



ADUR DISTRICT
C O U N C I L

24 February 2022

**Adur Council Meeting
24 February 2022**

Harper Hall, Shoreham Centre

7.00 pm

Agenda

16 February 2022

ALL MEMBERS OF THE COUNCIL are hereby summoned to attend for the following business:

Part A

1. Apologies for Absence

2. Declarations of interest

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

3. Questions from the public

To receive any questions from members of the public addressed to Members of the Executive in accordance with Council Procedure Rule 11. There is up to 5 minutes for each question, one supplementary question may be asked arising from the original question.

Questions must relate to any matter the Council has power or which affects the District except no questions may be asked on

- a) A specific planning or licensing application
- b) A specific staffing appointment or appeal or Standards determination

Public question time will last up to 30 minute; questions will be taken in order of receipt. The deadline for submissions is Tuesday 22 February at 12 noon.

Questions to be submitted to democratic.services@adur-worthing.gov.uk

4. Confirmation of Minutes

Interim Director for Communities
Tina Favier
Adur & Worthing Councils
Town Hall, Chapel Road
Worthing, West Sussex BN11 1HA

To approve the minutes of the meeting of the Council on 16 December 2021, copies of which have been previously circulated.

5. Announcements by the Chairman, Leader of the Council, Executive Members and / or Head of Paid Service

6. Items raised under urgency provisions

To consider any items the Chairman has agreed are urgent

7. Recommendations from the Executive and Committees to Council (Pages 1 - 10)

To consider recommendations to the Council, details of which are set out in the attached items as 7A-D. Full reports are available on the website as listed below:

	Executive/Committee	Date	Item
A	Licensing Committee	17 January 2022	ADC - LC/6/21-22 Gambling Act 2005 Review of Statement of Licensing Policy
B	Joint Governance Committee	25 January 2022	JGC/042/21-22 Appointment of External Auditor
C	Adur Executive	1 February 2022	A EX/5/21-22 Budget Estimates 2022/23 and setting of the 2022/23 Council Tax <i>This item will be taken in conjunction with item 9, located elsewhere in the agenda</i>
D	Joint Strategic Committee	8 February 2022	JSC/086/21-22 Joint Treasury Management Strategy Statement and Annual Investment Strategy 2022/23 to 2024/25, Adur District Council and Worthing Borough Council

8. Suspension of Council Procedure Rules

The Council is asked to suspend Council Procedure Rules for consideration and determination of item 9 on the agenda, where they conflict with the Budget Procedure Rules in accordance with paragraph 7.2 of the Budget Procedure Rules.

9. Council Tax 2022/23 (Pages 11 - 86)

To consider and set the Council Tax for 2022/23.

A separate budget pack, produced by the Director for Digital, Sustainability and Resources, shall be circulated as item 9, and the recommendation from the Executive, at item 7C, will also be considered as part of this item.

10. Council Tax Support Scheme - Additional discretionary discounts (Pages 87 - 92)

To consider a report by the Director for Digital and Resources, copy attached as item 10

11. Report of the Leader on decisions taken by the Executive (Pages 93 - 104)

To receive a report from the Leader. The report contains executive decisions since the last Council meeting.

There is up to 15 minutes for Executive Members to make any statements on the report.

There is up to 15 minutes for Executive Members to respond to questions on the report; these questions will not be the same as any asked under 'Members Questions under Council Procedure Rule 12'

12. Designation of Monitoring Officer (Pages 105 - 108)

To consider a report by the Head of Paid Service, copy attached as item 12

13. Pay Policy Statement 2021/22 (Pages 109 - 122)

To consider a report by the Director for Digital, Sustainability and Resources, copy attached as item 13

14. Schedule of Meetings 2022/23 (Pages 123 - 124)

To receive from the Proper Officer, the Interim Director for Communities, the schedule of meetings for the Council and other meetings in the next Municipal Year. A copy of the schedule is attached as item 14.

The Council is invited to formally approve the dates for its meetings and to note the proposed meeting dates for Committees.

15. Members question time under Council Procedure Rule 12

Members question time will last up to 30 minutes, questions will be taken in order of receipt, in rotation from each political group on the Council. The deadline for submission of questions is Tuesday 22 February 2022 at 12 noon. Questions to be submitted to democratic.services@adur-worthing.gov.uk

Questions received can be asked of the following:

- a) The Chairman
- b) A Member of the Executive
- c) The Chairman of any Committee
- d) The Councils representative on any outside body

Questions cannot be asked on the following

- a) A specific planning or licensing application
- b) A specific staffing appointment, appeal or Standards determination



Tina Favier
Interim Director for Communities

Recording of this meeting

The Council will be live streaming this meeting, including public question time. A recording will be available on the Council's website as soon as practicable after the meeting. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).

For Democratic Services enquiries relating to this meeting please contact:

Chris Cadman-Dando
Democratic Services Officer
01903 221364
Email chris.cadman-dando@adur-worthing.gov.uk

For Legal Services enquiries relating to this meeting please contact:

Geoff Wild
Head of Legal Services
geoff.wild@adur-worthing.gov.uk



Council
24 February 2022
7A

Extract from the minutes of the Adur Licensing Committee 17 January 2022

ADC - LC/6/21-22 Gambling Act 2005 Review of Statement of Licensing Policy

Before the Committee was a report by the Interim Director for Communities, copies of which had been circulated to all members, a copy of which is attached to the signed copy of these minutes as item 6. Members were invited to review the draft statement of licensing Policy and invite Council to adopt the updated policy.

The Licensing officer introduced the report to the committee, summarising proposed changes and representations received. Members were also given an overview of the changing situation regarding gambling with an increase of online gambling and a decrease in traditional betting shops, particularly with regards to legislation concerning fixed odds betting terminals.

The Committee discussed the report and agreed to recommend the policy to full council for adoption

Resolved: that the committee recommend the draft statement of licensing policy for adoption by Full Council.

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Extract from the minutes of the Joint Governance Committee 25 January 2022

JGC/042/21-22 Appointment of External Auditor

The contract for external audit was due to come to an end in 2023 and the external auditor for the audit of the Councils' accounts for 2023/24 had to be appointed before the end of December 2022.

The report set out the approach to procuring a replacement supplier for the audit of the 2023/24 accounts and sought approval to use Public Sector Audit Appointments (PSAA) to procure a new supplier.

The recommendation was proposed by Councillor Steve Waight, seconded by Councillor Kevin Boram and unanimously supported by the Committee.

Resolved

The Joint Governance Committee **recommended that Adur and Worthing Councils opt in** to the Appointing Person arrangements made by the Public Sector Audit Appointments (PSAA) for the appointment of external auditors for the five years from 1st April 2023.

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Extract from the minutes of the Adur Executive - 1 February 2022

A EX/005/21-22 Budget Estimates 2022/23 and setting of the 2022/23 Council Tax

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

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

- The final revenue estimates for 2022/23 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2022/23, prior to its submission to the Council for approval on the 24th February 2021. This would be subject to any proposals to change the draft revenue budget following the consideration of the budget by the Executive.

The report outlined the medium term financial challenge through to 2026/27, discussed the continuing impact that the pandemic was having on the Council's finances over the next year, and set out performance in the key strategic areas of commercialisation, digital transformation and strategic asset investment. This had been updated to include the latest information regarding the impact of the pandemic on the Council financial position. The current budget strategy was having a significant effect on how the Council would be funded in the future with increasing income generated from commercial income and rents. Following the delay to the fairer funding review, the challenge still remained significant for 2023/24, however the delivery of the budget strategy would ensure that this was met.

The budgets reflected the Councils' ambitions set out in *Platforms for our Places: Going Further and 'And then'*, and agreed savings proposals contributing to the financial sustainability of the Councils. The report also updated members about the impact of the draft 2022/23 settlement.

The major points raised within the report included:

- A full update on the impact of settlement. The Council should prepare itself for a continuation of the reduction in Government resources for 2023/24 and beyond (see section 4.2);
- Creation of a Covid 19 contingency budget from one-off resources provided by Government to fund both covid related risks and any associated recovery actions throughout 2022/23;
- The proposed funding for initiatives to support the Councils' ambitions set out in *Platforms for our Places - Going Further and And Then*;
- Detailed the proposals to invest in services outlined in Appendix 2;
- The Executive needed to consider whether to increase Council Tax by 1.99% or by a lower amount (paragraph 5.10).

The budget was analysed by Executive Member portfolio. In addition, the draft estimates for 2022/23 had been prepared, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that did not impact either on the Budget Requirement or the Council Tax Requirement).

The Police and Crime Commissioner (PCC) had already been informed that the referendum criteria for this year was an increase of £10.00 per Band D property which would be equivalent to an increase of 4.65%. The proposed 2022/23 budget was due to be considered by the Sussex Police and Crime Panel (PCP) on 28th January 2022. If the proposals were vetoed by the PCP, revised proposals would be considered by the Panel on the 14th February 2022 at which point the Commissioner would be in a position to confirm the Council Tax for 2022/23 in time for Council on the 24th February 2021.

The draft Local Government Settlement allowed Councils to increase core Council Tax by up to 2%. Those Councils with responsibility for Adult Social Care could increase Council Tax by up to a further 1% which could be increased by up to 3% where they opted to defer the flexibility that was available to them in 2021/22. Therefore a Council Tax increase of between 3% and 6% for Councils with social care responsibilities was allowed for 2022/23.

The precept for West Sussex County Council had not yet been finalised and would not be confirmed until 18th February 2022. The formal detailed resolution setting the overall Council Tax for next year would be presented directly to the Council Meeting on 24th February 2022.

A Member asked questions in relation to the impact of a rise on interest rates on the budget and whether the Council would be better off not contributing towards the County Business Rate Pool. Officers advised that changes to interest rates could affect the Council's budget in two different ways. It would improve the Council's

investment yield but it may also affect the Council's cost of borrowing. It was noted that the Councils did tend to budget quite prudently for the cost of borrowing, assuming an average rate of around two to two and a half percent. In addition, a lot of the Council's borrowing was fixed for the longer term which reduced vulnerability to the impact of interest rises. In relation to the County Business Rate Pool, the county would be significantly better off as a result of pooling. The pool itself would generate in the region of £3m worth of additional resources across the county area. The approach to the pool was that it was generally invested into projects that benefited the whole area. It was also noted that these resources would have gone to the treasury and therefore the Council would never have been able to keep them locally.

Members thanked Officers for the report.

It was proposed that the Adur District Council share of Council Tax be increased by an average of 1.99% which would increase the average annual cost of a band D to £317.61. The final amount charged in each area would depend on whether special expenses were chargeable and the relevant parish precepts.

A recorded vote was taken, the results of which, are set out below:-

For: (6) - Councillors C Albury, B Boggis, K Boram, A Dunn, E Evans and N Parkin

Against: (0)

Abstentions: (0)

Decision

The Executive:-

- (a) approved the proposals to invest in services outlined in Appendix 2;
- (b) recommended to Council the draft budgets for 2022/23 at Appendix 5, as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £9,742,360 which included provision for the proposals in Appendix 2; and
- (c) recommended to Council an average increase of 1.99% in Council Tax, making the average Band D £317.61 for Adur District Council's requirements in 2022/23, as set out in paragraph 5.10;
- (d) recommended to Council that special expenses of £25.29 per Band D equivalent, to be charged in all areas of the District except Lancing;

- (e) approved the Council Tax base of 21,699.7 for 2022/23 as set out in paragraph 12.3.

Extract from the minutes of the Joint Strategic Committee - 8 February 2022

JSC/086/21-22 Joint Treasury Management Strategy Statement and Annual Investment Strategy 2022/23 to 2024/25, Adur District Council and Worthing Borough Council

The report asked Members to approve and adopt the contents of the Treasury Management Strategy Statement and Annual Investment Strategy for 2022/23 to 2024/25 for Adur and Worthing Councils, as required by regulations issued under the Local Government Act 2003.

Resolved

The Joint Strategic Committee:-

- i) approved the adoption of the TMSS and AIS for 2022/23 to 2024/25, incorporating the Prudential Indicators and Limits, and MRP Statements; and
- ii) **recommended the Prudential Indicators and Limits, and MRP Statements for approval by Worthing Council at its meeting on 22 February 2022, and by Adur Council at its meeting on 24 February 2022.**

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ADUR DISTRICT
COUNCIL

COUNCIL MEETING
24th February 2022
Agenda Item 9

Draft Revenue Budget 2022/23

If members have any queries regarding the detail behind the Revenue Budget, please contact Emma Thomas (01903 221232) or Sarah Gobey (01903 221221) prior to the meeting.

CONTENTS:

1. REPORT TO THE EXECUTIVE
Budget Estimates 2022/23 and Setting of the 2022/23 Council Tax
2. APPENDIX 1
5 year forecast for Adur District Council
3. APPENDIX 2
Proposals for investment in services
4. APPENDIX 3
Schedule of earmarked reserves
5. APPENDIX 4
Council Tax base for 2022/23
6. Recommendation from the Executive dated 1st February 2022
7. APPENDIX 5
Summary of Executive Member requirements and portfolio budgets (including summary of budget variations)
 - Summary of Executive Member Portfolios
 - Environment
 - Health and Wellbeing
 - Customer Services
 - Leader
 - Regeneration
 - Resources
8. APPENDIX 6
Prudential Indicators and MRP Policy - As recommended for approval by the Joint Strategic Committee on the 8th February 2022
9. COUNCIL TAX DETERMINATION 2022/23 - Draft report (final report to be provided following West Sussex County Council decision regarding Council Tax for 2022/23)



ADUR DISTRICT COUNCIL

Adur Executive
1 February 2022
Agenda Item 5

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

Budget Estimates 2022/23 and Setting of the 2022/23 Council Tax

Report by the Director for Digital, Sustainability & Resources

Officer Contact Details

Sarah Gobey, Chief Financial Officer, 01903 221221
sarah.gobey@adur-worthing.gov.uk

Executive Summary

1. Purpose

1.1 This report is the final budget report of the year, the culmination of the annual budgeting exercise, and asks members to consider:

- The final revenue estimates for 2022/23 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2022/23, prior to its submission to the Council for approval on the 24th February 2022. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget by the Executive.

1.2 The report outlines the medium term financial challenge through to 2026/27, discusses the continuing impact that the pandemic is having on our finances over the next year, and sets out performance in the key strategic areas of commercialisation, digital transformation and strategic asset investment. This has been updated to include the latest information regarding the impact of the pandemic on the Council financial position. The current budget strategy is having a significant effect on how the Council will be funded in the future with increasing income generated from commercial income and rents. Following the delay to the fairer funding review, the challenge still remains significant

for 2023/24, however the delivery of the budget strategy will ensure that this is met.

1.3 These budgets reflect the Councils' ambitions set out in *Platforms for our Places: Going Further and And then*, and agreed savings proposals contributing to the financial sustainability of the Councils. The report also updates members about the impact of the draft 2022/23 settlement.

1.4 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 2023/24 and beyond (see section 4);
- Creation of a Covid 19 contingency budget from one-off resources provided by Government to fund both covid related risks and any associated recovery actions throughout 2022/23;
- Highlights the proposed funding for initiatives to support the Councils' ambitions set out in *Platforms for our Places - Going Further and And Then*;
- Details the proposals to invest in services outlined in Appendix 2;
- The Executive will need to consider whether to increase Council Tax by 1.99% or by a lower amount (section 5.10).

1.5 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2022/23 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).

1.6 The Police and Crime Commissioner (PCC) has already been informed that the referendum criteria for this year is an increase of £10.00 per Band D property which would be equivalent to an increase of 4.65%. The proposed 2022/23 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 28th January 2022. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 14th February 2022 at which point the Commissioner will be in a position to confirm the Council Tax for 2022/23 in time for Council on the 24th February 2022.

1.7 The draft Local Government Settlement allows Councils to increase core Council Tax by up to 2%. Those Councils with responsibility for Adult Social Care can increase Council Tax by up to a further 1% which

can be increased by up to 3% where they opted to defer the flexibility that was available to them in 2021/22. Therefore a Council Tax increase of between 3% and 6% for Councils with social care responsibilities is allowed for 2022/23.

1.8 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 18th February 2022. The formal detailed resolution setting the overall Council Tax for next year will be presented directly to the Council Meeting on 24th February 2022.

1.9 The following appendices have been attached to this report:

- (i) **Appendix 1** 5 year forecast for Adur District Council
- (ii) **Appendix 2** Proposals for investment in services
- (iii) **Appendix 3** Estimated Reserves
- (iv) **Appendix 4** Council Tax base for 2022/23
- (v) **Appendix 5** Summary of Executive Member Portfolio budgets for 2022/23

2. Recommendations

2.1 The Executive is recommended to:

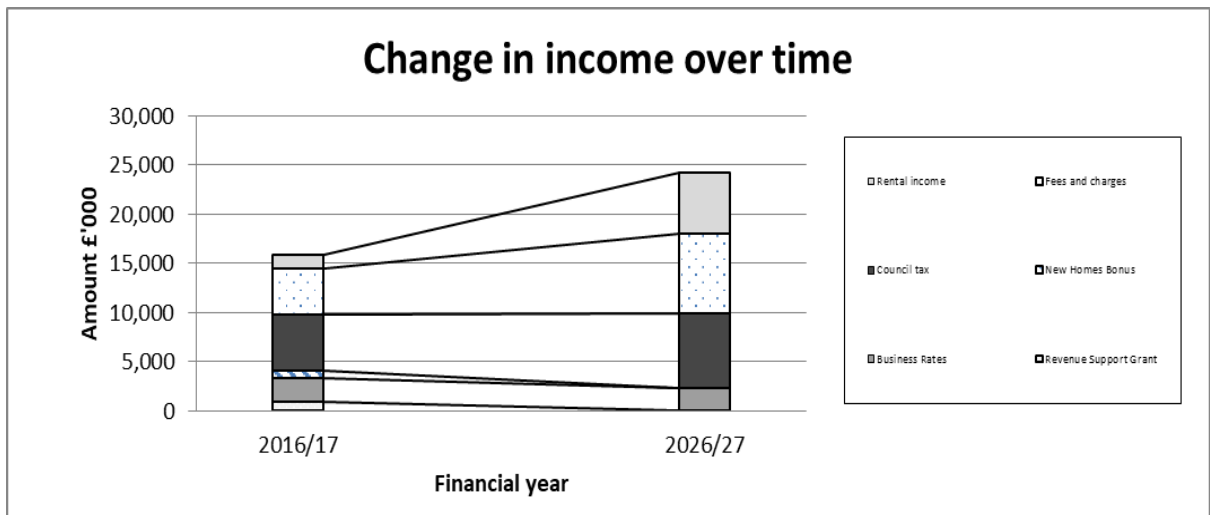
- (a) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 2;
- (b) Agree to recommend to Council the draft budgets for 2022/23 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £9,742,360 which includes provision for the proposals in Appendix 2, subject to any amendments agreed above; and
- (c) Consider which Band D Council Tax to recommend to Council for Adur District Council's requirements in 2022/23 as set out in section 5.10
- (d) Recommend to Council that special expenses of £25.29 per Band D equivalent to be charged in all areas of the District except Lancing.

