



### 3rd REVENUE BUDGET MONITORING 2017/18 (Q3)

### REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES

### EXECUTIVE SUMMARY

#### 1. PURPOSE

- 1.1 This report updates the Joint Strategic Committee with the latest expenditure and income projections for each Council in the current financial year 2017/18, compared to the Revenue Budget approved by both Councils on the 23rd February 2017 (Adur District Council) and 21st February 2017 (Worthing Borough Council).

The projected outturn positions as at quarter 3 are underspends of £14,000 in Adur District Council and £46,100 in Worthing Borough Council. This is lower than was anticipated in quarter 2 when underspends of £176,000 and £117,000 were being forecast in Adur and Worthing respectively. The areas that have contributed to the net movement are highlighted in the report and appendix 4(b) and include; External borrowing costs, investment income, Minimum Revenue Provision, Homelessness and income from Environmental Services, Development Management, Building Control, and property investments. Income and expenditure will continue to be monitored against budget.

Whilst the 'spend to date' will be the position as at the 31<sup>st</sup> December 2017, the forecast position will reflect the latest information available as at 31<sup>st</sup> January 2018 to ensure an up-to-date forecast is presented.

- 1.2 The following appendices have been attached to this report:

- |       |                   |     |                                    |
|-------|-------------------|-----|------------------------------------|
| (i)   | <b>Appendix 1</b> | (a) | Adur Summary                       |
|       |                   | (b) | Adur Use of Earmarked Reserves     |
| (ii)  | <b>Appendix 2</b> | (a) | Worthing Summary                   |
|       |                   | (b) | Worthing Use of Earmarked Reserves |
| (iii) | <b>Appendix 3</b> |     | HRA Summary                        |
| (iv)  | <b>Appendix 4</b> | (a) | Table of Variations over £20,000   |
|       |                   | (b) | Quarterly Comparison               |

#### 2. RECOMMENDATIONS

- 2.1 The Joint Strategic Committee is asked:

- To note the report and projected outturn position for the Joint, Adur and Worthing Revenue Budgets and proposed use of reserves (Appendix 1b and 2b).

### **3. CONTEXT**

- 3.1 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, on income from trading and commercial activities, council tax income and business rate income.

- 3.2 The successful delivery of the strategy is fundamentally changing 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.
- 3.3 The 2017/18 budgets approved in February 2017 addressed the reduction in Government support, the Councils committed to savings of £1.093m for Adur District Council and £1.740m for Worthing Borough Council to produce a balanced budget. Services have been required to carry out efficiency, procurement and base budget reviews.
- 3.4 Local authorities have a statutory duty under the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends or shortfalls in income emerge.

### **4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST**

- 4.1 This report represents the 3<sup>rd</sup> quarter of the monitoring cycle. The projected outturn is reported three times during each year with a final analysis of the variances at the end of the year when the outturn figures are reported.
- 4.2 This means that the net expenditure is fully allocated out to the two councils and the overall projected outturn for the JSC at the yearend will be zero.
- 4.3 The current year-end forecasts indicate that both Adur and Worthing are broadly in line with the budget set. Considering the extensive commitments included in the current year's budgets, overall, services are successfully achieving these targets by reviewing their services, thinking more commercially and changing how these are delivered.

#### 4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

In summary the overall revenue outturns reported for Q3 are as follows:-

<b>Summary of 3rd Quarter Budget Monitoring Report</b>			
	<b>Joint</b>	<b>Adur</b>	<b>Worthing</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Current Budget 2017/18	20,743	9,708	15,632
Projected outturn	20,831	9,694	15,586
Projected Forecast over/ (underspend)	88	(14)	(46)
Projected over/(underspend) percentage	0.4%	(0.1%)	(0.3%)

Comparison to the Q2 forecast outturn:-

	<b>Joint</b>	<b>Adur</b>	<b>Worthing</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Forecast Over / (Under) spend Q3	88	(14)	(46)
Forecast Over / (Under) spend Q2	297	(176)	(117)
Change from Q2 to Q3: (Improvement) / Deterioration	(210)	162	71

The JSC budgets are held separately and operate as holding accounts. They represent pooled budgets of Adur and Worthing Councils. All expenditure and income in the JSC budgets are recharged back to the respective authorities. The reported budget variances in Adur and Worthing, in the table above, include the total share transferred from the Joint.

