9,780	9,780	9,780	9,780	9,780
Annual Inflation						
Estimated inflation		195	522	858	1,198	1,555
Less : Over provision for pay award in previous year		(78)	(78)	(78)	(78)	(78)
One -off / non-recurring items						
Local Elections (held every other year)		(42)	-	(44)	-	(46)
Committed Growth						
Impact of Pension contribution increase		62	126	195	199	203
Loss of Housing Benefit Administration Grant		40	80	120	160	200
Increasing demand for emergency accomodation		100	100	100	100	100
Impact of reprocurement of building maintenance contracts for corporate buildings		4	4	4	4	4
Reprocurement of IT systems		16	16	16	16	16
Temporary closure of Riverside Car Park		20	20	-	-	-
New 2020 recycling targets		-	-	200	400	400
Impact of 2% additional Insurance Premium Tax		6	6	6	6	6
Running costs of Fishersgate Community Centre		16	16	16	16	16
Impact of 2017 rate revaluation		10	10	10	10	10
Growth items identified by Heads of Service approved in December		123	123	123	123	123
Impact of capital programme						
Financing costs		81	14	3	95	150
Impact of final adjustments to capital programme		-	3	3	3	3
Impact of latest estimates of spend and slippage		(154)	(40)	(41)	23	(51)
Treasury management income						
Investment income adjustment		76	76	77	16	(45)
Approved Growth items						
Provision for new growth items						
Total Cabinet Member Requirements	9,780	10,255	10,778	11,348	12,071	12,346
Total Cabinet Member Requirements B/fwd	9,780	10,255	10,778	11,348	12,071	12,346
Baseline funding	1,617	1,650	1,700	1,776	1,812	1,848
Less: Safety net pay't / business rate shortfall		-	-	-	-	-
Add: Retained additional business rates	438	405	408	243	298	327
Add: Share of previous year's surplus	381	331				
Adusted Baseline funding	2,436	2,386	2,108	2,019	2,110	2,175
Revenue Support Grant	774	271	-	-	-	-
Council Tax						
Adjusted Council Tax income	5,683	5,849	5,981	6,115	6,252	6,393

ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2016/17 - 2021/22

	2016/17 Base	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Other grants						
Transitional Grant	73	73	-	-	-	-
Council Tax Reduction Scheme Grant	40	-	-	-	-	-
New homes bonus (2011/12 - 2016/17)	62	-	-	-	-	-
New homes bonus (2012/13 - 2017/18)	153	-	-	-	-	-
New homes bonus (2013/14 - 2018/19)	244	244	-	-	-	-
New homes bonus (2014/15 - 2019/20)	107	107	-	-	-	-
New homes bonus (2015/16 - 2020/21)	86	86	86	-	-	-
New homes bonus (2016/17 -2019/20)	115	115	115	115	-	-
New homes bonus (2017/18 - 2020/21)	-	1	1	1	1	-
New homes bonus (2018/19- 2021/22)	-	-	26	26	26	26
New homes bonus (2019/20 - 2022/23)	-	-	-	-	-	-
New homes bonus (2020/21 - 2023/24)	-	-	-	-	-	-
Total NHB	767	553	228	142	27	26
Collection fund surplus/deficit (-)	7	34	-	-	-	-
Total other grants and contributions	887	660	228	142	27	26
Total Income from Grants and Taxation	9,780	9,166	8,317	8,276	8,389	8,593
(Surplus) / Shortfall in Resources	-	1,089	2,461	3,072	3,682	3,753
Contribution to (-) / Use of Reserves to Balance Budget						
Capacity issues reserve	-	-	-	-	-	-
Total Income from Reserves	-	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,089	2,461	3,072	3,682	3,753
Savings identified to date:						
Strategic Property Investment Fund						
Future property purchases		100	300	500	700	900
Commercial activities and commissioning						
Commercial and Property Board		223	223	223	223	223
Efficiency Measures						
Digital strategy		73	89	89	89	89
Restructures and service plan savings approved in December 2016						
		697	681	681	681	681
Total future initiatives identified		1,093	1,293	1,493	1,693	1,893
Cumulative savings still to be found/ (surplus)		(4)	1,168	1,579	1,989	1,860
Annual savings still to be found		(4)	1,172	411	410	(129)
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Average annual increase (Band C property)		£4.92	£5.02	£5.12	£5.22	£5.32
Average weekly increase (Band C property)		£0.09	£0.10	£0.10	£0.10	£0.10