- | |
|--|
| (e) Approve the Council Tax base of 21,699.7 for 2022/23 as set out in paragraph 12.3. |
|--|

3. INTRODUCTION

- 3.1 The Joint Strategic Committee considered the report 'Developing a revenue budget for 2022/23 at the time of a pandemic' on 13th July 2021. This report outlined the current financial context, the key budget pressures and the budget strategy for Adur and Worthing Councils. The report built on the strategy first proposed in 2015/16 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 and business rates.
- 3.2 To address the known pressures and to realise its ambitions set out in *Platforms for our Places*, the Councils have set-up several strategic programmes delivering new income and savings for the next 5 years:
- The Major Projects programme will lead on delivering regeneration projects to increase employment space and additional housing;
 - The Service Redesign programme leads on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work;
 - The Strategic Asset Management programme will lead on delivering the income growth associated with the Strategic Property Investment Fund;
 - The Commercial programme develops initiatives to promote income growth from commercial services and seeks to improve the customer experience; and
 - The Affordable Homes Working Group leads on initiatives to improve the supply of affordable homes and to reduce the cost of temporary and emergency accommodation.
 - The Corporate Landlord programme which seeks to rationalise accommodation use and generate capital receipts from the sale of surplus assets and thereby reducing the costs associated with funding priority projects identified in *Platforms for our Place: Going Further*.

- 3.3 The successful delivery of our strategy fundamentally changes how the Council is funded while pursuing transformational approaches to how we deliver services and work with our partners. The Council is moving increasingly away from government funding towards funding from the local community via Council Tax, and will become increasingly reliant on income from commercial activities over time. Between 2016/17 and 2026/27 income from locally controlled sources (including Council Tax) is expected to increase from £11.8m to £21.9m, whilst at the same time income controlled by central government (including a share of business rates) will reduce from £4.1m to £2.3m.



- 3.4 The subsequent report to the Joint Strategic Committee, on 7th December 2021 updated Members as to the latest budgetary information and the forecast shortfall was revised as follows:

Adur District Council	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – December forecast	155	1,202	1,371	1,725	2,066
Savings identified in December 2021	-168	-528	-888	-1,288	-1,618
Revised budget shortfall/ Surplus(-) as at December 2021	-13	674	483	437	448

- 3.5 The 2021/22 savings proposals identified within the report amounted to £168,000.
- 3.6 Since the meeting in December, the Adur District Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any proposals to reinvest back into services. Overall, therefore, the current financial position of the Council for 2022/23 can be summarised as:

	£'000
Original 2022/23 budget surplus	-22
<i>Changes to income from grants and taxation:</i>	
(a) Improvements to the income from Council Tax	-80
(b) Impact of current forecast Council Tax Collection Fund deficit / surplus (-)	6
(c) Improvement to business rate forecast	-29
(d) Increased government income to compensate for increase to National Insurance costs - continuation of lower tier grant.	-75
<i>Other changes:</i>	
(e) Increase in the use of the temporary and emergency accommodation	150
(f) Impact of 1.25% National Insurance payments	138
(g) Reprofiling of capital programme	-
(h) Impact of 2021/22 pay award and regradings	24
(i) Net committed growth items identified by Service Heads (See Appendix 2 of the JSC report approved on 7/12/2021)	113
(j) Removal of contingency budget for committed growth	-70
Revised budget surplus as at 7th December 2021	155
<i>Impact of Settlement</i>	
Final change to business rate income following confirmation of the tariff and new multiplier	2
One off funding:	
New Homes Bonus	-146
Additional Lower Tier Grant	-5
Service Grant	-121
Budget Surplus following settlement	-115

	£'000
Budget Surplus following settlement	-115
<i>Adjustment for final items identified</i>	
Final assessment of Council Tax income and the collection fund deficit for 2022/23	3
Covid Contingency budget	120
One-off costs associated with the Local Plan	55
Impact of new tipping charge contract	45
Further reduction in car parking income due to continued impact of pandemic on income.	52
Removal of revenues and benefits savings target - staff resources retained due to impact of Covid on work volumes.	18
Removal of contingency for new service investment proposals	-70
Revised Budget shortfall	108
Less: Net savings agreed in December	-168
Budget surplus based on a 2% Council Tax increase (before any further action is agreed)	-60

4. 2022/23 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 4.1 The government published the provisional local government finance settlement for 2022/23 on 16th December 2021 via a written statement. Consultation on the provisional settlement closed on the 16th January 2022. This is a one-year settlement and in many ways is similar to the 2021/22 settlement.
- 4.2 Settlement confirmed the referendum principles set out above. The Councils will be able to increase Council Tax by up to 2% or £5.00 whichever is the lower.
- 4.3 Ministers will be re-starting the local government funding reforms in the Spring. This means that the Fair Funding Review and baseline reset are both going to be under consideration again, for possible implementation in 2023/24.

4.4 The impact of settlement can be summarised as follows:

- ***Revenue support grant and baseline funding***

The Council will receive no Revenue Support Grant in 2022/23. Since 2016/17 the Council has seen Revenue Support Grant fall by £0.9m and has received no grant since 2018/19.

Whereas baseline funding (minimum amount of retained business rates) has frozen this year in line with the business rate multiplier at £1,767,150.

However, councils will be compensated for the impact of freezing of business rates via grants and the net overall impact of this change is a marginal loss of £2,000 in business rate income.

- ***Lower tier services grant (£111m nationally)***

This grant which is broadly distributed on the basis of need but also includes an element to support those with reductions in Core Spending Power. Adur District Council will receive £79,270.

- ***Services Grant (£822m nationally)***

A new one-off 2022/23 Services Grant has been created to fund core services which is distributed using the 2013/14 Settlement Funding Assessment methodology. Adur District Council will receive £121,820.

This funding will be excluded from any proposed baseline for transitional support as a result of any proposed system changes.

- ***New Homes Bonus***

New Homes Bonus (NHB) will continue for another year but the government very clearly intends to phase out the current scheme by 2023-24. For 2022/23, there is no change in the operation of the scheme: the scheme works in the same way and applies the same threshold (0.4%). The threshold means that NHB payments will only be made on an increase in the council tax base that exceeds 0.4%.

NHB allocations of £554m will be made nationally. This is a one off allocation in 2022/23 and the Council will receive an additional grant of £146,440.

However given the transitional nature of this payment, it is not proposed to use it to balance the budget. Instead it is proposed that this grant will be set aside into a Covid contingency budget discussed below.

Overall the Council is expected to use the following amounts in NHB to support the budget over the next few years.

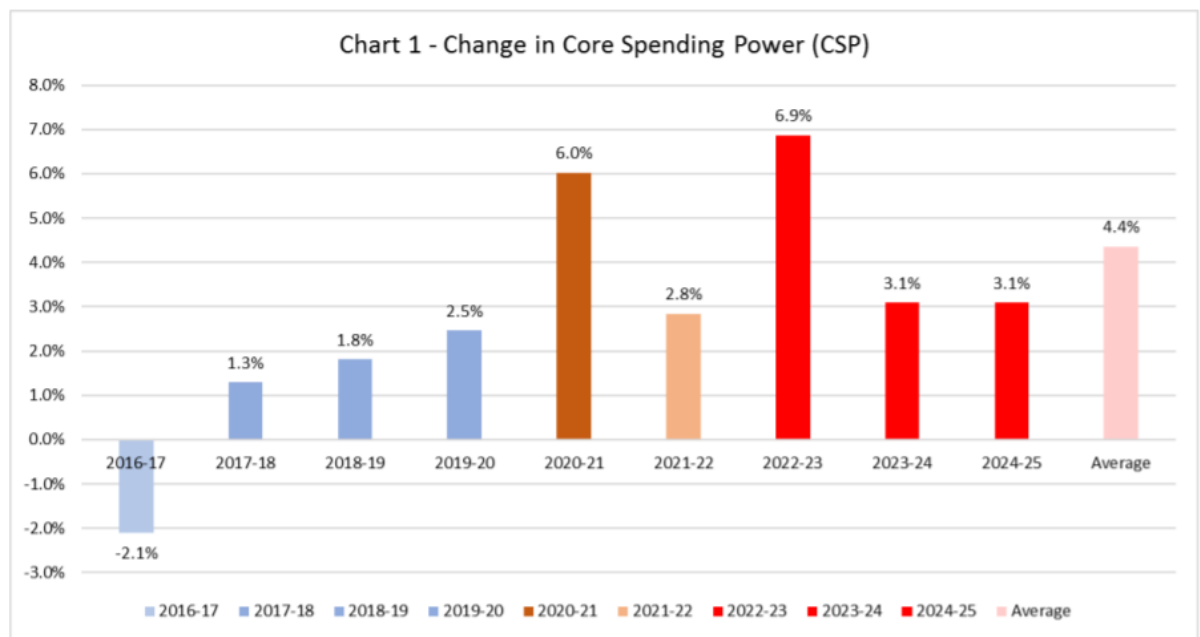
	2021/22	2022/23	2023/24 Onwards
	£'000	£'000	£'000
NHB used to support the budget			
2019/20 allocation	10	10	0
2021/22 allocation	8	0	0
2022/23 allocation		146	
Total NHB used to support the budget	18	156	0
One off payment in 2020/21 used to fund projects.	0	0	0
Total New Homes Bonus	18	156	0

4.4 Changes to local government funding in 2023/24 and beyond:

The Fairer Funding Review and the changes to the Business Rate Retention Scheme have now been delayed until 2023/24 at the earliest. However, there is now an intention to review and update the funding system with a clear indication that transitional arrangements will be in place for historic funding allocations.

4.4 Summary of 2022/23 Local Government Settlement

- 4.4.1 In overall terms, the 2022/23 settlement revealed that Core Spending Power (CSP which is the total of council tax, business rates, and government grant) has increased by 6.9% in cash terms which is roughly equivalent to a 4.0% increase in real terms. This is the largest increase for some time and it is expected that CSP will continue to grow for the following two years following the increases announced as part of the Comprehensive Spending Assessment.



4.4.2 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 13th January 2022 with final settlement expected in February.

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

4.5 **Update on current Business Rate Retention Scheme**

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

- 1) 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 7.5% of Baseline Funding which is equivalent to a maximum fall in income below the baseline funding level of £132,530.
- 2) 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

4.5.2 The forecast for 2022/23 is currently being finalised. The 2022/23 NNDR return which underpins this forecast is due to be submitted by the 31st January 2022 and any substantial changes resulting from the final assessment of the business rate income will be managed through the business rate smoothing reserve which has been set up for this purpose.

4.5.3 The Collection Fund will have another deficit at the end of the current year, largely due to the additional Covid 19 (£1.7m) and other reliefs granted in the year. In addition, the losses incurred in 2020/21 are now being recovered over a three year period. Overall a deficit of £0.9m will need to be recouped in 2022/23 which can be broken down as follows:

	2021/22 £'000	Share of 2020/21 loss £'000	Total to be recovered in 2022/23 £'000
Adur District Council	235.8	32.6	268.4
West Sussex County Council	59.0	130.6	189.6
Government (HMT)	294.8	163.2	458.0
Total recovered	589.6	326.4	916.0

The Council has received compensation in 2021/22 for the additional reliefs granted. The losses, which can largely be attributed to the additional Covid reliefs, are funded from the business rate smoothing reserve in 2022/23

and 2023/24 set up to address timing differences in the business rate system.

4.5.4 Looking further ahead, the generation of additional business rates is one of the solutions to the Council's ongoing financial pressures. Members will be aware that there are several schemes progressing which will create employment space. Examples include: Adur Civic Centre site, new warehouse at Shoreham Airport, and Monks Farm.

4.5.5 Finally, it should be appreciated that there are still 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. However to date far fewer appeals have been received following the 2017 revaluation following the introduction of the new 'Check, Challenge, and Appeal' process by the VOA.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.
- Conversion of office blocks and retail space into accommodation will result in a permanent loss of income however, this will be mitigated to some extent by the additional Council Tax generated once the conversion is completed.

4.5.6 Consequently there could be significant swings in the amount of business rate income in any one year. 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 2021/22 year end. To help mitigate these risks the Council has created a Business Rate smoothing reserve.

4.5.7 Finally, as in previous years, Adur District Council will participate in the County Business Rate Pool which was suspended last year due to the uncertainty surrounding the impact of the pandemic on the business rate income. This has no direct impact on the budget itself as the Council is guaranteed under the terms of the pool to be no worse off by pooling, but it enables the County area to retain around £m business rates to invest in local economic regeneration initiatives, income which would have been paid to the Treasury. The pool is administered by the County Council and

funding is distributed by a collective meeting of all of the Leaders of the West Sussex Councils.

4.6 **Long term implications of current government policy**

4.6.1 The financing of local government has continued to change. We are moving from a grant based on need (Revenue Support Grant) to funding based on the delivery of homes (Council Tax) and the creation of employment space (Business Rate Retention Scheme). However, the proposed Fairer Funding Review and associated review of the Business Rate retention scheme will reset the position in the short term as business income will be re-distributed on the basis of need.

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 for both the current year and future years as well.

Breakdown of taxation income to the Council:

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	6,557	6,793	7,009	7,204	7,365	7,529
Business Rates **	2,435	2,567	2,199	2,241	2,286	2,332
Government grants***	571	259	59	0	0	0
New Homes Bonus	18	156	0	0	0	0
Total funding from taxation***	9,581	9,775	9,267	9,445	9,651	9,861

* Includes any surplus or deficit on the collection fund

** Includes the surplus or deficit on the collection fund and any levy account payment

*** Includes one-off Covid grants

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Council Tax	68.44%	69.49%	75.63%	76.27%	76.31%	76.35%
Business Rates	25.41%	26.26%	23.73%	23.73%	23.69%	23.65%
Government grants (incl New Homes Bonus)	6.15%	4.25%	0.64%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

5.0 DRAFT REVENUE ESTIMATES 2022/23

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £9,742,360. This includes the savings and committed growth proposals agreed at the Joint Strategic Committee in December.

5.2 *Impact of the pandemic on the Council's budgets:*

5.2.1 As part of settlement the Council received a number of one-off grants particularly in relation to the pandemic. These include:

	£'000
Services Grant	122
Lower Tier grant	79
New Homes Bonus	157
Less: Allocated to support the budget	-183
Covid 19 contingency budget and other one off budgets	175

5.2.2 The pandemic will continue to impact on the Councils finances throughout 2022/23. Where these impacts have been able to be quantified, provision has been included in the draft budget. Nevertheless, depending on the speed of the roll out of the vaccination and the impact of any new variants of the illness, the rate at which income recovers is difficult to quantify. Risk areas relating to the pandemic include:

- Fees and charges income, particularly in relation to car parks. Whilst throughout 2020/21 and in the first quarter of 2021/22 the Government has committed to providing 75% funding for any lost income, this support is no longer available. Consequently all future losses will have to be funded by the Council.
- Impact on homelessness caseload. The Council has recently seen an upswing in cases and as a result has increased the budget by

£150,000. There remains a risk that demand and associated costs may increase further over the coming year.

- Additional staffing costs. Currently there are a number of areas where it is proving difficult to recruit new staff, consequently there is increasing pressure on staffing budgets.

5.2.3 In light of these risks, these resources have been set aside into a Covid 19 contingency budget which will also be available to support initiatives for economic recovery.

5.3 ***Delivering the Council's priorities:***

5.3.1 The budget is fundamental to realising the Council's ambitions set out in 'Platforms for our Places : Going further 2020-2023' and in 'And Then'. The budget enables the Council's role to lead and work with partners to develop our communities and our economies. Attached at Appendix 2 are some proposals for investment back into services to deliver the outcomes committed to in Platforms for our Places for member consideration.

5.3.2 The budget includes specific funding for the commitments outlined in Platforms for our Places. Examples include:

5.3.3 **Prosperous places**

The Council recognises the importance of ongoing investment in our places to ensure that they remain vibrant locations for social, economic and culture hubs for our communities. Budgets have been created to facilitate the delivery of major projects to enable the development of Adur's town centres and provide for additional employment land.

There is also investment through the capital programme, investing in facilities to improve the local economy.

5.3.4 **Thriving People and Communities**

The Council continues to see an increase in demand for our Housing Service, in particular from those who are experiencing homelessness. The Council has made funding available for new investments to acquire Council-owned temporary and emergency accommodation to improve the accommodation offered to clients and reduce the costs for the Council.

The Councils are also aware of the importance of our communities to have active lives and enjoy our parks and open spaces. Funding is proposed to improve parks and play areas throughout the area to promote health and wellbeing of our communities through the capital programme.

5.3.3 **Tackling Climate Change and Supporting our Natural Environment**

In July 2019 the Councils declared a climate emergency and have developed a comprehensive Carbon Reduction Plan, outlining a set of ambitious and detailed actions designed to make the Councils carbon neutral by 2030.

Alongside the organisational work, the Councils have developed an area wide framework called SustainableAW which was published in December 2019. This was followed by a major community-led conference Zero2030 and a Climate Assembly process which provided a representative forum for residents over six one day sessions to engage with the climate and ecology challenge, creating ideas for action.

5.3.4 **Good Services and New Solutions**

Much of the Medium-Term Financial Strategy is underpinned by new approaches to how we design and deliver our services, and develop our commercial activities and investment portfolios. These approaches are not only designed to improve the financial sustainability of the Councils, but also the services that our communities, clients and customers experience. We will continue to invest in service improvement, using research and design methods to understand what needs to change in our services, working with staff to drive a customer first ethos and using our digital platforms to deliver simple, efficient digital service channels.