4.4 The Joint Strategic Committee (JSC) is asked to consider:-

- the current projections of variations in the two Councils General Fund Revenue Budgets and the anticipated position relating to the staff vacancy provision;
- the current projections of variations in the Adur Housing Revenue Account; and
- any amendments and virements to budgets for each Council which may require a recommendation onto Council for approval;

4.5 We adopt a more structured approach to services which have more volatile budgets or hard to predict income streams. For 2017/18, these services are:-

- Crematorium

#### 4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

- Development Control and Building Control
- Homelessness
- Theatres – currently on target to meet approved budget
- Trade Refuse

4.6 Most of these services are subject to closer monitoring because they meet one or more of the following criteria:-

- Demand led
- Income based
- Specialist
- Significant changes to the service are being made in the near future.

#### 4.7 **Headline budget variations across both the Councils' and the Joint account**

##### 4.7.1 **Car Parks**

###### Worthing

Income from off street parking is exceeding the budget and currently additional income of £150,000 is being forecast for the year. The increase is in part due to the increased take up of the Town Centre Workers deal allowing customers working in the BN11 area to park for £4 per day. The application process has been simplified and the scheme promoted by the team resulting in increased uptake. More customers are also choosing to pay using the RingGo app in surface car parks.

The fees increased in January, the impact of this is yet to be analysed and therefore not included in the current forecast.

###### Adur

There is a forecast shortfall in on street PCN income of £40,000, but this is offset by additional income forecast from the off street car parks.

Parking income is subject to external factors including the weather and the economy and it will continue to be monitored closely.

##### 4.7.2 **Housing Management**

The cost of providing emergency and temporary accommodation continues to increase and reflects rising demand across the South East, including Adur and Worthing, changes to service delivery and the lack of housing supply for those needing affordable accommodation. Currently there are 79 cases in emergency accommodation in Worthing and 40 cases in Adur, this compares with 76 cases and 35 cases respectively in quarter 2.

Emergency accommodation (EA) is where we place individuals / families that meet certain initial criteria whilst we fully assess our duty to house the household.

## 4.7 **Headline budget variations across both the Councils' and the Joint account**

### 4.7.2 **Housing Management**

Investigation of this duty should take 33 days, at which time if we accept a full housing duty, the household is moved into long term temporary accommodation (TA). The household will also be added to the housing register, assigned a 'banding' and is able to bid for suitable properties that become available.

Across the South East there is competing demand between local authorities for both emergency and temporary accommodation, the latter often being leased private sector accommodation. As a consequence prices in some areas (e.g. Worthing) are being pushed beyond the reach of the Councils and the supply of suitable emergency and temporary accommodation within the Borough is reduced. The Councils are still faced with placing some clients in costly budget accommodation hotel chains when no other suitable options are available. In recent months the Councils have expanded its supply of EA by securing additional leasehold units. Additionally, Worthing Council's Planning Committee has approved plans put forward by Worthing Housing department in conjunction with Roffey Homes and Worthing Churches Homeless Project, to convert a former NHS building into a 37 bedroom temporary accommodation centre. The Council will have nomination rights for 18 of the accommodation units which will provide a saving of £160 per week per unit compared to the cost of bed and breakfast. There is very real competition in the housing market for suitable properties; however the team is committed to continuing to explore options to increase the supply of suitable emergency accommodation.

In response to this, the Councils have adopted a new strategy for sourcing both temporary and emergency accommodation as agreed at the Joint Strategic Committee in September 2017. The Councils committed to investing £3m in emergency temporary accommodation to reduce the need to rely on expensive private sector provision as a solution.

Since this time the Councils have successfully procured a number of temporary accommodation units in the local area. Officers are continuing to actively appraise other potential property purchases that will allow the Councils to directly provide high quality emergency accommodation at rates much lower than the private sector. A cross council working group is meeting regularly to appraise and progress these schemes as quickly as possible, while ensuring the Councils are spending their investment wisely.

A further budget pressure has resulted from a government change in housing benefit subsidy. Previously councils received a payment of a management fee per temporary accommodation placement via housing benefit; this has been replaced by a grant. The initial impact of this was a predicted shortfall of £75,000 for Worthing in 2017/18. With ever increasing demand and an increasing number of households remaining in temporary accommodation, the shortfall for Worthing Borough Council in 2017/18 is now estimated at £134,000. This could increase further if demand continues to rise. Adur District Council is not being affected to the same extent as the basis of the grant funding is closer to the current demand in the area.