ESTIMATED RESERVES

APPENDIX 2

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.17	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1. CAPACITY ISSUES FUND Purpose: To enable the Council to fund one-off initiatives. Now includes Carry Forward Reserve.	122	15	(58)	79	-	-	79
2. INSURANCE FUND Purpose: To offset the costs of insurance excesses and fund insurance risk management initiatives.	182	30	(15) *see below	197	30	(20)	207
3. INVESTMENT PROPERTY MAINTENANCE FUND Purpose: To offset future maintenance costs of investment properties.	41	-	(3)	38	-	-	38
* To be confirmed at year end. C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget							

ESTIMATED RESERVES

APPENDIX 2

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.17	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4. NEW TECHNOLOGY FUND Purpose: To fund additional IT equipment.	22	-	-	22	-	-	22
5. HEALTH AND SAFETY FUND Purpose: To offset unexpected costs arising from health and safety issues.	33	-	-	33	-	-	33
6. LOCAL PLAN RESERVE To fund consultation and preparation of Adur Local Plan	44	-	-	44	-	(44)	-
7. SPECIAL & OTHER EMERGENCY RESERVE	86	-	-	86	-	-	86
8. ELECTION RESERVE	8	-	-	8	-	-	8
C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget							

SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.17	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
9. GRANTS & CONTRIBUTIONS HELD IN RESERVES *	473	-	-	473	-	-	473
10. RESIDUAL PROJECTED UNDERSPEND Reserves to be identified at outturn.	-	- *see below	-	-	-	-	-
11. GENERAL FUND WORKING BALANCE	408	-	-	408	-	-	408
TOTAL	1,419	45	(76)	1,388	30	(64)	1,354
<p>*contributions to be confirmed at year end</p> <p>C – Withdrawal to support the Capital Programme, R – Withdrawal to support the Revenue Budget</p>							

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE										
Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Dwellings	0.0	2,731.0	4,996.0	11,319.0	6,114.0	1,928.0	733.0	302.0	10.0	28,133.0
Less: Exemptions	0.0	-64.0	-53.0	-91.0	-64.0	-17.0	-8.0	-3.0	0.0	-300.0
	0.0	2,667.0	4,943.0	11,228.0	6,050.0	1,911.0	725.0	299.0	10.0	27,833.0
Disabled Relief Adjustment (net)	8.0	7.0	27.0	2.0	-27.0	-8.0	-2.0	-2.0	-5.0	0.0
Chargeable Dwellings	8.0	2,674.0	4,970.0	11,230.0	6,023.0	1,903.0	723.0	297.0	5.0	27,833.0
Broken down as follows:										
Full Charge	2.0	915.0	2,711.0	7,738.0	4,438.0	1,520.0	596.0	255.0	2.0	18,177.0
25% Discount (including adj for SP Dis)	6.0	1,752.0	2,244.0	3,471.0	1,573.0	378.0	120.0	35.0	1.0	9,580.0
50% Discount	0.0	18.0	32.0	67.0	42.0	17.0	13.0	9.0	1.0	199.0
0% Discount (Long Term Empty Homes)	0.0	43.0	54.0	97.0	45.0	12.0	11.0	1.0	2.0	265.0
Total Equivalent Number of Dwellings	6.5	2,234.0	4,397.0	10,355.3	5,622.3	1,806.0	688.5	284.8	4.8	25,399.0
Reduction in tax base due to Council Tax Support	3.4	724.5	991.7	1,177.6	286.6	47.9	5.8	1.5	0.0	3,238.9
Adjusted equivalent total dwellings	3.1	1,509.5	3,405.3	9,177.6	5,335.7	1,758.1	682.7	283.3	4.8	22,160.1
<u>Band D Equivalents</u>										
Revenue Support Settlement	1.7	995.0	2,632.8	8,137.0	5,330.0	2,147.6	986.0	472.2	9.5	20,711.8
Add: Forecast new homes	0.0	2.0	6.1	16.9	12.8	5.7	2.7	1.3	0.0	47.5
Less: Adjustments for Losses on Collection, and Void Properties	0.0	0.0	0.0	0.0	52.0	0.0	0.0	0.0	0.0	52.0
COUNCIL TAX BASE	1.7	997.0	2,638.9	8,153.9	5,290.8	2,153.3	988.7	473.5	9.5	20,707.3

