



ADUR DISTRICT
COUNCIL

23 February 2023

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

**Adur Council Meeting
23 February 2023**

QE2 Room, Shoreham Centre, Shoreham-by-Sea

7.00 pm

Agenda

15 February 2023

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 Monday 20 February at 12 noon.

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

4. Confirmation of Minutes

To approve the minutes of the meeting of the Council on 15 December 2023, copies of which have been previously circulated.

5. Items raised under urgency provisions

To consider any items the Chairman has agreed are urgent

6. Recommendations from the Executive and Committees to Council (Pages 7 - 18)

To consider recommendations to the Council, details of which are set out in the attached items as 6A-E. Full reports are available on the website as listed below:

	Executive/Committee	Date	Item
A	Joint Audit and Governance Committee	23.01.23	Scheme of Allowances for Adur District Council
B	Adur Cabinet	02.02.23	Investing in our Places – Capital Programmes 2023/24 to 2025/26 <i>This item will be taken in conjunction with item 9 of the Agenda</i>
C	Adur Cabinet	02.02.23	Budget Estimates 2023/24 and Setting of the 2023/24 Council Tax <i>This item will be taken in conjunction with item 9, located elsewhere in the agenda</i>
D	Joint Strategic Committee	07.02.23	Council Tax Support Fund in Respect of 2023/24
E	Joint Strategic Committee	07.02.03	Joint Treasury Management Strategy Statement and Annual Investment Strategy 2023/24 to 2025/26, Adur District Council and Worthing Borough Council

7. 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 Monday 20 February 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

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 2023/24** (Pages 19 - 152)

To consider and set the Council Tax for 2023/24. A separate budget pack, produced by the Director for Digital, Sustainability and Resources, is attached as item 9, and the recommendations from the Cabinet, at item 6B and 6C, will also be considered as part of this item



Tina Favier
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:

Joanne Lee
Head of Legal Services and Monitoring Officer
01903 221134
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Council
23 February 2023
6A

Extract from the minutes of the Joint Governance Committee 24 January 2023

JGC/50/22-23 Scheme of Allowances for Adur District Council

To consider reports from the Director for Digital, Sustainability & Resources, copies attached as item 8.

The Joint Audit & Governance Committee was asked to consider the report and the recommendations of the Joint Independent Remuneration Panel and make recommendations to Adur District Council on the level of Members' Allowances for the municipal year 2023/24.

Recommendations from the Committee on the level of allowances would be proposed at the meeting of Full Council in February.

Members discussed the proposal of Members only receiving one Special Responsibility Allowance (SRA) payment, even if they held more than one position of special responsibility. The Committee considered a number of matters in relation to this issue including the transparency of the scheme, the spread of SRAs amongst members and the work that would need to be undertaken by those undertaking multiple roles. On a vote it was recommended that Members should continue to receive SRAs for each position of special responsibility that they held.

Members also discussed the recommendation that those holding the position of Vice Chair on committees, receive 25% instead of 50% of the Chairman's allowance. The workload and time commitment undertaken by Vice chairs, the effect on the budget and the rationale of the independent panel were all discussed and Members agreed to recommend to keep the Vice Chair allowance at a 50% rate of the Chairs' allowance.

Resolved:

The Joint Audit & Governance Committee

- 1) Recommended that Adur District Council accept the report and recommendations of the Joint Independent Remuneration Panel with the following amendments

- i) That Members should continue to receive multiple SRAs in situations where they held more than one position of special responsibility
 - ii) That Members who hold the position of Vice Chair on a committee should receive an allowance equal to 50% of the Chairman's allowance.
- 2) That the Chief Financial Officer would assess the budgetary impact of these recommendations and then present them to Adur District Council on the Scheme of Allowances for 2023/24.

Extract from the minutes of the Adur Cabinet 2 February 2023

A CAB/006/22-23 Investing in our Places - Capital Programme 2023/24 to 2025/26

The Cabinet had before it a report from the Director for Digital, Sustainability and Resources, attached to these minutes as item 6.

The report recommended the investment programmes for Adur District Council which supported both the strategic ambition of the Council, and the vital regular investment toward the upkeep and improvement of our public assets and the delivery of services.

Members are now asked to approve the new schemes for 2023/24. This report recommends:

- the schemes for inclusion in the overall Capital Investment Programmes for 2023/24; and
- an indicative list of schemes for 2024/25 which will be confirmed next year

The report also informed the Cabinet of the resources available for future capital investment, and updated Members about the financing of the proposed programmes.

Members discussed the report and specific programmes therein. The recommendations were unanimously supported.

Decision

The Cabinet:

- (a) Considered the General Fund Capital Investment Programmes for 2023/24 and confirms the schemes to be included as detailed in Appendix 2 and 3;
- (b) Recommend the full programme detailed at Appendix 3 for approval by Council on the 23rd February 2023;

- (c) Notes the amendments and additions to the reserve lists as detailed in Appendix 5 approved the Housing Revenue Account estimates for 2022/23 as set out in Appendix 1;

Extract from the minutes of the Adur Cabinet 2 February 2023

A CAB/006/22-23 Budget Estimates 2023/24 and setting of the 2023/24 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 2023/24 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2023/24, prior to its submission to the Council for approval on the 23rd February 2023. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget by the Cabinet.

The report outlined the medium term financial challenge through to 2027/28, discussed the impact of the current high inflation was having on the budget 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 inflation on the Council's 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.

These budgets reflected the Council's ambitions set out in the JSC Sub-Committee report 'Priorities for Adur District Council' supported by 'Our plan', and agreed savings proposals contributing to the financial sustainability of the Councils.

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);
- Highlights the proposed funding for initiatives to support the Councils' ambitions set out in Our Plan;
- Details the proposals to invest in services outlined in Appendix 2;
- The Cabinet will need to consider whether to increase Council Tax by 2.00% or by a different amount (section 5.10).

The budget was analysed by Cabinet Member portfolio. In addition, the draft estimates for 2023/24 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 been informed that the referendum criteria for this year is an increase of £15.00 per Band D property which would be equivalent to an increase of 6.67% and a further £10.00 in 2024/25. The proposed 2023/24 budget was due to be considered by the Sussex Police and Crime Panel (PCP) on 27th January 2023. If the proposals were vetoed by the PCP, revised proposals would be considered by the Panel on the 20th February 2023 at which point the Commissioner would be in a position to confirm the Council Tax for 2023/34 in time for Council on the 23rd February 2023.

The draft Local Government Settlement allowed Councils to increase core Council Tax by up to 2.99%. Those Councils with responsibility for Adult Social Care can increase Council Tax by up to a further 2%. Therefore a Council Tax increase of 4.99% for Councils with social care responsibilities is allowed for 2023/24.

The precept for West Sussex County Council had not yet been finalised and would not be confirmed until 17th February 2023. The formal detailed resolution setting the overall Council Tax for next year would be presented directly to the Council Meeting on 23rd February 2023.

Members thanked Officers for the report and noted that the budget would become increasingly resilient over the next 5-10 years.

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

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

Against: (0)

Abstentions: (0)

Decision

The Cabinet:

- (a) approved the proposals to invest in services outlined in Appendix 2;
- (b) recommended to Council the draft budgets for 2023/24 at Appendix 6, as submitted in Cabinet Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £10,611,720 which included provision for the proposals in Appendix 2; and
- (c) recommended to Council an average increase of 2% in Council Tax, making the average Band D £324 for Adur District Council's requirements in 2023/24, as set out in paragraph 5.10;
- (d) recommended to Council that special expenses of £26.28 per Band D equivalent, to be charged in all areas of the District except Lancing;
- (e) approved the Council Tax base of 21,937.3 for 2023/24 as set out in paragraph 12.3.

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Extract from the minutes of the Joint Strategic Committee 7 February 2023

JSC/41/22-23 Council Tax Support Fund in respect of 2023/24

Before the Committee was a report by the Director for Digital, Sustainability & Resources, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these minutes as Item 6.

Following the provisional Local Government Finance Settlement for 2023/24, on 23 December 2023 the Department for Levelling Up, Housing & Communities wrote to local authorities and issued guidance in respect of the Council Tax Support Fund.

Each council would be provided with funding to award a maximum of £25.00 additional Council Tax Support to both working age and pensioner households in respect of 2023/24. Councils could utilise their remaining funding allocation as they saw fit to support vulnerable households with Council Tax bills. The Committee was told that further funding opportunities would allow the maximum of £25 to be raised to £80

This report recommended the criteria to be adopted by Adur District Council and Worthing Borough Council in respect of the Council Tax Support Fund.

The Committee agreed the recommendations in the report

Decision

The Joint Strategic Committee

- i) notes the content of this report and recommends to the respective Full Councils that the criteria to be adopted in respect of Council Tax Support Fund for 2023/24 5 Agenda Item 6 should be those detailed in paragraph 4.8 and in accordance with the government guidelines, subject to an increased payment of £80
- ii) Approve a budget virement in 2023/24 of £94,900 for Adur District Council and £146,400 for Worthing Borough Council to create the budgets required to implement this new scheme.

- iii) In the event that the Government amends the scheme, that the Committee delegates to the Head of Revenues and Benefits the ability to make minor and non-consequential adjustments to the scheme in consultation with the Leaders.

Extract from the minutes of the Joint Strategic Committee 7 February 2023

JSC/43/22-23 Joint Treasury Management Strategy Statement and Annual Investment Strategy 2023/24 to 2025/26, Adur District Council and Worthing Borough Council

Before the Committee was a report by the Director for Digital, Sustainability and Resources, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these minutes as Item 8.

The report asked Members to approve and adopt the contents of the Treasury Management Strategy Statement and Annual Investment Strategy for 2023/24 to 2025/26 for Adur and Worthing Councils, as required by regulations issued under the Local Government Act 2003.

Members discussed the addition of new liability benchmarks and the change to reporting requirements

Decision

The Joint Strategic Committee

- i) Approves and adopts the TMSS and AIS for 2023/24 to 2025/26, incorporating the Prudential Indicators and Limits, and MRP Statements
- ii) Forwards the Prudential Indicators and Limits, and MRP Statements of the report for approval by Worthing Council at its meeting on 21 February 2023, and by Adur Council at its meeting on 23 February 2023.

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ADUR DISTRICT
COUNCIL

COUNCIL MEETING
23rd February 2023
Agenda Item 9

Draft Revenue Budget 2023/24

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 2023/24 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 2023/24
6. APPENDIX 5 - Outcome of budget consultation exercise
7. APPENDIX 6 - Summary of Executive Member Portfolios
 - Environment
 - Health and Wellbeing
 - Customer Services
 - Leader
 - Regeneration
 - Resources
8. REPORT TO THE EXECUTIVE - Investing in our Places - Capital Programme 2023/24 to 2025/24
9. APPENDIX 7 - 2022/23 Budgets Reprofiles to 2023/24 for scheme delivery in 2023/24
10. APPENDIX 8 - New Schemes to be included in 2023/24 Capital Investment Programme.
11. APPENDIX 9 - Full Adur District Council capital investment programme 2022/23 - 2026
12. APPENDIX 10 - Partnership capital investment programme 2023/24 - 2025/26
13. Summary of Recommendations from the Executive dated 1st February 2023
14. APPENDIX 11 - Prudential Indicators and MRP Policy - As recommended for approval by the Joint Strategic Committee on the 7th February 2023
15. COUNCIL TAX DETERMINATION 2023/24
Draft report (final report to be provided following West Sussex County Council decision regarding Council Tax for 2023/24)



Adur Cabinet
2nd February 2023

ADUR DISTRICT COUNCIL

Key Decision [Yes/No]

Ward(s) Affected: All

Budget Estimates 2023/24 and setting of the 2023/24 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 2023/24 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2023/24, prior to its submission to the Council for approval on the 23rd February 2023. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget by the Cabinet.

1.2 The report outlines the medium term financial challenge through to 2027/28, discusses the impact of the current high inflation is having on the budget 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 inflation on the Council's 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 Council's ambitions set out in the JSC Sub-Committee report 'Priorities for Adur District Council' supported by '*Our plan*', and agreed savings proposals contributing to the financial sustainability of the Councils.

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);
- Highlights the proposed funding for initiatives to support the Councils' ambitions set out in *Our Plan*;
- Details the proposals to invest in services outlined in Appendix 2;
- The Cabinet will need to consider whether to increase Council Tax by 2.00% or by a different amount (section 5.10).

1.5 The budget is analysed by Cabinet Member portfolio. In addition, the draft estimates for 2023/24 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 been informed that the referendum criteria for this year is an increase of £15.00 per Band D property which would be equivalent to an increase of 6.67% and a further £10.00 in 2024/25. The proposed 2023/24 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 27th January 2023. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 20th February 2023 at which point the Commissioner will be in a position to confirm the Council Tax for 2023/34 in time for Council on the 23rd February 2023.

- 1.7 The draft Local Government Settlement allows Councils to increase core Council Tax by up to 2.99%. Those Councils with responsibility for Adult Social Care can increase Council Tax by up to a further 2%. Therefore a Council Tax increase of 4.99% for Councils with social care responsibilities is allowed for 2023/24.
- 1.8 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 17th February 2023. The formal detailed resolution setting the overall Council Tax for next year will be presented directly to the Council Meeting on 23rd February 2023.
- 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 2023/24
 - (v) **Appendix 5** Outcome of consultation exercise
 - (vi) **Appendix 6** Summary of Cabinet Member Portfolio budgets for 2023/24

2. Recommendations

2.1 The Cabinet 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 2023/24 at Appendix 6 as submitted in Cabinet Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £10,611,720 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 2023/24 as set out in section 5.10
- (d) Recommend to Council that special expenses of £26.28 per Band D equivalent to be charged in all areas of the District except Lancing.
- (e) Approve the Council Tax base of 21,937.30 for 2023/24 as set out in paragraph 12.3.

3. INTRODUCTION

3.1 The Joint Strategic Committee considered the outline 5-year forecast for 2023/24 to 2027/28 and the Budget Strategy on 5th July 2022, which was subsequently adopted by each full Council. At this stage in the budget cycle, the report identified the following cumulative shortfalls in funding for the General Fund:

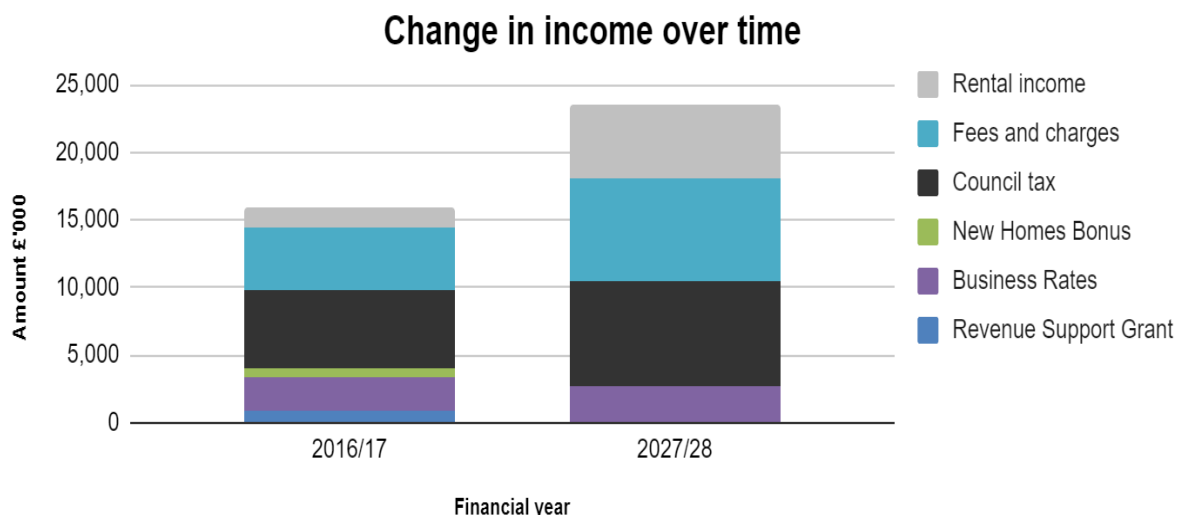
	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Budget shortfall	1,001	1,958	2,338	2,692	2,943

3.2 The Councils had already set-up several strategic programmes which are responsible for taking forward key initiatives aimed at delivering savings for the future. These are now in the process of being reviewed in the context of Our Plan and new political priorities but the overarching structure is sound and we continue to organise our work in these programmes:

1. The Major Projects programme leads on delivering regeneration projects to increase employment space and additional housing;
2. The Strategic Asset Management programme will lead on delivering the income growth associated with the Strategic Property Fund and any proposed new developments;

3. The Commercial programme is developing initiatives for income growth from commercial services and seeks to improve the customer experience;
4. 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;
5. 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 the Council strategic plans; and
6. The Service and Digital Redesign Programme which continues to deliver new digital services and improvements to existing systems.

3.3 The successful delivery of our strategy has fundamentally changed how the Council is funded while pursuing transformational approaches to how we deliver services and work with our partners. The Council has moved 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 2027/28 income from locally controlled sources (including Council Tax) is expected to increase from £11.8m to £20.9m, whilst at the same time income controlled by central government (including a share of business rates) will reduce from £4.1m to £2.6m.