#### 4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

##### 4.7 Headline budget variations across both the Councils' and the Joint account

##### 4.7.2 Housing Management

Housing Management - Full Year forecast						
	2016/17			2017/18 - Full Year Projection		
	Budget for Year	Actual for Year	Variance for Year Over / (Under)	Budget for Year	Forecast for Year	Projected Variance for year Over / (Under)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>ADUR</b>						
ETA Expenditure	248	452	204	318	681	363
ETA rental income	(100)	(175)	(75)	(101)	(250)	(149)
Grant funding	-	(42)	(42)	-	(184)	(184)
	148	235	87	217	247	30
<b>WORTHING</b>						
ETA Expenditure	355	1,130	775	748	1,745	997
ETA rental income	(120)	(532)	(412)	(259)	(966)	(707)
Grant funding	-	(295)	(295)	-	(120)	(120)
	235	303	68	489	659	170
	383	538	155	706	906	200

Housing Management - Comparative Financial position at December						
	2016/17- Year to Date			2017/18 Year to Date		
	Budget to P9	Actual income P9	Variance for Year Over / (Under)	Budget to P9	Actual income P9	Projected Variance for year Over / (Under)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>ADUR</b>						
ETA Expenditure	207	358	151	212	485	273
ETA rental income	(83)	(154)	(71)	(68)	(187)	(119)
Grant Funding	-	-	-	-	(184)	(184)
	124	204	80	144	114	(30)
<b>WORTHING</b>						
ETA Expenditure	199	901	702	498	1,284	786
ETA rental income	(100)	(464)	(364)	(172)	(668)	(496)
Grant Funding	-	-	-	-	(120)	(120)
	99	437	338	326	496	170
	223	641	418	470	610	140

## **4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST**

### **4.7 Headline budget variations across both the Councils' and the Joint account**

#### **4.7.3 Development Management & Planning Policy**

Worthing Development Management income is slightly lower than budget and is predicted to underachieve by only £8,000, this is a significant improvement since quarter two when the forecast was an underachievement of £80,000. Adur's Development Management is forecast to be on target, this is a change from quarter 2 when it was forecast to overachieve by £50,000. These movements reflect both a review of the allocation of the staff and support costs between the councils since the last report to Committee, the split now more accurately reflects activity and a significant increase in the number of planning applications received in Worthing. The situation will be further improved by the increase in planning fees by 20% which took effect on the 17th January 2018 (it was originally expected to be implemented last June).

Adur's Planning policy team is currently forecasting an overspend against its budget by £65,000; this is due to additional costs arising from the progression and examination of the Adur Local Plan.

#### **4.7.4 Waste and Cleansing**

Commercial Waste income is exceeding the budget and it is estimated there will be an achievement of £7,000 in Adur and £55,000 in Worthing above the budgeted income target by the end of the financial year. Disposal costs however, are exceeding budget due to a price increase notified after budget was set, for Adur this is £51,000 and for Worthing £196,000.

Agency staff costs continue to be higher than budget due to a combination of the higher minimum wage, long term sickness, extra crew required to cope with the increasing numbers of properties and an increase in the take up of the green bin service. Also some of the staff savings identified in the saving plan haven't materialised due to workload, and the delay in the delivery of the new fleet. The expenditure is necessary to enable the smooth running of the service.

West Sussex County Council have now finalised the 2016/17 income figures from the sale of recycling materials. The Adur and Worthing service will receive a share of this totalling £97,000. This is partially offset by the underachievement of an £50,000 income target at Commerce Way depot which is included in the 2017/18 budget.

Although still early days but the new fleet are showing a saving on diesel costs of around £46,000.

The 2017/18 budget includes savings from additional income generation and expenditure reduction of £435,000. Overall the service will overspend by £192,000 and so has only partially achieved this target in the current year. Looking ahead to 2018/19, the budget for tipping charges has now been corrected and the issues with

staffing are being resolved so it is expected that the service will deliver on budget in the forthcoming year.

#### 4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

##### 4.7 Headline budget variations across both the Councils and the Joint account

##### 4.7.4 Waste and Cleansing

	Adur £'000	Worthing £'000	Total £'000
Additional Agency Staff costs	36	64	100
Additional tipping charges	51	196	247
Reduction in fuel costs	-17	-29	-46
<b>Total net additional costs</b>	<b>70</b>	<b>232</b>	<b>301</b>
Net additional income from recycling credits	-15	-32	-47
Additional income from trade waste	-7	-55	-62
<b>Total additional income</b>	<b>-22</b>	<b>-87</b>	<b>-109</b>
<b>Net additional costs</b>	<b>48</b>	<b>144</b>	<b>192</b>

##### 4.7.5 Environment

The Crematorium generates a net income to the council of £1.4m. It is forecast to underachieve its £2.5m gross income budget by £60,000. This is a £40,000 improvement on the shortfall reported to committee for quarter 2. The underachievement is due to an increase in the number of delivery only cremations, (where there is no family or other service associated with the cremation), a reduced Cameo abatement contribution of £12,000 and a rebate paid relating to last year of £18,000. Work is currently being undertaken by the service to review projected future demand and fee structure across the bereavement service as a whole.