APPENDIX 4
CIVIC BUDGET TABLE 2017/18
Summary of Executive Member Requirements

INDIVIDUAL MEMBER PORTFOLIOS
Summary and Variance Pages

ADUR BUDGET 2017/2018

Summary of Executive Member Portfolios



APPENDIX 4

EXECUTIVE PORTFOLIO	ESTIMATE 2016/2017	ESTIMATE 2017/2018
	£	£
Environment	2,656,010	2,567,090
Health and Wellbeing	1,211,980	1,106,260
Customer Services	1,122,540	1,109,240
Leader	707,780	626,870
Regeneration	1,998,780	2,147,560
Resources	2,396,440	1,960,440
Support Services Depreciation Not Charged To Services	253,300	190,140
NET SERVICE EXPENDITURE	10,346,830	9,707,600
Credit Back Depreciation / Impairments	(1,776,510)	(1,378,220)
Minimum Revenue Provision	1,181,290	818,480
	9,751,610	9,147,860
Transfer to / from Reserves	14,000	14,000
Balance Available to Transfer To / (From) Reserves	14,700	4,000
TOTAL BUDGET REQUIREMENT BEFORE EXTERNAL SUPPORT FROM GOVERNMENT	9,780,310	9,165,860
Baseline Funding	(1,617,270)	(1,650,290)
Additional business rate income	(818,820)	(736,110)
Revenue Support Grant	(773,930)	(271,200)
Transition Grant	(72,980)	(72,710)
Council Tax Reduction Scheme Grant	(40,000)	-
Council Tax Freeze Grant	-	-
Other unfenced grants (New homes bonus)	(766,640)	(553,290)
Contribution to/ (from) Collection Fund	(7,900)	(34,100)
AMOUNT REQUIRED FROM COUNCIL TAX	5,682,770	5,848,160
COUNCIL TAX BASE	20,520.6	20,707.3
Average Band D Council Tax - Adur District	276.93	282.42
% increase		1.98%

SERVICE	ESTIMATE 2016/2017	ESTIMATE 2017/2018
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Engineering	124,730	121,780
Surveying & Design	192,480	214,200
	317,210	335,980
DIRECTOR FOR COMMUNITIES		
Environment		
Allotments	59,990	27,490
Cemeteries	286,530	111,070
Parks	719,900	902,120
Dog Warden	50,380	44,400
	1,116,800	1,085,080
Housing		
Public Health Burials	2,770	2,800
	2,770	2,800
Wellbeing		
Environmental Health - Commercial	85,800	69,750
Fishersgate Community Centre	-	16,000
Environmental Health - Domestic	168,370	200,070
	254,170	285,820
DIRECTOR OF ECONOMY		
Growth		
Street Scene	71,740	48,690
	71,740	48,690
DIRECTOR OF CUSTOMER SERVICES		
Waste and Cleansing		
Abandoned Vehicles	25,730	29,480
Car Parking	(266,240)	(217,570)
Clinical Waste	17,360	14,690
Graffiti	3,680	4,680
Pest Control	18,350	11,100
Recycling	(155,090)	(223,790)
Refuse	823,040	773,270
Street Cleansing	579,010	588,750
Trade Refuse	(152,520)	(171,890)
	893,320	808,720
TOTAL ENVIRONMENT PORTFOLIO	2,656,010	2,567,090