3.4 The subsequent report to the Adur Joint Strategic Sub-Committee, on 6th December 2022 updated Members as to the latest budgetary information and the forecast shortfall was revised as follows:

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – December forecast	1,104	2,121	2,404	2,671	2,866
Savings identified in December 2022	-1,333	-1,693	-2,093	-2,423	-2,753
Revised budget shortfall/ Surplus(-) as at December 2022	-229	428	311	248	113

3.5 The 2023/24 savings proposals identified within the report amounted to £1.3m.

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 2023/24 can be summarised as:

	£'000
Original 2023/24 budget deficit	1,001
<i>Changes to income from grants and taxation:</i>	
(a) Changes to the income from Council Tax	-44
(b) Impact of current forecast Council Tax Collection Fund deficit	-135
<i>Other changes:</i>	
(c) Review of inflationary provisions including energy costs	21
(d) Impact of interest rates:	
Increased investment income	-129
Increase in costs associated with the capital investment programme	146
(e) Impact of triennial review of the pension fund	-122
(f) Impact of removal of 1.25% National Insurance payments	-74
(g) Changed assessment of impact of the Environment Act	-54
(h) Final impact of 2022/23 pay award and the settlement of the dispute	147
(i) Net committed growth items identified by Service Heads approved in December	417
(j) Removal of contingency budget for committed growth	-70

Revised budget deficit as at 5th December 2022	1,104
<i>Impact of Settlement</i>	
Final change to business rate income and expenditure following confirmation of the new rateable values, the tariff and new multiplier and review of current income levels	-180
One off funding:	
New Homes Bonus	-79
Changes to existing grant streams	7
Funding guarantee grant	-227
Budget Surplus following settlement	625
<i>Adjustment for final items identified</i>	
Impact of increased demand for homelessness	300
Review of interest rates and profiling of the capital programme	24
Review of inflation on energy costs	128
Creation of contingency budget for cost of living pressures and one-off projects	123
Removal of contingency for new service investment proposals.	-70
Revised Budget shortfall	1,130
Less: Net savings agreed in December	-1,333
Budget surplus based on a 2.00% Council Tax increase available to fund new initiatives (before any further action is agreed)	-203

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4.0 2023/24 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 4.1 The government published the provisional local government finance settlement for 2023/24 on 19th December 2022 via a written statement. Consultation on the provisional settlement closed on the 16th January 2023. This is a one-year settlement but contains some details for 2024/25.
- 4.2 Settlement confirmed the referendum principles set out above. The Council will be able to increase Council Tax by up to 3% or £5.00 whichever is the lower.

4.3 Local Government as a whole was a major beneficiary of the Autumn Statement 2022, with larger increases in funding than any other part of the public sector. Whilst a significant proportion of the increase was directed towards social care, even authorities without social care responsibilities have received an increase in funding. However, whilst the year's settlement was better in cash terms than any for over a decade; in real terms, the settlement will still leave many local authorities with a significant financial gap to close as it was less than the inflationary pressures currently being experienced across the sector.

4.4 The impact of settlement can be summarised as follows:

- ***Revenue support grant***

The Council will receive some Revenue Support Grant in 2023/24 (£74,160), this is due to the inclusion of Council Tax Support Administration Grant as part of Revenue Support Grant for the first time. Since 2016/17 the Council has seen Revenue Support Grant fall by £0.9m and had received no grant since 2018/19 until 2023/24.

- ***Business grant income and baseline funding***

The business rate system has been reset this year following the national revaluation which resulted in an overall increase nationally in rateable values.

The government's decision to freeze the business rates multiplier will be fully funded, and, from 2023-24 onwards, compensation to authorities for under-indexation would be paid based on Consumer Price Index (CPI) (10.1%).

Compensation to authorities will be part-paid via an uplift to Baseline Funding Level (BFL) (3.74%), with the remainder paid via section 31 grant. Baseline funding for 2023/24 will be £1,833,280.

Overall, councils will be compensated for the impact of freezing of business rates via grants and the net overall impact of all of these changes is an increase of £191,000 in income from the business rate system.

- **Funding Guarantee grant (£111m nationally)**

A new grant has been created to ensure every authority has an increase in Core Spending Power (the total funding received from Council Tax, Business Rates, and Government Grant) of at least 3% in 2023/24. This new guarantee will be funded from the previous Lower Tier Services Grant (LTSG) and the reduced cost of New Homes Bonus (NHB).

The cost of the 3% Funding Guarantee will be £136m in 2023-24. Adur District Council will receive £226,630. It is expected that this funding will remain in place in 2024/25.

- **Services Grant (£464m nationally)**

The Services Grant was created in 2022/23 to fund core services which was distributed using the 2013/14 Settlement Funding Assessment methodology. This has been subsequently reduced to reflect the estimated benefit from the changes to National Insurance. Adur District Council will receive £68,650.

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 although the timing of this is unclear. For 2023/24, 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 £290m will be made nationally. This is a one off allocation in 2023/24 and the Council will receive an additional grant of £78,980.

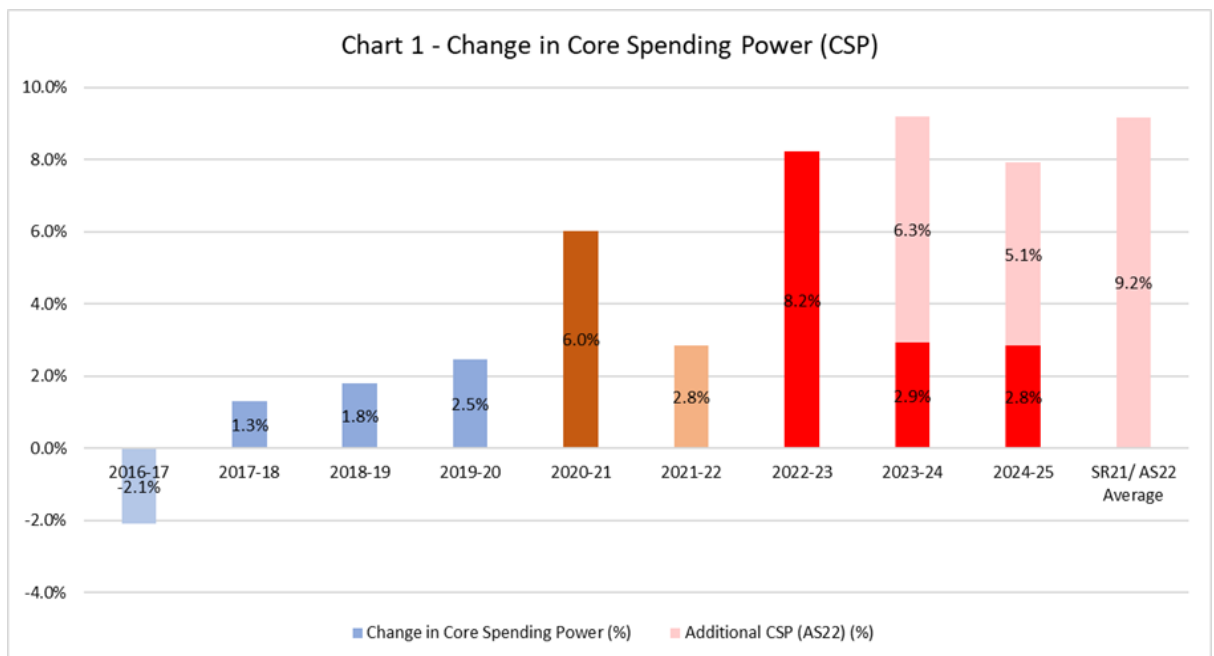
4.5 **Changes to local government funding in 2024/25 and beyond:**

This is not a fixed two-year settlement and so there is uncertainty around 2024/25. We do not yet know the future of NHB. However, the policy statement made earlier in December, was clear that “the core settlement will continue in a similar manner for 2024-25. The major grants will continue as set out for 2023-24.”

The Funding Review and the changes to the Business Rate Retention Scheme have now been delayed until 2025/26 at the earliest, effectively delayed until after the next election.

4.6 Summary of 2024/25 Local Government Settlement

4.6.1 In overall terms, the settlement announced for 2023-24 and 2024-25 represent the largest increases in Core Spending Power (CSP) that local government has received for more than a decade. Assuming authorities increase their Band D by the maximum allowed, CSP will increase by 9.2% in 2023-24 and 7.9% in 2024-25. These increases follow a pattern of strong increases in CSP since 2020-21.



* Source - Pixel Financial Management

2022/23 to 2024/25: Red = change in core spending power (CSP) from the Spending Review 2021 and Pink = additional CSP from the Autumn Statement 2022.

4.6.2 However, for District Councils the increases are much lower at around 3% which is well below actual inflationary pressures. District Councils have the lowest amount of flexibility for Council Tax increase when compared to other types of authority; the £5 rather than the 3% uplift on Council Tax will only benefit a handful of authorities and even then only minimally. Consequently, whilst the settlement is to be welcomed, it does not address the pressures that District Councils are experiencing.

4.6.3 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 16th January 2023 with final settlement expected in February.

4.6.3 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.

4.7 Update on current Business Rate Retention Scheme

4.7.1 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 £137,490.

- 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

4.7.2 The forecast for 2023/24 is currently being finalised. The 2023/24 NNDR return which underpins this forecast is due to be submitted by the 31st January 2023 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.

This is a particularly complex year for forecasting business rates due to the national revaluation.

4.7.3 The Collection Fund will have another deficit at the end of the current year, largely due to the additional reliefs (£1.7m) granted in the year; together with a share of the losses incurred in 2020/21 which are now being recovered over a three year period.

4.7.8 Overall a deficit of £3.1m will need to be recouped in 2023/24 which can be broken down as follows:

	2022/23 £'000	Share of 2020/21 loss £'000	Total to be recovered in 2023/24 £'000
Adur District Council	1,109.5	130.6	1,240.6
West Sussex County Council	277.4	32.6	310.0
Government (HMT)	1,386.9	163.2	1,550.1
Total recovered	2,773.8	326.4	3,100.2

The Council will receive compensation in 2022/23 for the additional reliefs granted. The losses are supported by the business rate smoothing reserve in 2023/24 which has been set up to address timing differences in the business rate system.

4.7.4 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 phase 2

4.7.5 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.

4.7.6 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 provide for any known backdated business rates appeals at the 2022/23 year end. To help mitigate these risks the Council has created a Business Rate smoothing reserve.

4.7.7 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 £5.9m additional 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.

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

4.8.1 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).

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:

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/26
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	6,793	7,204	7,266	7,428	7,594	7,763
Business Rates **	2,533	2,899	2,977	2,470	2,518	2,570
New Homes Bonus	157	79	0	0	0	0
Government grants	259	429	301	74	74	74
Total funding from taxation	9,742	10,611	10,544	9,972	10,186	10,407

* Includes any surplus or deficit on the collection fund

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

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/26
Council Tax	69.73%	67.89%	68.91%	74.49%	74.55%	74.59%
Business Rates	26.00%	27.32%	28.23%	24.77%	24.72%	24.70%
Government grants (incl New Homes Bonus)	4.27%	4.79%	2.86%	0.74%	0.73%	0.71%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

5.0 DRAFT REVENUE ESTIMATES 2023/24

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £10,611,720. This includes the savings and committed growth proposals agreed in December.

5.2 *Impact of the current high inflation on the Council's budgets:*

5.2.1 As part of settlement the Council received a number of additional grants. These include:

	£'000
Services Grant	105
Funding Guarantee	69
New Homes Bonus	79
Total allocated to support the budget	253

5.2.2 The current challenges due to inflation will continue to impact on the Councils finances throughout 2023/24. Where these impacts have been able to be quantified, provision has been included in the draft budget. Nevertheless, the rate at which income recovers is difficult to quantify with any certainty. Risk areas relating to the economic climate include:

- Fees and charges income.
- Impact on homelessness caseload. 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.

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

5.3.1 The budget is fundamental to realising the Council's ambitions set out in the Council strategic priorities and 'Our Plan'. 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 for member consideration.

5.3.2 The budget includes specific funding for the commitments outlined in 'Our Plan'. Examples include:

5.3.3 **Thriving Economy**

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.

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

5.3.4 **Thriving People**

The Council has continued to support those on the lowest income during the cost of living crisis protecting the current level of Council Tax Support.

The Council continues to see an increase in demand for our Housing Service, in particular from those who are experiencing homelessness. The Council has increased its investment in this service as part of the 2023/24 budget. The Council has also 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.

5.3.5 **Thriving Places**

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.

5.3.6 **Thriving 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 Foundations**

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 2022/23 to 2023/24 are at Appendix 1. A breakdown of each Cabinet Member's summary budget is attached in Appendix 5. The changes can be summarised briefly as follows:

	£'000	£'000
2022/23 Original Estimate		9,742
Add: General Pay and Price Increases		1,286
Add: Committed and Unavoidable Growth:		
Impact of high inflation on demand for services	300	
Impact of delivering Council's priorities	46	
Other committed growth	787	
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	1,133	
Reduced income	27	
Impact of Capital Investment Programme	332	1,492
Less: Compensatory savings and additional Income:		
Compensatory savings	(456)	
Additional income	(323)	(779)
2023/24 budget prior to agreed savings		11,741

2023/24 budget prior to agreed savings		£'000	£'000
Less: Savings agreed by members			11,741
Approved in December		-1,333	-1,333
Cabinet Member requirements			10,408
Potential contribution to reserves / amount available to invest in services (see Appendix 2)*			203
Potential budget requirement before external support			10,611
Collection fund surplus			-97
2023/24 BUDGET REQUIREMENT			10,514
* 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.			

- 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 surplus on the Council Tax element of the Collection Fund is estimated to be £672,870, of which £96,960 is the Borough Council share. Deficit relating to 2020/21 which is being recouped over the three years 2021/22 - 2023/24 in line with the Covid regulations and this offsets the in-year surplus of £922,710. Consequently, current surplus will be shared as follows:

	Deficit re 2020/21	In year Surplus	Total
	£	£	£
Split of deficit (-)			
Adur District Council	-36,000	132,960	96,960
West Sussex County Council	-186,830	690,000	503,170
Sussex Police and Crime Commissioner	-27,010	99,750	72,740
Total deficit	<u>-249,840</u>	<u>922,710</u>	<u>672,870</u>

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 15.6%, an average of 1.56% per year (in 2012/13 the average Band D tax was £274.72, in 2022/23 it was £317.61). Over the equivalent period, inflation (CPI) has been 25.0%.

5.10.2 The budget forecast currently assumes that Council Tax will increase by 2.0% in 2023/24. The most recent inflation index was 10.7% (CPI in November 2022) 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 2023/24. The table below details how the Council Tax will change as a result of a 1%, 1.5%, 2.0% and 2.99% increase.

	2022/23	Annual increase for 2023/24			
		1%	1.5%	1.75%	2.00%
	£	£	£	£	£
Council Tax Band D	317.61	320.79	322.37	323.17	324.00
Annual increase		3.18	4.76	5.56	6.39
Weekly increase		0.06	0.09	0.11	0.12
Council Tax Band C	282.32	285.15	286.55	287.26	288.00
Average annual increase		2.83	4.23	4.94	5.68
Average weekly increase		0.05	0.08	0.10	0.11
Total additional Council Tax raised compare to 2022/23		69,760	104,420	121,970	140,180
Additional Council Tax raised over a 1% increase			34,660	52,210	70,420

5.10.4 Members should also be aware that the Police and Crime Commissioner has the flexibility to increase the Band D tax by £15.00 (6.67%) 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 (4.99%). Consequently, the total overall increase in the Council Tax bill for a Band D property based on the Council opting to set the tax at 4.72%:

	2022/23	2023/24 (Indicative only)	%
	£	£	
Adur District Council - average	317.61	324.00	2.00%
West Sussex County Council	1,555.74	1,633.32	4.99%
Sussex Police and Crime Commissioner	224.91	239.91	6.67%
	2,098.26	2,197.23	4.72%

If Adur increased its share of the Council tax by the maximum allowable (2.99%), then the overall increase to the annual charge would be 4.86%.

5.10.5 The decision to raise Council Tax influences not just the 2023/24 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 lower than the maximum permitted. This is particularly significant at the moment given the scale of the financial challenge faced by the Council. Potentially the next few years are financially challenging with significant savings required in each financial year of:

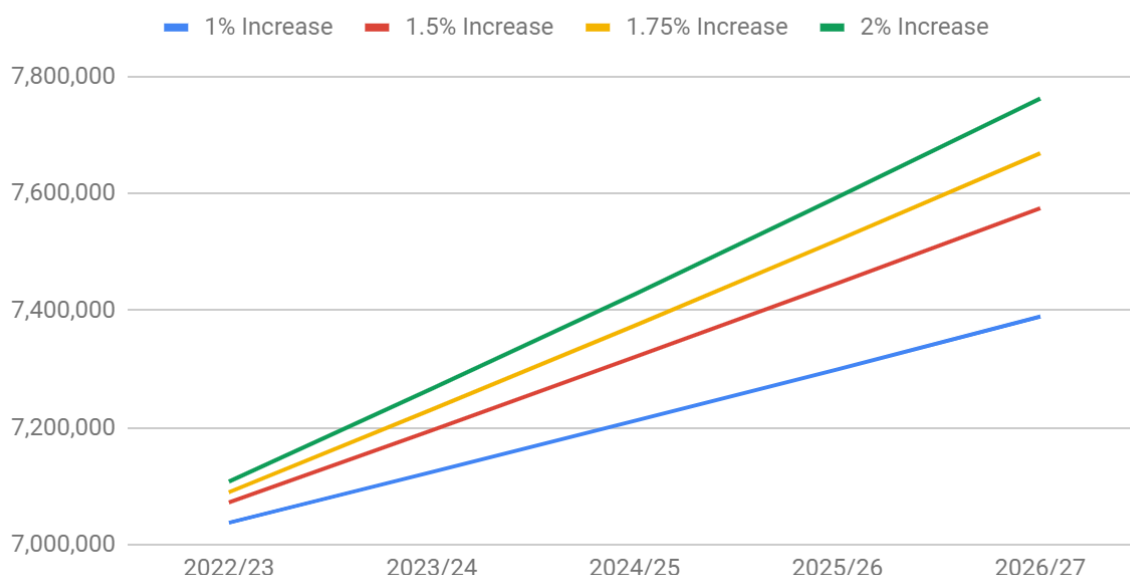
Estimated budget shortfall	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Annual saving	135	1,231	287	182
Cumulative Savings	135	1,366	1,653	1,835

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	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£
1% annual increase	7,037,270	7,123,890	7,211,490	7,299,410	7,389,650
1.5% annual increase	7,071,930	7,195,120	7,320,570	7,446,510	7,574,940
1.75% annual increase	7,089,480	7,230,740	7,374,120	7,520,060	7,668,580
2% annual increase	7,107,690	7,266,360	7,427,670	7,593,610	7,762,220

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 of 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 2.00% increase):

Net budget requirement	£'000	£'000
		10,408
Less:		
Baseline Funding	1,833	
Share of additional Business Rate income	1,066	
Council Tax (2.00% increase)	7,107	
Other grants	508	
Collection Fund Surplus	97	
		-10,611
Budget surplus based on 2.00% Council Tax increase		-203
Maximum impact of accepting the growth items (Appendix 2)		203
Budget balanced at a 2.00% 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 2.00% tax increase for 2023/24 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)				
	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Budget shortfall prior to approving growth	1,130	1,265	2,496	2,783	2,965
Impact of accepting the growth items at appendix 2	203	203	203	203	203
Cumulative budget shortfall as per appendix 1	1,333	1,468	2,699	2,986	3,168
Less:					
Net savings identified in 2023/24 budget round	-1,333	-1,333	-1,333	-1,333	-1,333
Adjusted cumulative budget shortfall	-	135	1,366	1,653	1,835
Savings required each year	-	135	1,231	287	182

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 £100k 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			
	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000
Annual budget shortfall	135	1,231	287	182
Future savings from budget strategy:				
Annual increase to set-aside into commercial property reserve	100	100	100	100
Commercial activities	-150	-150	-150	-150
Service and digital redesign	-80	-80	-80	-80
Asset rationalisation and disposal programme	-30	-70	0	0
Excess savings (-) / new savings initiatives to be identified	-25	1,031	157	52

6.4 With the delay to the fairer funding review, the challenge has now moved onto 2025/26 which becomes a more challenging year. 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 has successfully protected and built the reserves over a number of years. In the past five years the reserves have generally increased as follows:

History of reserves	Year ended 31st March				
	2018	2019	2020	2021	2022
	£'000	£'000	£'000	£'000	£'000
General Earmarked Reserves (a)	760	646	658	1,219	1,360
Tax Smoothing Reserves	0	402	31	4,035	1,884
Grants and Contributions	553	563	623	1,343	1,203
Total earmarked reserves	1,313	1,611	1,312	6,597	4,447
General Fund Working Balance (b)	518	519	952	951	1,051
Total reserves	1,831	2,130	2,264	7,548	5,498
Available reserves for general purposes (a+b)	1,278	1,165	1,610	2,170	2,411

However the past three years have been very difficult, firstly due to the impact of the pandemic on the Council's finances and more recently the significant impact that the current historically high level of inflation is having on the Council's financial position.