Parks & Open Spaces – There is a £23,000 underachievement of Beach Hut income for new huts due to a delay in applying for planning approval. In Parks there is an income shortfall forecast of £17,400, this is as a result of income budgets remaining in the service where the business has been transferred to new franchise/concessions. These income budgets have been removed for 2018/19.

Brooklands Par 3 Golf course has been closed since the works started on the Rampion wind farm in 2016. It was expected that the course would be returned to Council use in 2017/18 and the income budget of £98,000 was reinstated. There has been a delay in the return of the course to the Council and consequently no income is being generated, an estimated shortfall of £50,000 has been included in the outturn forecast. A claim for loss of income is under negotiation with Rampion and they have indicated that a determination will be made once the figures have been scrutinised by their finance department.



## **4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST**

### **4.7 Headline budget variations across both the Councils' and the Joint account**

#### **4.7.6 Strategic Property Investments**

Additional commercial rent income is anticipated from new Strategic Investments in properties, and rent reviews. (Adur £69,000 and Worthing £50,000). This is a reduction in what was reported in quarter 2 and is due to a review and write-off of current debts outstanding.

#### **4.7.7 Building Control and Land Charges**

Building Control income is not predicted to meet its income budget. The service is under increasing levels of competition from the private sector albeit it has increased fee income compared to last year. In response to the budget shortfall and to secure savings for next year a restructure of the service has been undertaken and a new Building Control Partnership Manager has been appointed.

Land Charges has moved to Planning and Development as a result of the recent restructure. Fee income is down for the service but this is due to fluctuations in the property market. The service has been affected by delays in implementing a new digital platform and this has affected performance and customer satisfaction. As this service is also in competition with the private sector it is important that the technical issues with the new digital provider are resolved as quickly as possible and an action plan is in place to resolve these issues.

#### **4.7.8 Revenues and Benefits**

Overpayments are expected to exceed its budget for Worthing; the current forecast is £175,000. There are grant income budgets in 2017/18, which are no longer received (Adur £70,120, Worthing £54,660). These will be removed during the next budget process. There is the possibility of an underachievement in the recovery of court costs in both Adur and Worthing as a result of changes in the process, which takes a more customer focused approach in engaging with customers earlier in the process prior to Court action being instigated. Some one-off grants have been received that contribute towards the costs of work required for changes in legislation related to data sharing and reporting real time information.

On 1<sup>st</sup> October 2017 Adur's Revenues & Benefits team joined the Worthing service. There have been some additional set up costs/curtailment costs due to the merging of the teams; it is anticipated that these costs will be contained within the current budget.

#### **4.7.9 Elections**

During work on the current claim for election expenses to Central Government (Police and Crime Commissioner and General elections) an error relating to VAT has been identified associated with prior year claims. The VAT on supplies has been reclaimed from HM Revenues and Benefits (HMRC) by Adur and Worthing however this should have been done by Central Government who reimburse gross

costs to Councils. (Adur £32,000 and Worthing £40,000). A declaration will need to be made to HMRC.

#### **4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST**

##### **4.7 Headline budget variations across both the Councils' and the Joint account**

###### **4.7.10 External Borrowing Costs, Investments and Minimum Revenue Provision**

Both Councils have an underspend on MRP due to a lower than anticipated borrowing requirement. Adur will underspend by approximately £272,000 and Worthing by approximately £305,000 (previously £400,000). This is due to re-profiling of the 2016/17 capital programme which reduces down the MRP required in the current financial year. The Worthing projection allows for a reduction in the previously reported MRP underspend of £95,000. This element of the underspend is being used to fund the marketing and associated costs for the Grafton site development.

In respect of returns on investments, Adur is projecting additional income of £10k and Worthing of £16k. Adur is projecting an underspend on interest payments on borrowing of £4k and Worthing an underspend of £61K, but this will depend upon the progress of capital schemes which may necessitate additional borrowing towards the year-end.

##### **4.8 Budget variations greater than £20,000**

The Councils individual Summary Projected Outturns are reported in Appendix 1a for Adur District Council and Appendix 2a for Worthing Borough Council.

The variations greater than £20,000, for this report, are detailed in Appendix 4.