- 5.4 The final budget will be dependent on Members' consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.
- 5.5 The key question of how the net budget requirement 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.
- 5.6 Details of all of the main changes in the base budget from 2021/22 to 2022/23 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 5. The changes can be summarised briefly as follows:

	£'000	£'000
2021/22 Original Estimate		9,581
Add: General Pay and Price Increases		451
Add: Committed and Unavoidable Growth:		
Net reduction in Cost pressures relating to Covid 19	-595	
One-off Covid 19 contingency budget and other one-off budgets funded by one-off government grants	175	
Impact of delivering Platforms	34	
Other committed growth	183	
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	-203	
Reduced income due to Covid 19	52	
Impact of Capital Investment and Development Programme	114	-37
Less: Compensatory savings and additional Income:		
Compensatory savings	-145	
Additional income	0	-145
2022/23 budget prior to agreed savings		9,850
Less: Savings agreed by members		
Approved in December	-168	-168
Executive Member requirements		9,682
Potential contribution to reserves / amount available to invest in services (see Appendix 2)*		60
Potential budget requirement before external support		9,742
Collection fund deficit		99
2022/23 BUDGET REQUIREMENT		9,841
<p>* The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the proposals to invest in services at Appendix 2 and the Council Tax increase.</p>		

- 5.7 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 for any significant changes.

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

- 5.8 The projected deficit on the Council Tax element of the Collection Fund is estimated to be £897,600, of which £137,230 is the District Council share. The deficit carried forward from 2020/21 must be spread over the three years 2021/22 - 2023/24 and so an element of the deficit relating to 2020/21 will be recouped in 2023/24. Consequently, current deficit will be recouped as follows:

	2022/23	2023/24
	£	£
Adur DC	-99,030	-38,200
West Sussex CC	-480,380	-185,290
Sussex Police CC	-68,340	-26,360
	<hr/>	<hr/>
	-647,600	-249,850

The deficit reflects the impact that the Pandemic is having on the amount of Council Tax Discounts claimed and the level of debt outstanding. The Government committed to support any 2020/21 deficits through the Local Taxation Compensation Scheme. The Council received a grant of £181,000 in 2020/21 which will be used over the three years to offset the losses incurred during the year.

- 5.9 Members are now faced with two questions:

- What level of Council Tax to set?
- Whether to accept the growth items detailed in Appendix 2?

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

5.10 **The Council Tax increase:**

- 5.10.1 The decision over the level of increase to the Council Tax influences not only the current budget but future budgets as well. Over the past 10 years, the Council Tax has been increased by 12.24%, an average of 13.35% per year (in 2011/12 the average Band D tax was £274.72, in 2021/22 it was £311.40). Over the equivalent period, inflation (CPI) has been 18.66%.

5.10.2 The budget forecast currently assumes that Council Tax will increase by just under 2.0% in 2022/23. The most recent inflation index was 5.4% (CPI in December 2021) and so the forecast rate is significantly below current inflation rates.

5.10.3 A 2% uplift would only be a modest increase in the Council share of the bill for 2022/23. The table below details how the average Council Tax will change as a result of a 1%, 1.5%, 1.8% and just under 2% increase.

	2021/22	Average annual increase for 2022/23			
		1%	1.5%	1.75%	1.99%
	£	£	£	£	£
Council Tax Band D	311.40	314.51	316.07	316.85	317.61
Annual increase		3.11	4.67	5.45	6.21
Weekly increase		0.06	0.09	0.10	0.12
Council Tax Band C	276.8	279.56	280.95	281.64	282.32
Average annual increase		2.76	4.15	4.84	5.52
Average weekly increase		0.05	0.08	0.09	0.11
Total additional Council Tax raised		67,480	101,330	118,260	134,750
Additional Council Tax raised over a 1% increase			33,850	50,780	67,270

5.10.4 Members should also be aware that the Police and Crime Commissioner has previously consulted on a £10.00 (4.65%) increase for their share of the overall bill. Whilst the level of increase to be set by the County Council is unknown at this stage, given the financial pressures that the County is under, there are indications that the increase will be close to the maximum permitted (3%). Consequently, the total overall increase in the average Council Tax bill for a Band D property based on the Council opting to set the tax at the maximum allowed could be close to 3%:

	2021/22	2022/23 (Indicative only)	%
	£	£	
Adur District Council	311.40	317.61	1.99%
West Sussex County Council	1,510.56	1,555.83	2.99%
Sussex Police and Crime Commissioner	214.91	224.91	4.65%
	2,036.87	2,098.35	3.02%

5.10.5 The decision to raise Council Tax influences not just the 2022/23 budget but future years and should be considered alongside the projected budget shortfalls for the next 5 years, as there are long term consequences to 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 2 - 3 years following the introduction of the fairer funding review. Potentially the next few years are financially challenging with significant savings required in each financial year of:

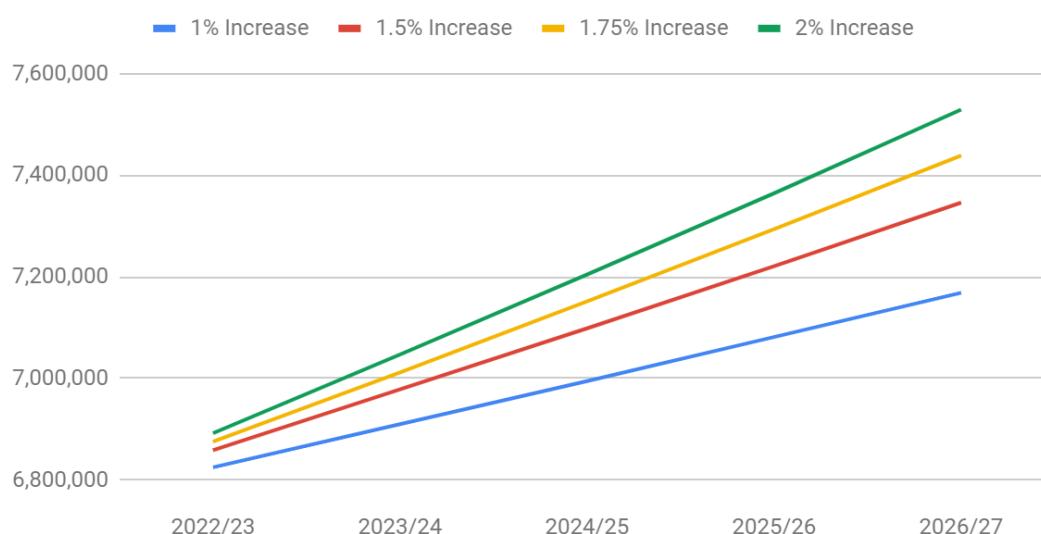
Estimated budget shortfall	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Annual saving	1,151	144	356	340
Cumulative Savings	1,151	1,295	1,651	1,991

5.10.6 The impact of changing the Council Tax by 1%, 1.5%, 1.75% and 2.00% annually would be as follows:

Total income	2022/23	2023/24	2024/25	2025/26	2026/27
	£	£	£	£	£
1% annual increase	6,824,770	6,909,880	6,994,430	7,081,270	7,168,430
1.5% annual increase	6,858,620	6,978,390	7,098,420	7,220,890	7,345,820
1.75% annual increase	6,875,550	7,011,670	7,151,390	7,293,650	7,438,450
2% annual increase	6,892,040	7,046,900	7,204,360	7,364,440	7,529,120

Over the longer term, a higher increase will give the Council significant additional income:

Adur District Council - Long term impact of Council Tax increases



5.10.6 Members are asked to consider which level of Council Tax increase that they support. An increase just under 2.00% would enable the Council to set a balanced budget and fund all of the proposals for investment in services recommended for approval in Appendix 2. However, if a lower rate is set, then additional savings will have to be identified to fund the financial consequences as it would be inappropriate to use the reserves to balance the budget.

5.10.7 At this late stage in the budget process, it would be difficult to make any decisions that result in service reductions as these should be the subject of consultation, however the option remains to defer projects or the proposed investments into services to generate an in-year saving and fund the desired level of Council Tax increase.

5.11 Summary of budget position

Depending on the choices made regarding the Council Tax increase and the new growth items; the overall budget position will be (based on a 1.99% increase):

	£'000	£'000
Net budget requirement		9,682
Less:		
Baseline Funding	-1,767	
Share of additional Business Rate income	-766	
Council Tax (1.99% increase)	-6,892	
Other grants	-416	
Collection Fund Deficit	99	-9,742
Budget surplus based on 1.99% Council Tax increase		-60
Maximum impact of accepting the growth items (Appendix 2)		60
Budget balanced at a 1.99% Council Tax increase		-

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 1.99% tax increase for 2022/23 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)				
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Budget shortfall prior to approving growth	108	1,259	1,403	1,759	2,099
Impact of accepting the growth items at appendix 2	60	60	60	60	60
Cumulative budget shortfall as per appendix 1	168	1,319	1,463	1,819	2,159
Less:					
Net savings identified in 2021/22 budget round	-168	-168	-168	-168	-168
Adjusted cumulative budget shortfall	-	1,151	1,295	1,651	1,991
Savings required each year	-	1,151	144	356	340

6.2 The continuation of the withdrawal of government funding has 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 4 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 has previously approved a budget strategy to:

- Generate £150k more commercial income per year;
- Rationalise the use of assets to reduce running costs and generate opportunities for disposal;
- Invest in new assets where these provide the opportunity to improve the local economy, the supply of housing or to reduce our carbon footprint;
- Promote efficiency whether this is through the digital strategy or by improving customer service; and
- Reducing the cost of temporary and emergency accommodation.

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:

	Expected shortfall per year			
	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Annual budget shortfall	1,151	144	356	340
Future savings from budget strategy:				
Investment in new assets	-100	-100	-100	-100
Commercial activities	-150	-150	-150	-150
Service and digital redesign	-80	-80	-80	-80
Asset rationalisation and disposal programme	-30	-30	-70	-70
Excess savings (-) / new savings initiatives to be identified	791	-216	-44	-10

- 6.4 With the delay to the fairer funding review, the challenge has now moved onto 2023/24 which becomes a more challenging year. Given the scale of savings that the Council needs to deliver from 2023/24 onwards, it is intended to do a full refresh of the strategy to ensure the Council meets the challenges of the next few years and continues to set a budget without reliance on reserves.

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.
- 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 or losses in income); 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. The current balance as at 31st March 2021 is £951,400. The working balance was increased in 2019/20 to mitigate the additional risks that the Council is carrying in the light

of the pandemic. The balance is 9.9% of net 2021/22 revenue expenditure and is in the upper part of the range of 6% -10% set by the Council. There are no plans to draw down from the working balance other than to fund any potential overspend from 2021/22 and if needed this reserve will be boosted over the next few years from any in-year underspend to ensure that it remains sufficient to manage risks.

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

		£'000	%
31.03.2021	Balance carried forward – per Final Accounts	951	9.9
31.03.2022	Use of reserves expected to fund the potential 2021/22 overspend.	909	9.3
31.03.2023	No planned drawdown or contribution expected	909	9.8
31.03.2024	No planned drawdown or contribution expected	909	9.6
31.03.2025	No planned drawdown or contribution expected	909	9.4

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 factors:

1. The Government has provided additional funding for 2022/23 which has been placed into a contingency budget to enable the Council to manage financial risks next year.
2. The Council has created specific budgets to manage any void losses related to commercial property and where there are likely to be ongoing losses these have been built into the revenue budget.
3. Interest rates are extremely low at present (0.25% base rate) and this has been reflected in our budgets. A further fall in interest rates of 0.1% would cost the Council in a region of £14,000 in 2022/23 in lost investment income.
4. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £108,800.

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 and the impact of the pandemic, it is important that the Council maintains its reserves at the planned amount for the foreseeable future.

- 7.5 However, with the planned expansion of commercial activity, especially the investment in commercial property, the council has taken two other measures to further manage risk and bolster the reserves:

- i) As part of the initiative to invest in commercial property, an element of the additional rent raised every year is being set aside into a specific reserve to manage void periods on these properties and to set aside resources to fund future investment needs. The annual provision will be £650,000 in 2022/23. This provision will be gradually built up over the next 5 years to a level of £1,050,000 per year by 2026/27.
- ii) Following the LGA peer review, there was a change in approach to the management of general inflation (excluding inflation on items such as salaries, rates, utilities, and contractual commitments). This is no longer allocated out year but held centrally in the Corporate Management budget. This budget will be allocated out where the inflationary pressure can be demonstrated. Any unutilised budget at the year end will be transferred to the reserves and the budget offered up as a budget saving for the forthcoming year. This also provides a contingency budget for in-year pressures.

- 7.6 In the medium term, once the challenges of the next couple of years have been addressed, the council should review the position and take proactive steps to further bolster the overall reserves.

- 7.7 The estimated balance of general fund earmarked reserves as at 31st March, 2022 is £979,000, excluding the Business Rates Smoothing Reserve, any Section 106 sums held for future environmental improvements, grants, and any specific capital resources. Overall, the level of reserves held by the Councils is expected to improve over the forthcoming years as follows:

	Balance as at 31st March				
	2021 Actual	2022 Est.	2023 Est.	2024 Est.	2025 Est.
	£'000	£'000	£'000	£'000	£'000
General Earmarked Reserves	1,486	979	1,570	2,303	3,153
Business Rates Smoothing Reserve	3,768	663	297	166	166
Grants and Contributions	1,343	1,343	1,343	1,343	1,343
Total earmarked reserves	6,597	2,985	3,210	3,812	4,662
General Fund Working Balance	952	910	910	910	910
Total reserves	7,549	3,895	4,120	4,722	5,572

A detailed schedule of the earmarked reserves is attached at Appendix 3. The significant risks to the overall budget and the Council's reserves are detailed below.

- 7.8 Given the relatively low 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, utilising the ability to use capital receipts to fund initiatives to generate budget savings where possible.
- 7.9 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.
- 7.10 However the size and nature of the risks to the overall budget leaves the Council with little room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:
- supporting one-off rather than recurring revenue expenditure;
 - dealing with short-term pressures in the revenue budget; and
 - managing risk to the Council's budget.

8.0 SIGNIFICANT RISKS

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

(i) **Pandemic**

The risks associated with the pandemic are set out in detail in paragraph 5.2.2. However in summary we are expecting risks in a number of areas - income, cost of housing provision, impact on cost of contracts, and additional staffing costs. Wherever possible allowance has been built into the budget to accommodate these risks, but the scale of the challenge may be greater than expected.

(ii) **Withdrawal of funding by partners**

All budgets within the public sector are under scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, the council may lose funding for key priorities and be left with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.

- (iii) **Income** - The Council receives income from a number of services which will be affected by demand particularly at the moment due to the impact of the pandemic. These include land charges, car park income, trade and green waste services, development control and now business rates. Whilst known further reductions in income have been built into the proposed budgets for 2022/23: the pace of recovery may be slower than anticipated; income may fall further than expected; or new targets for commercial income may not be met.

The Council is investing in new commercial property, as leases expire there is an increased risk of loss of income from voids. To mitigate this risk the Council has introduced an annual provision for void rents which will be £650,000 in 2022/23. This will be increased annually in line with the level of investment in the property portfolio and the associated risk.

- (iv) **Inflation** - A provision for 2% inflation has been built into pay and non-pay budgets. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2022/23, 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	108
Non-pay	46

- 8.2 To help manage these risks, the Council has created a contingency budget of £120,000. The Council also has a working balance of £951,000 and £1.0m of other earmarked reserves are also available to the Council to help mitigate these risks.

9.0 CONSULTATION

- 9.1 The Council ran a detailed consultation exercise which supported the proposed five year budget strategy. In light of this, no consultation exercise was undertaken this year.
- 9.2 Officers and members have been consulted on the development of the budget.

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. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2022/23 and future years.
- 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.
- 10.3 The Code of Practice has been revised with a new code due to be introduced for 2023/24. The freedom for local authorities to set the scope and size of their capital plans remains unrestricted, but the prudential system processes have been strengthened to set out greater consideration of prudence, with sustainability and risk reporting improved through the governance procedures. There is also stronger guidance on commerciality which effectively prohibits solely commercial investment and requires the Council to regularly review current commercial investments. However this change was pressaged by the new rules surrounding borrowing from the PWLB and the Council has long since adapted its property investment criteria.
- 10.4 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 are included with the annual Treasury Management Strategy Statement which is due to be considered by JSC on the 8th February 2022 and which will be included in the Council budget pack for approval.

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 which has been considered in detail on section 7 of the report.
- Creating contingency budgets to help manage the greater risks associated with the pandemic as set out in paragraph 5.2.2

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 particularly at the moment given the pandemic, 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 robust budget monitoring regime during 2022/23.

- 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 allowing for any government grant and business rates, 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. This will be formally approved by Council on the 24th February 2022 via a report on the Council Tax Determination. The following paragraphs brief members on the overall content of the determination and seeks approval for both the tax base and special expenses.
- 12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2022/23 Budget, the resulting Council Tax for the District can be set. This takes into account the Total Aggregate External Finance (Government grants and Business Rates contributions) and any contribution to or from the local Collection Fund.

12.3 Adur District Council:

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2022/23 prior to the consideration of the budget proposals. This is based on 1.99% Council Tax increase, the maximum increase permitted without triggering the requirement for a referendum:

	£	£
Net 2022/23 Budget *		9,682,460
Less: Aggregate External Finance		
Baseline Funding	-1,767,150	
Additional Retained Business Rate income	-765,580	
New Homes Bonus	-156,520	
Lower Tier Services Grant	-79,270	
Services Grant	-121,820	
Local Tax Guarantee Scheme - use of set aside grant	-59,010	
Contribution to the Collection Fund deficit (as per paragraph 5.8)	99,030	
Total Aggregate External Finance		-2,850,320
Minimum amount to be raised from Council Tax		6,832,140
Net additional impact of proposals identified in Appendix 2 if all approved		59,900
Amount to be raised from Council Tax based on 1.99% Council Tax		6,892,040

- * 2022/23 budget requirement after any contribution to or from reserves required to balance the budget or any further increase to Council Tax.

Within section 5 of the report, members are given the options for the Council Tax and approving the service investment proposals.

(b) Council Tax Base

The Council's Tax base for 2022/23 is 21,699.70 Band D equivalent properties. There is an increase to the current year base of 21,232.80 which is largely due to a decreasing level of Council Tax discounts. The full calculation of the tax base is shown in Appendix 4.