ADUR - ENVIRONMENT PORTFOLIO - 2017/2018 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Business and Technical Services											
Engineering	-	-	40,920	-	15,480	-	(7,860)	48,540	48,380	24,860	121,780
Surveying & Design	-	12,560	145,250	-	120	-	(340)	157,590	3,560	53,050	214,200
DIRECTOR FOR COMMUNITIES											
Environment											
Allotments	-	8,880	20,440	-	-	-	(49,230)	(19,910)	44,780	2,620	27,490
Cemeteries	-	146,080	77,540	-	-	-	(187,370)	36,250	71,950	2,870	111,070
Parks	-	22,630	661,040	-	52,840	-	(151,180)	585,330	211,050	105,740	902,120
Dog Warden	-	37,370	-	-	-	-	-	37,370	5,520	1,510	44,400
Housing											
Public Health Burials	-	-	-	-	2,800	-	-	2,800	-	-	2,800
Wellbeing											
Environmental Health - Commercial	-	53,210	-	-	1,630	-	(680)	54,160	13,350	2,240	69,750
Fishersgate Community Centre	-	-	-	-	16,000	-	-	16,000	-	-	16,000
Environmental Health - Domestic	-	1,250	-	-	15,840	4,700	(11,810)	9,980	188,800	1,290	200,070
DIRECTOR OF ECONOMY											
Growth											
Street Scene	-	-	-	370	40,100	-	(39,050)	1,420	2,550	44,720	48,690
DIRECTOR OF CUSTOMER SERVICES											
Waste and Cleansing											
Abandoned Vehicles	-	-	-	1,110	-	4,690	-	5,800	23,680	-	29,480
Car Parking	-	3,680	106,280	-	127,950	57,800	(658,720)	(363,010)	140,120	5,320	(217,570)
Clinical Waste	-	(2,450)	-	-	-	-	-	(2,450)	17,140	-	14,690
Graffiti	-	170	-	-	-	-	-	170	2,760	1,750	4,680
Pest Control	-	560	-	-	-	-	-	560	9,470	1,070	11,100
Recycling	-	(405,800)	-	-	-	-	-	(405,800)	125,620	56,390	(223,790)
Refuse	-	572,860	-	-	-	-	-	572,860	105,600	94,810	773,270
Street Cleansing	-	592,250	-	-	-	-	(127,870)	464,380	84,870	39,500	588,750
Trade Refuse	-	135,480	-	-	209,780	-	(582,780)	(237,520)	39,180	26,450	(171,890)
	0	1,178,730	1,051,470	1,480	482,540	67,190	(1,816,890)	964,520	1,138,380	464,190	2,567,090

B47cc ADU Overall Budget Estimates 17-18

Setting of Council Tax 2017-18

0% 42% 38% 0%₄₀ 17% 2%

Executive 07.02.2017

Agenda Item No: 5

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



SERVICE / ACTIVITY	Original Estimate 2016/2017	Inflation	One off - items	Committed Growth	Compensatory savings	Reduction in Income	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£		£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Business and Technical Services											
Engineering	124,730	550	-	-	-	-	-	-	-	(3,500)	121,780
Surveying & Design	192,480	1,400	-	-	-	-	-	-	-	20,320	214,200
DIRECTOR FOR COMMUNITIES											
Environment											
Allotments	59,990	(420)	-	-	-	-	-	-	(7,300)	(24,780)	27,490
Cemeteries	286,530	(1,010)	-	2,650	-	-	-	-	(6,720)	(170,380)	111,070
Parks	719,900	(40)	-	4,700	-	-	-	-	(400)	177,960	902,120
Dog warden	50,380	-	-	-	-	-	-	-	-	(5,980)	44,400
Housing											
Public Health Burials	2,770	30	-	-	-	-	-	-	-	-	2,800
Wellbeing											
Environmental Health - Commercial	85,800	20	-	-	-	-	-	-	-	(16,070)	69,750
Fishersgate Community Centre	-	-	-	16,000	-	-	-	-	-	-	16,000
Environmental Health - Domestic	168,370	(20)	-	-	-	-	-	-	(200)	31,920	200,070
DIRECTOR OF ECONOMY											
Growth											
Street Scene	71,740	(160)	-	-	-	-	-	-	(10,000)	(12,890)	48,690
DIRECTOR OF CUSTOMER SERVICES											
Waste and Cleansing											
Abandoned Vehicles	25,730	10	-	-	-	-	-	-	-	3,740	29,480
Car Parking	(266,240)	(10,780)	-	23,200	-	-	-	-	(10,000)	46,250	(217,570)
Clinical Waste	17,360	-	-	-	-	-	-	-	-	(2,670)	14,690
Graffiti	3,680	-	-	-	-	-	-	-	-	1,000	4,680
Pest Control	18,350	-	-	-	-	-	-	-	-	(7,250)	11,100
Recycling	(155,090)	-	-	-	-	-	-	-	-	(68,700)	(223,790)
Refuse	823,040	-	-	-	-	-	-	-	-	(49,770)	773,270
Street Cleansing	579,010	(2,510)	-	-	-	-	-	-	-	12,250	588,750
Trade Refuse	(152,520)	(8,960)	-	-	-	-	-	-	(26,250)	15,840	(171,890)
TOTAL COST	2,656,010	(21,890)	0	46,550	0	0	0	0	(60,870)	(52,710)	2,567,090