- 7.4 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 2022 is £1,051,500. 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 2022/23 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	%
31.03.2022	Balance carried forward – per Final Accounts	1,051	9.8
31.03.2023	Use of reserves expected to part fund the potential 2022/23 overspends.	681	6.4
31.03.2024	No planned drawdown or contribution expected	751	7.1
31.03.2025	No planned drawdown or contribution expected	821	8.2
31.03.2026	No planned drawdown or contribution expected	891	8.7

- 7.5 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 2023/24 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. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £.
4. 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.

7.6 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 £750,000 in 2023/24. This provision will be gradually built up over the next 5 years to a level of £1,250,000 per year by 2027/28.
- 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 this 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.

7.7 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.

7.8 The estimated balance of general fund earmarked reserves as at 31st March, 2023 is £751,000, 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				
	2022	2023	2024	2025	2026
	Actual	Est.	Est.	Est.	Est.
	£'000	£'000	£'000	£'000	£'000
General Earmarked Reserves	464	756	1,606	2,556	464
Tax Smoothing Reserves	1,876	636	505	505	1,876
Grants and Contributions	1,203	1,203	1,203	1,203	1,203
Total earmarked reserves	3,543	2,595	3,314	4,264	3,543
General Fund Working Balance	681	752	822	892	681
Total reserves	5,498	4,224	3,747	4,536	5,556

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.

- 7.9 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.
- 7.10 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.
- 7.11 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

- (i) **Inflation** - A provision for 4.5% inflation has been built into pay budgets; with significantly higher amounts built in for energy costs and business rates; general non-pay budgets have been increased by 2%. Whilst the Bank of England inflation forecasts expect that inflation will begin to fall in 2023 and return to 2% in two years time, 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	112
Non-pay	29

- (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 continuing impact of the pandemic and the cost of living crisis. These include land charges, 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 2023/24: 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 £750,000 in 2023/24. This will be increased annually in line with the level of investment in the property portfolio and the associated risk.

(iv) **Demand for housing services -**

Demand has been increasing for housing services at a significantly higher rate than in previous years. Whilst this may be a temporary pressure, the Council has increased investment in this service to manage these costs. There remains a risk that demand for the service will continue to escalate.

9.0 CONSULTATION

9.1 The Council has undertaken a public consultation exercise this year. The council received 1,239 responses. The outcome of the consultation is included at Appendix 5.

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 2023/24 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 7th February 2023 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 2023/24.

- 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 23rd February 2023 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 Cabinet has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2023/24 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 2023/24 prior to the consideration of the budget proposals. This is based on 2.00% Council Tax increase, below the maximum increase permitted without triggering the requirement for a referendum:

	£	£
Net 2023/24 Budget *		10,408,380
Less: Aggregate External Finance		
Baseline Funding	-1,833,280	
Additional Retained Business Rate income	-1,066,360	
Funding Guarantee Grant	-226,630	
New Homes Bonus	-78,980	
Revenue Support Grant	-74,160	
Services Grant	-68,650	
Local Tax Guarantee Scheme - use of set aside grant	-59,010	
Contribution to the Collection Fund deficit (as per paragraph 5.8)	-96,960	
Total Aggregate External Finance		-3,504,030
Minimum amount to be raised from Council Tax		6,904,350
Net additional impact of proposals identified in Appendix 2 if all approved		203,340
Amount to be raised from Council Tax based on 2.00% Council Tax		7,107,690

- * 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 2023/24 is 21,937.3 Band D equivalent properties. There is an increase to the current year base of 21,699.7

which is largely due to increasing housing numbers. The full calculation of the tax base is shown in Appendix 4.

	2022/23 Tax Base	2023/24 Tax Base
Lancing	6,415.3	6,511.8
Sompting	2,759.9	2,790.9
Other areas	12,524.5	12,634.6
TOTAL	21,699.7	21,937.3

(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 2023/24 expenditure of £405,170 (£386,140 in 2022/23) falls under the resolution and will need to be financed by a Band D tax of £26.28, 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 2.00% 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	2022/23	2023/24 (Average 1% increase)	2023/24 (Average 1.5% increase)	2023/24 (Average 1.75% increase)	2023/24 (Average 2.0% increase)
	£	£	£	£	£
Lancing - Basic Council Tax	299.79	302.31	303.93	304.74	305.55
Percentage increase		0.84%	1.38%	1.65%	1.92%
Annual increase (Band D)		2.52	4.14	4.95	5.76
Weekly increase (Band D)		0.05	0.08	0.10	0.11

Area	2022/23	2023/24 (Average 1% increase)	2023/24 (Average 1.5% increase)	2023/24 (Average 1.75% increase)	2023/24 (Average 1.98% increase)
	£	£	£	£	£
Shoreham, Southwick, Sompting and Coombes					
Basic Council Tax	299.79	302.31	303.93	304.74	305.55
Special Expenses	25.29	26.28	26.28	26.28	26.28
TOTAL in Shoreham, Southwick, Sompting and Coombes	325.08	328.59	330.21	331.02	331.83
Percentage increase		1.08%	1.58%	1.83%	2.08%
Annual increase (Band D)		3.51	5.13	5.94	6.75
Weekly increase (Band D)		0.07	0.1	0.11	0.13

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 17th February, 2023. The proposed Police and Crime 2023/24 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 27th January 2023.

	2022/23 £	2023/24 £
West Sussex County Council	1,555.74	t.b.c
Sussex Police Authority	224.91	t.b.c
TOTAL	1,780.65	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 23rd February 2023.

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 a difficult year in which the Council has had to address a budget shortfall of £1.3m whilst contending with the impact of high inflation and the current economic climate. The Government is providing more support in 2023/24 however much of this support is time limited in nature and there is a lack of clarity about the future of local government funding reform. To meet this challenge the Council has identified significant savings of £1.333m 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 2025/26, with 2024/25 set to be a relatively benign year. 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 our agreed budget 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 strategic aims of the Council 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 and rebuild our financial health.

14.6 Finally, in preparing the strategy and forecast for 2023/24 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:

- Developing a revenue budget for 2023/24 against a backdrop of high inflation – Report to Joint Strategic Committee on 5th July 2022
- Report to the Adur Joint Strategic Sub-Committee 6th December 2022 - 2023/24 Budget update
- Local Authority Finance (England) Settlement Revenue Support Grant for 2023/24 and Related Matters: MHCLG Letters and associated papers of 19th December 2022.
- 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 2021/22
- Report to Adur Joint Strategic Sub-Committee 6th December 2022 – 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 2022/23 - 2027/28						
Net Spending to be Financed from Taxation	2022/23 Base	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	9,742	9,742	9,742	9,742	9,742	9,742
(a) Annual Inflation						
Estimated inflation		220	516	810	1,109	1,405
Impact of 2022/23 pay award (Current offer 5.82%, budget contains 2%)		420	429	438	447	456
Reduction in employers national insurance by 1.25%		(74)	(75)	(77)	(79)	(81)
(b) One -off / non-recurring items						
Local Elections (held every other year)		18	-	19	-	20
(c) Impact of Cost of Living crisis						
Additional pay award - Usually budget for 2% assume 4.5%		286	294	303	299	305
Gas and electricity (380% gas, 190% electricity)		293	293	293	293	293
Diesel (50% increase)		67	67	67	67	67
Additional cost of housing service due to increasing demand including prevention work		381	385	385	385	385
Additional grant funding for homelessness prevention		(81)	(85)	(85)	(85)	(85)
Removal of inflation contingency budget		(67)	(67)	(67)	(67)	(67)
Contingency budget for initiatives to manage the impact of the cost of living on the Council's finances		123				
(d) Impact of funding the Council's priorities						
Measures to reduce waste - Impact of the Environment bill		18	18	18	18	18
Bike share scheme (part year cost included in 2022/23)		28	28	28	28	28
Heat Network		-	10	10	10	10
(e) Capital Programme and Treasury Management						
Capital programme financing costs		317	377	533	626	605
Revenue contribution to capital programme to fund proposals outlined in the capital budget		15	-	-	-	-
Investment income		(323)	(337)	(378)	(421)	(465)
(f) Other items						
Impact of waste dispute:						
Impact of negotiation on salaries costs		147	147	147	147	147
Impact of dispute on net income		27	27	27	27	27

ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2022/23 - 2027/28

	2022/23 Base	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
(f) Other items (continued):						
Removal of one-off budgets:						
Removal of 2022/23 Covid contingency budget		(175)	(175)	(175)	(175)	(175)
Impact of Triennial review:						
Reduction in pension rates		(27)	(28)	(29)	(30)	(31)
Reduction in back funded contributions		(95)	(190)	(285)	(285)	(285)
Final cost of new leisure contract		(18)	(117)	(117)	(117)	(117)
Delay to Fairer Funding Review - Homeless funding to continue until 2025/26		-	-	263	263	263
Impact of rate revaluation 2022		11	16	24	53	54
Consolidation of Council Tax Support grant into RSG		71	71	71	71	71
Allowance for committed growth items as approved in December 2022		417	437	407	477	547
(g) Approved Growth items						
Proposals for new growth items (see appendix 2)		203	228	298	368	438
Total Cabinet Member Requirements	9,742	11,944	12,011	12,670	13,171	13,575
Income from taxation:						
Baseline funding	1,767	1,833	1,870	1,907	1,945	1,984
Add: Retained additional business rates	766	1,066	1,107	563	573	586
Adjusted Business Rate income	2,533	2,899	2,977	2,470	2,518	2,570
Council Tax						
Council Tax income	6,892	7,107	7,265	7,427	7,593	7,763
Other grants						
New homes bonus (2019/20 - 2022/23)	10	-	-	-	-	-
New homes bonus - One off payments	147	79	-	-	-	-
Total NHB	157	79	-	-	-	-
Lower Tier Services Grant / Revenue Support Grant	79	74	74	74	74	74
Local Tax Guarantee Scheme - Council Tax Services Grant	59	59	-	-	-	-
Funding guarantee	121	69	-	-	-	-
Collection fund surplus/deficit (-)	-	227	227	-	-	-
(99)	(99)	97	-	-	-	-
Total other grants and contributions	317	605	301	74	74	74
Total Income from Grants and Taxation	9,742	10,611	10,543	9,971	10,185	10,407
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,333	1,468	2,699	2,986	3,168

ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2022/23 - 2027/28

	2022/23 Base	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE BUDGET		1,333	1,468	2,699	2,986	3,168
Savings strategy:						
Strategic Property Investment Fund						
Future developments						
Provision for future voids		(100)	(200)	(300)	(400)	(500)
Commercial and Customer Activities		305	455	605	755	905
Efficiency Measures						
Service and Digital redesign - Rapid improvement programme		71	151	231	311	391
Corporate initiatives		244	244	244	244	244
MRP review		350	350	350	350	350
Commercial Landlord Programme		30	60	130	130	130
Departmental proposals		433	433	433	433	433
Total initiatives identified		1,333	1,493	1,693	1,823	1,953
Cumulative savings still to be found/ (surplus)		-	(25)	1,006	1,163	1,215
Annual savings still to be found		-	(25)	1,031	157	52

		<i>Expected cost (cumulative)</i>								
		<i>2023/24</i>			<i>2024/25</i>			<i>2025/26</i>		
		<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>
Description	Notes									
Delivery manager	New post to build our programme management capability as outlined in Our Plan and manage our budget challenge programme	55,310	22,120	33,190	60,340	22,120	33,190	60,340	22,120	33,190
ASB Officer	Mainstreaming of one post to reflect that this remains an important service for the Councils despite the fact that external funding has now ceased for this role	41,000	16,400	24,600	41,000	16,400	24,600	41,000	16,400	24,600
Broadcasting of council meetings - Software licencing	Mainstreaming our prototype approach to broadcasting council meetings as this saves considerable staff time and resource compared to the temporary solution developed during the pandemic	4,000	1,600	2,400	4,000	1,600	2,400	4,000	1,600	2,400

		<i>Expected cost (cumulative)</i>								
		<i>2023/24</i>			<i>2024/25</i>			<i>2025/26</i>		
		<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>
Description	Notes									
Time to spare platform for participation	Planned expenditure to increase our participation and community engagement infrastructure (NB this will slightly different text in Adur and Worthing	15,000	6,000	9,000	15,000	6,000	9,000	15,000	6,000	9,000
Asana licences	Software which will enable the development of an enhanced programme management capability and reporting	6,170	2,470	3,700	6,170	2,470	3,700	6,170	2,470	3,700
Place based officers to support Adur communities	Place based delivery managers who will support the different locations outlined in the Adur priorities paper		74,750			89,700			89,700	
Investment in sustainability projects	An increase in car parking income is to be set aside for future sustainability and nature based projects		20,000			20,000			20,000	

		<i>Expected cost (cumulative)</i>								
		<i>2023/24</i>			<i>2024/25</i>			<i>2025/26</i>		
		<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>
Description	Notes									
Western Harbour Arm Development Programme Manager	Programme/Project Manager to oversee implementation of the Western Harbour Arm Review; to liaise with the respective development teams; liaise directly with infrastructure providers; and oversee implementation of the Review's recommendations and ensure that these are communicated clearly and consistently.		60,000							
Total growth identified through financial planning		121,480	203,340	72,890	126,510	158,290	72,890	126,510	158,290	72,890
Removal of growth provision		-100,000	-70,000	-90,000	-100,000	-70,000	-90,000	-100,000	-70,000	-90,000
Net growth identified		21,480	133,340	-17,110	26,510	88,290	-17,110	26,510	88,290	-17,110

SCHEDULE OF EARMARKED RESERVES							
Reserve	Balance as at 01.04.22	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.23	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 CAPACITY ISSUES FUND Purpose: To enable the Council to fund one-off initiatives.	831	-	(525)	306	-	-	306
2 INSURANCE FUND Purpose: To offset the costs of insurance excesses and fund insurance risk management initiatives.	153	31	(60)	123	30	(30)	123
3 PROPERTY INVESTMENT RISK RESERVE Purpose: To offset future void rental periods in investment properties and provide for maintenance.	376	-	-	376	750	-	926
4. 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 .	1,766	110	-	1,876	-	(1,240)	636

SCHEDULE OF EARMARKED RESERVES							APPENDIX 3
Reserve	Balance as at 01.04.22	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.23	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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.	118	-	(59)	60	-	(60)	-
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.	1,203	-	-	1,203	-	-	1,203
9. GENERAL FUND WORKING BALANCE	1,052	-	-	1,052	70	-	1,122
10. PROJECTED OVERSPEND*			(770)	(770)			(770)
TOTAL	5,500	141	-1,414	4,227	850	-1,330	3,747
*Use of reserves to be confirmed at year end							




PROPERTY ANALYSIS AND CALCULATION OF TAX BASE - Budget year 2023/24										
Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Dwellings	0.0	2,769.0	5,122.0	11,480.0	6,307.0	2,021.0	762.0	335.0	8.0	28,804.0
Less: Exemptions	0.0	-96.0	-91.0	-149.0	-90.0	-28.0	-8.0	0.0	0.0	-462.0
	0.0	2,673.0	5,031.0	11,331.0	6,217.0	1,993.0	754.0	335.0	8.0	28,342.0
Disabled Relief Adjustment (net)	7.0	6.0	40.0	-7.0	-26.0	-16.0	4.0	-2.0	-6.0	0.0
Chargeable Dwellings	7.0	2,679.0	5,071.0	11,324.0	6,191.0	1,977.0	758.0	333.0	2.0	28,342.0
Broken down as follows:										
Full Charge	5.0	905.0	2,777.0	7,624.0	4,465.0	1,518.0	610.0	277.0	1.0	18,182.0
25% Discount	2.0	1,757.0	2,266.0	3,682.0	1,720.0	456.0	144.0	49.0	0.0	10,076.0
50% Discount	0.0	1.0	3.0	12.0	4.0	2.0	4.0	7.0	0.0	33.0
Empty property premiums	0.0	16.0	25.0	6.0	2.0	1.0	0.0	0.0	1.0	51.0
Total Equivalent Number of Dwellings	6.5	2,239.3	4,503.0	10,397.5	5,759.0	1,862.0	720.0	317.3	2.0	25,806.5
Reduction in taxbase as a result of the Family Annex discount	0.0	-5.3	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	-5.8
Flex empty property adjustment	0	17.1	25.0	7.0	2.0	1.0	0.0	0.0	1.0	53.1
Total Equivalent Number of Dwellings (after family annexe and empty property adjustments)	6.5	2,251.1	4,527.5	10,404.5	5,761.0	1,863.0	720.0	317.3	3.0	25,853.8
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	1,592.2	3,648.3	9,429.7	5,521.8	1,826.8	716.2	315.7	3.0	23,057.9

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE - Budget year 2023/24

Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Adjusted equivalent total dwellings	4.3	1,592.2	3,648.3	9,429.7	5,521.8	1,826.8	716.2	315.7	3.0	23,057.9
Band D Equivalents:										
Band D equivalent dwellings	2.4	1,061.4	2,837.6	8,381.9	5,521.8	2,232.8	1,034.4	526.1	6.0	21,604.4
Add: Forecast new homes	0.0	45.7	92.2	215.6	62.5	14.1	-0.7	0.0	0.0	429.2
Less: Adjustments for Losses on Collection, and Void Properties	0.0	0.0	0.0	0.0	5.0	0.0	0.0	0.0	0.0	5.0
Less: Allowance for further increase in Council Tax Support Claims	0.0	17.6	27.3	34.8	9.6	1.7	0.2	0.1	0.0	91.3
COUNCIL TAX BASE	2.4	1,089.5	2,902.5	8,562.7	5,569.7	2,245.2	1,033.5	526.0	6.0	21,937.3

Adur Budget Consultation Survey 2023

1. Firstly, do you live, work or study in the Adur area? Please tick all that apply (if you have a connection to Worthing by living, working or studying there, you can also complete the Worthing survey).