	2021/22 Tax Base	2022/23 Tax Base
Lancing	6,306.00	6,415.30
Sompting	2,755.40	2,759.90
Other areas	12,171.40	12,524.50
TOTAL	21,232.80	21,699.70

(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 2022/23 expenditure of £386,140 (£364,260 in 2021/22) falls under the resolution and will need to be financed by a Band D tax of £25.29, to be charged in all areas of the District except Lancing.

(d) Adur District Council Band D Council Tax

In Section 5.10, the options for the Council Tax increase are discussed in detail. An average Council Tax increase of 1.24% will ensure that the Council has a balanced budget, an average increase of 1.99% will lever in sufficient additional resources to fund the service investment proposals recommended for approval at Appendix 2 and deliver a balanced budget.

The actual amount charged in each area will depend on whether Special Expenses is charged and the level of the Basic Council Tax. The final agreed amounts will be incorporated into the Council Tax determination.

Area	2021/22	2022/23 (Average 1% increase)	2022/23 (Average 1.5% increase)	2022/23 (Average 1.75% increase)	2022/23 (Average 1.98% increase)
	£	£	£	£	£
Lancing - Basic Council Tax	294.21	296.73	298.26	299.07	299.79
Percentage increase		0.86%	1.38%	1.65%	1.90%
Annual increase (Band D)		2.52	4.05	4.86	5.58
Weekly increase (Band D)		0.05	0.08	0.09	0.11

Area	2021/22	2022/23 (Average 1% increase)	2022/23 (Average 1.5% increase)	2022/23 (Average 1.75% increase)	2022/23 (Average 1.98% increase)
	£	£	£	£	£
Shoreham, Southwick, Sompting and Coombes					
Basic Council Tax	294.21	296.73	298.26	299.07	299.79
Special Expenses	24.03	25.29	25.29	25.29	25.29
TOTAL in Shoreham, Southwick, Sompting and Coombes	318.24	322.02	323.55	324.36	325.08
Percentage increase		1.19%	1.67%	1.92%	2.15%
Annual increase (Band D)		3.78	5.31	6.12	6.84
Weekly increase (Band D)		0.07	0.10	0.12	0.13

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 18th February, 2022. The proposed Police and Crime 2022/23 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 28th January 2022.

	2021/22 £	2022/23 £
West Sussex County Council	1,510.56	t.b.c
Sussex Police Authority	214.91	t.b.c
TOTAL	1,724.47	t.b.c.

12.5 The final figures for all authorities including the parish councils will be incorporated into the formal Council Tax setting resolution to be presented to the Council at its meeting on 24th February 2022.

13.0 LEGAL IMPLICATIONS

- 13.1 The Local Government Act 2003 requires that the Council sets a balanced budget. This report demonstrates how Adur District Council will meet this requirement for 2022/23.

14.0 CONCLUSION

- 14.1 This has been another challenging year in which the Council has had to address a budget shortfall of £0.168m whilst contending with a pandemic. The Government is providing more support in 2022/23 however much of this support is one-off in nature, consequently these additional resources have been set aside to support the Council in managing the risks associated with the pandemic. To meet this challenge the Council has identified £0.168m of savings and is now in the position to set a balanced budget.
- 14.2 With the further delay to the Fair Funding Review, the financial challenge now moves to 2023/24. It is now clear that the Government does intend to introduce the Fairer Funding review for 2023/24 although there may well be some form of transitional relief as we move from one funding system to another. Consequently we must prepare the Council for the impact of the review and so the budget round will again be difficult as the Council grapples with the impact of reducing government funding, the continued impact of the Pandemic on our finances and the building capacity to invest in the initiatives detailed in Platform for our Places. Consequently, the strategy of delivering commercial income growth and business efficiencies continues to play a vital role in balancing the budget. Nevertheless, given the scale of the potential challenges ahead, a refreshed budget strategy will be presented in July next year which will bring forward new savings initiatives.
- 14.3 Provided we continue to deliver on this strategy, the Council will become increasingly financially resilient over the next 5-10 years as government funding reduces and we become largely funded by our community through Council Tax, retained Business Rates and income from our commercial services.
- 14.4 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 inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.
- 14.5 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

14.6 Finally, in preparing the strategy and forecast for 2022/23 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.

Local Government Act 1972

Background Papers:

Report to the Joint Strategic Committee 7th December 2021 'Towards a sustainable financial position - Budget update '

Report to the Joint Strategic Committee 7th December 2021 'Investing in our Places : Capital Programme 2021/22 to 2023/24'

Local Authority Finance (England) Settlement Revenue Support Grant for 2022/23 and Related Matters: MHCLG Letters and associated papers of 16th December 2021.

2021 Spending Review – On-the-day briefing

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 2020/21

Report to Joint Strategic Committee 7th December 2021 – 2nd Revenue Budget Monitoring Report (Q2)

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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

ADUR DISTRICT COUNCIL Revenue Budget Summary Statement 2021/22 - 2026/27						
Net Spending to be Financed from Taxation	2021/22 Base	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	9,581	9,581	9,581	9,581	9,581	9,581
(a) Annual Inflation						
Estimated inflation		303	604	904	1,196	1,495
Impact of 2021/22 pay rise		10	10	10	10	10
Impact of new increase to national insurance (1.25%)		138	141	144	147	150
(b) One -off / non-recurring items						
Local Elections (held every other year)		(18)	-	(19)	-	(20)
(c) Impact of Covid 19 pandemic						
Delay to Fairer Funding Review - Homeless funding to continue for 2022/23		-	297	297	297	297
Impact of new leisure contract		(205)	(223)	(322)	(322)	(322)
Removal of one-off budgets:						
Council Tax Support - discretionary reliefs		(111)	(111)	(111)	(111)	(111)
2021/22 Covid 19 contingency budget		(447)	(447)	(447)	(447)	(447)
Increasing demand on homelessness budgets		150	150	150	150	150
2022/23 Covid contingency budget		120	-	-	-	-
One-off costs associated with the Local Plan		55				
Reduction in car parking income due to extended pandemic measures.		52	26	-	-	-
Unachieved saving in 2021/22 due to impact of pandemic		18	18	18	18	18
(d) Impact of funding 'Platforms'						
Measures to reduce waste - Impact of the Environment bill		-	72	72	72	72
Bike share scheme		34	60	60	60	60
Heat Network		-	-	10	10	10
(e) Capital Programme and Treasury Management						
Capital programme financing costs		220	293	350	500	675
Impact of AW workspaces project		(106)	(106)	(106)	(106)	(106)
Investment income		-	(40)	(82)	(126)	(171)
(f) Other items						
Reduction in pension contributions:						
Back-funded pension payment reduction		(52)	(52)	(52)	(52)	(52)
Reduction in pension contributions rate		(75)	(76)	(78)	(78)	(78)
Building maintenance		25	25	25	25	25
Increase in tipping charges due to new contract		45	45	45	45	45
Allowance for committed growth items approved in December		113	183	253	323	393
(g) Service investment proposals (see appendix 2)		60	130	200	270	340
Total Cabinet Member Requirements	9,581	9,910	10,580	10,902	11,462	12,014

ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2021/22 - 2026/27

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Base					
Net Spending to be Financed from Taxation	£'000	£'000	£'000	£'000	£'000	£'000
Total Cabinet Member Requirements B/fwd	9,581	9,910	10,580	10,902	11,462	12,014
Funding from taxation						
Baseline funding	1,767	1,767	1,802	1,838	1,875	1,913
Add: Retained additional business rates	668	766	391	397	403	413
Add: Share of previous year's surplus / (deficit) after use of business smoothing reserve		-				
Adjusted Baseline funding	2,435	2,533	2,193	2,235	2,278	2,326
Council Tax income	6,612	6,892	7,047	7,204	7,365	7,529
Other grants						
New homes bonus (2019/20 - 2022/23)	10	10	-	-	-	-
New homes bonus (2021/22)	8	-	-	-	-	-
New homes bonus (2022/23)	-	147	-	-	-	-
Total NHB	18	157	-	-	-	-
Lower Tier Services Grant	75	79	-	-	-	-
Local Tax Guarantee Scheme - Council Tax	63	59	59			
Covid 19 Funding Allocation	322	-	-	-	-	-
Covid 19 Funding - Council Tax Support Grant	111	-	-	-	-	-
Services Grant	-	121	-	-	-	-
Collection fund surplus/deficit (-)	(55)	(99)	(38)		-	-
Total other grants and contributions	534	317	21	-	-	-
Total Income from Grants and Taxation	9,581	9,742	9,261	9,439	9,643	9,855
AMOUNT REQUIRED TO BALANCE BUDGET	-	168	1,319	1,463	1,819	2,159
Savings strategy:						
Strategic Property Investment Fund						
Future developments			200	400	600	800
Provision for future voids		(100)	(200)	(300)	(400)	(500)
Commercial and Customer Activities		64	214	364	514	664
Service and Digital redesign		2	82	162	242	322
Commercial Landlord Programme		100	130	160	230	230
Other efficiency savings (net of growth)		102	102	102	102	102
Total initiatives identified		168	528	888	1,288	1,618
Cumulative savings still to be found/ (surplus)		-	791	575	531	541
Annual savings still to be found		-	791	(216)	(44)	10

		<i>Expected cost (cumulative)</i>								
		2022/23			2023/24			2024/25		
Service reinvestment proposal	Grade	<i>Joint (memo only)</i>	Adur	Worthing	<i>Joint (memo only)</i>	Adur	Worthing	<i>Joint (memo only)</i>	Adur	Worthing
Democratic Services Officer Additional capacity to support the new Committee and additional meetings now required.	7	39,970	15,990	23,980	47,960	19,180	28,780	47,960	19,180	28,780
Assistant Waste Manager Additional capacity within the waste team to support the introduction of the requirements of the Environment Act	8	54,830	19,740	35,090	54,830	19,740	35,090	54,830	19,740	35,090
Transformation programme manager Additional capacity to support the redesign of the organisation and subsequent transformation programme.	12	96,680	48,340	48,340	96,690	48,340	48,340	96,690	48,350	48,340
Less: Contribution from the HRA (50% in 2022/23 and 2023/24)		-48,340	-24,170	-24,170	-48,345	-24,170	-24,170			
Overall cost of new proposals		143,140	59,900	83,240	151,135	63,090	88,040	199,480	87,270	112,210

SCHEDULE OF EARMARKED RESERVES							
Reserve	Balance as at 01.04.21	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.22	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 CAPACITY ISSUES FUND Purpose: To enable the Council to fund one-off initiatives.	674	-	(250)	424	100	-	524
2 INSURANCE FUND Purpose: To offset the costs of insurance excesses and fund insurance risk management initiatives.	147	31	(31)	147	30	(30)	147
3 PROPERTY INVESTMENT RISK RESERVE Purpose: To offset future void rental periods in investment properties and provide for maintenance.	300	-	(78)	222	550	-	772
4. SPECIAL & OTHER EMERGENCY RESERVE Purpose: This will fund uninsured losses (eg storm damage) and any other strategic or unforeseen one-off expenditure which may arise.	60	-	-	60	-	-	60

SCHEDULE OF EARMARKED RESERVES					APPENDIX 3		
Reserve	Balance as at 01.04.21	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.22	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5. ELECTION RESERVE Purpose: To replace and update election equipment	8	-	-	8	-	-	8
6. BUSINESS RATES SMOOTHING RESERVE Purpose: This reserve is intended to smooth the impact of timing differences in the business rate system largely due to in-year changes to business rate reliefs .	3,768	-	(3,105)	663	-	(366)	297
7. LOCAL TAX INCOME GUARANTEE Purpose: The council received grant funding in 2020/21 towards the impact of council tax and business rates losses from the pandemic. However, due to the regulations governing the Collection Fund, the 2020/21 losses are due to be funded by the general fund over the next three years (2021/22- 2023/24). This reserve will be used to offset losses over that period.	297	-	(179)	118	-	(59)	59

SCHEDULE OF EARMARKED RESERVES					APPENDIX 3		
Reserve	Balance as at 01.04.21	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.22	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.23
8. GRANTS & CONTRIBUTIONS HELD IN RESERVES * Purpose: The reserve is used to hold grants or contributions which have been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date.	£'000 1,343	£'000 -	£'000 -	£'000 1,343	£'000 -	£'000 -	£'000 1,343
9. GENERAL FUND WORKING BALANCE	952	-	(42)	910	-	-	910
TOTAL	7,549	31	(3,685)	3,895	680	(455)	4,120

*contribution to be confirmed at year end

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE - Budget year 2022/23										
Properties Ratio to Band D	Band A - 5/9	Band A 6/9	Band B 7/9	Band C 8/9	Band D 9/9	Band E 11/9	Band F 13/9	Band G 15/9	Band H 18/9	Total
Number of Dwellings	0.0	2,781.0	5,081.0	11,455.0	6,242.0	1,992.0	756.0	324.0	8.0	28,639.0
Less: Exemptions	0.0	-90.0	-87.0	-118.0	-61.0	-20.0	-5.0	-1.0	0.0	-382.0
	0.0	2,691.0	4,994.0	11,337.0	6,181.0	1,972.0	751.0	323.0	8.0	28,257.0
Disabled Relief Adjustment (net)	7.0	5.0	40.0	-6.0	-27.0	-11.0	0.0	-2.0	-6.0	0.0
Chargeable Dwellings	7.0	2,696.0	5,034.0	11,331.0	6,154.0	1,961.0	751.0	321.0	2.0	28,257.0
Broken down as follows:										
Full Charge	5.0	907.0	2,715.0	7,720.0	4,481.0	1,511.0	605.0	269.0	1.0	18,214.0
25% Discount (including adj for SP Dis)	2.0	1,770.0	2,291.0	3,590.0	1,668.0	445.0	141.0	45.0	0.0	9,952.0
50% Discount	0.0	6.0	4.0	12.0	4.0	3.0	5.0	7.0	0.0	41.0
0% Discount (Long Term Empty Homes)	0.0	78.0	106.0	104.0	31.0	8.0	6.0	5.0	1.0	339.0
Total Equivalent Number of Dwellings	6.5	2,253.0	4,459.3	10,427.5	5,735.0	1,848.3	713.3	306.3	2.0	25,751.0
Total Equivalent Number of Dwellings (after family annexe)	6.5	2,258.4	4,483.8	10,436.5	5,736.0	1,850.3	713.3	306.3	3.0	25,793.9
Reduction in tax base due to Council Tax Support	-2.2	-658.9	-879.2	-974.8	-239.2	-36.2	-3.8	-1.6	0.0	-2,795.9
Adjusted equivalent total dwellings	4.3	1,599.5	3,604.6	9,461.7	5,496.8	1,814.1	709.5	304.7	3.0	22,998.0
Band D Equivalents										
Revenue Support Settlement	2.3	1,066.3	2,803.6	8,410.4	5,496.8	2,217.2	1,024.7	507.8	6.0	21,535.1
Add: Forecast new homes	0.0	36.0	22.9	107.6	50.0	37.9	1.4	0.0	0.0	255.8
Less: Adjustments for Losses on Collection, and Void Properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Allowance for further increase in Council Tax Support Claims	-0.0	-17.6	-27.4	-34.6	-9.6	-1.8	-0.1	-0.1	-0.0	-91.2
COUNCIL TAX BASE	2.3	1,084.7	2,799.1	8,483.4	5,537.2	2,253.3	1,026.0	507.7	6.0	21,699.7

ADUR DISTRICT COUNCIL:

The following appendices have been updated to reflect the recommendations from the Executive as laid out in the Record of Decisions.

Decision

The Executive:-

- (a) approved the proposals to invest in services outlined in Appendix 2;
- (b) recommended to Council the draft budgets for 2022/23 at Appendix 5, as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £9,742,360 which included provision for the proposals in Appendix 2; and
- (c) recommended to Council an average increase of 1.99% in Council Tax, making the average Band D £317.61 for Adur District Council's requirements in 2022/23, as set out in paragraph 5.10;
- (d) recommended to Council that special expenses of £25.29 per Band D equivalent, to be charged in all areas of the District except Lancing;
- (e) approved the Council Tax base of 21,699.7 for 2022/23 as set out in paragraph 12.3.