There are some expenditure items that are not identified until the year end that will impact on the final outturn. These items can have a positive or negative impact on the final position. They include:-

- Movement in the estimate for doubtful debts
- A review of any amounts needed to be set aside for liabilities that are likely to occur in the future
- Changes in allocations of staff time to outside the General Fund

##### **4.9 Future Risks**

There are no future risks to report at quarter 3.

##### **4.10 Cross Cutting Budgets**

The following categories of expenditure are analysed across various services. It is anticipated that this will be on target

- Equipment, furniture and material
- Postage
- Printing stationery and office supplies
- Consultancy costs

- Travel costs

#### 4. ISSUES FOR CONSIDERATION - REVENUE 2017/18 FORECAST

##### 4.11 Vacancy Savings and Pay Award

The councils have a total vacancy saving target of £760,150 for 2018/19. As at Quarter 3 it is anticipated that the vacancy saving will not be met by £85,500. This is an improvement on the position in quarter 2, when a forecast £224,000 shortfall was reported. The vacancy saving will continue to be monitored and the position may improve depending on future staff changes.

##### 4.12 Housing Revenue Account

4.12.1 The Adur Housing Revenue Account is a ring fenced account. The HRA forecast is shown in Appendix 3.

	ORIGINAL ESTIMATE 2017/18	PROJECTED OUTTURN 2017/18	PROJECTED OVER/ (UNDERSPEND) 2017/18
	£	£	£
General Management and other	3,850,390	3,800,390	(50,000)
Annual Revenue Maintenance costs	2,883,030	2,778,030	(105,000)
Capital Financing costs & Depreciation	6,729,160	6,679,160	(50,000)
Contribution to Reserves	-	-	-
Provision for Bad Debt	50,000	50,000	-
<b>Total Expenditure</b>	<b>13,512,580</b>	<b>13,307,580</b>	<b>(205,000)</b>
Less Income	(13,330,660)	(13,275,660)	55,000
			-
<b>Net (Surplus) / Deficit</b>	<b>181,920</b>	<b>31,920</b>	<b>55,000</b>
Funded from Reserves	(181,920)	(181,920)	
<b>Overall position</b>	<b>-</b>	<b>(150,000)</b>	<b>(150,000)</b>

4.12.2 The HRA is forecasting a surplus for 2017/18 where it was previously predicting to break even position. The improvement is due to revised projections for Management and revenue costs and a reduction in the anticipated capital costs. A number of income shortfalls have arisen during quarter 3 but these can be covered by reductions in expenditure elsewhere in the budget.

4.12.3 A programme of work is underway to address rent arrears which have risen since last year - a new officer in the team is working to improve recovery which is beginning to have an impact.

#### 5. ENGAGEMENT AND COMMUNICATION

- 5.1 The Corporate Leadership Team and budget managers have all collaborated in the content of this report providing explanation and narrative on the forecast variances.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 At the end of the 3<sup>rd</sup> Quarter of the revenue budgetary cycle, it is anticipated that the Joint Committee will have an overspend of £87,500 whilst Adur District Council and Worthing Borough Council will have an underspend of £14,000 and £46,100 respectively.

**Finance Officer:** Sarah Gobey

**Date:**

## **7. LEGAL IMPLICATIONS**

- 7.1 Consult with legal services as early as possible identify any legal issues and the statutory power or duty that the Councils will use to carry out the proposal.

**Legal Officer:** Susan Sale

**Date:**

## **Local Government Act 1972**

### **Background Papers**

Revenue Budget 2017/18 Joint, Adur and Worthing – 2017/18 Budget Book

<https://www.adur-worthing.gov.uk/media/media,144912,en.pdf>

Joint Overall Budget Estimates 2017/18–

<https://www.adur-worthing.gov.uk/media/media,142986,en.pdf>

Adur Overall Budget Estimates 2017/18 and Setting of 2017/18 Council Tax –

<https://www.adur-worthing.gov.uk/media/media,143291,en.pdf>

Worthing Overall Budget Estimates 2017/18 and Setting of 2017/18 Council Tax –

<https://www.adur-worthing.gov.uk/media/media,143244,en.pdf>

Joint Revenue Outturn 2016/17

<https://www.adur-worthing.gov.uk/media/media,145065,en.pdf>

### **Officer Contact Details:**

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# SUSTAINABILITY AND RISK ASSESSMENT