Answer Choices			Response Percent	Response Total
1	I live in Adur		95.72%	1186
2	I work in Adur		21.07%	261
3	I study in Adur		0.73%	9
			answered	1239
			skipped	0

2. Imagine you are in charge of setting the Council's budget. Consider the following service areas – for each of the ten areas of work below, please tell us whether you would be comfortable or not with a reduction in spending.

Answer Choices	Very comfortable	Partly comfortable	Not comfortable	Don't know/no opinion	Response Total
Parks and open spaces	11.39% 141	40.47% 501	45.96% 569	2.18% 27	1238
Leisure services through our partner South Downs Leisure	20.92% 259	42.65% 528	30.53% 378	5.90% 73	1238
Supporting our high streets	12.61% 156	35.89% 444	48.99% 606	2.51% 31	1237
The Cost of Living emergency and supporting the most vulnerable	9.94% 123	19.97% 247	66.45% 822	3.64% 45	1237
Health and wellbeing services	9.78% 121	19.97% 247	67.74% 838	2.51% 31	1237
Waste and recycling services	8.65% 107	19.00% 235	71.62% 886	0.73% 9	1237
Keeping streets clean	7.03% 87	30.64% 379	61.52% 761	0.81% 10	1237
Housing and homelessness prevention	9.45% 117	24.96% 309	61.39% 760	4.20% 52	1238
Planning	27.32% 338	42.52% 526	23.44% 290	6.71% 83	1237
Supporting business growth in our area	18.11% 224	47.53% 588	28.78% 356	5.58% 69	1237





2. Imagine you are in charge of setting the Council's budget. Consider the following service areas – for each of the ten areas of work below, please tell us whether you would be comfortable or not with a reduction in spending.

answered	1239
skipped	0

3. Reduction in spending is intended to help us balance the books while we are continuing to invest in the areas which are most important to residents. Which of the following areas would you like to see prioritised? (Please note, some of the areas listed below are not our direct responsibility but we will use this information to work more effectively with partners such as West Sussex County Council.)

Answer Choices	Low priority	Medium priority	High priority	Don't know/no opinion	Response Total
Do more to support vulnerable people with our Cost of Living action plan	11.70% 139	40.07% 476	45.71% 543	2.53% 30	1188
Increase our fees and charges in order to fund other services	39.81% 473	40.49% 481	15.07% 179	4.63% 55	1188
Invest more in young people / children. Example: investing in play areas and services for young people	18.43% 219	47.73% 567	32.41% 385	1.43% 17	1188
Invest in more sustainable travel infrastructure. Example: creating more cycling infrastructure	60.27% 716	19.53% 232	19.11% 227	1.09% 13	1188
Do more to protect / develop more green spaces. Example: doing more to increase the biodiversity of our parks and green spaces	30.13% 358	42.59% 506	26.01% 309	1.26% 15	1188
Do more to support our high streets. Example: doing more promotion and marketing of our farmers markets	37.88% 450	42.17% 501	18.77% 223	1.18% 14	1188
Do more to address the cost and availability of housing. Example: working with others to improve the supply of housing	20.03% 238	33.75% 401	44.78% 532	1.43% 17	1188
Do more to invest in facilities in parks such as pavilions or public toilets	24.41% 290	49.75% 591	24.92% 296	0.93% 11	1188
				answered	1188
				skipped	51

4. In February we will need to set our Council Tax. The money that we collect is split between West Sussex County Council (WSSC), the Office of the Sussex Police & Crime Commissioner (OSPCC) and us. Last year, of the total of £1865.12 paid by an Adur Band C household on average, £1382.88 went to WSSC, £199.92 went to the OSPCC and just £282.32 on average went to us to fund all the services we provide. Which of the following options do you think is most appropriate:

Answer Choices			Response Percent	Response Total
1	Freeze Council Tax and reduce spending by the council by £140,000		34.57%	402
2	Increase Council Tax by 1.99% again and protect services		41.10%	478
3	Increase Council Tax to 2.99% in order to increase the Council's ability to invest in services by £70,000		18.57%	216
4	None of the above / don't know / no opinion		5.76%	67
			answered	1163
			skipped	76

ADUR BUDGET 2023/2024 Summary of Executive Member Portfolios

APPENDIX 6

EXECUTIVE PORTFOLIO	ESTIMATE 2022/2023	ESTIMATE 2023/2024
	£	£
Environment	3,075,710	3,364,830
Health and Wellbeing	1,360,290	1,332,300
Customer Services	1,565,670	1,887,080
Leader	771,920	704,630
Regeneration	1,748,630	2,028,950
Resources	163,680	681,210
Support Services Depreciation Not Charged To Services	246,010	268,270
NET SERVICE EXPENDITURE	8,931,910	10,267,270
Credit Back Depreciation / Impairments	(1,534,510)	(1,625,520)
Minimum Revenue Provision	2,344,950	1,969,970
	9,742,350	10,611,720
Transfer to / from Reserves	-	-
Investment in Services to be Approved	-	-
Total budget requirement before external support from government	9,742,350	10,611,720
Baseline Funding	(1,767,150)	(1,833,280)
Additional business rate income	(765,580)	(1,066,360)
Lower Tier Services Grant	(79,270)	-
Local Tax Guarantee Scheme	(59,000)	(59,010)
Services Grant	(121,820)	(68,650)
Revenue Support Grant	-	(74,160)
Funding Guarantee Grant	-	(226,630)
Other unfenced grants (New homes bonus)	(156,520)	(78,980)
Contribution to/ (from) Collection Fund	99,030	(96,960)
Amount required from Council Tax	6,892,040	7,107,690
Council Tax Base	21,699.7	21,937.3
Average Band D Council Tax - Adur District	317.61	324.00
% increase	1.99%	2.00%

**ENVIRONMENT
PORTFOLIO**

SERVICE	ESTIMATE 2022/2023	ESTIMATE 2023/2024
	£	£
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES		
Car Parking	(215,050)	(271,150)
Sustainable Development	82,970	79,800
DIRECTOR FOR COMMUNITIES		
Foreshores	(4,720)	23,820
Allotments	31,410	4,320
Cemeteries	106,650	117,540
Parks	1,004,000	1,162,640
Abandoned Vehicles	5,850	5,850
Clinical Waste	5,350	8,730
Recycling	265,000	358,170
Refuse	548,720	601,120
Street Cleansing including Pest Control & Graffiti	577,180	659,090
Trade Refuse	(220,530)	(269,280)
Public Health Burials	2,870	2,870
Dog Control	34,890	33,360
DIRECTOR OF ECONOMY		
Leisure Client	565,870	539,320
Bus Shelters, Street Lighting & Highways	60,270	66,700
Public Conveniences	219,660	234,190
Street Scene including Markets	5,320	7,740
TOTAL ENVIRONMENT PORTFOLIO	3,075,710	3,364,830

ADUR - ENVIRONMENT PORTFOLIO - 2022/2023 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES										
Car Parking	32,330	97,800	-	131,160	57,800	(696,680)	(377,590)	94,770	11,670	(271,150)
Sustainable Development	79,800	-	-	-	-	-	79,800	-	-	79,800
DIRECTOR FOR COMMUNITIES										
Foreshores	46,920	12,050	-	53,010	-	(145,280)	(33,300)	22,670	34,450	23,820
Allotments	36,490	18,680	-	-	-	(53,860)	1,310	-	3,010	4,320
Cemeteries	132,010	89,120	-	10,000	-	(258,810)	(27,680)	138,550	6,670	117,540
Parks	103,540	792,680	-	82,970	-	(806,980)	172,210	776,160	214,270	1,162,640
Abandoned Vehicles	-	-	-	5,850	-	-	5,850	-	-	5,850
Clinical Waste	8,730	-	-	-	-	(10,920)	(2,190)	10,920	-	8,730
Recycling	297,130	-	-	-	-	(653,050)	(355,920)	653,060	61,030	358,170
Refuse	337,190	-	-	-	-	(96,310)	240,880	238,680	121,560	601,120
Street Cleansing including Pest Control & Graffiti	769,400	-	-	-	-	(204,920)	564,480	40,010	54,600	659,090
Trade Refuse	187,950	-	-	373,080	-	(862,970)	(301,940)	2,070	30,590	(269,280)
Public Health Burials	-	-	-	2,870	-	-	2,870	-	-	2,870
Dog Control	31,050	-	-	-	-	(6,100)	24,950	6,100	2,310	33,360
DIRECTOR OF ECONOMY										
Leisure Client	7,600	70,440	-	4,150	147,000	(15,530)	213,660	20,160	305,500	539,320
Bus Shelters, Street Lighting & Highways	-	37,040	-	7,170	-	(12,770)	31,440	20,150	15,110	66,700
Public Conveniences	7,000	168,610	-	120	-	(3,280)	172,450	11,530	50,210	234,190
Street Scene inc Markets	-	-	8,450	15,550	-	(65,240)	5,350	-	2,390	7,740
	2,077,140	1,286,420	8,450	665,930	204,800	(3,892,700)	396,630	2,034,830	913,370	3,364,830

**HEALTH AND WELLBEING
PORTFOLIO**

SERVICE	ESTIMATE 2022/2023	ESTIMATE 2023/2024
	£	£
DIRECTOR FOR COMMUNITIES		
Community Development, Fishersgate & Grants	365,180	337,420
Community Safety	294,850	261,570
Food Safety	162,630	174,810
Licensing	148,510	153,970
Public Health and Regulation inc Pollution Control	322,840	337,580
DIRECTOR OF ECONOMY		
Emergency Planning	29,400	29,650
Street Lighting	36,880	37,300
TOTAL FOR HEALTH AND WELLBEING	1,360,290	1,332,300

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											
Community Development, Fishersgate & Grants	140	82,730	370	-	180,820	-	(21,440)	242,620	91,460	3,340	337,420
Community Safety	-	142,580	1,470	-	8,820	-	(33,630)	119,240	142,330	-	261,570
Food Safety	-	124,000	-	-	790	-	(15,820)	108,970	65,840	-	174,810
Licensing	8,690	175,580	-	-	8,770	-	(157,990)	35,050	118,920	-	153,970
Public Health and Regulation inc Pollution Control	-	161,410	-	-	13,000	4,820	(65,610)	113,620	213,910	10,050	337,580
DIRECTOR OF ECONOMY											
Emergency Planning	-	5,580	-	-	-	-	(6,840)	(1,260)	30,910	-	29,650
Street Lighting	-	-	8,880	-	8,770	-	(2,980)	14,670	12,600	10,030	37,300
TOTAL COST	8,830	691,880	10,720	0	220,970	4,820	(304,310)	632,910	675,970	23,420	1,332,300

**CUSTOMER SERVICES
PORTFOLIO**

SERVICE	ESTIMATE 2022/2023	ESTIMATE 2023/2024
	£	£
DIRECTOR FOR COMMUNITIES		
Housing including Homelessness	1,006,030	1,330,610
Environmental Health Housing including HMO/HIA	144,170	123,580
Community Alarm	6,630	(58,150)
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES		
Revenues	317,060	343,910
Benefits	91,780	147,130
TOTAL FOR CUSTOMER SERVICES	1,565,670	1,887,080

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	-	335,950	267,320	440	1,684,830	65,000	(1,356,920)	996,620	333,990	-	1,330,610
Environmental Health Housing including HMO/HIA	-	144,370	-	-	2,010	-	(72,310)	74,070	49,510	-	123,580
Community Alarm	140,100	18,230	-	5,340	68,940	-	(387,400)	(154,790)	74,320	22,320	(58,150)
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES											
Head of Revenues and Benefits											
Revenues	-	293,980	-	1,910	126,380	-	(180,390)	241,880	102,030	-	343,910
Benefits	-	359,770	-	-	16,597,110	-	(17,002,580)	(45,700)	165,850	26,980	147,130
TOTAL COST	140,100	1,152,300	267,320	7,690	18,479,270	65,000	(18,999,600)	1,112,080	725,700	49,300	1,887,080

**LEADER
PORTFOLIO**

SERVICE	ESTIMATE 2022/2023	ESTIMATE 2023/2024
	£	£
CHIEF EXECUTIVE		
Covid Support & Strategic Planning	160,900	40,780
DIRECTOR FOR COMMUNITIES		
Members	408,830	435,010
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES		
Elections	202,190	228,840
TOTAL FOR THE LEADER	771,920	704,630

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											
Strategic Planning	-	-	-	-	40,000	-	-	40,000	780	-	40,780
DIRECTOR OF COMMUNITIES											
Members	234,400	122,980	-	-	7,580	-	-	364,960	70,050	-	435,010
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES											
Elections	25,000	86,870	2,100	-	59,780	-	(20,380)	153,370	72,400	3,070	228,840
TOTAL COST	259,400	209,850	2,100	0	107,360	0	(20,380)	558,330	143,230	3,070	704,630

REGENERATION PORTFOLIO		
SERVICE	ESTIMATE 2022/2023	ESTIMATE 2023/2024
	£	£
DIRECTOR OF ECONOMY		
Coast Protection & Ditch Clearing	117,430	118,210
Shoreham Harbour	102,790	165,120
Planning Policy	390,830	551,400
Development Control & Major Projects	603,310	625,050
Building Control	149,520	151,810
Regeneration	384,750	417,360
TOTAL FOR REGENERATION	1,748,630	2,028,950

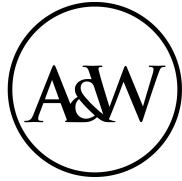
ADUR - REGENERATION PORTFOLIO - 2022/2023 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF ECONOMY											
Coast Protection & Ditch Clearing	-	3,160	4,550	-	5,820	-	(7,440)	6,090	31,880	80,240	118,210
Shoreham Harbour	122,790	-	-	-	-	-	(13,080)	109,710	55,410	-	165,120
Planning Policy	-	218,150	-	-	167,790	-	(51,180)	334,760	216,640	-	551,400
Development Control & Major Projects	-	653,610	-	-	6,520	5,380	(435,960)	229,550	395,500	-	625,050
Building Control	-	254,820	-	-	-	-	(343,490)	(88,670)	240,480	-	151,810
Regeneration	74,750	178,370	-	-	68,870	-	(98,190)	223,800	173,070	20,490	417,360
TOTAL COST	197,540	1,308,110	4,550	0	249,000	5,380	(949,340)	815,240	1,112,980	100,730	2,028,950

RESOURCES PORTFOLIO		
SERVICE	ESTIMATE 2022/2023	ESTIMATE 2023/2024
	£	£
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES		
Corporate Management & Pension costs	2,007,660	2,445,230
Treasury Management	2,557,950	2,544,580
Non Domestic Rates	(22,610)	(16,080)
DIRECTOR OF ECONOMY		
Community Centres	89,220	86,180
Estates Core & New Investments	(4,441,030)	(4,335,190)
Land Charges	(27,510)	(43,510)
TOTAL FOR RESOURCES	163,680	681,210

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											
Corporate Management & Pension costs	1,054,500	521,580	282,140	-	442,560	-	(480,140)	1,820,640	624,590	-	2,445,230
Treasury Management	-	-	-	-	2,972,180	-	(428,380)	2,543,800	780	-	2,544,580
Non Domestic Rates	-	83,800	-	-	7,470	-	(107,350)	(16,080)	-	-	(16,080)
DIRECTOR OF ECONOMY											
Community Centres	-	-	68,350	-	4,230	-	(4,050)	68,530	3,260	14,390	86,180
Estates core & new Investments	-	19,960	184,930	-	15,240	-	(4,912,500)	(4,692,370)	120,270	236,910	(4,335,190)
Land Charges	-	32,590	-	-	20,200	-	(139,120)	(86,330)	42,820	-	(43,510)
TOTAL COST	1,054,500	657,930	535,420	0	3,461,880	0	(6,071,540)	(361,810)	791,720	251,300	681,210



Investing in our Places - Capital Programme 2023/24 to 2025/26

Report by the Director for Digital, Sustainability and Resources

Executive Summary

1. Purpose

1.1 This report recommends the investment programmes for Adur District Council which supports both the strategic ambition of the Council, and the vital regular investment toward the upkeep and improvement of our public assets and the delivery of services.

1.2 Members are now asked to approve the new schemes for 2023/24. This report recommends:

- the schemes for inclusion in the overall Capital Investment Programmes for 2023/24; and
- an indicative list of schemes for 2024/25 which will be confirmed next year.

1.3 The report also informs the Cabinet of the resources available for future capital investment, and updates Members about the financing of the proposed programmes.