SERVICE	ESTIMATE 2016/2017	ESTIMATE 2017/2018
	£	£
DIRECTOR OF COMMUNITIES		
Environment		
Foreshores	7,700	(12,590)
	7,700	(12,590)
Housing		
Adur Homes	7,610	33,900
	7,610	33,900
Wellbeing		
Community Wellbeing	553,320	413,950
Community Safety	170,020	233,990
Environment Health - Commercial	139,070	111,050
Environment Health - Licensing	77,120	89,310
	939,530	848,300
Business and Technical Services		
Business Services	42,150	43,300
Engineering	162,450	165,270
Energy & Sustainability	52,540	28,080
	257,140	236,650
TOTAL FOR HEALTH AND WELLBEING	1,211,980	1,106,260

ADUR - HEALTH AND WELLBEING PORTFOLIO - 2017/2018 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Environment											
Foreshores	-	9,030	18,620	-	8,690	-	(94,870)	(58,530)	24,240	21,700	(12,590)
Housing											
Adur Homes	89,640	-	-	6,430	41,070	40,050	(275,270)	(98,080)	115,660	16,320	33,900
Wellbeing											
Community Wellbeing	-	147,130	1,020	-	224,770	-	-	372,920	41,030	-	413,950
Community Safety	-	203,530	1,310	-	8,600	-	-	213,440	20,550	-	233,990
Environment Health - Commercial	-	96,440	-	-	8,730	-	-	105,170	5,880	-	111,050
Environment Health - Licensing	8,000	124,130	-	-	13,080	-	(116,490)	28,720	60,590	-	89,310
DIRECTOR OF DIGITAL & RESOURCES											
Business and Technical Services											
Business Services	-	29,090	-	-	-	-	-	29,090	14,210	-	43,300
Engineering	-	7,350	4,140	-	5,760	-	-	17,250	67,870	80,150	165,270
Energy & Sustainability	-	3,680	-	-	-	-	-	3,680	24,400	-	28,080
TOTAL COST	97,640	620,380	25,090	6,430	310,700	40,050	(486,630)	613,660	374,430	118,170	1,106,260
Percentage Direct Cost	9%	56%	2%	1%	28%	4%					

HEALTH AND WELLBEING SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2017/2018



SERVICE / ACTIVITY	Original Estimate 2016/2017	Inflation	One off - items	Committed Growth	Compensatory savings	Reduction In Income	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£		£	£	£
DIRECTOR OF COMMUNITIES											
Environment											
Foreshores	7,700	(1,620)	-	-	-	-	-	-	(2,970)	(15,700)	(12,590)
Housing											
Adur Homes	7,610	(4,520)	-	-	-	-	-	-	-	30,810	33,900
Wellbeing											
Community Wellbeing	553,320	2,230	-	-	-	-	-	-	-	(141,600)	413,950
Community Safety	170,020	100	-	-	-	-	-	-	-	63,870	233,990
Environment Health - Commercial	139,070	90	-	-	-	-	-	-	-	(28,110)	111,050
Environment Health - Licensing	77,120	(1,290)	-	-	-	-	-	-	(720)	14,200	89,310
DIRECTOR OF DIGITAL & RESOURCES											
Business and Technical Services											
Business Services	42,150	-	-	-	-	-	-	-	-	1,150	43,300
Engineering	162,450	100	-	-	-	-	-	-	-	2,720	165,270
Energy & Sustainability	52,540	-	-	-	-	-	-	-	-	(24,460)	28,080
TOTAL COST	1,211,980	(4,910)	0	0	0	0	0	0	(3,690)	(97,120)	1,106,260