## 1. ECONOMIC

Matter considered and no issues identified

## 2. SOCIAL

### 2.1 Social Value

Matter considered and no issues identified

### 2.2 Equality Issues

Matter considered and no issues identified

### 2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

### 2.4 Human Rights Issues

Matter considered and no issues identified

## 3. ENVIRONMENTAL

Matter considered and no issues identified


## 4. GOVERNANCE

Matter considered and no issues identified

## SUMMARY - 3rd QUARTER PROJECTED OUTTURN 2017/18

APPENDIX 1a

Actual Previous year 2016/17	ADUR CABINET MEMBER PORTFOLIOS	Original Estimate 2017/18	Current Estimate 2017/18	Projected Outturn to 31st March 2018	Forecast Over/(Under)
3,281,303	CM for Environment	3,067,650	3,067,650	3,111,650	44,000
1,009,226	CM for Health & Wellbeing	907,600	907,600	907,600	-
431,074	CM for Customer Services	642,150	642,150	742,150	100,000
728,107	Leader	626,870	626,870	658,870	32,000
2,377,935	CM for Regeneration	2,312,750	2,312,750	2,373,750	61,000
2,244,842	CM for Resources	1,960,440	1,960,440	1,981,440	21,000
(0)	Holding Accounts	190,140	190,140	190,140	-
10,072,487	<b>Total Cabinet Member</b>	9,707,600	9,707,600	9,965,600	258,000
(1,295,885)	Credit Back Depreciation	(1,378,220)	(1,378,220)	(1,378,220)	-
889,148	Minimum Revenue Provision	818,480	818,480	546,480	(272,000)
538,342	Non ring fenced grants	-	-	-	-
2,163	Financial Instruments Adjustment Account	-	-	-	-
10,206,255		9,147,860	9,147,860	9,133,860	(14,000)
	<b>Transfer to/from reserves</b>				
-	Contribution to/(from reserves)	14,000	14,000	14,000	-
	Budgeted contribution to/(from) Reserves	4,000	4,000	4,000	-
(506,799)	Transfer from reserves to fund specific expenditure (inc carry forwards)	-	-	-	-
80,854	Net Underspend/(Overspend) Recommended For Transfer To/(From) Reserves	-	-	14,000	14,000
<b>9,780,310</b>	<b>Total Budget requirement before External Support from Government</b>	<b>9,165,860</b>	<b>9,165,860</b>	<b>9,165,860</b>	<b>-</b>


 ADUR DISTRICT COUNCIL <b>EARMARKED REVENUE RESERVE ACCOUNTS</b>	<b>Opening Balance</b>  <b>2017/18</b>	<b>Estimated Decrease</b>  <b>2017/18</b>	<b>Estimated Increase</b>  <b>2017/18</b>	<b>Projected Closing Balance</b>  <b>2017/18</b>
	£	£	£	£
<b>Capacity Issues Fund including General Fund Carry Forward Reserve</b>	117,187			
Consolidation of New Technology Fund into Capacity Issues	22,300			
Consolidation of Health & Safety Reserve into Capacity Issues	32,545			
Project Manager for CENSUS review (8/10/15 JSC/042/15-16)		(39,188)		
Redundancy costs (24/04/17 JAW/8/16-17)		(59,310)		
<b>Carry forward from 2016/17 approved at JSC 11 July 2017: Fishersgate caretaker</b>		(8,000)		
Budgeted contribution to/(from) revenue			4,000	
Balance				69,534
<b>Insurance Fund</b>	180,851	(52,870)	30,000	157,981
<b>Investment Property Maintenance Fund - Revenue Maintenance Programme</b>	38,387	(25,900)		12,487
<b>Grants and Contributions held in Reserves</b>	425,872			425,872
<b>Election Reserve</b>	7,880			7,880
<b>Special and Other Emergency Reserve</b> Redundancy costs (22/06/17 JAW/1/17-18)	86,103	(25,850)		60,253
<b>Projected Underspend/(Overspend) (Reserve to be identified at outturn)</b>			14,000	14,000
<b>General Fund Reserve</b>	408,171			408,171
<b>TOTALS</b>	1,319,295	(211,117)	48,000	1,156,178