1.4 The following appendices have been attached to this report:

- | | | |
|-------|-------------------|--|
| (i) | Appendix 1 | 2022/23 Budgets reprofiled to 2023/24 for scheme delivery in 2023/24; |
| (ii) | Appendix 2 | New schemes to be included in 2023/24 Capital Investment Programme including the share of the Joint Strategic Committee programme; |
| (iii) | Appendix 3 | Full Adur District Council capital investment programme for 2022/23 - 2025/26 |

- | | | |
|------|-------------------|--|
| (iv) | Appendix 4 | Partnership capital investment programme for 2023/24 - 2025/26 |
| (v) | Appendix 5 | Amendments and additions to the Reserve List of schemes |

2. Recommendations

2.1 The Cabinet is recommended to:

- (a) Consider the General Fund Capital Investment Programmes for 2023/24 and confirm the schemes to be included as detailed in Appendix 2 and 3;
- (b) Recommend the full programme detailed at Appendix 3 for approval by Council on the 23rd February 2023;
- (c) Note the amendments and additions to the reserve lists as detailed in Appendix 5

3. Context

3.1 The development of the capital programme is guided by the Capital Strategy which outlines the level of resources available and sets the framework for the approval and delivery of the programme. The Adur and Worthing Capital Strategy 2023 - 26 was updated and agreed by the Joint Strategic Committee (JSC) on 11th October 2022. The financial impact of the proposed Capital Investment Programme was set out in the outline 5 year forecast included in the "Developing a revenue budget for 2023/24 against a backdrop of high inflation" report which was agreed by Joint Strategic Committee on 5th July 2022 and subsequently refreshed in the budget update report considered in December.

3.2 The Capital and Budget Strategies set out the following:

- (a) A maximum level of funding available per year for the next 5 years to fund new General Fund schemes was to be limited to £1.0m in 2023/24;

- (b) £5.6m was to be invested annually into the Housing Investment Programme which excludes any new developments which can be justified on a self-funding basis.
- (c) The Budget Strategy highlighted concerns about affordability in the medium term. Members of the Council were made aware that the number, age and condition of Council's assets continue to be a cause for concern. The funding of the programmes is to consist of prudential borrowing, capital grants, revenue/reserve funding and capital receipts.
- (c) Additional capital expenditure will only be agreed where additional funding from capital grants, contributions, earmarked receipts, approved additional prudential borrowing or use of reserves has been secured.

3.3 The Capital Strategy agreed in October 2022 confirmed the approach to setting the capital investment programme. The strategy confirmed the following resource allocations for 2022/23:

- £360,000 set aside for partnership schemes principally to fund the planned vehicle replacements.
- £100,000 for essential IT replacement .
- £90,000 to be set aside for essential capital maintenance schemes.
- £160,000 set aside for the delivery of the digital strategy.
- The Strategic Property Investment Fund to remain capped at an overall investment amount of £150m of which £43m remains. This can only be used to fund projects which support the wellbeing, affordable housing development and economic regeneration of the area.

3.4 As the October 2022 Capital Strategy explained, the top slicing of the capital programmes in each year to ensure funding for key strategic issues such as ICT and the other partnership programmes will mean that, of the overall resources available in 2023/24, only the £268,000 of resources would remain for other schemes.

4. Supporting the delivery of the Council's priorities

4.1 Included within the proposed programmes for 2023/24 - 2024/25 are a number of programmes of work which will deliver the Council's priorities as set out in 'Our Plan'. The paragraphs below highlight those schemes which are of significant importance in delivering our priorities over the next two years.

4.2 **Mission - Thriving People**

There are several schemes included within the programme which will support both improved housing and community facilities. Highlights include the following planned investments:

- Small Sites Programme (£13,979,910)
Housing programme to replace old under-used garages to build new homes for the community over seven sites. 56 homes will be built as part of the council's house building commitments.
- Improvements to Council Homes (£3,654,900)
The programme is part of the council's long term commitment to ensure dwellings to continue to accelerate the improvement of the quality of local homes. There is a significant and continued focus around our compliance and healthy and safety work, including asbestos management, electrical safety, lift servicing, fire safety, gas safety and inner rooms. We are also responding to the issues raised at the end of last year in Rochdale around our response to tenants and properties affected by damp and mould.
- Affordable housing - Grants to Registered Social Landlords (£2,069,800)
As part of the council's ongoing commitment to improve the supply of affordable housing for local residents, this funding is available as grants to social landlords to provide low cost-high quality accommodation.
- Temporary and Emergency accommodation (£1,836,000)
An unallocated budget is available to purchase land and buildings that could be used to provide high quality local temporary and emergency accommodation. Suitable sites within the Adur area are actively reviewed to ensure suitable developments can be identified and developed.
- Lancing Manor Leisure Centre (£497,730)
The leisure centre requires renewal to continue to provide fitness and community services. Replacement cladding, glazing is included in the programme.
- Eastbrook Community Centre (£291,050)

Refurbishments and renewals are required for the centre to enhance it as a resource for local residents. Development of a new multi games room and fabric repairs are included in the works.

- Public Convenience improvement (£260,000)

A rolling programme of refurbishment for public conveniences. Works will improve the quality and accessibility in a number of locations, improving standards for residents and visitors to the area. This includes a new Changing Places facility at The Shoreham Centre (Adur Civic presence) subject to a more detailed technical assessment.

4.3 Mission - Thriving Places.

The following investments are planned to project and improve our local areas:

- Shoreham Harbour Walls Project (£2,000,000)

Continuing development is being undertaken to protect Shoreham from potential flooding, using new sea defences and improved drainage for the areas most at threat

- Parks improvement programme

There are several initiatives currently underway to improve the parks and open spaces for residents. There are significant investments planned by the Council in these important local amenities over the next couple of years.

	2022/23 Approved	2023/24 Proposed	2024/25 Indicative	2025/26 Indicative
Adur	£'000	£'000	£'000	£'000
Play area improvements	237	80	80	80
General parks improvements	353	180	200	200
Buckingham Park Pavilion	0	172	0	0
	590	432	280	280

- Vehicular Incursion Prevention (£70,000)

Enhanced security and boundaries will be installed to prevent any unauthorised use of recreation grounds, helping to maintain and keep them in the condition our local residents expect.

4.4 Mission - Thriving Environment

- Adur Homes Heating and Energy Efficiency schemes (£150K)
Replacement heating will be provided to selected dwellings. Improvements include improved insulation and replacement of inefficient boilers. Work is being done to quantify the energy performance of current Adur Homes stock that will enable future bids to the Social Housing Decarbonisation Fund to be considered.

A new round of Public Sector Decarbonisation Scheme funding for corporate buildings is expected in Autumn 2023 and a bid will be submitted should the chance of success be considered high.

- Tree planting (Adur £25,720)
Programme to remove and replace trees affected by Ash dieback to ensure a suitable stock.
- Vehicle replacement programme (£345,000)
Smaller vehicles are being replaced with electric equivalent vehicles. At the moment a fleet strategy is being developed which will seek to identify the most carbon and cost effective solution to fully decarbonise the Council's fleet, including refuse and recycling collection vehicles. Most of the large fleet is due for replacement in 2026/27 giving some time for the technologies to develop and be tested before the Councils make a long term commitment. In the interim, second hand or adaptable vehicles will be acquired to ensure that the Council meets the objective of decarbonisation by 2030.

4.5 **Mission - Thriving Economy**

The Council plans to invest in the town centres to provide welcoming places for our residents:

- Public Space improvements - The Council has embarked on a project to improve Southwick Square in 2022/23. At the Sub Joint Strategic Committee on 10th November 2022, Members agreed to work in partnership with West Sussex County Council (WSSCC) to invest £600k of Growth Deal monies to upgrade this area of public realm. The scheme will be tendered in January 2023 with the works planned to begin in Spring 2023. The scheme is due to complete in Autumn 2023. Further schemes in Adur are likely to come forward as part of the Growth Deal with WSSCC in 2023/24, notably likely investment into Lancing as part of a Levelling Up bid.

4.6 **Good foundations**

Investments are planned to improve how we work across all of the services delivered by the Council:

- Hardware and infrastructure replacement programme (£77,550)
Our hardware and infrastructure will continue to be modernised to ensure resilience, reduce risks to business continuity and help mitigate against cyber security risks. The hardware budget also covers investment in our future data centre, which will have a significantly reduced footprint, and replacement equipment including laptops, PCs, and monitors used by staff.
- Commerce Way (£162,500)
Refurbishment and renewals are required at the commerce way office to ensure staff can work in safe, suitable surroundings. Improvements to the office will show the council's commitment to staff wellbeing and provide the facilities required to provide services to the local community and businesses.
- Digital Cyber Security (£56,400)
Purchases of new security software and training for staff to ensure information is protected from outside threats and meet with the council's commitments to Data Protection.
- Bereavement Services software (£20,510)
Modernisation of bereavement services will replace existing paper files and implement new electronic software to improve staff efficiency and customer service.

5. **Resourcing the programme:**

5.1 There are two influences on the overall size of the capital programmes, namely:

- (i) the level of available capital resources to fund the programmes;
- (ii) the extent to which the revenue consequences of the programmes in terms of the cost of borrowing, lost investment income and any associated running costs can be accommodated within the revenue budget.

5.2 The financial position for Adur District Council remains challenging over the next five years. The need to invest in existing assets, as well as provide for partnership working and deliver significant projects set out in 'Our Plan', means the council will need to sustain relatively modest programmes as outlined in paragraph 3.2 for the foreseeable future. However, the programmes are under pressure due to the age and condition of many of our assets. Nevertheless, the need to increase the level of investment has to be balanced against the difficult financial position of the Council.

5.3 There is little change in the method of financing the programmes planned over the next 3 years. In addition, the council has approved a 'Strategic Property Investment Fund' which is an invest-to-save provision and specific investments which meet the criteria of the fund and support our local communities will be funded through prudential borrowing.

5.4 The proposed programme assumes a phased use of the available prudential borrowing, capital receipts, reserves and the Major Repairs Reserve for Adur Homes which is generated from the depreciation set aside on an annual basis. These are discussed in more detail below:

5.5 Usable Capital Receipts derived from the sale of assets

5.5.1 Usable capital receipts are generated through the sale of Council owned assets. The Council actively looks for opportunities to increase the available receipts. This forms part of our budget strategy as the generation of additional receipts will enable the Council to reduce the cost of financing the capital programme.

5.5.2 In the past, the main source of capital receipts for Adur District Council has come from council housing sales which are used to support the HRA Investment Programmes. However, the sale of Adur Civic Centre will lead to a substantial capital receipt.

5.5.3 Adur has signed up to the DCLG agreement allowing 100% of Right to Buy (RTB) receipts to be retained to finance new affordable homes within the Adur area. However, the receipt can only provide 40% of the cost of any new build which means that the remaining 60% has to be financed from other sources including borrowing. The previous condition of being able to retain capital receipts arising from RTB sales was that they must be spent within a 3 year time limit, although this has been temporarily suspended in the light of the Covid 19 emergency. Receipts have to be returned if we cannot allocate the

receipts to any new homes. Properties may be built by Adur Homes or another Registered Provider. These receipts have been allocated to support the HRA development programme.

5.5.4 Other Housing Revenue Account property or land sales fall outside the requirements of RTB receipts and may be retained by Adur provided it is spent on affordable housing, regeneration or reducing the Housing Revenue Account debt.

5.5.5 Whilst, the revenue implication of using any capital receipts is by no means as much as those incurred by borrowing, this is by no means a 'free' source of funding. The annual revenue costs of using £1m of capital receipts are as follows:-

	Year 1 £	Year 2 £
Interest at say 3.5% (current average return on investments)	17,500	35,000

However, the use of these resources avoids the need to use more expensive forms of financing such as borrowing.

In the past capital receipts have been a major source of funding for the Council's capital programmes. Members will be aware that the Council now has only limited access to capital receipts as:

- a) The Council does not own large tracts of land that can be easily disposed of when capital receipts are needed. Indeed, any such tracts of land may give the Council the opportunity to either directly or indirectly improve the supply of affordable housing. There are some disposals which are currently taking place and which could be made available in time, but these are unlikely to meet all the investment needs of the Council in the immediate future;
- b) There are very few other options for future disposals of operational assets, owned by either council, without service provision implications;
- c) Any benefits that might accrue from the sale of non-operational assets, such as the commercial properties, will be largely negated by the loss of significant rental and lease income. Consequently, the disposal of

such assets can only be undertaken when there is a clear business case to justify such an action;

5.5.6 In addition, due to the pressure on the reserves, some of the receipts generated in the period 2016 - 2023 have been set aside to fund the costs associated with delivering the savings necessary to balance the revenue budget.

5.5.7 In light of the budget strategy and the limitations on generating additional capital receipts, the estimated balance of capital receipts to fund the 2023/24 and 2024/25 Capital Investment Programmes will be:

Adur District Council		Balance at 1st April £'000	* Receipts Generated £'000	Planned Use £'000	Balance at 31st March £'000
2023/24	General	-	6,000	(6,000)	-
	Ring-fenced				
	- HRA	1,286	606	(1,000)	892
	- General Fund	221	66	(91)	196
	Total	1,507	6,672	(7,091)	1,088
2024/25	General	-	-	-	-
	Ring-fenced				
	- HRA	892	606	(400)	1,098
	- General Fund	196	11	(17)	190
	Total	1,088	617	(417)	1,288

The lack of capital receipts as a source of funding is a problem for the Council. It is inevitable that the Council will need to borrow to sustain the capital programme with inevitable higher revenue consequences as a result.

5.6 Prudential Borrowing

5.6.1 The Prudential Code generally gives an unlimited ability to borrow, provided it is 'affordable, sustainable and prudent'. In practical terms the amount of the borrowing is inhibited by the impact of the associated revenue consequences on the revenue budget and on council tax.

5.6.2 Since the removal of the debt cap for the Housing Revenue Account, the position for the HRA has been similar to the General Fund. The limitation on any future borrowing will be the affordability of the revenue consequences of the borrowing for the HRA.

5.6.3 Whilst, the HRA has the option to make a voluntary revenue provision (VRP) for the repayment of debt, at the moment, this option is not being exercised due to the financial position of the HRA. This will be reassessed once the HRA has addressed the current deficit. The repayment of debt can also be funded from the depreciation which is set aside into the Major Repairs Reserve (see 5.7.1 below).

5.6.4 The annual revenue costs of each additional £1m of Prudential Code borrowing are estimated to be as follows:-

	Year 1 £	Year 2 £
Principal repayment based on the annuity method *	0	53,770
Interest at say 3.5%	17,500	35,000
Total costs	17,500	88,770

* The Council has a policy of repaying any debt over the life of the asset acquired. On average the assets funded will have a life of 15 years which is equivalent to a 8.9% revenue provision each year.

MRP= Minimum Revenue Provision – the amount of loan that has to be repaid each year, notionally this is the amount set aside to repay debts which have accumulated to finance schemes.

5.7 Adur Housing Revenue Account - Major Repairs Reserve contribution

5.7.1 The Council is allowed to set-aside amounts into a Major Repairs Reserve, equivalent to at least the annual depreciation charge for the housing stock made to the Housing Revenue Account. This can be used to fund the repayment of debt or to finance new capital expenditure. The major repairs allowance calculation for 2023/24 is initially estimated at £4.4m which will be used to finance the capital programme.

5.7.2 New capital expenditure on housing will be financed from direct revenue contributions, capital receipts, the Major Repairs Reserve or from Prudential Borrowing. Any new borrowing will require amounts to be set aside from the Major Repairs Reserve for repayment of debt.

5.8 Revenue Contributions and Reserves

5.8.1 The HRA has a 'New Acquisition and Development' reserve specifically to fund initiatives to increase the supply of affordable housing.

5.9 Capital Grants and other external funding

5.9.1 The following capital grants and other contributions are expected and have been taken into account within the overall resources for the 2023/24 capital programmes:

Adur District Council External Funding

	£
Disabled Facilities Grant (Better Care Fund)	375,000
Contribution from Worthing Borough Council towards improvements at Commerce Way	162,500

5.9.2 Disabled Facilities grants are mandatory and each Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. Any unspent grant can be carried forward to future years to fund outstanding grant commitments at 31st March.

6. Draft Programmes

General Fund Programme

6.1 The 2023/24 and 2024/25 draft General Fund programmes are attached at Appendix 2 and 3 which also includes the proposed changes to the 2022/23 programme. The indicative programmes have been prepared on the basis of the agreed guidelines and the estimated resources. Each scheme has been scored using the priority scoring system devised under the Capital Strategy, producing a balanced programme in accordance with the overall available

funding. At this stage, the schemes recommended for inclusion 2024/25 are indicative only and will be reassessed next year.

6.2 Members are asked to consider the proposed programmes. Members can remove schemes if they consider that they should not be supported at this time or add schemes which merit support provided that the overall programme remains affordable. Additional information is provided below on the proposed invest to save schemes and other issues which members should be aware of when considering the overall programme.

6.3 **Invest to save schemes**

The Council will consider 'invest to save' capital proposals which produce revenue savings that exceed the cost of borrowing by at least 10% over the life of the investment. The following schemes are included in the capital programme. Funding will be released on presentation of a business case to the Executive Member.

(i) Empty Properties

This scheme has been funded from New Homes Bonus. However, the future of the New Homes Bonus is uncertain and it may cease to be paid to the Council and is due to be fundamentally reformed. Consequently, this scheme will be funded in future from the repayment of empty property grants and loans. The effectiveness of the scheme is reviewed annually.

The Council will continue to build on the working relationship with the nominated private sector letting agent that we are currently in partnership with to manage our guaranteed rent scheme. There has been a growing number of empty home owners interested in the schemes and new approaches continue to be sought to promote the funding to Empty Property owners. Increasing the supply of private sector rental properties available at Local Housing Allowance levels remains a key objective.

Close working with our Legal Team to develop and finalise the Enforced Sales Procedure is nearing fruition which will allow us to proceed with the sale of three long term empty properties, we anticipate using this procedure on further properties in the future.

The Council will continue to focus on achieving the objectives set out in the Empty Property Strategy and working with partners in the charitable

sector as well as individual empty property owners to increase the supply of affordable housing as these properties are let at social rents.

The success of this initiative will be monitored.

(ii) Strategic Property Investment Fund

The Council has committed to investing in commercial property and other income generating assets which support the Council's economic regeneration ambitions, carbon reduction initiatives or supports improvements to the supply of housing. The intention is to provide long term assets that both support the delivery of the Council's corporate strategy and produce a long term sustainable income for the Council which will fund the borrowing consequences of the investment and support the future aspirations of the Council. The investment in such property is governed by the Commercial Property Investment Strategy which was approved by the Joint Strategic Committee on the 30th March 2021.

To enable this objective to be met, as part of the Capital Strategy, the Council has set aside funding for a Strategic Property Investment Fund. Each investment should generate income which exceeds the potential borrowing costs associated with the purchase or development of the new property.