Reason for Decision

Statutory requirement to set a budget

ADUR BUDGET 2022/2023 Summary of Executive Member Portfolios

APPENDIX 5

EXECUTIVE PORTFOLIO	ESTIMATE 2021/2022	ESTIMATE 2022/2023
	£	£
Environment	2,952,860	3,073,880
Health and Wellbeing	1,336,850	1,355,950
Customer Services	1,459,500	1,556,680
Leader	1,054,800	699,440
Regeneration	1,630,370	1,748,130
Resources	249,940	115,660
Support Services Depreciation Not Charged To Services	255,570	382,180
NET SERVICE EXPENDITURE	8,939,890	8,931,920
Credit Back Depreciation / Impairments	(1,504,540)	(1,534,510)
Minimum Revenue Provision	2,145,950	2,344,950
	9,581,300	9,742,360
Transfer to / from Reserves	-	-
Investment in Services to be Approved	-	-
Total budget requirement before external support from government	9,581,300	9,742,360
Baseline Funding	(1,767,150)	(1,767,150)
Additional business rate income	(668,700)	(765,580)
Lower Tier Services Grant	(75,260)	(79,270)
Local Tax Guarantee Scheme	(62,710)	(59,010)
Services Grant	-	(121,820)
Covid 19 Funding Allocation	(321,420)	-
Covid 19 Funding - Council Tax Support Grant	(111,060)	-
Other unfenced grants (New homes bonus)	(18,480)	(156,520)
Contribution to/ (from) Collection Fund	55,370	99,030
Amount required from Council Tax	6,611,890	6,892,040
Council Tax Base	21,232.8	21,699.7
Average Band D Council Tax - Adur District	311.40	317.61
% increase	2.00%	1.99%

SERVICE	ESTIMATE 2021/2022	ESTIMATE 2022/2023
	£	£
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES		
Head of Customer & Digital Services		
Car Parking	(254,890)	(216,870)
	(254,890)	(216,870)
Sustainability		
Sustainable Development	74,720	82,970
	74,720	82,970
DIRECTOR FOR COMMUNITIES		
Head of Environmental Services		
Foreshores	(8,830)	(4,700)
Allotments	24,570	31,430
Cemeteries	101,850	106,650
Parks	975,170	1,003,980
Abandoned Vehicles	5,850	5,850
Clinical Waste	(510)	5,360
Recycling	191,950	265,000
Refuse	504,950	548,720
Street Cleansing including Pest Control & Graffiti	525,760	577,170
Trade Refuse	(245,620)	(220,530)
	2,075,140	2,318,930
Head of Housing		
Public Health Burials	2,870	2,870
	2,870	2,870
Head of Wellbeing		
Dog Control	38,250	34,890
	38,250	34,890
DIRECTOR OF THE ECONOMY		
Leisure Client	730,050	565,860
	730,050	565,860
Head of Business and Technical Services		
Bus Shelters, Street Lighting & Highways	60,340	60,270
Public Conveniences	215,060	219,650
	275,400	279,920
Head of Place & Economy		
Street Scene including Markets	11,320	5,310
	11,320	5,310
TOTAL ENVIRONMENT PORTFOLIO	2,952,860	3,073,880

ADUR - ENVIRONMENT PORTFOLIO - 2022/2023 - 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, SUSTAINABILITY AND RESOURCES	£	£	£	£	£	£	£	£	£	£	£
Head of Customer & Digital Services											
Car Parking	-	29,860	113,700	-	131,160	57,800	(629,730)	(297,210)	69,410	10,930	(216,870)
Sustainability											
Sustainable Development	-	82,970	-	-	-	-	-	82,970	-	-	82,970
DIRECTOR FOR COMMUNITIES											
Head of Environment											
Foreshores	-	45,840	12,140	-	8,910	-	(122,920)	(56,030)	16,890	34,440	(4,700)
Allotments	-	46,950	18,320	-	-	-	(36,860)	28,410	-	3,020	31,430
Cemeteries	-	119,690	84,940	-	10,000	-	(217,850)	(3,220)	103,160	6,710	106,650
Parks	-	17,370	795,520	-	47,660	-	(168,430)	692,120	136,930	174,930	1,003,980
Abandoned Vehicles	-	-	-	-	5,850	-	-	5,850	-	-	5,850
Clinical Waste	-	5,360	-	-	-	-	-	5,360	-	-	5,360
Recycling	-	204,100	-	-	-	-	-	204,100	-	60,900	265,000
Refuse	-	289,420	-	-	-	-	-	289,420	138,800	120,500	548,720
Street Cleansing including Pest Control & Graffiti	-	685,610	-	-	-	-	(164,910)	520,700	-	56,470	577,170
Trade Refuse	-	168,850	-	-	365,910	-	(788,100)	(253,340)	-	32,810	(220,530)
Head of Housing											
Public Health Burials	-	-	-	-	2,870	-	-	2,870	-	-	2,870
Head of Wellbeing											
Dog Control	-	32,300	-	-	-	-	-	32,300	-	2,590	34,890
DIRECTOR OF ECONOMY											
Leisure Client	-	7,090	79,470	-	4,150	165,000	(10,350)	245,360	15,000	305,500	565,860
Head of Business and Technical Services											
Bus Shelters, Street Lighting & Highways	-	-	31,160	-	7,170	-	(7,970)	30,360	15,000	14,910	60,270
Public Conveniences	-	6,610	154,260	-	120	-	(390)	160,600	8,450	50,600	219,650
Head of Place & Economy											
Street Scene inc Markets	49,300	-	-	790	15,550	-	(63,080)	2,560	-	2,750	5,310
	0	1,742,020	1,289,510	790	599,350	222,800	(2,210,590)	1,693,180	503,640	877,060	3,073,880
Percentage Direct Cost	0%	45%	33%	0%	15%	6%					

HEALTH AND WELLBEING PORTFOLIO



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2021/2022	ESTIMATE 2022/2023
	£	£
DIRECTOR FOR COMMUNITIES		
Head of Wellbeing		
Community Development, Fishersgate & Grants	370,280	364,270
Community Safety	284,260	294,840
Food Safety	158,820	162,630
Licensing	142,200	148,050
Public Health and Regulation inc Pollution Control	315,810	322,130
	1,271,370	1,291,920
DIRECTOR OF THE ECONOMY		
Head of Business and Technical Services		
Emergency Planning	28,950	27,150
Street Lighting	36,530	36,880
	65,480	64,030
TOTAL FOR HEALTH AND WELLBEING	1,336,850	1,355,950

ADUR - HEALTH AND WELLBEING PORTFOLIO - 2022/2023 - 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											
Head of Wellbeing											
Community Development, Fishersgate & Grants	280	106,550	760	-	185,820	-	-	293,410	67,520	3,340	364,270
Community Safety	-	178,610	1,440	-	8,820	-	-	188,870	105,970	-	294,840
Food Safety	-	112,920	-	-	950	-	-	113,870	48,760	-	162,630
Licensing	8,320	164,850	-	-	13,410	-	(126,690)	59,890	88,160	-	148,050
Public Health and Regulation inc Pollution Control	-	147,400	-	-	15,260	4,820	(14,300)	153,180	158,500	10,450	322,130
DIRECTOR FOR THE ECONOMY											
Head of Business and Technical Services											
Emergency Planning	-	5,580	-	-	-	-	-	5,580	21,570	-	27,150
Street Lighting	-	-	8,710	-	8,770	-	-	17,480	9,380	10,020	36,880
TOTAL COST	8,600	715,910	10,910	0	233,030	4,820	(140,990)	832,280	499,860	23,810	1,355,950
Percentage Direct Cost	1%	74%	1%	0%	24%	0%					

CUSTOMER SERVICES PORTFOLIO



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2021/2022	ESTIMATE 2022/2023
	£	£
DIRECTOR FOR COMMUNITIES		
Head of Housing		
Housing including Homelessness	830,380	1,002,890
Environmental Health Housing including HMO/HIA	141,050	143,710
Community Alarm	10,430	6,650
	981,860	1,153,250
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES		
Head of Revenues and Benefits		
Revenues	304,220	317,050
Benefits	173,420	86,380
	477,640	403,430
TOTAL FOR CUSTOMER SERVICES	1,459,500	1,556,680

ADUR - CUSTOMER SERVICES PORTFOLIO - 2022/2023 - 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											
Head of Housing											
Housing including Homelessness	-	322,550	262,080	440	1,103,830	65,000	(997,660)	756,240	246,650	-	1,002,890
Environmental Health Housing including HMO/HIA	-	142,700	-	-	2,010	-	(37,570)	107,140	36,570	-	143,710
Community Alarm	131,300	18,870	-	5,340	68,940	-	(288,660)	(64,210)	55,320	15,540	6,650
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES											
Head of Revenues and Benefits					-						
Revenues	-	265,320	-	1,910	130,130	-	(156,280)	241,080	75,970	-	317,050
Benefits	-	401,940	-	150	16,596,910	-	(17,035,850)	(36,850)	120,040	3,190	86,380
TOTAL COST	131,300	1,151,380	262,080	7,840	17,901,820	65,000	(18,516,020)	1,003,400	534,550	18,730	1,556,680
Percentage Direct Cost	1%	6%	1%	0%	92%	0%					

SERVICE	ESTIMATE 2021/2022	ESTIMATE 2022/2023
CHIEF EXECUTIVE	£	£
Covid Support & Strategic Planning	487,880	160,000
	487,880	160,000
DIRECTOR FOR COMMUNITIES		
Head of Wellbeing		
Members	349,580	337,940
	349,580	337,940
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES		
Head of Customer & Digital Services		
Elections	217,340	201,500
	217,340	201,500
TOTAL FOR THE LEADER	1,054,800	699,440

ADUR - THE LEADER PORTFOLIO - 2022/2023 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
CHIEF EXECUTIVE	£	£	£	£	£	£	£	£	£	£	£
Head of Communications Strategic Planning	-	-	-	-	160,000	-	-	160,000	-	-	160,000
DIRECTOR OF COMMUNITIES											
Head of Wellbeing Members	227,160	115,320	-	-	11,060	-	(15,600)	337,940	-	-	337,940
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES											
Head of Customer & Digital Services Elections	25,000	81,150	2,060	-	41,620	-	(3,360)	146,470	53,470	1,560	201,500
TOTAL COST	252,160	196,470	2,060	0	212,680	0	(18,960)	644,410	53,470	1,560	699,440
Percentage Direct Cost	38%	30%	0%	0%	32%	0%					

SERVICE	ESTIMATE 2021/2022	ESTIMATE 2022/2023
	£	£
DIRECTOR OF THE ECONOMY		
Head of Business and Technical Services		
Coast Protection & Ditch Clearing	116,810	116,980
	116,810	116,980
Grants		
Shoreham Harbour	99,020	102,780
	99,020	102,780
Head of Planning & Development		
Planning Policy	323,330	390,830
Development Control & Major Projects	579,390	603,280
Building Control	139,160	149,530
	1,041,880	1,143,640
Head of Place & Economy		
Regeneration	372,660	384,730
	372,660	384,730
TOTAL FOR REGENERATION	1,630,370	1,748,130

ADUR - REGENERATION PORTFOLIO - 2022/2023 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR FOR THE ECONOMY Head of Business and Technical Services	£	£	£	£	£	£	£	£	£	£	£
Coast Protection & Ditch Clearing	-	3,050	4,460	-	5,820	-	-	13,330	23,440	80,210	116,980
DIRECTOR OF ECONOMY Grants											
Shoreham Harbour	61,520	-	-	-	-	-	-	61,520	41,260	-	102,780
Head of Planning & Development											
Planning Policy	-	156,730	-	-	72,790	-	-	229,520	161,310	-	390,830
Development Control & Major Projects	-	597,890	-	-	8,620	5,380	(303,100)	308,790	294,490	-	603,280
Building Control	-	246,460	-	-	-	-	(250,730)	(4,270)	153,800	-	149,530
Head of Place & Economy											
Regeneration	-	176,940	-	-	81,370	-	(21,240)	237,070	123,790	23,870	384,730
TOTAL COST	61,520	1,181,070	4,460	0	168,600	5,380	(575,070)	845,960	798,090	104,080	1,748,130
Percentage Direct Cost	4%	83%	0%	0%	12%	0%					

RESOURCES PORTFOLIO



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2021/2022	ESTIMATE 2022/2023
	£	£
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES		
Chief Finance Officer		
Corporate Management & Pension costs	2,156,910	1,965,000
Treasury Management	2,572,930	2,557,050
	4,729,840	4,522,050
Head of Revenues & Benefits		
Non Domestic Rates	(26,440)	(22,600)
	(26,440)	(22,600)
DIRECTOR OF THE ECONOMY		
Head of Business and Technical Services		
Community Centres	91,800	85,450
	91,800	85,450
Head of Major Projects and Investment		
Estates Core & New Investments	(4,516,290)	(4,441,730)
	(4,516,290)	(4,441,730)
Head of Planning & Development		
Land Charges	(28,970)	(27,510)
	(28,970)	(27,510)
TOTAL FOR RESOURCES	249,940	115,660

ADUR - RESOURCES PORTFOLIO - 2022/2023 - 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, SUSTAINABILITY AND RESOURCES											
Chief Finance Officer											
Corporate Management & Pension costs	1,155,130	422,670	129,750	-	280,330	-	(408,330)	1,579,550	385,450	-	1,965,000
Treasury Management	-	-	-	-	2,664,090	-	(107,040)	2,557,050	-	-	2,557,050
Head of Revenues & Benefits											
Non Domestic Rates	-	77,280	-	-	7,470	-	(107,350)	(22,600)	-	-	(22,600)
DIRECTOR OF ECONOMY											
Head of Business and Technical Services											
Community Centres	-	-	70,880	-	4,230	-	(4,050)	71,060	-	14,390	85,450
Head of Major Projects and Investment											
Estates core & new Investments	-	18,940	152,340	-	15,240	-	(4,954,160)	(4,767,640)	89,090	236,820	(4,441,730)
Head of Planning & Development											
Land Charges	-	30,020	-	-	20,200	-	(109,620)	(59,400)	31,890	-	(27,510)
TOTAL COST	1,155,130	548,910	352,970	0	2,991,560	0	(5,690,550)	(641,980)	506,430	251,210	115,660
Percentage Direct Cost	23%	11%	7%	0%	59%	0%					

PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY

1. THE CAPITAL PRUDENTIAL INDICATORS 2022/23 – 2024/25

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

1.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts.

The tables below summarise the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a financing or borrowing need.

ADUR DISTRICT COUNCIL

Capital expenditure	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£m	£m	£m	£m	£m
Non-HRA	12.512	10.270	52.997	2.473	1.862
HRA	5.186	25.666	19.513	5.600	5.600
TOTAL	17.698	35.936	72.510	8.073	7.462
Financed by:					
Capital receipts	1.282	1.519	0.200	0.100	0.121
Capital grants and contributions	10.722	4.363	1.546	0.471	0.462
Revenue Reserves & contributions	4.216	6.474	5.976	6.709	6.739
Net financing need for the year	1.478	23.580	64.788	0.793	0.140

1.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so the underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently does not have any such schemes within the CFR. The Council is asked to approve the CFR projections below:

ADUR DISTRICT COUNCIL

Capital Financing Requirement (£m)	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
CFR – non-HRA	27.278	33.958	84.082	84.146	83.581
CFR - HRA	61.591	79.713	95.226	96.826	98.426
CFR – strategic	79.627	78.405	77.556	76.685	75.790
Total CFR	168.496	192.076	256.864	257.657	257.797
Movement in CFR	1.478	23.580	64.788	0.793	0.140
Movement in CFR represented by					
Financing need for the year	3.700	25.894	66.785	3.532	2.930
Less: MRP/VRP and other financing movements	(2.222)	(2.314)	(1.997)	(2.739)	(2.790)
Movement in CFR	1.478	23.580	64.788	0.793	0.140

- 1.3 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates the activities within well-defined limits. One of these is that the Council needs to ensure that the gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Chief Financial Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Adur District Council External Debt £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt at 1 April	(161.802)	(158.936)	(182.516)	(247.304)	(248.097)
Expected change in Debt	2.866	(23.580)	(64.788)	(0.793)	(0.140)
Other long-term liabilities (OLTL)	0.000	0.000	0.000	0.000	0.000
Actual gross debt at 31 March	(158.936)	(182.516)	(247.304)	(248.097)	(248.237)
The Capital Financing Requirement	168.496	192.076	256.864	257.657	257.797
Under/(over) borrowing	9.560	9.560	9.560	9.560	9.560

Within the above figures the level of debt relating to commercial property is:

Adur District Council	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt for commercial activities / non-financial investments					
Actual debt at 31 March £m	(79.627)	(78.405)	(77.556)	(76.685)	(75.790)
Percentage of total external debt %	50%	43%	31%	31%	31%

1.4 Treasury Indicators: limits to borrowing activity

The operational boundary - This is the limit which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

ADUR DISTRICT COUNCIL

Operational boundary £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt	185.0	248.0	249.0	249.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	186.0	249.0	250.0	250.0

The authorised limit for external debt - This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limits:

ADUR DISTRICT COUNCIL

Authorised limit £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt	190.0	252.0	253.0	253.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	191.0	253.0	254.0	254.0

- 1.5 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicators and limits:

ADUR DISTRICT COUNCIL

MAXIMUM PROPORTION OF PRINCIPAL SUMS INVESTED > 365 DAYS			
	2022/23	2023/24	2024/25
Principal sums invested > 365 days	50%	50%	50%

1.6 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

ADUR DISTRICT COUNCIL

Adur	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	%	%	%	%	%
Non-HRA	10.03	14.43	15.83	24.14	22.51
HRA	16.03	23.51	24.89	26.36	26.03
Strategic purchases	(9.93)	(19.10)	(21.91)	(24.07)	(23.56)
TOTAL	16.13	18.84	18.81	26.43	24.98

HRA Ratio

Adur	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
HRA debt £m	(60.476)	(78.598)	(94.111)	(95.711)	(97.311)
Number of HRA dwellings	2537	2537	2583	2630	2622
Debt per dwelling	£23.8k	£31.0k	£36.4k	£36.4k	£37.1k

1.7 Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. Neither Council has any variable rate borrowing.

The Council is asked to approve the following treasury indicators and limits:

Limits to maturity structure of fixed interest rate borrowing 2022/23		
	Lower Limit	Upper Limit
Under 12 months	0%	25%
12 months to 2 years	0%	30%
2 years to 5 years	0%	50%
5 years to 10 years	0%	70%
10 years to 20 years	0%	80%
20 years to 30 years	0%	60%
30 years to 40 years	0%	60%
40 years to 50 years	0%	45%

2. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

- 2.1 The Councils are required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although they are also allowed to undertake additional voluntary payments (voluntary revenue provision - VRP).

DLUHC regulations have been issued which require the full Councils to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

For Adur District Council, the MRP relating to built assets under construction will be set aside once the asset is completed. If any finance leases are entered into, the repayments are applied as MRP.

The Council is recommended to approve the following MRP Statement:

ADUR DISTRICT COUNCIL

It was approved by the Joint Strategic Committee on 2nd June 2016 that for borrowing incurred before 1st April 2008, the MRP will be set aside in equal instalments over the life of the associated debt.

2.2 **General Fund**

For non-HRA capital expenditure after 1st April 2008 the MRP will be calculated as the annual amount required to repay borrowing based on the annuity method: equal annual payments of principal and interest are calculated, with the interest element reducing and the principal element increasing over the life of the asset as the principal is repaid. The interest is based on the rate available to the Council at the beginning of the year in which payments start and the MRP is calculated as the amount of principal, so that by the end of the asset's estimated life the principal is fully repaid (the Asset Life Method). The option remains to use additional revenue contributions or capital receipts to repay debt earlier.

An exception was agreed in the 2015/16 Treasury Management Strategy Statement: the Chief Financial Officer has discretion to defer MRP relating to debt arising from loans to Registered Social Landlords (RSLs) to match the profile of debt repayments from the RSL and other public bodies. RSLs normally prefer a maturity type loan as it matches the onset of income streams emanating from capital investment with the timing of the principal debt repayment. The deferral of MRP to the maturity date would therefore mean that MRP is matched at the same point as the debt is repaid, and is therefore cash (and revenue cost) neutral to the Council.

If concerns arise about the ability of the borrower to repay the loan, the Chief Financial Officer will use the approved discretion to make MRP as a "prudent provision" from the earliest point to ensure that sufficient funds are set aside from revenue to repay the debt at maturity if the RSL defaults.