SUMMARY - 3rd QUARTER PROJECTED OUTTURN 2017/18

APPENDIX 2a

Actual Previous year 2016/17	WORTHING CABINET MEMBER PORTFOLIOS	Original Estimate 2017/18	Current Estimate 2017/18	Projected Outturn to 31st March 2018	Forecast Over/(Under)
3,686,204	CM for Environment	2,890,240	2,890,240	3,031,640	141,400
1,302,969	CM for Health & Wellbeing	1,286,210	1,286,210	1,286,210	-
4,245,861	CM for Customer Services	5,425,580	5,425,580	5,475,580	50,000
982,769	Leader	1,054,600	1,054,600	1,094,600	40,000
2,561,959	CM for Regeneration	2,621,670	2,621,670	2,673,670	52,000
2,705,754	CM for Resources	2,519,070	2,519,070	2,494,570	(24,500)
-	Holding Accounts	(165,700)	(165,700)	(165,700)	-
15,485,516	<b>Total Cabinet Member</b>	15,631,670	15,631,670	15,890,570	258,900
(3,129,800)	Credit Back Depreciation	(3,323,380)	(3,323,380)	(3,323,380)	-
976,560	Minimum Revenue Provision	1,072,620	1,072,620	767,620	(305,000)
(108,209)	Non ring fenced grants	-	-	-	-
13,224,067		13,380,910	13,380,910	13,334,810	(46,100)
	<b>Transfer to/from reserves</b>				
	Contribution to/(from reserves)	86,250	86,250	86,250	-
	Budgeted contribution to/(from) Reserves	1,470	1,470	1,470	-
145,668	Transfer from reserves to fund specific expenditure (inc carry forwards)	-	-	-	-
668,885	Net Underspend/(Overspend) Recommended For Transfer To/(From) Reserves	-	-	46,100	46,100
<b>14,038,620</b>	<b>Total Budget requirement before External Support from Government</b>	<b>13,468,630</b>	<b>13,468,630</b>	<b>13,468,630</b>	<b>-</b>



 WORTHING BOROUGH COUNCIL <b>EARMARKED REVENUE RESERVE            ACCOUNTS</b>	<b>Opening Balance 2017/18</b>	<b>Estimated Decrease 2017/18</b>	<b>Estimated Increase 2017/18</b>	<b>Projected Closing Balance 2017/18</b>
	£	£	£	£
<b>Capacity Issue Reserve</b> - Marketing/legal costs re disposal of High St & Civic Centre car park sites (28/02/12 JSC/094/11-12) up to £50k each  - Funding for Decoy Farm survey (22/7/14 JSC/031/14-15) - Redundancy costs (24/04/17 JAW/8/16-17)  <b>Expenditure funded from approved carry forwards from 2016/17</b> - Worthing carry forwards from 2016/17 agreed Joint Strategic Committee 11th July, 2017  - Budgeted contribution to/(from) revenue  <b>Balance</b>	846,341	(100,000)  (150,000)  (87,460)  (128,560)	1,470	381,791
<b>Insurance Reserve</b>	388,949	(38,870)	30,700	380,779
<b>Joint Health Promotion Reserve</b>	9,910	(9,910)		0
<b>Leisure Lottery &amp; Other Partnerships - 01/02/18</b> JSC/078/17-18 for Museum Costume Research Centre	77,166	(50,000)		27,166
<b>Museum reserve - 12/09/17 JSC/037/17-18</b> release of funds to support grant bid	114,012	(77,000)		37,012
<b>Theatre Ticket Levy</b>	63,821	(60,000)	90,000	93,821
<b>Special and Other Emergency Reserve</b> Redundancy costs (22/06/17 JAW/1/17-18)	41,827	(38,775)		3,052
<b>Grants &amp; Contributions</b>	574,292			574,292
<b>Capital Expenditure Reserve</b> Brooklands Environmental Scheme	73,158	(43,500)		29,658
<b>Projected Underspend/ (Overspend) (Reserve to be identified at outturn).</b>			46,100	46,100
<b>General Fund Working Balance</b>	843,625			843,625
<b>TOTAL</b>	3,033,101	(784,075)	168,270	2,417,296

**HOUSING REVENUE ACCOUNT QUARTER 3 BUDGET MONITORING**
**APPENDIX 3**

	<b>ORIGINAL ESTIMATE</b>	<b>PROJECTED OUTTURN</b>	<b>PROJECTED OVER/ (UNDERSPEND)</b>
	<b>2017/18</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPENDITURE</b>			
General Management	3,616,390	3,566,390	(50,000)
Special Services	191,170	191,170	-
Rent, Rates, Taxes & Other Charges	42,830	42,830	-
Repairs & Maintenance	2,883,030	2,778,030	(105,000)
Depreciation	4,406,760	4,406,760	-
Bad/Doubtful Debt	50,000	50,000	-
<b>Capital Financing Costs</b>			
Interest charges	2,322,400	2,272,400	(50,000)
Revenue Contributions to Capital	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>13,512,580</b>	<b>13,307,580</b>	<b>(205,000)</b>
<b>INCOME</b>			
Dwelling Rents	(12,183,440)	(12,173,440)	10,000
Non Dwelling Rents	(545,130)	(515,130)	30,000
Heating and Service Charges	(365,090)	(350,090)	15,000
Leaseholder's Service Charges	(209,000)	(209,000)	-
Interest Received	(28,000)	(28,000)	-
<b>TOTAL INCOME</b>	<b>(13,330,660)</b>	<b>(13,275,660)</b>	<b>55,000</b>
<b>NET (SURPLUS)/DEFICIENCY</b>	<b>181,920</b>	<b>31,920</b>	<b>(150,000)</b>