Whilst under the constitution the Head of Major Projects has the delegated authority to purchase property provided that a budget exists; given the nature of these investments, each individual development proposal is the subject of a business case which is approved by the relevant Leader and Executive Member of Resources.

(iii) Temporary accommodation

The cost of temporary and emergency accommodation has been escalating. In response to this, the Council has created a budget to purchase temporary accommodation for residents who the Council has a duty to house temporarily. Each proposal is assessed for financial and operational viability before a business case is approved by the Executive Member.

(iv) Energy Efficiency / Carbon Reduction Schemes

The Council currently has a provision within the capital programme for energy efficiency / carbon reduction schemes which produce savings to offset any potential borrowing costs.

	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Adur	300,000	270,000	82,210	325,000
Worthing	300,000	270,000	239,020	400,000

A report, elsewhere on the agenda, details the expected programme of work.

6.4 **Adur Housing Investment Programme**

6.4.1 The estimated resources available to fund the 2023/24 - 2026/27 HRA Investment Programme are sufficient to fund all the schemes detailed in Appendix 3.

6.4.2 The first priority for the programme is the safety of tenants and the continued maintenance of Council homes to address issues arising from the condition survey.

6.5 **Overall**

The following assumptions have been used in preparing the draft programmes:

- (a) Maximise use of external funding where possible.
- (b) Continuation of Specific Grant Aided Funding for Mandatory Disabled Facilities Grants.
- (c) The proposed Capital Programme and Reserve Lists include a number of the larger planned maintenance schemes. Only schemes which meet the criteria for capital funding are included.

6.6 The following tables are a summary of total resources used to fund the new schemes included in the draft programmes for 2023/24, 2024/25 and 2025/26.

Programme Year	Revenue Contributions and Reserves £	Major Repairs Reserve £	Capital Grants and Contributions £	Usable Capital Receipts £	Borrowing £	TOTAL £
2023/24						
General Fund	68,420	-	537,500	21,000	994,560	1,621,480
HRA	-	4,200,000	-	100,000	9,509,480	13,809,480
Total	68,420	4,200,000	537,500	121,000	10,504,040	15,430,960
2024/25						
General Fund	85,420	-	672,770	4,000	1,085,060	1,847,250
HRA	-	4,200,000	-	100,000	1,300,000	5,600,000
Total	85,420	4,200,000	672,770	104,000	2,385,060	7,447,250
2025/26						
General Fund	89,420	-	512,080	-	1,281,130	1,882,630
HRA	-	4,200,000	-	100,000	1,300,000	5,600,000
Total	89,420	4,200,000	512,080	100,000	2,581,130	7,482,630
Overall total						
General Fund	243,260	-	1,722,350	25,000	3,360,750	5,351,360
HRA	-	12,600,000	-	300,000	12,109,480	25,009,480
TOTAL	243,260	12,600,000	1,722,3500	325,000	15,470,230	30,360,840

6.7 Members will note that the total planned new spending for 2023/24, 2024/25 and 2025/26 is £30,360,840. The table above indicates how this proposed programme will be financed.

7. Revenue Implications

7.1 The revenue implications (excluding the revenue impact of financing the Capital Investment Programme) of all the capital projects in the draft programmes are shown in the last column of appendices 2 and 3. An assessment of the revenue implications of the planned programme has already been built into the Medium Term Financial Plan. This has already been recognised as a genuine expenditure within the overall revenue budget.

There is, of course, no obligation to spend merely because resources are available. In considering the merits of any capital investment proposal, the opportunity cost of using the resources, the revenue cost associated with any borrowing and the interest earnings foregone by utilising capital receipts and reserves, require full consideration.

7.2 The full year revenue impact of financing the capital programme is shown below:-

Adur District Council

Programme Year	Revenue Impact		Cumulative		Full-Year Impact in
	General Fund £	HRA £	General Fund £	HRA £	
2023/24	124,060	1,182,676	124,060	1,182,676	2024/25
2024/25	134,687	164,700	258,748	1,347,376	2025/26
2025/26	158,860	164,700	417,608	1,512,076	2026/27

The above figures do not include any other direct revenue implications, which could be either positive or negative, depending on the particular schemes. The draft programmes show the other ongoing annual running costs of servicing and maintaining the proposed schemes and savings generated from the capital investment which will be included within the revenue budget.

8. Prudential Indicators

8.1 The statutory framework for the Prudential System is set out in Chapter 1 of the Local Government Act 2003 and in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended. The framework incorporates four statutory codes. These are:

- The Prudential Code prepared by CIPFA
- The Treasury Management Code prepared by CIPFA
- The Statutory Guidance on Local Authority Investments prepared by MHCLG

- The Statutory Guidance on Minimum Revenue Provision prepared by DCLG

8.2 Part of the core process for the Prudential Code is for Members to set Prudential Indicators as detailed in the Prudential Code against which the performance of the Capital Investment Programme and Treasury Management can be measured and monitored throughout the year. These indicators will be calculated once the programme has been fixed and reported to the Cabinet and Council as part of the annual Revenue Budget report.

9.0 Engagement and Communication

9.1 The development of the programme is the subject of extensive internal consultation with Officers.

9.2 Members were consulted on the capital bids to be included in the draft programmes. Their comments are included in this report. The final recommendations for the capital programmes will be made to Adur District Council on the 7th February 2023.

9.3 Individual programmes of work, for example the design of playgrounds, will be the subject of consultation with local communities where appropriate to ensure that they meet local needs

10.0 Conclusion

10.1 Due to the overall financial position of the Council, there are only limited revenue resources with which to fund the cost of financing the capital programme. Consequently the overall size of the core programme is relatively modest at £1m for Adur District Council and £5.6m for Adur Homes which this year has been increased to accommodate projects which need to be urgently progressed.

10.2 The Council has insufficient capital resources available to meet all of the identified demands for capital investment for 2023/24, 2024/25, and 2025/26. Where schemes are unable to be delayed due to pressing maintenance requirements, these have been recommended for inclusion. However, some schemes must remain on the respective Reserve List. This is a particular issue for the maintenance of our housing stock where there are several pressing problems that are being addressed with priority being given to fire safety and health and safety.

- 10.3 The implication of this restriction in capital investment is that some maintenance needs are not currently being met. The Council will need to continue to critically review their asset base over the coming years with a view to retaining a sustainable level of assets to support service delivery.
- 10.4 The continuing constraints on the availability of capital resources in the medium to long term and the direct impact on the revenue budget leaves little room for manoeuvre. Work needs to commence now to ensure sufficient resources are available to the Council to provide adequate funds for financing the respective Capital Investment Programmes from 2024/25 onwards. In any event, the revenue consequences of spending scarce resources must always be borne in mind in judging the merits of any capital investment proposal.

11. Financial Implications

- 11.1 The detailed financial implications associated with the development of the budgets are detailed throughout the report.
- 11.2 The final programme is marginally higher than the £1m approved as part of the capital strategy. The additional £15,560 can be accommodated within the revenue budget as detailed elsewhere on the agenda.

12. Legal Implications

- 12.1 Part 1 of the Local Government Act, 2003 sets out the framework for capital finance and expenditure.
- 12.2 The Local Government (Capital Finance and Accounting) (England) Regulations 2003 provide more detailed requirements.
- 12.3 Section 111 of the Local Government Act, 1972 allows the Council to do anything which is intended to facilitate or is conducive to or ancillary to any of its functions.
- 12.4 The Local Government Act 2003, Sections 16(2)(b) and 20: Treatment of costs as capital expenditure allows the Council to use any capital receipts generated in 2022/23 - 2024/25 to fund revenue expenditure which will generate an on-going saving via a direction from the Secretary of State which was issued on 2nd August 2022 subject to a limitation on the type of departure costs which can be funded. Departure costs are restricted to statutory payments only, any enhancement must be funded from within the Council's revenue resources.

Background Papers

- CIPFA Prudential Code for Capital Finance in Local Government
- Capital Estimates 2023/24 – Working papers
- Investing for our future - Capital Strategy 2023/26 – Report to Joint Strategic Committee on
- Developing a revenue budget for 2023/24 against a backdrop of high inflation – Report to Joint Strategic Committee on 5th July 2022
- 2nd Capital Investment Programme and Projects Monitoring 2022/23 – Report to Adur Joint Strategic Sub-Committee on 6th December 2022
- Adur District Council - Housing Revenue Account Capital Programme 2019-2022 – Report to Joint Strategic Committee on 9th October 2018
- Improving supply of temporary accommodation - Report to Joint Strategic Committee on 13th September 2016
- Strategic Property Investment Fund 2021 - Annual Commercial Property Investment Strategy 2021/22 - Report to Joint Strategic Committee on 30th March 2021

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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

Individual schemes within the three proposed capital programmes have been subjected to equalities impact assessment. Schemes which have a positive impact on equalities include:

- Affordable housing schemes – Schemes are targeted at the most vulnerable;
- Disability Discrimination Act - Works to improve accessibility of Council buildings;
- Disabled Facilities Grants – Improvements and adaptations to private housing to meet specific needs;
- Home Repair Assistance Grants – Grants to enable those in need to stay in their homes;
- Resurfacing of hard surfaces – Provides an improved surface for wheelchair users and other people with reduced mobility;
- Parks – Replacement of play area and outdoor fitness equipment which is designed to be more accessible and inclusive;
- ICT Hardware Replacement Programme – Provision of special keyboards and screens where required;
- Empty Property Grants – Increase the supply of affordable housing in the locality.
- Public Conveniences – Upgraded and new facilities include DDA improvements and facilities.

There will be no negative equalities and diversity outcomes arising from the proposed programmes.

SUSTAINABILITY AND RISK ASSESSMENT

2. SOCIAL

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 - 2022/23 CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
1. Schemes in Progress where the completion has been delayed beyond 31st March 2023		
<i>Adur Homes Capital Investment Programme</i> Albion Street Development	1,000,000	Slight delay to works due to material shortages, expected completion May 2023. Budget reprofiled in line with anticipated expenditure.
Development of Properties	15,245,420	i) Small Sites Programme - Construction expected to begin in the winter 2022/23 and will be on site for approximately 1 year. Completion anticipated March 2024.
	1,854,900	iii) Southwick Estate Remedial Works - Design, specification and procurement of initial works to be undertaken in 2022/23, main works anticipated 2023/24.
<i>General Fund Schemes</i> Coast Protection Works - Shoreham Harbour Walls Project	2,000,000	Tendering and design works in 2022/23. Works anticipated in 2023/24. Budget reprofiled in line with anticipated expenditure.
Corporate Buildings - Condition Surveys	20,000	Surveys to continue in 2023/24. Budget reprofiled in line with anticipated expenditure.
Council Buildings - Leased out properties condition surveys	40,000	Surveys to continue in 2023/24. Budget reprofiled in line with anticipated expenditure.
IT / Digital - Network Refresh Wifi Upgrade	24,280	Scheme to continue into 2023/24. Budget reprofiled in line with anticipated expenditure.
Lancing Leisure Centre - External Cladding	38,200	Retendered as original tenders were over budget. Works anticipated 2023/24.
Lancing Leisure Centre - Renewal of flat roof and replacement glazing	199,530	Retendered as original tenders were over budget. Works anticipated 2023/24.
Ultrafast Fibre Network Extension	1,083,160	Timescales extended, expected completion date is now Summer 2023. Budget reprofiled in line with anticipated expenditure.
Street Cleansing / Refuse / Recycling Service Replacement Vehicles	345,600	2022/23 vehicle replacements budgets reprofiled to 2023/24 due to lead in times for the delivery of new vehicles.

ADUR DISTRICT COUNCIL - 2022/23 CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
2. Schemes due to start in 2023/24		
<i>Adur Homes Capital Investment Programme</i> Building Services - Replacement Vehicles	48,000	Budget reprofiled due to lead in times for deliveries of new vehicles.
Decarbonisation Schemes - Invest to Save	100,000	Replacement heating scheme being investigated for installation 2023/24.
Development of Properties	453,170	Contingency / Purchase of Properties - Allocation anticipated 2023/24.
External Structural Works	500,000	Works planned on Penstone / Osborne / Warren Court balconies and various roofing replacements. Works anticipated 2023/24 and 2024/25.
Fire Safety Works	1,300,000	Milfield Remedial Works - Currently in initial stages, works anticipated 2023/24 and 2024/25.
Fire Safety Works	2,500,000	Fire Door Replacements - New contractor being sourced for the project due to quality issues. Works anticipated 2023/24 and 2024/25.
Heating and Energy Efficiency Schemes	150,000	Replacement heating scheme under consideration. Possible invest to save scheme. Works anticipated 2023/24.
Professional and Consultancy Services for Adur Homes major repairs schemes	756,580	Budget reprofiled in line with lead in time for construction schemes.
<i>General Fund Schemes</i>		
Affordable Housing - Grants to Registered Social Landlords for the provision of affordable housing	2,069,800	Budget reprofiled due to lead times for new developments.
Buckingham Park - Replacement Pavilion	172,000	Budget profiled to 23/24 while options are under consideration
Corporate Buildings - Carbon Reduction Schemes (Invest to Save)	498,000	Reports to be submitted for any schemes which meet the "invest to save criteria".
Council Buildings - Asbestos removal and management	100,000	Budget reprofiled in line with anticipated expenditure.
Eastbrook Community Centre - Provision of Multi Use Games Area and Building Fabric Repairs	291,050	Due to reporting and lead in times for works, external works likely to be undertaken in 2023/24. Budget reprofiled in line with anticipated expenditure.


ADUR DISTRICT COUNCIL - 2022/23 CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Equalities - Access Audits	40,000	Budget reprofiled in line with anticipated expenditure.
Fishersgate Recreation Ground - Car Park Resurfacing	140,000	Scheme to be undertaken alongside the Community Centre redevelopment scheme. Budget reprofiled in line with anticipated expenditure.
Housing - Empty Properties	42,000	To date no grants or loans have been identified. Budget reprofiled.
Housing Development - South Street Car Park	1,836,000	Planning approval anticipated 2022/23 with development in 2023/24.
Housing Development (General Fund) - Acquisition and development of emergency and temporary accommodation for the homeless	1,040,960	Reprofiled due to lead in times for new developments.
IT / Digital - Identity Governance and Admin System	28,200	Original system is being reviewed and to be implemented 2023/24.
Lancing Ring - Replacement Trees	25,720	Budget reallocated to 2023/24 for further felling and planting. Budget reprofiled in line with anticipated expenditure.
Office Equipment - Microphone System Replacement	14,100	New technical solutions under consideration. Replacement anticipated 2023/24.
Play Areas - Southwick Recreation Ground Refurbishment	90,000	Installation anticipated June 2023.
Planning and Building Control - Document Management System	44,670	System currently being considered for implementation in 2023/24.
Public Conveniences - Rolling Programme of upgrades and improvements	110,000	Refurbishments of public conveniences delayed to 2023/24 due to staffing shortages in Technical Services.
Shoreham Harbour Projects	145,000	Budget reprofiled in line with anticipated expenditure.
Southwick Community Centre - Replacement of windows to the café area	35,000	Due to resourcing issues in Technical Services budget reprofiled to 2023/24.
Southwick Community Centre - Replacement of windows to the Porter Room and floor replacement	30,000	Due to resourcing issues in Technical Services budget reprofiled to 2023/24.


ADUR DISTRICT COUNCIL - 2022/23 CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Strategic Property Investments - Investments in property for regeneration or service delivery.	43,488,420	Budget Reprofiled as no investments have been identified to date.
3. Schemes due to start in future years		
Mill Lane Cemetery - replacement of boundary fence	95,000	Scheme delayed by Technical Services staffing issues. Budget to be transferred to Mill Lane Cemetery replacement of vehicle compound and fuel storage scheme in order to address health and safety issues. The boundary fence is currently being maintained from revenue and a PID will be submitted for works in future years.
Total Reprofiled Budgets:	77,994,760	


ADUR DISTRICT COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amendments to Council Resources 2022/23 £	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
PROPOSED CHANGES TO 2022/23 CAPITAL INVESTMENT PROGRAMME 1 Mill Lane Cemetery - Replacement of vehicle compound and fuel storage (The current arrangement for vehicle management is very hazardous resulting in health and safety issues. This needs to be rectified as a priority. To be funded from 2022/23 Capital Investment Programme)		KS	NB	95,000	-	-	-
Proposed Changes to 2022/23 CIP:				95,000	-	-	-
Proposed Funding:				90,000			
Mill Lane Cemetery - Replacement of boundary fence (Fence is currently being maintained from revenue and a PID will be submitted in future years to replace the fence)							
Contingency				5,000			
ADUR / WORTHING PARTNERSHIP SCHEMES FUNDED FROM RING FENCED FUNDING (See full Partnership Programme in Appendix 4) 2P Bereavement Services - Cemeteries and crematorium software (New system to replace existing paper records. Total costs £102,506. Revenue costs of £16,620 p.a. Additional revenue costs £14,037 p.a.)		KG	NB	-	20,510	-	20,510


ADUR DISTRICT COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amendments to Council Resources 2022/23 £	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
3P Corporate ICT hardware and infrastructure replacement programme (ICT Hardware and Infrastructure 2023/24 Replacement programme: i) Ongoing replacement of 10% of laptop and PC estate reduced from £130k to £65k ii) Replacement of Commerce Way Monitors and Portland House Contact Centre £10k, iii) Data Centre power strips and some UPS £45k iv) Replacement of data centre servers £25k, v) Contingency £20k. Total cost £165,000)		JJ	EB	-	77,550	-	77,550
4P Digital Strategy Digital Cyber Security 2023/24: i) New Mobile phone and tablet antivirus and anti phishing software £30k ii) Information Security Resource £25k, iii) Software Solutions Cyber £50k, Contingency £15k. Total cost £120,000)		JJ	EB	-	56,400	-	56,400
5P Parks and Open Spaces - Rolling programme of large machinery / equipment replacements (Replacement of a ride on grass cutting machine £30k plus replacement of hand held powered machinery such as strimmers, hedge cutters, leaf blowers, etc. Total cost £50,000)		SM	EB	-	20,000	-	20,000
6P Parks and Open Spaces - Street litter and dog bins replacement programme (Total annual cost £15,000 p.a.)		MQ	EB	-	5,700	-	5,700