CUSTOMER SERVICES PORTFOLIO



SERVICE	ESTIMATE 2016/2017	ESTIMATE 2017/2018
	£	£
DIRECTOR OF COMMUNITIES		
Leisure		
Leisure Strategic Support	560,200	500,990
	560,200	500,990
DIRECTOR OF CUSTOMER SERVICES		
Revenues and Benefits		
Revenues	395,220	383,560
Benefits	167,120	224,690
	562,340	608,250
TOTAL FOR CUSTOMER SERVICES	1,122,540	1,109,240

ADUR - CUSTOMER SERVICES PORTFOLIO - 2017/2018 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Leisure											
Leisure Strategic Support	-	12,560	29,660	-	4,410	160,000	(9,300)	197,330	16,430	287,230	500,990
DIRECTOR OF CUSTOMER SERVICES											
Revenues and Benefits											
Revenues	-	2,890	-	-	-	476,980	(252,920)	226,950	156,610	-	383,560
Benefits	-	8,670	-	-	13,130	21,344,360	(21,385,990)	(19,830)	242,460	2,060	224,690
TOTAL COST	0	24,120	29,660	0	17,540	21,981,340	(21,648,210)	404,450	415,500	289,290	1,109,240
Percentage Direct Cost	0%	0%	0%	0%	0%	100%					

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



SERVICE / ACTIVITY	Original Estimate 2016/2017	Inflation	One off - items	Committed Growth	Compensatory savings	Reduction in Income	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£		£	£	£
DIRECTOR OF COMMUNITIES											
Leisure											
Leisure Strategic Support	560,200	140	-	-	-	-	-	-	(10,000)	(49,350)	500,990
DIRECTOR OF CUSTOMER SERVICES											
Revenues and Benefits											
Revenues	395,220	1,950	-	-	-	-	-	-	(30,000)	16,390	383,560
Benefits	167,120	(4,940)	-	40,000	-	-	-	-	(50,000)	72,510	224,690
TOTAL COST	1,122,540	(2,850)	0	40,000	0	0	0	0	(90,000)	39,550	1,109,240

SERVICE	ESTIMATE 2016/2017	ESTIMATE 2017/2018
	£	£
CHIEF EXECUTIVE Communications Performance and Scrutiny	5,890	32,160
	5,890	32,160
DIRECTOR OF COMMUNITIES Wellbeing Democratic Services	520,640	441,130
	520,640	441,130
DIRECTOR OF CUSTOMER SERVICES Elections Elections	177,270	153,580
	177,270	153,580
TOTAL for LEADER	703,800	626,870

ADUR - THE LEADER PORTFOLIO - 2017/2018 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE Communications Performance and Scrutiny	-	-	-	-	-	-	-	0	32,160	-	32,160
DIRECTOR OF COMMUNITIES Wellbeing Democratic Services	208,490	83,710	-	-	13,410	-	(15,600)	290,010	151,120	-	441,130
DIRECTOR OF CUSTOMER SERVICES Elections Elections	-	80,350	-	-	42,330	-	(3,220)	119,460	30,450	3,670	153,580
TOTAL COST	208,490	164,060	0	0	55,740	0	(18,820)	409,470	213,730	3,670	626,870
Percentage Direct Cost	49%	38%	0%	0%	13%	0%					

THE LEADER - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2017/2018



SERVICE / ACTIVITY	Original Estimate 2016/2017	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£		£	£	£
CHIEF EXECUTIVE Communications Performance and Scrutiny	9,870	-	-	-	-	-	-	-	22,290	32,160
DIRECTOR OF COMMUNITIES Wellbeing Democratic Services	520,640	2,170	-	8,600	-	-	-	(6,500)	(83,780)	441,130
DIRECTOR OF CUSTOMER SERVICES Elections Elections	177,270	410	(42,660)	-	-	-	-	-	18,560	153,580
TOTAL COST	707,780	2,580	(42,660)	8,600	0	0	0	(6,500)	(42,930)	626,870