2.3 **Housing Revenue Account**

Unlike the General Fund, the HRA is not required to set aside funds to repay debt. There is a requirement for a charge for depreciation to be made but there are transitional arrangements in place. The Council's MRP policy previously applied the financially prudent option of voluntary MRP for the repayment of HRA debt, to facilitate new borrowing in future for capital investment. However in order to provide additional capital funding to address the maintenance backlog identified by the condition survey, the payment of voluntary MRP was suspended for a period of 9 years from 2017/18 whilst the Council invests in its current housing stock and manages the impact of rent limitation.

2022/23 COUNCIL TAX RESOLUTION

REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES

1.0 SUMMARY

- 1.1 The purpose of this report is to enable Council to make the necessary resolutions in relation to the setting of Council Tax for 2022/23.

2.0 BACKGROUND

- 2.1 The Localism Act 2011 made significant changes to the Local Government Finance Act 1992, and requires the billing authority to calculate a council tax requirement for the year.
- 2.2 The Chancellor introduced a social care precept which allowed those Councils with responsibility for Adult Social Care an additional annual increase in Council Tax. This flexibility is available to West Sussex County Council and for 2022/23 is capped at an additional 1%.
- 2.3 Since the meeting of the Executive the precept levels of other precepting bodies have been received or are to be confirmed. These are detailed in the paragraphs below.

3.0 PROPOSALS

3.1 Adur District Council

The Adur District Council Precept (including special expenses, but excluding parishes) for 2022/23 is detailed in Appendix A and totals **£6,892,040**. The increase in the average Band D Council Tax is **1.99%** and results in an average Band D Council Tax figure of **£317.61** for 2022/23.

- 3.1.1 Section 30(1) of the Local Government Finance Act 1992 requires the Council to set an amount of Council Tax each financial year for each category of dwelling in its area. Adur District Council, as a billing authority for the purposes of Council Tax, is required to set its

Council Tax before 11th March in the financial year preceding that for which the Council Tax is set.

- 3.1.2 These amounts are based on the Council's own budget, plus precepts from parish councils where applicable, plus shares of the budget for West Sussex County Council and The Police and Crime Commissioner for Sussex, all divided by the tax base. At its meeting on 9th February 2022, the Executive approved the tax base for the Adur District and for each of the Parish Council areas for 2022/23, the total is **21,699.70** Band D equivalents.

3.1 **Adur District Council**

- 3.1.3 For the purpose of calculating council tax, dwellings are allocated to valuation bands and the amount of Council Tax paid for dwellings in each band is calculated using nationally set weightings for each band.
- 3.1.4 Since the meeting of the Executive on **1st February 2022**, the precept levels of the other precepting bodies have been received or are still to be confirmed. These are detailed as follows:

Parish Councils

The Parish precepts for 2022/23 total **£440,337**.

West Sussex County Council

West Sussex County Council are due to set their precept at the Council meeting on 18th February 2022. Once confirmed an updated report will be provided for the Adur District Council meeting.

The Police and Crime Commissioner for Sussex

The Police and Crime Commissioner for Sussex met with the Police and Crime Panel who approved the Commissioner's proposal on **9th February 2022**. The Council has now received the precept notification of **£4,880,479.53**. This results in a Band D Council Tax of **£224.91**.

3.2 **Explanatory Note**

- 3.2.1 The Act specifies the calculations required and the resolution is structured to meet those requirements. The resolution is divided into the following sections:

a) **Council Tax Base (Resolution 1)**

This resolution stipulates the Council Tax Base for the forthcoming financial year, as agreed by the Executive at its meeting on **1st February 2022**.

b) Council Tax Requirement (Resolution 2)

This resolution sets the Council's own Council Tax Requirement for the purpose of setting council tax. It represents the amount of council tax that the Council must collect from the council tax payers in its area to fund the budget for its own activities for the forthcoming year.

b) Council Tax Requirement (Resolution 2)

The Council Tax Requirement is calculated by taking the Council's Net Revenue Budget for 2022/23 of **£9,742,360**, and deducting the aggregate of the amount of support the Council receives from the government in the form of Baseline Funding and Additional Business Rate income, and transfers to or from the Collection Fund, and other Government grants.

c) Basic Amount of Council Tax (Resolution 3)

This resolution sets the Basic Amount of Council Tax for each part of the Council's area. These amounts are based on precepts from parish councils in addition to the budget for the Council's own activities and hence the Basic Amount of Council Tax differs between parts of the Council's area.

d) Precepts of Major Precepting Authorities (Resolution 4)

As a billing authority, the Council also collects council tax in its area on behalf of West Sussex County Council and The Police and Crime Commissioner for Sussex. The amount that they precept is based on their Council Tax Requirement, divided between West Sussex districts and boroughs in proportion to the number of Band D equivalent dwellings in each district/borough area.

e) Setting of Council Tax (Resolution 5)

This resolution sets out the total amount of council tax payable for each category of dwelling and for each part of the Council's area, including the basic amount for each part of the Council's area plus the amounts precepted by West Sussex County Council and The Police and Crime Commissioner for Sussex.

4.0 CONCLUSIONS

4.1 The recommendations of the Executive are set out in the formal Council Tax Resolution in Appendix A.

4.2 If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

Lancing Parish Council area

	2021/22 £	2022/23 £	Increase %
West Sussex County Council Total split as below:	1,510.56	TBC	TBC
West Sussex County Council Core Precept	1,340.87	TBC	
West Sussex County Council Adult Social Care Precept	169.69	TBC	
Police and Crime Commissioner for Sussex	214.91	224.91	4.65
Adur District Council Split as follows:			
Adur DC (excl. special expenses)	294.21	299.79	1.13
Lancing Parish Council	52.65	52.65	0.00
Lancing Parish Council area subtotal	346.86	352.44	1.61
Total for Lancing Parish Area	2,072.33	TBC	TBC

Sompting Parish Council area

	2021/22 £	2022/23 £	Increase %
West Sussex County Council Total split as below:	1,510.56	TBC	TBC
West Sussex County Council Core Precept	1,340.87	TBC	
West Sussex County Council Adult Social Care Precept	169.69	TBC	
Police and Crime Commissioner for Sussex	214.91	224.91	TBC
Adur District Council Split as follows:			
Adur DC (excl. special expenses)	294.21	299.79	1.90
Special Expenses	24.39	25.29	3.69
	318.60	325.08	2.03
Sompting Parish Council	37.26	37.17	-0.24
Sompting Parish Council area subtotal	355.86	362.25	1.80
Total for Sompting Parish Area	2,081.33	TBC	TBC

All other areas including Shoreham, Southwick and Coombes:

	2021/22 £	2022/23 £	Increase %
West Sussex County Council Total split as below:	1,510.56	TBC	TBC
West Sussex County Council Core Precept	1,340.87	TBC	
West Sussex County Council Adult Social Care Precept	169.69	TBC	
Police and Crime Commissioner for Sussex	214.91	224.91	4.65
Adur District Council Split as follows:			
Adur DC (excl. special expenses)	294.21	299.79	1.90
Special Expenses	24.39	25.29	3.69
Other Areas total	318.60	325.08	2.03
Total for Other Areas	2,044.07	TBC	TBC

5.0 RECOMMENDATION

- 5.1 Council is recommended to approve the formal Council Tax resolution for Adur District Council set out at Appendix A including the Council's specific Council Tax for 2022/23, Parish Precepts and Special Expenses, which include:
- 5.1.1 The basic part of Adur Council's requirements (excluding special expenses) in 2022/23 to be **£299.79** for a Band D equivalent property as per paragraph 3(h).
- 5.1.2 The special expenses part of Adur Council's requirements in 2022/23 to be **£25.29** for a Band D equivalent property.
- 5.1.3 The average Band D equivalent for Adur per paragraph 3(f), to be **£317.61**.

Background Papers

Budget Estimates 2022/23 and the setting of 2022/23 Council Tax Report submitted to the Executive on **1st February 2022**.

Local Government Finance Act 1992;

<http://www.legislation.gov.uk/ukpga/1992/14/contents>

Localism Act 2011

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5959/1896534.pdf

Local Authority Finance (England) Settlement Revenue Support Grant for
2020/21 and Related Matters: DCLG Letters and associated papers of 23rd
December 2019.

<https://www.gov.uk/government/speeches/provisional-local-government-finance-settlement-2020-to-2021-statement>

Council Tax (Demand Notices) (England) (Amendment) Regulations 2020

<https://www.gov.uk/government/publications/council-tax-information-letter-14-january-2020>

Appendices

Appendix A Council Tax Resolutions

APPENDIX A

ADUR DISTRICT COUNCIL – COUNCIL TAX RESOLUTION

The council is recommended to resolve as follows:

1. It is noted that on **1st February 2022**, the Executive calculated the Council Tax Base 2022/23.
 - (a) for the whole Council area as **21,699.70** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates.
2. That the Council Tax requirement for the Council’s own purposes for 2022/23 (excluding Parish precepts) is **£6,892,040**.
3. That the following amounts be calculated by the Council for the year 2022/23 in accordance with Sections 31 to 36 of the Act:
 - (a) **£56,041,882** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils
 - (b) **£48,709,505** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) **£7,332,377** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R), in the formula in Section 31B of the Act).
 - (d) **£337.90** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) **£440,337** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).
 - (f) **£317.61** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year.
 - (g) **£386,140** being the aggregate amount of all special expenses (not applicable in the Lancing Parish area)

- (h) **£299.79** being the amount at 3(d) above less the result given by dividing the amount at 3(e) and 3(g) above by Item T (1a above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept or Special Expense relates.

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Council
24 February 2022

Ward(s) Affected: All

Council Tax Support Scheme - Additional discretionary discounts

Report by the Director for Digital, Sustainability & Resources

Executive Summary

1. Purpose

- 1.1 The Councils have received notification from our County Council that they would like to support an extension of the Council Tax additional discounts of £150.00 per working age claimant in 2022/23
- 1.2 This report seeks approval to replicate the additional covid related support given to working age CTS claimants in 2020/21 and 2021/22 of an additional council tax discount of up to £150.00 per household.

2. Recommendations

- 2.1 Council is recommended to approve an additional discretionary discount of up to £150.00 per household for working age claimants with the principles detailed in paragraph 4.3.

3. Context

- 3.1 As part of the Government's ongoing support to local residents throughout the pandemic, the Government provided the Councils with Council Tax Hardship Funding in 2020/21 which was intended to give each working age household claiming CTS up to an additional £150.00 discount on their Council Tax bill. Where a taxpayer's liability for 2020-21 was, following the application of the current local council tax support scheme, less than £150, then their liability would be reduced to nil. Where a taxpayer's liability for 2020-21 was nil, no reduction to the council tax bill will be available.
- 3.2 The Government announced a new Council Tax Support Grant for 2021/22 as part of Local Government Finance Settlement. The allocations, £111,060 for Adur District Council and £132,980 for Worthing Borough Council. The County Council received approximately £6.6m. This grant was then used to support an extension of the Council Tax discretionary scheme for 2021/22.
- 3.3 The Councils have been approached in early February by the County Council with the offer of significant funding towards replicating this scheme in 2022/23 so that we can collectively continue to support those households in most need.
- 3.4 This initiative will help address the issues currently being identified through the Proactive project

4. Issues for consideration

- 4.1 Working with colleagues in the County Council, an opportunity has arisen to replicate the additional discretionary payment of £150.00 given in 2020/21 and 2021/22. Members are asked to approve a similar scheme for 2022/23.
- 4.2 The additional Council Tax discounts will support vulnerable working age residents helping these households to minimise debt and stay housed. The additional discount will also ensure that the Council is not collecting small sums from households who struggle to fund these bills at this time, avoiding the need to write off small uncollectable debts.
- 4.3 The current scheme provides for a £150 discount to all working age Council Tax Support claimants. Claimants need not apply for the discount which will be automatically applied. It is recommended that these requirements be replicated for the 2022/23 scheme.

- 4.4 If the Councils wish for the additional discount to be applied as part of the annual billing run, then a decision will need to be made by 22nd February for Worthing Borough Council and 24th February 2022 for Adur District Council.
- 4.5 Whilst the discount can be applied at any time, if the decision is made after these dates, the Council will have to rebill our Council Tax claimants causing additional work, cost and confusion for our residents.

5. Engagement and Communication

- 5.1 Officers from the County Council have been involved in developing these plans.
- 5.2 Executive Members and Officers have been consulted on the feasibility of this initiative.

6. Financial Implications

- 6.1 Based on the impact of the additional discount of £150.00 in 2021/22, the cost is expected to be approximately:

2022/23	Adur £'000	Worthing £'000
Estimate for 2022/23	180	660
Contribution from the District / Borough Council	31	92
Contribution from the County Council	149	568

- 6.2 Adur District Council can fund its share of the cost of the proposed scheme from the Covid contingency budget.
- 6.3 Worthing Borough have a Council Tax Hardship scheme which has been recently increased to £199,000. It is proposed to use this budget to support the delivery of the £150.00 discount to all working age claimants.
- 6.4 In parallel, the Council will continue to use the Council Tax Hardship Fund to target those most in need as this can run alongside the blanket discount. The remaining funding (£107k) would be able to support the removal of Council Tax completely from households in crisis (39), at risk (119) and struggling (240) and give us flexibility to support a number of other households who emerge as in difficulty during the year.

7. Legal Implications

7.1 Section 13A(1)(c) of the Local Government Finance Act 1992 provides that a billing authority may reduce the account of council tax that a person is liable to pay to such an extent as the billing authority thinks fit.

Background Papers

- Report to the Joint Strategic Committee - Covid Benefit Measures impact on Vulnerable Residents 9th February 2021.
- Local Government Finance Settlement papers
<https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government/covid-19-funding-for-local-government-in-2021-to-2022-policy-paper>
- COVID-19 hardship fund 2020-21 - Local Authority Guidance
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/919743/COVID-19_Council_Tax_Hardship_Fund_Guidance.pdf

Officer Contact Details:-

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Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

2.1 Social Value

The proposal is targeted at working age people and families with low income, helping support this group of residents during the pandemic.

2.2 Equality Issues

Whilst the support is targeted at working aged claimants, this is in light of the more generous CTS scheme for older people which has remained protected by the government.

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.

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Council
24 February 2022

Report of the Leader on Decisions taken by Executive Members and the Joint Strategic Committee since the last meeting of Council

A. Decisions Taken by Individual Executive Members

Listed below is a summary of decisions taken by the individual Executive Members since the despatch of the agenda for the last ordinary Council Meeting. Full details can be found on the [Executive Members Decisions webpage](#) .

Leader

-

Executive Member for Regeneration

JAW/018/21-22 Letting of contract for groundworks and footpath at Teville Gate

Executive Member for Resources

RES/008/21-22 Irrecoverable Debts - Council Tax and National Non-Domestic Rates

JAW/017/21-22 Housing Services Transformation, specialist HR Resource

Executive Member for Customer Services

-

Executive Member for the Environment

JAW/015-21-22 Award of contract for disposal of commercial waste

JAW/016/21-22 Procurement of Contract for the supply of tyres for Council fleet

Executive Member for Health and Wellbeing

B. Decisions Taken by the Joint Strategic Committee on 11 January 2022

Full details can be found by clicking on this [link](#)

The matters not appearing elsewhere on the agenda:-

**JSC/075/21-22 Platforms for our Places: Going Further 6 Month Progress
Report for July to December 2021**

“Platforms for our Places: Going Further” was the Council’s ambitious strategic programme designed to help create the healthy, prosperous and well connected communities Worthing residents and businesses had told the Council they wanted to see.

The report updated the Joint Strategic Committee, describing the ongoing strong progress made by the Council in achieving these commitments over the past 6 months.

The report reflected the Council’s shift from pandemic ‘response’ to ‘Autumn and Winter recovery’ and described the continuing impact of the pandemic on local communities. Whilst progress against some of the commitments had slowed because of the pandemic, most were on track and some had accelerated.

The Council continued to embed the lessons it had learned from the pandemic, using these to better support local communities and advance the Council’s strategic ambitions.

Moving forward, the Council would be gathering learning from the Platforms activity in order to feed into the next strategy cycle.

A Member asked the following questions in relation to Platform 3. Officers agreed to provide written responses following the meeting which would also be shared with the Committee membership:-

- Solar Together :- during the second round over 400 households in Adur and Worthing registered an interest to have PV and/or battery storage installed in their homes. How many households had taken it up?
- LAD Grant Programme :- 900 homes across the South East had benefited. How many of these were in Worthing?
- Nature Restoration and Protection :- The bullet point at the bottom of page 37 of the agenda pack stated ‘The Councils were also part of a wider project across West and East Sussex. The locations selected to be a part of this project includes Steyne Gardens, Kingston Beach and Buckingham Park with links to the Local Nature Partnership and Health objectives across the region. All aspects of these projects are connected with the local communities and key stakeholders and will define a baseline assessment of the natural conditions of these locations and then work alongside the local community to create a set of recommendations that will include how to fund them’. What was this project and was the Council going to fund it?

Officers agreed to provide written responses to the questions following the meeting. The Leader of Adur District Council requested that the responses also be shared with the Committee membership.

Another Member asked the following questions in relation to the report:

- Paragraph 6.25 of the report considered recycling rates across Adur and Worthing. What were the actual figures and how did the Councils compare with other authorities?
- Paragraph 6.28 of the report considered leadership support for senior managers. Was there any information on the outcomes for those managers in terms of progression, promotion etc?

Officers agreed to provide written responses to the questions following the meeting. The Leader of Adur District Council requested that the responses also be shared with the Committee membership.

The Committee welcomed the report and congratulated Officers for all of the work undertaken over the last 18 months in particularly difficult circumstances.

The recommendation, as set out in the report, was unanimously supported by the Committee.

Decision

The Joint Strategic Committee noted and considered the “Platforms for our Places: Going Further” 6 months progress report (July to December 2021) and agreed to refer the report to the Joint Overview and Scrutiny Committee for its consideration.

JSC/076/21-22 Proactive interventions to support low income residents

This report updated the Committee, describing changes in the national and local context since the last report; the Proactive team’s progress since then; the ways in which this work has been connected to other pandemic related support and outlined next steps. It also included the financial impacts that residents had experienced over the months this work had been underway.

A Member asked questions in relation to the cost of the ‘Lift’ tool, the contact methods used to reach residents, plans for ongoing support when Covid funding ended and which partner organisations cases were being referred to. Officers advised that the cost of the system was £35k per annum which included the Lift tool and benefits calculators for residents and staff. There wasn’t a timeline for the dataset’s inclusion of Universal Credit information, however, there was a lot of work being undertaken by Policy in Practice to include this and the situation would be monitored closely over the coming 6 to 12 months. In regards to Covid funding, the Councils had been working on the basis that the funding was available until the end of March 2022. The Councils had recently been advised that part of it could be

carried forward to the summer but were awaiting a response in regards to the remainder of this funding. It was also noted that cases were referred onto a range of other organisations and Officers would provide additional data following the meeting.