ADUR DISTRICT COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amendments to Council Resources 2022/23 £	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
7P Operational Vehicles - Replacement of 3 vehicles for the Public Convenience Service (Total cost £90,000, £63,200 c/f from 2022/23)		MQ	EB	-	8,040	-	8,040
8P Refuse and Recycling Service - Wheeled bin replacements (Total annual cost £96,000 p.a., £30,000 funded from green bin income)		MQ	EB	-	24,750	10,920	35,670
9P Trade Waste Bins - Replacement Programme (Total annual cost £76,370, £25,000 funded from green bin income)		MQ	EB	-	15,410	7,500	22,910
Total Adur / Worthing Partnership Schemes:					228,360	18,420	246,780
SCHEMES FUNDED FROM GENERAL FUND SCHEMES WITH HEALTH AND SAFETY ISSUES							
10 Commerce Way - Refurbishment of floor coverings (Floors contain asbestos which needs to be removed or managed. Contribution of 50% of costs from Worthing Borough Council)	N/A	KS	EB	-	50,000	50,000	100,000


ADUR DISTRICT COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amendments to Council Resources 2022/23 £	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
11 Commerce Way - Refurbishment of offices (Health and Safety Issues identified from unsafe working conditions. Works required: partitioning, new kitchen, new I.T., door controls and flooring. Contribution of 50% of costs from Worthing Borough Council)	N/A	KS	NB	-	37,500	37,500	75,000
12 Commerce Way - Replacement roof covering including relocation of solar panels and thermal upgrade. (Health and Safety issues from water ingress and danger of falling ceilings. Contribution of 50% of costs from Worthing Borough Council)	N/A	KS	NB	-	75,000	75,000	150,000
13 Corporate Buildings - Fire Door Replacements (Identified from Fire Risk Assessments)	N/A	KS	EB/NB	-	25,000	-	25,000
14 Lancing Manor Leisure Centre - Roof access (Health and safety issues identified for contractors needing to access roof area)	N/A	KS	NB	-	11,200	-	11,200
PRIORITY SCORED SCHEMES							
15 Housing Renewal Assistance - Mandatory Disabled Facilities Grants (Funded from the DCLG Better Care Fund)	48	BR	EB	-	-	375,000	375,000


ADUR DISTRICT COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amend- ments to Council Resources 2022/23 £	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
16 Disability Discrimination Act Improvements (Provision of minor alterations and improvements to Council Properties)	42	KS	EB	-	11,000	-	11,000
17 Play Area Improvements - Replacement of play equipment, safety surfaces and perimeter fencing	41	SM	EB	-	80,000	-	80,000
18 Community Alarm Service - Procurement of community alarm equipment (Purchase of new alarm units for new customers and to replace units which have reached the end of their useful lives to attract new and retain existing customers. Funded from Community Alarm Trading Account)	36	BR	EB	-	-	50,000	50,000
19 Parks and Open Spaces - Vehicular incursion prevention measures (Enhanced security for priority sites, boundary aesthetics and vehicular incursion deterrent measures across the District's parks and open spaces. 2023/24 works at Adur and Southwick Recreation Grounds)	36	MP/SM	EB	-	70,000	-	70,000


ADUR DISTRICT COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amendments to Council Resources 2022/23 £	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
20 Housing Renovation Assistance Scheme - Discretionary Grants (Provision of grants and loans to owner-occupiers to carry out essential repairs or improvements and provision of grants to landlords to bring properties up to standard in return for nomination rights)	35	BR	EB	-	40,000	-	40,000
21 Fire Risk Assessment Works - Remedial works identified from Fire Risk Assessment Surveys	32	KS	EB	-	12,500	-	12,500
22 Lancing Manor Leisure Centre - External cladding replacement, renewal of flat roof area over the entrance hall and replacement of glazing units in the entrance hall (Continuation of 2022/23 project. The scheme has been retendered as the original tenders were over the current budget of £237,730. Total costs are now estimated at £497,730, £260,000 over budget)	32	KS	EB	-	260,000	-	260,000
23 Public Conveniences - Rolling programme of refurbishments (Sites to be agreed with the Executive Member)	30	KS	EB/NB	-	50,000	-	50,000

ADUR DISTRICT COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME


 ADUR DISTRICT COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amend- ments to Council Resources 2022/23 £	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
24 Contingency provision for urgent / priority schemes, inflation and unavoidable overspends	N/A	SG	EB	-	50,000	-	50,000
25 Contingency Provision for Project Management of Grant Funded Decarbonisation Schemes	N/A	JJ	NB	-	15,000	-	15,000
TOTAL 2023/24 CAPITAL SCHEMES:					1,015,560	605,920	1,621,480
FUNDING FOR PROPOSED CAPITAL INVESTMENT PROGRAMME							
Capital Grants					-	375,000	375,000
Capital Contributions					-	162,500	162,500
Revenue Contributions / Reserves							
AWCS Refuse/Recycling Service					-	18,420	18,420
Community Alarm Service					-	50,000	50,000
Capital Receipts / Prudential Borrowing					1,015,560	-	1,015,560
TOTAL FUNDING:					1,015,560	605,920	1,621,480


ADUR DISTRICT COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 ADUR DISTRICT COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amend- ments to Council Resources 2022/23 £	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
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Lead Officers:

BR	Bruce Reynolds	Team Leader, Environmental Health
JJ	Jan Jonker	Head of Customer and Digital Services
KG	Kate Greening	Bereavement Services Manager
KS	Kevin Smith	Principal Building Surveyor
MP	Martyn Payne	Senior Engineer
MQ	Mark Quartly	Assistant Operations Manager
SM	Steve McKenna	Operations Manager, Parks and Foreshore


SUMMARY							
ADUR DISTRICT COUNCIL CAPITAL INVESTMENT PROGRAMME 2022/23 - 2025/26							
 ADUR DISTRICT COUNCIL	Total Estimate £	CAPITAL ESTIMATES					
		Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
			Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
BUDGETS							
Executive Member for Adur Homes and Customer Services	73,556,320	6,194,880	36,344,670	16,523,100	34,706,340	8,046,000	8,086,000
Executive Member for Environment and Leisure	4,043,789	235,779	2,218,150	1,058,350	1,728,840	579,270	441,550
Executive Member for Communities and Wellbeing	927,510	-	522,600	138,460	607,050	61,000	121,000
Executive Member for Regeneration and Strategic Planning	7,235,200	4,068,990	2,568,250	691,590	2,241,270	96,270	137,080
Executive Member for Resources	132,635,620	84,146,760	45,992,350	1,304,360	45,822,790	664,710	697,000
	218,398,439	94,646,409	87,646,020	19,715,860	85,106,290	9,447,250	9,482,630
FINANCING							
<i>Capital Grants and Contributions</i>							
Communities and Local Government			989,650	695,710	682,280	375,000	375,000
Environment Agency			560,990	87,080	699,270	96,270	87,080
S106 Contributions from Planning Agreements			167,450	77,890	150,000	-	-
Other Contributions			65,000	127,500	825,000	201,500	50,000
<i>Prudential Borrowing</i>			81,632,510	12,415,040	78,360,320	4,385,060	4,581,130
<i>Revenue Contributions and Reserves</i>							
Revenue Contributions			130,420	88,420	68,420	85,420	89,420
Revenue Reserves			3,900,000	6,000,000	4,200,000	4,200,000	4,200,000
<i>Usable Capital Receipts</i>			200,000	224,220	121,000	104,000	100,000
			87,646,020	19,715,860	85,106,290	9,447,250	9,482,630

SUMMARY					
FUNDING CAPITAL INVESTMENT PROGRAMME 2022/23 - 2025/26					
 ADUR DISTRICT COUNCIL	CAPITAL ESTIMATES				
	2022/2023		2023/2024	2024/2025	2025/2026
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(6)	(7)	(8)	(9)	(10)
DETAILED FUNDING					
<i>Capital Grants and Contributions</i>					
<u>Department for Levelling Up Housing and Communities</u>					
Better Care Fund (Disabled Facilities Grants)	375,000	442,310	375,000	375,000	375,000
Changing Places Fund (Shoreham Centre - Accessible toilet facilities)	-	50,000	50,000	-	-
Local Enterprise Partnership (Governments Growth Deal) (Shoreham Harbour Walls Project)	-	-	112,280	-	-
Public Sector Decarbonisation (Adur Homes - Carbon reduction works in Council dwellings)	100,000	-	-	-	-
Shoreham Harbour Growth Point Grant (Shoreham Harbour Projects)	145,000	-	145,000	-	-
(Shoreham Harbour Walls Coast Protection Project)	369,650	203,400	-	-	-
	989,650	695,710	682,280	375,000	375,000
<u>Environment Agency</u>					
Coast Protection Grant (Strategic Monitoring Project for the South East Phase 5) (Shoreham Harbour Walls Coast Protection Project)	87,080 473,910	87,080 -	96,270 603,000	96,270 -	87,080 -
	560,990	87,080	699,270	96,270	87,080
<u>S106 Receipts from Planning Agreements</u>					
(Adur Recreation Ground - Replacement of aging play equipment)	-	25,000	-	-	-
(Contribution to the Sir Robert Woodward Academy for the provision of CCTV cameras)	-	5,000	-	-	-
(Buckingham Park - Installation of recreational facilities)	-	30,440	-	-	-
(Buckingham Park Pavilion - Replacement)	150,000	-	150,000	-	-
Southlands Hospital - Play area improvements	17,450	17,450	-	-	-
	167,450	77,890	150,000	-	-
<u>Other Contributions</u>					
Business Rate Pool (Extending Ultrafast Fibre Network)	-	-	662,500	-	-
External Funding (Parks and Open Spaces - Artwork)	15,000	15,000	-	-	-
Sompting BIG Local (Play Area Improvements - Sompting Recreation Ground)	50,000	50,000	-	-	-
Worthing Borough Council (Contribution to improvements at Commerce Way)	-	62,500	162,500	201,500	50,000
	65,000	127,500	825,000	201,500	50,000


SUMMARY
FUNDING CAPITAL INVESTMENT PROGRAMME 2022/23 - 2025/26

 ADUR DISTRICT COUNCIL	CAPITAL ESTIMATES				
	2022/2023		2023/2024	2024/2025	2025/2026
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(6)	(7)	(8)	(9)	(10)
Prudential Borrowing					
<i>Housing Revenue Account - Housing Capital Investment Programme</i> (Carbon Reduction Schemes)	25,485,400	7,805,890	25,208,070	1,300,000	1,300,000
	100,000	100,000	-	-	-
<u>Invest to Save Schemes</u> (Carbon Reduction Schemes)	498,000	-	498,000	82,210	325,000
(Property Acquisition - Acquisition of emergency or temporary property for the homeless)	3,142,470	1,234,690	2,642,470	2,000,000	2,000,000
(Strategic Property Investment Fund for investments in commercial property)	43,488,420	-	43,488,420	-	-
<u>General Fund Schemes</u> (Other Schemes)	8,918,220	3,274,460	6,523,360	1,002,850	956,130
	81,832,510	12,415,040	78,360,320	4,385,060	4,581,130
Revenue Contributions and Reserves					
<u>Revenue Contributions</u> Community Alarm Service (Purchase of community alarm equipment)	60,000	60,000	50,000	50,000	50,000
<u>Revenue Contributions (Continued)</u> Digital Services (Network Refresh Project)	10,000	10,000	-	-	-
Housing Service (Empty Properties - Grants and loans to bring empty properties back into use)	42,000	-	-	17,000	21,000
Adur and Worthing Refuse and Recycling Service (Wheeled bin replacements)	10,920	10,920	10,920	10,920	10,920
Adur and Worthing Refuse and Recycling Service (Trade waste bin replacements)	7,500	7,500	7,500	7,500	7,500
	130,420	88,420	68,420	85,420	89,420
<u>Revenue Reserves</u> Major Repairs Reserve (Adur Homes Capital Investment Programme)	3,900,000	6,000,000	4,200,000	4,200,000	4,200,000
	3,900,000	6,000,000	4,200,000	4,200,000	4,200,000
Usable Capital Receipts					
Adur Homes Capital Investment Programme	100,000	100,000	100,000	100,000	100,000
Ring-Fenced (Empty Property Grants)	-	-	21,000	4,000	-
(Flexible Use of Capital Receipts - Adur / Worthing Accommodation Project)	-	18,000	-	-	-
(Grounds Maintenance Equipment)	-	6,220	-	-	-
(Shoreham Renaissance - Town Centres Public Space Improvements)	50,000	50,000	-	-	-
(Shoreham Renaissance - Southwick Football Club refurbishment)	50,000	50,000	-	-	-
	200,000	224,220	121,000	104,000	100,000


**EXECUTIVE MEMBER FOR ADUR HOMES AND CUSTOMER SERVICES
CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
GENERAL FUND SCHEMES								
Affordable Housing								
Grants to Registered Social Landlords for the provision of affordable housing	AA	2,789,800	-	2,789,800	720,000	2,069,800	-	-
Community Alarm Service								
Purchase of community alarm equipment to replace old equipment (Funded from the Community Alarm Service)	BR	210,000	-	60,000	60,000	50,000	50,000	50,000
Housing								
Empty property grants and loans to bring empty properties back into use (Part funded from ring-fenced capital receipts)	BR	63,000	-	42,000	-	21,000	21,000	21,000
Housing Renewal Assistance								
<u>Discretionary Grants</u>								
Home Repair Assistance Grants	BR	140,210	-	50,000	60,210	40,000	-	40,000
<u>Mandatory Grants</u>								
Disabled Facilities Grants (Funded by DCLG Better Care Fund)	BR	1,567,310	-	375,000	442,310	375,000	375,000	375,000
Housing Property Development								
Acquisition and development of emergency, interim, temporary accommodation for the homeless (Invest to Save Schemes)								
i) Albion Street refurbishments	AA	930,010	381,640	200,000	548,370	-	-	-
ii) Land at North Road	AA	1,097,480	911,160	-	186,320	-	-	-
iii) South Street Housing Development	AP	2,336,000	-	-	500,000	1,836,000	-	-
ii) Unallocated budget	AA	4,806,470	-	3,142,470	-	806,470	2,000,000	2,000,000
TOTAL GENERAL FUND SCHEMES		13,940,280	1,292,800	6,659,270	2,517,210	5,198,270	2,446,000	2,486,000
ADUR HOMES - HOUSING INVESTMENT PROGRAMME								
1 Disability Adaptations for Homes								
On-going programme providing access and home facilities for Council tenants with disabilities	AA	1,000,000	-	250,000	250,000	250,000	250,000	250,000
2 External Structural Works								
i) Flat Roof Recovering/Replacement Programme								
ii) Re-Pointing Programme and Structural Works								
iii) Pitched Roofs Recovering/Replacement								
Renewal of roof coverings, timber structures, chimney stacks and firewalls								
iv) External Joinery and Window Replacements								
v) Replacement of double glazed windows, external doors and timber frames								
vi) Replacement/Upgrade of door entry systems								
	AA	12,673,710	-	3,625,900	1,135,230	6,941,480	1,371,000	3,226,000


**EXECUTIVE MEMBER FOR ADUR HOMES AND CUSTOMER SERVICES
CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ADUR HOMES - HOUSING INVESTMENT PROGRAMME (continued)								
3 Carbon Reduction Schemes Invest to Save Scheme. Funding to be released on submission of a business case to the Executive Member for Resources	DG	100,000	-	100,000	-	100,000	-	-
4 Electrical Safety Works Rolling programme of works to ensure electrical compliance. Works include testing and replacement of electrical wiring	AA	1,750,000	-	690,000	200,000	400,000	690,000	460,000
5 Fire Safety Order Works Rolling programme of works to meet Regulatory Reform (Fire Safety) Order 2005 identified from Fire Risk Assessment	AA	8,896,000	-	3,060,000	2,396,000	4,200,000	2,300,000	-
6 Heating and Energy Efficiency Schemes i) Carbon reduction works including installation of heat pumps to replace or complement gas boilers. ii) Boiler replacement programme	AA	930,800	-	230,000	200,800	75,000	130,000	525,000
7 Stock Condition Survey To inform a planned programme of structural works	AA	560,000	-	40,000	80,000	200,000	40,000	270,000
8 Asbestos Management Management and removal of asbestos found in council dwellings	AA	325,000	-	75,000	100,000	75,000	75,000	75,000
9 Responsive Capital Repairs Urgent capital repairs identified in advance of planned capital works	AA	620,000	-	100,000	270,000	100,000	100,000	150,000
10 Capital Works on Empty Properties Over the course of a year approximately 120 council dwellings become vacant and require capital works before they can be re-let	AA	600,000	-	100,000	200,000	200,000	100,000	100,000
11 HRA Development Programme The development of new properties for let by Adur Homes.								
ii) Albion Street	AA	12,191,010	4,102,610	6,000,000	7,088,400	1,000,000	-	-
iii) Hidden Homes	AA	15,935,000	689,580	14,394,500	1,000,000	14,245,420	-	-
iv) Hidden Homes - Future Programme	AA	-	-	-	-	-	-	-
v) Ashcroft	AA	540,000	109,890	-	430,110	-	-	-
vi) Purchase of properties/Contingency (Funded from borrowing, external funds S106 receipts and capital receipts)	AA	453,170	-	428,000	-	453,170	-	-
12 Building Services Vehicle replacements	AA	48,000	-	48,000	-	48,000	-	-
13 Professional and Consultancy Services	AA	2,983,350	-	544,000	655,350	1,220,000	544,000	544,000
TOTAL HOUSING INVESTMENT PROGRAMME		59,616,040	4,902,080	29,685,400	14,005,890	29,508,070	5,600,000	5,600,000
TOTAL		73,556,320	6,194,880	36,344,670	16,523,100	34,706,340	8,046,000	8,086,000