SERVICE	ESTIMATE 2016/2017	ESTIMATE 2017/2018
	£	£
DIRECTOR FOR COMMUNITIES		
Housing		
Adur Homes	87,350	194,960
Home Improvement Assistance	65,620	42,090
Housing	632,820	691,670
Housing Strategy	55,560	15,230
	841,350	943,950
DIRECTOR OF ECONOMY		
Grants		
Grants	105,830	87,220
	105,830	87,220
Growth		
Planning Policy	194,680	245,570
Major Projects	59,230	85,060
Development Control	415,340	406,730
Regeneration	256,680	268,120
	925,930	1,005,480
DIRECTOR OF CUSTOMER SERVICES		
Building Control & Land Charges		
Building Control	125,670	110,910
	125,670	110,910
TOTAL FOR REGENERATION	1,998,780	2,147,560

ADUR - REGENERATION PORTFOLIO - 2017/2018 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES											
Housing											
Adur Homes	41,110	121,140	478,140	430	540	-	(495,110)	146,250	48,710	-	194,960
Home Improvement Assistance	-	70,070	-	-	-	-	(33,770)	36,300	5,790	-	42,090
Housing	-	315,970	-	-	353,430	16,510	(124,930)	560,980	130,490	200	691,670
Housing Strategy	-	-	-	-	-	-	-	0	15,230	-	15,230
DIRECTOR OF ECONOMY											
Grants											
Grants	144,910	-	-	-	-	-	(143,100)	1,810	85,410	-	87,220
Growth											
Planning Policy	-	9,930	-	-	17,360	-	-	27,290	218,280	-	245,570
Major Projects	-	-	-	-	-	-	-	0	85,060	-	85,060
Development Control	-	530,700	-	-	8,410	5,250	(232,600)	311,760	94,970	-	406,730
Regeneration	-	147,400	-	-	53,920	-	-	201,320	60,720	6,080	268,120
DIRECTOR OF CUSTOMER SERVICES											
Building Control & Land Charges											
Building Control	-	284,680	-	-	-	-	(213,860)	70,820	40,090	-	110,910
TOTAL COST	186,020	1,479,890	478,140	430	433,660	21,760	(1,243,370)	1,356,530	784,750	6,280	2,147,560
Percentage Direct Cost	7%	57%	18%	0%	17%	1%					

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



SERVICE / ACTIVITY	Original Estimate 2016/2017	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£		£	£	£
DIRECTOR FOR COMMUNITIES										
Housing										
Adur Homes	87,350	(4,960)	-	-	-	-	-	-	112,570	194,960
Home Improvement Assistance	65,620	(660)	-	-	-	-	-	-	(22,870)	42,090
Housing	632,820	880	-	100,000	-	-	-	(67,500)	25,470	691,670
Housing Strategy	55,560	-	-	-	-	-	-	-	(40,330)	15,230
DIRECTOR OF ECONOMY										
Grants										
Grants	105,830	-	-	-	-	-	-	-	(18,610)	87,220
Growth										
Planning Policy	194,680	170	-	-	-	-	-	-	50,720	245,570
Major Projects	59,230	-	-	-	-	-	-	-	25,830	85,060
Development Control	415,340	(4,430)	-	-	-	-	-	-	(4,180)	406,730
Regeneration	256,680	490	-	10,000	-	-	-	(5,000)	5,950	268,120
DIRECTOR OF CUSTOMER SERVICES										
Building Control & Land Charges										
Building Control	125,670	(3,710)	-	-	-	-	-	(24,800)	13,750	110,910
TOTAL COST	1,998,780	(12,220)	0	110,000	0	0	0	(97,300)	148,300	2,147,560

SERVICE	ESTIMATE 2016/2017	ESTIMATE 2017/2018
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Other Buildings	239,300	135,940
	239,300	135,940
Finance		
Corporate Management	1,462,730	1,274,910
Treasury Management	647,800	757,450
	2,110,530	2,032,360
DIRECTOR FOR COMMUNITIES		
Housing		
Adur Homes	-	-
	-	-
DIRECTOR OF ECONOMY		
Growth		
Estates	58,990	(194,530)
	58,990	(194,530)
DIRECTOR OF CUSTOMER SERVICES		
Building Control & Land Charges		
Land Charges	(12,380)	(13,330)
	(12,380)	(13,330)
TOTAL FOR RESOURCES	2,396,440	1,960,440