During discussion, Members sought clarification in regards to the inclusion of St Nicholas and Buckingham Wards in the 'top 5' wards with the highest percentage of households who were 'not coping'. Officers agreed to arrange a briefing session for Members with a deeper dive into the Lift Programme Tool and for Policy in Practice to come and answer some of the more in depth questions.

The Committee also considered the tracking of costs per intervention, tracking of gender engagement figures, the importance of data analysis and requested that an update be brought back to the Committee in 6 months rather than 12 months as proposed in the report.

Decision

The Joint Strategic Committee noted the contents of the report and requested that the Interim Director for Communities report back in 6 months on progress with the roadmap / next steps outlined.

JSC/0077/21-22 Council Tax Support Schemes for Worthing Borough Council in respect of 2022/23 & 2023/24

The report related to the Council Tax Support schemes for Worthing Borough Council in respect of 2022/23 and 2023/24. It had been produced following the decision made by the Joint Strategic Committee on 7 December 2021 that officers should provide further details about options for:-

Enhancing the budget for discretionary awards during 2022/23; and Removing the £5.00 weekly restriction from 1 April 2023 and the associated timescales.

A Member queried the timeline for consultation with precept bodies, suggesting that this commence sooner than May 2022. Officers advised that the consultation was in respect of the 2023/24 scheme and that it could commence sooner, if requested by Members.

Clarification was sought in relation to the number of households that would be supported by the additional discretionary awards totalling £100k. It was noted that an additional investment of £100k into the hardship fund would support between 760 households (at £260) and 1,300 households (at £150). This would provide support to all customers identified in the 'struggling', 'at risk' and 'in crisis' categories whilst also providing a safety net for those currently coping but whose circumstances may change. It was noted that the cost of providing support (at £260) to all Working Age Council Tax Support customers, of which there were currently 3,328, would require a

budget of around £870k which would equate to an 8.7% increase in Council Tax. The Council was limited to an increase in Council Tax of 2% due to the referendum criteria.

Decision

The Joint Strategic Committee

1. noted the content of the report;
2. approved an accelerated commencement of the consultation with the precepting bodies for the development of the 2023/24 Council Tax Support scheme;
3. noted that a further report would be presented to Committee in June outlining the options for a new scheme and the public consultation approach; and
4. approved the release of £100,000 from the Capacity Issues Reserve to increase the hardship fund for 2022/23.

JSC/078/21-22 Worthing Pier - Emergency Works

The report provided an update to the Committee on the direct award of a contract for emergency works to the Pier and landing stage sub-structure under Standing Orders 8.3 Special Circumstances and Emergencies - 8.3.3 for Emergency Works, and updated the Committee on the ongoing situation.

Decision

The Joint Strategic Committee

1. noted the award of the contract for emergency works to the Pier and landing stage sub-structure under Standing Orders 8.3 Special Circumstances and Emergencies - 8.3.3 for Emergency Works; and
2. noted the ongoing emergency works in available tidal windows to the Pier and landing stage sub-structures.

JSC/057/21-22 Referral of Motion on Notice from Adur District Council

The report set out a motion referred from the meeting of Adur District Council on the 28th October 2021.

Members of the Joint Strategic committee were asked to consider and determine the Motion.

Members could either support the motion and ask for further work to be carried out in this regard, or, members could reject the motion.

Councillor Robina Baine attended the meeting to present the motion to the Committee.

During consideration of the motion, Members raised a number of issues including net zero targets for the District, the importance of Local Partnerships, the leading role Shoreham Port and Ricardo's were playing with hydrogen fuel and the lobbying of farmers.

It was proposed by Councillor Angus Dunn and seconded by Councillor Carson Albury that the motion be supported. This proposal was supported by the Committee.

Decision

That the Joint Strategic Committee supported the motion.

C. Decisions taken by the Joint Strategic Committee on 8 February 2022

Full details can be found by clicking on this [link](#).

The matters not appearing elsewhere on the agenda:-

JSC/084/21-22 Chief Executive's use of Urgency Powers during the Covid-19 Pandemic

The report updated the Committee on the latest wave of Coronavirus (Omicron) which necessitated the Government taking urgent action in the pre-christmas period. In late December, the Council was informed of a new business grant scheme targeted at those businesses who were most severely affected by this new variant.

To ensure the swift distribution of funds, the Chief Executive had been called upon to use her urgency powers to approve a budget virement and this report advised Members of the Executive of the executive decision made, and asked for their endorsement of those decisions.

A Member asked whether it was possible to find out how the process of grant allocation had been experienced by local businesses in Worthing. Officers advised that the deadline had been extended until the 18th March 2022 and that informal feedback suggested that both the grants and the process for allocation had been well received. The Councils had been able to design their own process, as they had the right technology in place to do so, which enabled an application process that was user centred and applicable for businesses. The Councils would seek more structured feedback at a later date.

Members congratulated officers for getting the grants out to businesses and the recommendation, as set out in the report, was unanimously supported by the Committee.

Decision

That the Joint Strategic Committee

1. noted the content of the report and endorsed the decision made by the Chief Executive;
2. delegated authority to the Chief Financial Officer to adjust the budget for any future fully funded government covid relief schemes.

JSC/085/21-22 Final Revenue Budget Estimates for 2022/23

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

- The final revenue estimates for 2022/23 including any adjustments arising from settlement; and
- An updated outline 5-year forecast.

The budgets reflected the decisions taken by members to date in relation to agreed savings proposals and any committed growth. The budgets were still to be adjusted for the proposals to invest in services detailed in Appendix 2 which were considered by the Adur and Worthing Executives the previous week.

The budget was analysed by Executive member portfolio. In addition, the draft estimates for 2022/23 had been prepared, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension cost adjustments that did not impact either on the Budget Requirement or the Council Tax Requirement).

The respective Adur and Worthing 2022/23 Estimates and Council Tax setting reports had already been considered by the Worthing Executive on 31st January 2022 and the Adur Executive on 1st February 2022. Both the estimates for Adur District Council and Worthing Borough Council included their respective share of the cost of the Joint Strategic Committee.

Officers advised that since writing the report, the Councils had received full settlement which had resulted in the following marginal changes:-

- Adur District Council was better off by £570; and
- Worthing Borough Council was better off by £2,400.

As a result, Officers were not proposing to amend the budget papers going before the Full Council meetings later in the month.

A Member questioned whether Officers were satisfied that an inflation figure of 2% was sufficient. The Committee was informed that it was difficult to be absolutely certain. The biggest element of inflation that the Councils experienced was with pay. Settlement was still awaited for the 2021/22 pay award by the negotiating body and that pay award was expected to be 1.75%. Officers advised that looking ahead to next year, it was likely that most Councils would struggle to offer more than 2% but the Councils would have to wait and see how the negotiations went. There was some risk to the Councils energy budgets going forward, but the Councils had to a certain extent mitigated that risk by committing to short fixed term contracts, so weren't expecting to experience those inflationary pressures until the latter part of 2022/23. In addition, there were inflation provisions within the budget to help mitigate against those increases.

The Committee acknowledged that these were financially challenging times and these financial pressures were unlikely to ease in the near future when the outcome of the pandemic was better understood. The reports mapped out where the 2 Councils were in paragraph 3.3 of the report, setting out the strategic programmes the Councils had established to deliver new income and savings for the next 5 years. These included the Major Projects programme which would lead on delivering regeneration projects to increase employment space and additional housing and the Strategic Asset Management programme which would lead on delivering the income growth associated with the Strategic Property Investment Fund.

Decision

The Joint Strategic Committee:-

1. noted the proposals to invest in services outlined in Appendix 2 which were considered at the Executive meetings in early February; and
2. noted the proposed 2022/23 budget detailed in Appendix 3. The respective Council shares had been approved by the Adur and Worthing Executives. The budget would be adjusted for any changes to the Investment in Service proposals.

JSC/087/21-22 Celebrating the Queen's Platinum Jubilee

The report updated members on the proposed programme of activities to celebrate the Queen's Platinum Jubilee and to release funding to support the proposed programme of events.

A Member questioned whether the local programme of events, designed by the Councils, was in keeping with how local residents would like to celebrate the platinum jubilee. Officers advised that there were some activities that the Councils would be coordinating, at the behest of the palace or the national programme. Otherwise, the approach is to create a toolkit that enables residents to organise what they want to do.

It was noted that road closure fees had been waived on all four days of the celebrations, to enable residents to hold street parties and that a significant number of applications had already been forthcoming.

In regards to tree planting, it was suggested that in Adur, residents would like to see this spread wider across the District rather than just being in Buckingham Park. Officers advised that this work dovetailed with work around a community tree planting scheme which was wider.

It was suggested that the Councils arrange another media release to promote the celebrations and remind residents that the closure date for applications was the 15th April.

Decision

The Joint Strategic Committee:-

1. endorsed the proposed programme of celebrations; and
2. approved the release of funding to allow for the delivery of the programme from the Capacity Issues Reserve of each Council as follows:
 - i. Adur District Council £20,000
 - ii. Worthing Borough Council £28,500

JSC/088/21-22 Union Place - selection of preferred developer

The report advised the Committee on the outcome of a successful marketing exercise for the Union Place site and sought the Committee's approval to progress

negotiations with Roffey Homes regarding the development of the site for the purpose of delivering new homes, cinema, parking and employment space.

The report recommended that members approved Roffey Homes Ltd as the preferred development partner and that the scheme should be progressed by way of a Joint Venture Partnership between the organisations.

The report also outlined the key areas of negotiation, business case development and financial implications of the proposal that needed to be resolved in a further report to the Committee.

A Member questioned whether there was evidence to support the suggestion that residents wanted extended cinema provision at Union Place. Officers advised that there was strong support for a cinema on the site. A study had identified there was demand for a further 3 to 5 additional screens in the town and that there were 100,000 trips taken by Worthing residents, out of the town, to access similar cinema provision in Brighton and Chichester. It was noted that the average spend of a cinema goer was £35 per trip, so it had been estimated that for the number of trips identified, £3.5m was leaving the Worthing economy. The option put forward enabled the Council to keep the cinema option on the table whilst providing an opportunity to review the demand for cinema post pandemic.

It was also noted that Worthing Theatres and Museum strongly supported the provision of a cinema at Union Place.

Clarification was sought in relation to the impact of not taking back the NCP car park and the lack of hotel provision in the plans. Officers advised that the scheme was deliberately phased in two parts. It was recognised that getting hold of the NCP part was a costly challenge for the Council. It required NCP to come to the table and negotiate, as an organisation, NCP were known to be difficult to negotiate with. As a result, the Council had undertaken two viability appraisals, both of which had been shown to stack up. The hotel was a strong aspiration for the site, however, a number of hotel operators had been approached and there was no real strong interest in the site. It was felt that demand was taken up by existing hotels in the town.

The Committee also gave consideration to LCRs role in the proposals, the length of NCPs lease and the number of affordable units delivered through the proposals.

It was noted that the site had been vacant for a considerable period of time and that Roffey Homes had a strong record of delivery in the town. Support was expressed for the Joint Venture approach proposed and the Committee requested that an

update be brought back to the next meeting of the Joint Strategic Committee on the 1st March 2022.

Decision

That the Joint Strategic Committee:-

1. noted the progress made in developing and enabling the site since the most recent update to the Joint Strategic Committee in November 2018 including the successful grant of planning permission and marketing of the site for a delivery partner;
2. agreed that Roffey Homes be the Council's preferred development partner for Union Place;
3. delegated authority to the Head of Major Projects & Investment to negotiate with Roffey Homes the most appropriate way to bring forward any potential development, noting that the current preferred option by Roffey Homes was for a Joint Venture; and
4. noted that a report would be brought back to the Joint Strategic Committee for consideration detailing the final proposed documents, and to seek any required authorisations to continue with the proposed Joint Venture arrangement, with an update to be provided on the 1st March 2022.

Local Government Act 1972

Background papers

(Reports and Record of decisions are available on the Council's web site www.adur-worthing.gov.uk or as indicated in each of the paragraphs above. Some of the reports may contain exempt information and not be fully published on the websites.)

**Councillor Neil Parkin
Leader of the Council**

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Council
24 February 2022

Ward(s) Affected: All

Designation of Monitoring Officer

Report by the Head of Paid Service

Officer Contact Details Officer Contact Details:-

Paul Brewer
Director for Digital, Sustainability & Resources
07881 323471
paul.brewer@adur-worthing.gov.uk

1. Purpose

- 1.1. The purpose of this report is to formally designate the Council's Monitoring Officer.

2. Recommendations

- 2.1. The Council is recommended to designate Geoff Wild as the Council's Monitoring Officer with effect from 25th February 2022.

3. Context

- 3.1 The current Head of Legal Services and Monitoring Officer, Maria Memoli, will leave the employment of Adur District Council on 24th February 2022. The secondment arrangement between Adur District Council and Worthing Borough Council in respect of the statutory Monitoring Officer appointment will terminate on the same date.

- 3.2 It is therefore necessary for both Worthing Borough Council and Adur District Council to make a statutory appointment of a Monitoring Officer, effective from 25th February 2022.

4. Issues for consideration

- 4.1. The Council has a duty under section 5(1) of the Local Government and Housing Act 1989 to designate one of its Officers as the Monitoring Officer to be responsible for specific statutory functions. The Monitoring Officer may not be the Head of Paid Service or the section 151 Officer.
- 4.2 The Council's Constitution provides that the Head of Legal Services is also the Monitoring Officer. However, the designation of the Head of Legal Services to the statutory role of Monitoring Officer is not automatic in law and the designation must be confirmed by the Council.
- 4.3 The duties and responsibilities of the Monitoring Officer are summarised in the Council's Constitution, including the Monitoring Officer Protocol, and also in section 5 Local Government and Housing Act 1989.
- 4.4 The Joint Senior Staff Committee is responsible for undertaking the recruitment and selection process for the Head of Legal Services and for recommending to Council whom to designate as Monitoring Officer. It is anticipated that such a recruitment and selection process will be undertaken later in 2022 by the Joint Senior Staff Committee, who are likely to make an appointment to the post of Head of Legal Services, after consulting with the Executive, and a recommendation to full Council on a further designation of Monitoring Officer in due course.
- 4.5 However, in the interim period, it is proposed that an experienced interim Monitoring Officer and Head of Legal Services be appointed. A selection process has been undertaken by the Chief Executive (Head of Paid Service) and the Director for Digital, Sustainability & Resources, with the support of the Monitoring Officer. A contractual agreement has been entered into for the temporary services of Geoff Wild to lead the Legal Services section to provide support in the next period.
- 4.6 This report therefore recommends that each Council designate Geoff Wild as the Council's Monitoring Officer from 25th February 2022 until such time as a recommendation for an alternative designation is

forthcoming from the Joint Senior Staff Committee.

5. Engagement and Communication

- 5.1 The Head of Paid Service has been consulted throughout the recruitment process.
- 5.2 The Director for Digital, Sustainability & Resources has undertaken engagement with the legal services team, and other officers to gather insights and feedback in the development of a draft work plan for the interim Head of Legal Services and Monitoring Officer.

6. Financial Implications

- 6.1 A contract has been entered into with a Recruitment Agency for the services of Geoff Wild for 4 days per week. The contract is expected to last 6 months with an additional budget requirement of £44,800.
- 6.2 The additional cost will be funded from the Councils' inflation contingency budgets.

7. Legal Implications

- 7.1 The legal requirements for the Council to have an officer correctly appointed to and holding the role of Monitoring Officer is set out in the body of the report. The role does not need to be held by an employee of the Council in law.

Background Papers

None

Sustainability & 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

The Monitoring Officer has a critical role in ensuring compliance of the authority, and its members and officers, with equalities legislation

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

The Monitoring Officer has a critical role in ensuring compliance of the authority, and its members and officers, with human rights legislation

3. Environmental

Matter considered and no issues identified

4. Governance

The Monitoring Officer is the guardian of the lawfulness of decision making, ensuring that the authority and its members and officers adhere to high standards of behaviour and conduct.



Adur Council
24 February 2022

Ward(s) Affected: All

Pay Policy Statement 2021/2022

Report by the Director for Digital, Sustainability and Resources

Officer Contact Details

Paul Brewer
Director for Digital and Resources
Worthing Town Hall
Direct Dialling No: 221302
Email: paul.brewer@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1 This report seeks approval of the Pay Policy Statement 2021/22, which is a statutory requirement under Section 38 (1) of the Localism Act 2011. The statement will be updated on an annual basis.
- 1.2 The pay policy statement is set out in Appendix 1.

2. Recommendations

- 2.1 That the Council is recommended to note the Pay Policy Statement 2021/22 set out in Appendix 1.

3. Context

- 3.1 The Council along with all other Local Authorities in England are required to prepare a Pay Policy Statement each year. 2012 was the first year these Statements had to be published.
- 3.2 The Localism Act includes an expression of the Government's aim that there is improved transparency about how public money is spent, including that of pay.

3.3 The Pay Policy Statement must articulate a Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff ("chief officers") and its lowest paid staff.

3.4 The Councils are individual employers (albeit in a partnership arrangement with each other) and as such have the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for the local taxpayer.

4. Issues for consideration

4.1 In producing the Pay Policy Statement (attached as Appendix 1) account has been taken of the fact that the partnership arrangement is between Adur District Council and Worthing Borough Council. However, separate Pay Policy Statements have been produced for the two Councils.

4.2 In undertaking the analysis of pay, (in particular the pay ratio between the median average salary of staff who are not chief officers and the Chief Executive) officers who form part of the shared service structure are treated as the Council's employees for the purpose of this exercise.

4.3. In paragraph 2.4, reference is made to the Council developing an approach to pay that seeks to achieve value for money. Since the introduction of Partnership working there has been a significant reduction in the size of the Council's Management Team.