The variations greater than £20,000, for this report, are detailed below

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
<b>NET TRADING</b>				
Parking		-	(150)	Income from car parking is exceeding the budget for Worthing (mainly from surface car parks)
Total Net Trading	-	-	(150)	
Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
<b>INCOME:</b>				
Growth - Commercial Income		(69)	(50)	Net income after borrowing costs, re investments
Development Management - Fee Income	-	65	8	Projected shortfall for Worthing Development Management income. Unbudgeted costs incurred by Adur's Planning Policy Team relating to Adur Local Plan.
Building Control & Land Charges	-	65	94	Building Control Income, which is derived from fees set on a cost recovery basis is projected to be below target at year end. Growth targets and strategies are being worked on. Land charges forecast a shortfall in income.
Environment - Bereavement Services			60	Income shortfall relating to Crematorium (delivery only cremations lower income £48,000)
Environment - Parks & Open Spaces			90	Underachievement of Beach Hut income for new huts due to delay in Planning approval £23,000 and Parks income shortfall due to new franchise/concessions but budgets don't reflect these changes. Loss of income due to closure of the Par 3 golf course estimated at £50,000
Revenues & Benefits		70	(120)	ADC - old grant income budget, to be removed. WBC - Net Additional income from the recovery of housing benefits overpayments above budget and a grant income budget that won't be realised.
Total Income	-	131	82	

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
<b>COSTS:</b>				
<b>Business &amp; Technical Services</b>	10	-		Overspend net of various minor overspends - salaries, travel expenses
<b>Elections</b>		32	40	VAT liabilities on all Elections going back several years
<b>Waste Services</b>	7	44	141	Increased Agency staff costs. Overspend on Trade Waste disposal costs due to increase after the budget was set (offset partially by increased income). Savings on diesel costs.
<b>Homelessness</b>	-	30	170	Emergency accommodation costs are continuing to increase to meet demand. This is partially offset by a grant provided to cover removal of the management element of the benefit subsidy. Review and reduction of the anticipated income to be received by Adur.
<b>Telephony</b>	(40)			Overspend on Telephony - BT & Vodafone, as old systems contracts are cancelled, this should mitigate any further overspend (60k), Offset by a projected underspend on Census ICT Budgets of £100k.
<b>Finance</b>	-	(272)	(305)	Savings on MRP
<b>Finance</b>	-	(14)	(77)	Net savings due to changes in interest rates on borrowing and additional interest income on investments
<b>Wellbeing</b>	25			Adur -Security and other costs associated with Fishersgate Community Centre whilst the centre has remained empty, will result in a year end overspend. A new occupant is being sought
<b>Vacancy Provision</b>	86			Underachievement on Vacancy Provision forecast.
<b>Allocation of Joint Variance</b>		35	53	Share of joint services allocated 40:60 to Councils
<b>Total costs</b>	88	(145)	22	
<b>Total Variance</b>	88	(14)	(46)	

Movement between quarters greater than £50,000 are detailed below

Service Area	Joint £000s (spend decrease)/ spend increase	Adur £000s (spend decrease)/ spend increase	Worthing £000s (spend decrease)/ spend increase	Significant Variations
<b>Growth - Commercial Income</b>	-	-	50	Review of current outstanding debt.
<b>Development Management</b>	-	115	(72)	Review of the cost allocation between councils to ensure apportionment reflects activity. Worthing has received some significant planning application fee income.
<b>Building Control</b>	-		54	Building Control and Land charges are suffering from increasing levels of competition and Land charges are bedding in a new digital platform
<b>Benefits</b>	-		80	Reduction in forecast income from overpayments. Court cost income expected to reduce as process changes to engage with customers at an earlier stage.
<b>Homelessness</b>	-	81		Increased emergency accommodation to meet demand. Previous overestimation of income to be received by Adur.
<b>ICT (Census)</b>	(100)			Underspend in Census costs forecast
<b>Finance</b>	-		107	£95,000 MRP underspend being transferred to the Grafton Development project.
<b>Vacancy Provision</b>	(139)	-	-	Improvement in the underachievement of the vacancy target.