ADUR - RESOURCES PORTFOLIO - 2017/2018 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Transfer to/from Reserves	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£		£	£
DIRECTOR FOR DIGITAL & RESOURCES												
Business and Technical Services												
Other Buildings	-	63,900	45,450	-	4,130	-	-	113,480	7,870	-	14,590	135,940
Finance												
Corporate Management	1,201,830	(182,060)	122,820	-	208,150	29,070	(508,600)	871,210	483,160	(62,450)	(17,010)	1,274,910
Treasury Management	-	-	-	-	-	-	(115,370)	(115,370)	69,260	-	803,560	757,450
DIRECTOR FOR COMMUNITIES												
Housing												
Adur Homes	-	-	-	-	-	-	-	0	-	-	-	0
DIRECTOR OF ECONOMY												
Estates												
Estates	-	50,900	129,680	-	14,870	-	(681,400)	(485,950)	136,910	-	154,510	(194,530)
DIRECTOR OF CUSTOMER SERVICES												
Building Control & Land Charges												
Land Charges	-	51,580	-	-	19,710	-	(98,540)	(27,250)	13,920	-	-	(13,330)
TOTAL COST	1,201,830	(15,680)	297,950	0	246,860	29,070	(1,403,910)	356,120	711,120	(62,450)	955,650	1,960,440
Percentage Direct Cost	68%	-1%	17%	0%	14%	2%						

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



SERVICE / ACTIVITY	Original Estimate 2016/2017	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Non Committed Growth	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£		£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Business and Technical Services											
Other Buildings	239,300	320	-	-	-	-	-	-	-	(103,680)	135,940
Finance											
Corporate Management	1,462,730	3,730	-	-	-	-	-	-	(24,060)	(167,490)	1,274,910
Finance - others	-	-	-	-	-	-	-	-	-	-	0
Treasury Management	647,800	-	-	19,860	-	(21,670)	-	75,910	28,770	6,780	757,450
DIRECTOR FOR COMMUNITIES											
Housing											
Adur Homes	-	-	-	-	-	-	-	-	-	-	0
DIRECTOR OF ECONOMY											
Estates											
Estates	58,990	1,230	-	4,150	-	-	-	-	(170,000)	(88,900)	(194,530)
DIRECTOR OF CUSTOMER SERVICES											
Building Control & Land Charges											
Land Charges	(12,380)	(1,640)	-	-	-	-	-	-	(4,650)	5,340	(13,330)
TOTAL COST	2,396,440	3,640	0	24,010	0	(21,670)	0	75,910	(169,940)	(347,950)	1,960,440

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

Baseline funding level

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

Billing authorities

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

Business Rates

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

Business rates baseline

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

Business Rates Retention Scheme

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

Council Tax

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

Council Tax Base

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

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

Council Tax Bands

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

Value of home estimated at 1 April 1991	Proportion of the tax due April 1991 for a band D property
Band A Under £40,000	66.7% (6/9)
Band B £40,001 - £52,000	77.8% (7/9)
Band C £52,001 - £68,000	88.9% (8/9)
Band D £68,001 - £88,000	100% (9/9)
Band E £88,001 - £120,000	122.2% (11/9)
Band F £120,001 - £160,000	144.4% (13/9)
Band G £160,001 - £320,000	166.7% (15/9)
Band H Over £320,001	200% (18/9)

Estimated Business Rates Aggregate

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

Floor damping

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

Levy

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

Local government finance settlement

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

Local government spending control total

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

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

Local share

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

Lower tier councils

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

Multiplier

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

Precept

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

Precepting authority

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

Proportionate share

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

Reserves

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

Revenue Support Grant

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

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

Ringfenced grant

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

Safety net

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

Settlement core funding

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

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

Settlement Funding Assessment

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

Specific grants

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

Tariffs and top ups

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