	Chief Executive	Directors	EHoS	Heads of Service
Pre Partnership	2	4	17	0
1 st April 2008	1	3	10	0
June 2009	1	2	10	0
March 2010	1	2	9	0
May 2011	1	2	8	0
August 2011	1	2	7	0
April 2014 (revised structure)	1	4	0	13
April 2018 (latest structure)	1	4	0	12
April 2019	1	3	0	14
April 2020	1	3	0	12
April 2021	1	3	0	13

4.4 A cost allocation mechanism is in place for the Council's Management Team as follows:

Post	Adur	Worthing
Chief Executive	50%	50%
Directors	50%	50%

5. Financial Implications

5.1 There are no financial implications to publishing the Pay Policy Statement.

Finance Officer: Sarah Gobey

Date: 9th February 2022

6. Legal Implications

6.1 The Pay Policy Statement is a statutory requirement under Section 38 (1) of the Localism Act 2011.

6.2 DCLG guidance on the Pay Policy Statement advises that the Secretary of State does not consider that the statement engages the Data Protection Act as they contain general principles underpinning decisions on pay and not personal data.

Legal Officer: Geoff Wild

Date: 14th February 2022

Local Government Act 1972

Background Papers:

Openness and accountability in local pay: Guidance under section 40 of the Localism Act. DCLG February 2012.

Localism Act: Pay Policy Statements. Guidance for Local Authority Chief Executives Supplementary Note 2. LGA / ALACE 1st March 2012.

Minutes of the respective Council meetings in February 2012 – Worthing Borough Council 21 February and Adur 23 February.

SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

- 1.1 Ensuring Value for Money and low Council Tax

2.0 SPECIFIC ACTION PLANS

- 2.1 The Pay Policy Statement complements the Councils' Equalities Policy.

3.0 SUSTAINABILITY ISSUES

- 3.1 Matter considered and no issues identified.

4.0 EQUALITY ISSUES

- 4.1 The Council has a Job Evaluation scheme designed to ensure equality in pay and remuneration.

5.0 COMMUNITY SAFETY ISSUES (SECTION 17)

- 5.1 Matter considered and no issues identified

6.0 HUMAN RIGHTS ISSUES

- 6.1 The report recommends adoption of a Policy that is consistent with legislation relating to Data Protection and the handling of personal information.

7.0 REPUTATION

- 7.1 Failure to publish a Pay Policy Statement could result in negative reputational damage to the Council.

8.0 CONSULTATIONS

- 8.1 Matter considered and no issues identified

9.0 RISK ASSESSMENT

- 9.1 Matter considered and no issues identified

10.0 HEALTH & SAFETY ISSUES

- 10.1 Matter considered and no issues identified.

11.0 PROCUREMENT STRATEGY

- 11.1 Matter considered and no issues identified

12.0 PARTNERSHIP WORKING

- 12.1 The Council's approach to pay is undertaken in a Partnership Agreement between Adur District Council and Worthing Borough Council.

**ADUR DISTRICT COUNCIL PAY POLICY STATEMENT -
FINANCIAL YEAR 2021-22**

1.0 PURPOSE

- 1.1 This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and this will be updated annually from April each year.

This Pay Policy Statement sets out Adur District Council's policies relating to the pay of its workforce for the financial year 2021-22, in particular:

- (a) The remuneration of its Chief Officers;
- (b) The remuneration of its 'lowest paid employees';
- (c) The relationship between:
 - (i) The remuneration of its Chief Officers and;
 - (ii) The remuneration of its employees who are not Chief Officers.

2.0 DEFINITION

- 2.1 For the purpose of this Pay Policy, the following definitions will apply:

- (a) 'Pay' in addition to salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements, and termination payments;
- (b) To enable meaningful comparison of posts, the Council uses full-time equivalent salaries as set out in its pay structure;
- (c) 'Chief Officer' refers to the following roles within Adur District Council:
 - (i) Chief Executive, as Head of Paid Service;
 - (ii) Directors x 3; these officers are members of the Council's Leadership Team.
 - (iii) The Council's Monitoring Officer
 - (iv) The Council's Section 151 Officer

- (v) Any non administrative roles which directly report into the Chief Executive

- 2.2 'Lowest paid employees' refers to those staff employed within Grade 1 on the Council's pay framework.

The above definition for the 'lowest paid employees' has been adopted because Grade 1 is the lowest grade on the Council's pay framework. The bottom point on the pay scale as at 1st April 2021 is spinal column point 1 (£17,842) per annum. This excludes apprenticeships/trainee posts where we are guided by National Minimum Wage requirements.

As the Cost of Living Increase for 1st April 2021 is still pending the pay scales currently remain the same as dated 1st April 2020.

- 2.3 'Employee who is not a Chief Officer' refers to all staff who are not covered under the Chief Officer group above (2.1). This includes the 'lowest paid employees'.

3.0 PAY FRAMEWORK REMUNERATION LEVELS

- 3.1 Remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to fulfilling the Council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is not, nor is seen to be, unnecessarily excessive. Each Council has responsibility for balancing these factors and each Council faces its own unique challenges on opportunities in doing so and retain flexibility to cope with various circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate.

3.2 Pay Framework

It is essential for good governance that decisions on pay and reward packages for Chief Executives and Chief Officers are made in an open and accountable way and that there is a verifiable and accountable process for recommending the levels of top salaries.

Adur District Council's current pay framework for staff other than Chief Officers who are working jointly for Adur District Council and Worthing Borough Council was approved on 3rd February 2009 by the Joint Staff Committee and is based on the National Joint Council for Local Government Services: National Agreement on Pay and Conditions of Service.

Further details of the Joint Staff Committee can be found at: <http://www.adur-worthing.gov.uk/committee/>

Adur District Council's current pay framework for staff employed by Adur, but not working jointly with Worthing Borough Council as set out in Table 1 was agreed by the Corporate Resources Committee in June 2002.

3.3 Job Evaluation

The Council has adopted the Greater London Provincial Council (GLPC) Job Evaluation Scheme. All posts have been subject to the evaluation process which ensures that the grade for each role is determined on a consistent basis. This followed a national requirement for all local authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

Adur District Council determined a local pay framework and the overall number of grades is 13 with 61 spinal column points within the grade ranges 1 (lowest) to 13 (highest). The Adur District Council payscale also has a spot salary - spinal column point 62, which was introduced for one particular Head of Service role that was evaluated as higher than grade 13. This spot salary was calculated based on the average incremental amounts between the spinal column points in grade 13.

As part of the job evaluation process, each employee who is not a Chief Officer will be placed on one of the 13 grades based on the job evaluation of their role. The employees can progress to the salary range maximum of their grade subject to assessment of their performance as part of on-going supervision and performance management practices.

Pay awards are considered annually for staff as part of the National Local Government pay bargaining process.

4.0 REMUNERATION - LEVEL AND ELEMENT

4.1 Salaries

The group of Chief Officers (2.1), is paid outside of the Council's pay framework, which applies to all other employees. The Joint Senior Staff Committee determines the terms and conditions of Chief Officers, subject to the approval, by Council of salaries in excess of £100,000.

Further details of the Joint Senior Staff Committee can be found at:

<https://democracy.adur-worthing.gov.uk/mgCommitteeDetails.aspx?ID=162>

The pay awarded to Chief Officers is based on a spot salary with no grade range or incremental progression. Salary is subject to the same percentage pay award agreed as part of the National Local Government pay bargaining process. The spot salary for Chief Officers was based on market testing

undertaken by an Independent Consultant and was implemented on 1st April 2008.

The salary of the Chief Executive as at 1st April 2021 is £125,406 full time equivalent, with additional payments for the role of Returning Officer at elections.

Election duty payments are made to the Returning Officer (Chief Executive) and the Deputy Returning Officers (Directors). The pay for these roles is set out nationally for National Elections and for Local Elections, the scale is set jointly by West Sussex Local Authorities.

A review of the salary of the Chief Executive was undertaken in 2021/22 with a new pay scale proposed in the range from £134,000 rising to £155,000. This was approved by Adur District Council on the 22nd July 2021 and the new Chief Executive whose appointment was approved by Council on 28th October 2021 is paid £134,000.

The Council publishes details of all senior officer salaries including Chief Officers within the statement of the accounts in compliance with the requirements of the transparency code. Details can be accessed at the following web address:

<http://www.adur-worthing.gov.uk/about-the-councils/finance/statement-of-accounts/> .

All staff are paid directly. Staff may ask for part of their salary to be paid into the pension fund to support their future retirement in accordance with the Council's Pensions Discretions policy. No payment arrangements which might be viewed as tax avoidance will be countenanced.

Currently the approved remuneration for 2021/22 for each of the Chief Officers is:

	£
Director of Communities	£102,493
Director of Digital, Sustainability and Resources	£102,333
Director of Economy	£100,326
Head of Housing	£74,154 - £80,794
Transformation Programme Manager	£67,611 - £73,666
Director of Coastal West Sussex Partnership	£49,400 - £65,859

Head of Communications	£49,400 - £54,305
Administration Manager	£39,880 - £43,857
Policy Officer	£35,745 - £38,890
Data Lead	£30,451 - £34,728

This is pending agreement of the approved annual pay increase which is yet to be agreed for 2021/22.

4.2 **‘Lowest paid employees’**

Each lowest paid employee is paid within the salary range for Grade 1, Spinal Column Point 1 (£17,842 as at 1st April 2021) - Spinal Column Point 3 (£18,562 as at 1st April 2021).

Note: for employees paid on The National Minimum Wage for their age the rates are as follows from 1st April 2021:

Apprentice: £4.30 per hour
Under 18 £4.62 per hour
18 – 20 £6.56 per hour
21 - 22 £8.36 per hour
23 and over £8.91 per hour

4.3 **Bonuses**

Additional duties and Special merit payments can be made to staff, not including Chief Officers, as one-off payments in recognition of duties and/or acting-up duties undertaken that is additional to that expected from the normal day-to-day work. The size of the award paid to employee(s) is commensurate with the work being rewarded.

- 4.4 Chief Officers are subject to the same performance management process as the lowest paid employees and employees who are not Chief Officers. Chief Officers do not receive any incremental progression. The Chief Officers are subject to the same remuneration policies as all the other Council employees including termination payments, and other payments as detailed in the Council’s Pay and Reward Policy.

- 4.5 Charges, fees or allowances Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Council’s policy.

The following allowances and benefits are available to staff and Chief Officers:

- (a) Health insurance (closed to new entrants);

- (b) Life assurance (closed to new entrants);
- (c) Long service increments (closed to new entrants);
- (d) Salary sacrifice scheme;
- (e) Benefits such as arranging group or staff discount schemes;
- (f) Child care provision or allowances;
- (g) Discounted sports facilities/benefits;
- (h) Membership of professional organisations where such membership is necessary for the carrying out of their employment.

4.6 Pension

All employees, as a result of their employment, are eligible to join the Local Government Pension Scheme. Locally this scheme is administered by Hampshire County Council.

The Council will allow staff to take flexible retirement where they can access up to 80% of their previous salary and their pension benefits in accordance with the LGPS Pension Framework.

4.7 Severance Payments

The following types of severance payments can be made to staff:

- (a) Compulsory redundancy;
- (b) Voluntary redundancy;
- (c) Efficiency of the service;
- (d) Added pension benefit on leaving employment due to redundancy or efficiency of the service;
- (e) Conversion of lump sum compensation payment into additional Local Government Pension Scheme membership;
- (f) Voluntary early retirement;
- (g) Flexible retirement;
- (h) Exceptional compassionate grounds.

If there is less than a four week period between someone being made redundant from another Council and joining Adur District Council, they will be required to repay their redundancy to their previous employer. If the break is greater than 4 weeks, their continuous service is broken.

All redundancy and efficiency of service payments are approved by the Executive Member for Resources.

Any severance packages with a value of over £100,000 will go to Full Council for approval.

The Council's Joint Staff Committee approved the Managing People Change Policy on 24th July 2018, which sets out the Council's approach to redundancy; this policy applies to all staff, including Chief Officers.

4.8 New starters joining the Council

The Council approves the paycales for all council roles, including those for the Chief Executive and the Directors.

Employees new to the Council will normally be appointed to the first Spinal Column Point of the salary range for their grade. Where the candidate's current employment package would make the first point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a higher salary may be considered by the recruiting manager. This will be within the salary range for the grade. The grade will be determined by the Job Evaluation Scheme.

In professions where there is a particular skill shortage, as a temporary arrangement, it may be necessary to consider a market supplement to attract high quality applicants. The Council's market supplements are subject to annual review.

The Council's Contract Standing Orders provides detail regarding not re-employing anyone within 6 months of them leaving.

5.0 RELATIONSHIP BETWEEN REMUNERATION OF CHIEF OFFICERS AND EMPLOYEES WHO ARE NOT CHIEF OFFICERS

- 5.1 The median average salary of employees who are not Chief Officers is £24,491. The pay ratio between the median average and the salary of the Chief Executive is 1:5.47.

6.0 PAY POLICY REVIEW STATEMENT REVIEW AND PUBLICATION

- 6.1 Any changes to the Pay Policy must be subject to agreement by the Council.
A Pay Policy Statement will be published each year.

Pay Spine from 1st April 2021 **APPENDIX 1**
COST OF LIVING INCREASE FOR 1st APRIL 2021 STILL PENDING

GRADE	SCP	2020/21 SALARY	2021/22 SALARY
			£
1	1	17,842	17,842
	2	18,198	18,198
	3	18,562	18,562
2	4	18,933	18,933
	5	19,312	19,312
	6	19,698	19,698
3	7	20,092	20,092
	8	20,493	20,493
	9	20,903	20,903
	10	21,322	21,322
	11	21,748	21,748
4	12	22,183	22,183
	13	22,627	22,627
	14	23,080	23,080
	15	23,541	23,541
	16	24,012	24,012
	17	24,491	24,491
5	18	24,982	24,982
	19	25,481	25,481
	20	25,991	25,991
	21	26,511	26,511
	22	27,041	27,041
	23	27,741	27,741
	24	28,672	28,672
	25	29,577	29,577
6	26	30,451	30,451
	27	31,346	31,346
	28	32,234	32,234
	29	32,910	32,910
	30	33,782	33,782
	31	34,728	34,728
7	32	35,745	35,745
	33	36,922	36,922
	34	37,890	37,890
	35	38,890	38,890
8	36	39,880	39,880
	37	40,876	40,876
	38	41,881	41,881
	39	42,821	42,821
	40	43,857	43,857
9	41	45,175	45,175
	42	46,252	46,252
	43	47,335	47,335
	44	48,370	48,370

GRADE	SCP	2019/20 SALARY	2020/21 SALARY
			£
10	45	49,400	49,400
	46	50,428	50,428
	47	51,689	51,689
	48	52,982	52,982
	49	54,305	54,305
11	50	57,327	57,327
	51	59,589	59,589
	52	63,165	63,165
	53	65,859	65,859
12	54	67,611	67,611
	55	69,572	69,572
	56	71,588	71,588
	57	73,666	73,666
13	58	74,154	74,154
	59	76,305	76,305
	60	78,516	78,516
	61	80,794	80,794
	62	80,910	80,910
SPOT (13+)	63	83,135	83,135

	M	T	W	Th	F	M	T	W	Th	F	M	T	W	Th	F	M	T	W	Th	F	M	T	W	Th	F
May	2 B/H	3	4	5 E	6 C	9	10	11	12	13	16	17	18	19 C(A)	20 C(A)	23	24	25 PC	26	27	30	31 JGC			
June			1	2 B/H	3 B/H	6 PC	7 JSC*	8	9 JOSC A CLF	10	13	14	15	16	17	20 LC	21	22 PC	23	24	27 LCC	28 LGA	29 LGA	30 LGA	
July					1	4 PC W CLF	5 JSC*	6	7	8	11	12	13	14 JOSC	15	18	19 C	20 PC	21 C	22	25	26	27	28 JGC	29
Aug	1	2	3	4	5	8 PC	9	10	11	12	15	16	17	18	19	22	23	24 PC	25	26	28 B/H	30	31		
Sept				1	2	5 PC	6 JSC*	7	8	9	12 LC	13	14	15 JOSC	16	19 LCC	20	21 PC	22	23	26	27 JGC	28	29	30
Oct	3 PC	4 JSC*	5	6	7	10	11	12	13 JOSC	14	17	18 C	19 PC	20 C	21	24	25	26	27	28	31 LC				
Nov		1	2	3	4	7 PC	8 JSC	9	10	11	14 LCC	15	16 PC	17	18	21	22	23	24 JOSC*	25	28	29 JGC*	30		
Dec				1	2	5 PC	6 JSC	7	8	9	12 C	13 PC	14	15 C	16	19	20	21	22	23	26 B/H	27 B/H	28	29	30
Jan 2023	2 B/H	3	4	5	6	9 PC	10 JSC	11	12	13	16 LC	17	18	19 JOSC*	20	23 LCC	24 JGC*	25 PC	26	27	30	31			
Feb			1 Exec	2 Exec	3	6 PC	7 JSC*	8	9	10	13	14	15	16	17 WS	20	21 C(TS)	22 PC	23 C(TS)	24	27	28			
March			1	2	3	6 PC	7 JSC*	8	9	10	13 LC	14	15	16 JOSC*	17	20	21	22 PC	23 JGC*	24	27 LCC	28 JSC*	29	30	31
April	3 PC	4	5	6	7 B/H	10 B/H	11	12	13	14	17	18 C	19 PC	20 C	21	23	25	26	27	28					
May	1 B/H	2	3	4 E	5 C	8	9	10	11	12	15	16	17	18 C(A)	19 C(A)	22 PC	23	24	25	26	29 B/H	30 JGC	31 PC		

Adur District Council Meetings (7.00pm)		Worthing Borough Council Meetings (6.30pm)		Joint Meetings (6.30pm)	
C	Council (A = Annual, TS = Tax Setting)	C	Council (A = Annual, TS = Tax Setting)	Adur District and Worthing Borough Councils:	
Exec	Executive	Exec	Executive	JOSC	Joint Overview and Scrutiny Committee
PC	Planning Committee	PC	Planning Committee	JSC	Joint Strategic Committee
LC	Licensing Committee	LCC	Licensing Control Committee	JGC	Joint Governance Committee
				JSfC	Joint Staff Committee
				JSSC	Joint Senior Staff Committee
PCCP	Police Crime & Commissioner Panel (tbc)	E & C	Elections - Polling Day / Count		
WS	West Sussex Tax Setting Meeting	B/H	Bank Holiday		LGA Annual Conference, Harrogate CC
A CLF	Adur County Local Forum (7.00pm)				School Holidays
W CLF	Worthing County Local Forum (7.00pm)				

* = Joint Meetings Held at Worthing Borough Council

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