**EXECUTIVE MEMBER FOR ENVIRONMENT AND LEISURE
CAPITAL INVESTMENT PROGRAMME**


 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Bereavement Services								
New operational vehicles - 3 way tipper transit with towbar and trailer and mini tractor and flair (Partnership scheme with Worthing Borough Council. Total cost £105,970)	KG	52,990	-	20,000	20,000	-	32,990	-
Replacement of grounds maintenance equipment (Partnership scheme with Worthing Borough Council)	KG	12,800	-	12,800	12,800	-	-	-
Cemeteries								
Mill Lane Cemetery - Replacement of boundary fence (Fence being maintained from revenue. Replacement deferred)	KG	-	-	90,000	-	-	-	-
Mill Lane Cemetery - Replacement of vehicle compound and fuel storage	KG	95,000	-	-	-	95,000	-	-
Dog Warden Service								
Replacement of 1 vehicle (Partnership scheme with Worthing Borough Council. Total cost £45,000)	NS	22,500	-	-	-	-	22,500	-
Foreshore								
Kingston Beach - Environmental improvements (Works under review. To be considered in future years)	SM	-	-	20,000	-	-	-	-
Leisure Centres								
DDA accessible entrance doors for Southwick Leisure Centre, Lancing Manor Leisure Centre and Wadurs Swimming Pool	KS	33,600	-	33,600	33,600	-	-	-
Lancing Manor Leisure Centre								
Car Park - Vehicle access reconstruction at main entrance and vehicle restriction barriers to the grounds and car park	MP	88,480	74,280	14,200	14,200	-	-	-
External cladding replacement	KS	50,000	11,800	50,000	-	38,200	-	-
Renewal of flat roof area over the entrance hall and replacement of glazing units in the entrance hall	KS	460,000	470	195,000	-	459,530	-	-
Roof access system	KS	11,200	-	-	-	11,200	-	-
Parks and Open Spaces								
Art Work (Commissioning and installation of art in the parks both traditional and contemporary. Subject to external funding)	SM	15,000	-	15,000	15,000	-	-	-
Buckingham Park - Contribution to the replacement of the pavilion (£150,000 funded from S106 receipts)	SM	172,000	-	172,000	-	172,000	-	-

**EXECUTIVE MEMBER FOR ENVIRONMENT AND LEISURE
CAPITAL INVESTMENT PROGRAMME**


 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Parks and Open Spaces (Continued)								
Buckingham Park - Replacement of fencing, resurfacing of footpaths and other hard landscaping to improve access, including disability access across the site	SM	55,990	17,770	30,000	38,220	-	-	-
Buckingham Park - Hard standing area and recreational equipment (Funded from S106 receipts)	SM	52,770	22,330	20,000	30,440	-	-	-
Fishersgate Recreation Ground - Car Park resurfacing	MP	140,000	-	140,000	-	140,000	-	-
Grounds Maintenance Service Replacement of operational vehicles (Partnership scheme with Worthing Borough Council. Total cost £439,500)	SM	72,000	-	72,000	72,000	-	-	-
Rolling programme of equipment replacements (Partnership scheme with Worthing Borough Council. Total cost £80,000 p.a)	SM	80,640	-	32,000	44,640	20,000	8,000	8,000
Infrastructure improvements to the Council's Parks (Improvements to include signage, recycling features, landscape enhancements and improved community facilities to meet Green Flag Award submissions)	SM	15,000	-	15,000	15,000	-	-	-
Landscape Adaptations - A series of initiatives designed to help cope with the changing climate. Schemes to include rain gardens, wildflower planting, prairie planting, edible landscapes, rewilding and wildlife habitat	SM	60,000	-	60,000	60,000	-	-	-
Replacement of trees affected by Ash Dieback	SM	50,020	4,300	50,020	20,000	25,720	-	-
Signage - Rolling programme of replacements	SM	19,990	11,340	-	8,650	-	-	-
Street litter and dog bins replacement programme (Partnership scheme with Worthing Borough Council)	MQ	20,900	-	3,800	3,800	5,700	5,700	5,700
Sustainable landscaping by creating successional bulb planting areas along major gateways into Adur (To reduce mowing, support pollinators and create outstanding visual impacts)	SM	30,000	-	30,000	30,000	-	-	-

**EXECUTIVE MEMBER FOR ENVIRONMENT AND LEISURE
CAPITAL INVESTMENT PROGRAMME**


 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Parks and Open Spaces (Continued)								
Vehicular Incursion Prevention Measures (Enhanced security for priority sites, boundary aesthetics and vehicular incursion deterrent measures across the District's parks and open spaces)	MP	315,000	-	65,000	65,000	70,000	90,000	90,000
Play Area Improvements								
Adur Recreation Ground - Replacement of aging equipment (Funded from S106 Receipts)	SM	25,000	-	-	25,000	-	-	-
Replacement of safety surfaces, equipment and perimeter fencing	SM	566,810	-	330,000	236,810	170,000	80,000	80,000
Sompting Recreation Ground (Contribution of £50,000 from Sompting BIG Local)	SM	100,810	7,170	90,000	93,640	-	-	-
Southlands Way Play Area Improvements (Funded from S106 receipts)	SM	17,450	-	17,450	17,450	-	-	-
Public Conveniences								
Hand washing units - Replacement	KS	54,999	29,279	25,000	25,720	-	-	-
Rolling programme of upgrades and improvements	KS	110,000	-	110,000	-	110,000	-	-
Public Conveniences Van Replacements (Partnership scheme with Worthing Borough Council. Total cost £90,000)	MQ	27,000	-	-	-	27,000	-	-
Refuse/Recycling Service								
Provision of trade waste bins (Partnership scheme with Worthing Borough Council. Total cost £76,370 p.a. Revenue contribution of £25,000 p.a.)	MQ	91,640	-	15,000	22,910	22,910	22,910	22,910
Provision of wheeled bins (Partnership scheme with Worthing Borough Council. Total annual cost £96,000, £30,000 funded from green bin income)	MQ	132,850	-	25,480	28,030	34,940	34,940	34,940
Street Cleansing / Refuse / Recycling Service								
Replacement vehicles (Partnership scheme with Worthing Borough Council. Total cost £2,142,410)	MQ	808,870	-	345,600	-	326,640	282,230	200,000
Fleet Management System (Partnership scheme with Worthing Borough Council. Total cost £23,840)	MQ	8,680	7,040	-	1,640	-	-	-
Southwick Football Ground								
Rectification of building defects, floodlighting and boundary walling (£50,000 Funded from S106 receipts and £50,000 funded from capital receipts)	JA	150,000	50,000	100,000	100,000	-	-	-

EXECUTIVE MEMBER FOR ENVIRONMENT AND LEISURE CAPITAL INVESTMENT PROGRAMME								
 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024 Current £	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £			
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Transport Workshop</i> Replacement of HGV Vehicle Lifts (Partnership scheme with Worthing Borough Council. Total cost £48,000)	MQ	23,800	-	19,200	23,800	-	-	-
TOTAL		4,043,789	235,779	2,218,150	1,058,350	1,728,840	579,270	441,550


**EXECUTIVE MEMBER FOR COMMUNITIES AND WELLBEING
CAPITAL INVESTMENT PROGRAMME**


 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024 Current £	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £			
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Community Centres								
Eastbrook Manor Community Centre - Provision of Multi Use Games Area and Building Fabric Repairs	KS MP	346,050	-	286,000	55,000	291,050	-	-
Southwick Community Centre - Replacement of windows to café area	KS	35,000	-	35,000	-	35,000	-	-
Southwick Community Centre - Replacement of windows to Porter Room and floor replacement	KS	30,000	-	30,000	-	30,000	-	-
Equalities								
Access Audits required under the Equalities Act	KS	150,000	-	50,000	10,000	40,000	50,000	50,000
Disability Discrimination Act Improvements - Rolling programme of improvements to Council buildings	KS	34,800	-	1,600	1,600	11,000	11,000	11,000
Shoreham Centre - Accessible toilet facilities (Part funded from the Changing Places Fund)	KS	150,000	-	-	50,000	100,000	-	-
Public Health								
Asbestos Management - Provision for management and removal of asbestos found in Council buildings	KS	181,860	-	120,000	21,860	100,000	-	60,000
TOTAL		927,510	-	522,600	138,460	607,050	61,000	121,000


**EXECUTIVE MEMBER FOR REGENERATION AND STRATEGIC PLANNING
CAPITAL INVESTMENT PROGRAMME**


 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Adur Town Centre Public Space Improvements Rolling programme of works to improve the environment of Adur District	AW	221,070	9,820	144,740	161,250	-	-	50,000
Coast Protection Works Shoreham Harbour Walls Project (Part funded from the Government's Growth Deal and the Environment Agency)	CC	6,419,000	4,030,840	2,153,030	388,160	2,000,000	-	-
Strategic Monitoring Project for the South East Phase 5 (Contribution to the Maritime Authorities Partnership Scheme. Funded by the Environment Agency)	MP	390,130	23,430	87,080	87,080	96,270	96,270	87,080
Land Drainage Realignment of the ditch and stabilisation of banks in the vicinity of Larkfield playing field, Lancing	MP	55,000	4,900	38,400	50,100	-	-	-
Shoreham Harbour Projects (Approved by the Shoreham Harbour Project Board and funded from Shoreham Harbour Growth Point Grant)	CJ	145,000	-	145,000	-	145,000	-	-
Sport and Recreation Facilities in the Community S106 Contributions: CCTV Cameras at the Sir Robert Woodard Academy	JA	5,000	-	-	5,000	-	-	-
TOTAL		7,235,200	4,068,990	2,568,250	691,590	2,241,270	96,270	137,080

**EXECUTIVE MEMBER FOR RESOURCES
CAPITAL INVESTMENT PROGRAMME**

 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Admin Buildings								
Commerce Way								
External door replacements (Funded 50% by Worthing Borough Council)	KS	50,000	-	-	-	-	50,000	-
Provision of female facilities (Funded 50% by Worthing Borough Council)	KS	55,000	-	-	55,000	-	-	-
Refurbishment of floor coverings (Funded 50% by Worthing Borough Council)	KS	300,000	-	-	-	100,000	100,000	100,000
Refurbishment of offices, new kitchen, door controls and flooring (Funded 50% by Worthing Borough Council)	KS	75,000	-	-	-	75,000	-	-
Replacement roof covering including relocation of solar panels and thermal upgrade (Funded 50% by Worthing Borough Council)	KS	150,000	-	-	-	150,000	-	-
Replacement of vehicle workshop roof (Funded 50% by Worthing Borough Council)	KS	253,000	-	-	-	-	253,000	-
Upgrade of male showers (Funded 50% by Worthing Borough Council)	KS	70,000	-	-	70,000	-	-	-
Adur and Worthing Workspaces Project								
Portland House - Asbestos removal and fire safety works Town Hall - Refurbishment for new ways of working (Funded 40% by Worthing Borough Council)	KS	613,610	404,000	23,180	209,610	-	-	-
Corporate Buildings								
Condition Surveys (To provide an assessment of the current condition of the Council's corporate buildings to inform a programme of planned maintenance works)	KS	102,060	33,760	51,100	23,300	20,000	-	25,000
Carbon Reduction Schemes General Provision (Invest to Save Schemes)	DG	933,000	27,790	498,000	-	498,000	82,210	325,000
Carbon Reduction Schemes - Project Management	DG	45,000	-	-	-	15,000	15,000	15,000
Public Sector Decarbonisation Schemes Shoreham Centre - Installation of Air Source Heat Pumps	DG	658,620	426,490	100,000	232,130	-	-	-
Fire Risk Assessment Works (Remedial works identified from Fire Risk Assessment Surveys)	KS	50,000	-	25,000	25,000	12,500	-	12,500
Replacement of Fire Doors (Identified from Fire Risk Assessments of Council Properties)	KS	78,000	-	-	53,000	25,000	-	-

EXECUTIVE MEMBER FOR RESOURCES CAPITAL INVESTMENT PROGRAMME								
 ADUR DISTRICT COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Leased Out Properties								
Condition Surveys (To provide an assessment of the current condition of the Council's leased out properties to inform a programme of planned maintenance works)	CC	130,630	-	75,630	35,630	40,000	-	55,000
Office Equipment								
Microphone system replacement (Partnership scheme with Worthing Borough Council. Total cost £30,000)	SS	14,100	-	14,100	-	14,100	-	-
Information and Communications Technology								
Cemeteries and Crematorium Software (Partnership scheme with Worthing Borough Council. Total cost £102,560)	KG	20,510	-	-	-	20,510	-	-
Corporate ICT hardware and infrastructure replacement programme (Partnership scheme with Worthing Borough Council. Total cost £878,370)	JJ	412,830	-	103,400	119,080	77,550	108,100	108,100
COSHH Management Software To support Risk Management and Health and Safety Issues (Partnership scheme with Worthing Borough Council. Total cost £13,500)	JJ	6,340	-	-	6,340	-	-	-
Digital Strategy - General Provision (Partnership scheme with Worthing Borough Council. Total cost £646,890)	JJ	280,400	-	97,360	83,000	84,600	56,400	56,400
Network Refresh Project Wifi upgrade across all sites, improvements to remote working, network resilience and robustness (Partnership scheme with Worthing Borough Council. Total cost £879,690)	JJ	368,670	245,930	10,000	98,460	24,280	-	-
Extending Ultrafast Fibre Network (Community fibre connections. £317,950 funded by the Local Enterprise Partnership)	JJ	1,952,070	599,740	1,308,010	289,170	1,083,160	-	-
Planning and Building Control Document Management Solution (Partnership scheme with Worthing Borough Council. Total cost £95,040)	JA	44,670	-	44,670	-	44,670	-	-
Strategic Property Investments								
Investments in property for regeneration or service delivery	CC	125,897,470	82,409,050	43,488,420	-	43,488,420	-	-
Contingency: Inflation, Fluctuations and Urgent Schemes								
	SG	74,640	-	153,480	24,640	50,000	-	-
TOTAL		132,635,620	84,146,780	45,992,350	1,304,360	45,822,790	664,710	697,000

 ADUR AND WORTHING PARTNERSHIP SCHEMES C/F FROM 2022/23 AND PROPOSED ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2023/24 - 2025/26									
	Scheme	Requesting Officer	Split of Costs ADC / WBC	Budgets c/f from 2022/23 to 2023/24 £	BUDGETS PROPOSED			TOTAL BUDGET £	
					2023/24	2024/25	2025/26		
					£	£	£		
1	Bereavement Services	Bereavement Services - Cemeteries and Crematorium Software	Kate Greening	20 / 80	£ -	£102,560	£ -	£ -	£ 102,560
2	Bereavement Services	Bereavement Services - New operational vehicle; mini tractor and flail	Kate Greening	50 / 50	£ -	£ -	£ 65,970	£ -	£ 65,970
3	Dog Warden Service	Replacement of one operational vehicle	Mark Quartly	50 / 50	£ -	£ -	£ 45,000	£ -	£ 45,000
4	Information and Communications Technology	Replacement of Microphone System	Neil Terry	47 / 53	£ 30,000	£ -	£ -	£ -	£ 30,000
5	Information and Communications Technology	Corporate ICT hardware and infrastructure replacement programme	Jan Jonker	47 / 53	£ -	£165,000	£ 230,000	£ 230,000	£ 625,000
6	Information and Communications Technology	Digital Strategy - Identity and Access Management (Single Sign On)	Jan Jonker	47 / 53	£ 60,000	£ -	£ -		£ 60,000
7	Information and Communications Technology	Digital Strategy - Digital Cyber Security	Jan Jonker	47 / 53	£ -	£120,000	£ 120,000	£ 120,000	£ 360,000

 ADUR AND WORTHING PARTNERSHIP SCHEMES C/F FROM 2022/23 AND PROPOSED ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2023/24 - 2025/26									
	Scheme	Requesting Officer	Split of Costs ADC / WBC	Budgets c/f from 2022/23 to 2023/24 £	BUDGETS PROPOSED			TOTAL BUDGET £	
					2023/24	2024/25	2025/26		
					£	£	£		
8	Information and Communications Technology	Gigabit Project / Extension of Ultrafast Fibre Network	Jan Jonker	47 / 53	£ 2,304,600	£ -	£ -	£ -	£ 2,304,600
9	Information and Communications	Network Refresh Project	Jan Jonker	47 / 53	£ 51,660	£ -	£ -	£ -	£ 51,660
10	Information and Communications Technology	Planning and Building Control Document Management Solution	Jan Jonker	47 / 53	£ 95,040	£ -	£ -	£ -	£ 95,040
11	Parks and Open Spaces	Street litter and dog bins replacement programme	Mark Quartly	38 / 62	£ -	£ 15,000	£ 15,000	£ 15,000	£ 45,000
12	Parks and Open Spaces	Replacements of equipment used in parks and open spaces	Steve McKenna	40 / 60	£ -	£ 50,000	£ 20,000	£ 20,000	£ 90,000
13	Parks and Open Spaces	Replacement of vehicles used in parks and open spaces	Steve McKenna	40 / 60		£ -	£ -	£ -	£ -
14	Public Conveniences	Replacement of 3 essential operational vehicles with electric or low emission vehicles where available	Mark Quartly	30 / 70	£ 63,200	£ 26,800	£ -	£ -	£ 90,000
15	Refuse / Recycling / Street Cleansing	Replacement of essential operational vehicles with electric or low emission vehicles where available	Mark Quartly	36.4 / 63.6 (Refuse/Recycling) 39.4 / 60.6 (Street Cleansing)	£ 858,610	£ -	£ 783,800	£ 500,000	£ 2,142,410



ADUR & WORTHING
COUNCILS

ADUR AND WORTHING PARTNERSHIP SCHEMES C/F FROM 2022/23 AND PROPOSED ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2023/24 - 2025/26

		Scheme	Requesting Officer	Split of Costs ADC / WBC	Budgets c/f from 2022/23 to 2023/24 £	BUDGETS PROPOSED			TOTAL BUDGET £
						2023/24	2024/25	2025/26	
						£	£	£	
16	Refuse and Recycling Service	Wheeled Bin Replacements	Mark Quartly	36.4 / 63.6	£ -	£ 96,000	£ 96,000	£ 96,000	£ 288,000
17	Trade Waste Service	Trade Waste Bins Replacements	Mark Quartly	30 / 70	£ -	£ 76,370	£ 76,370	£ 76,370	£ 229,110
BUDGET PROPOSED:					£ 3,463,110	£ 651,730	£ 1,452,140	£ 1,057,370	£ 6,624,350
FUNDING FROM ICT RING FENCED PROVISION:						£ 165,000	£ 230,000	£ 230,000	£ 625,000
FUNDING FROM DIGITAL STRATEGY PROVISION:						£ 120,000	£ 120,000	£ 120,000	£ 360,000
FUNDING FROM PARTNERSHIP RING FENCED PROVISION:						£ 366,730	£ 1,102,140	£ 707,370	£ 2,176,240

ADUR DISTRICT COUNCIL: Recommendations from the Executive as laid out in the Record of Decisions.

A CAB/7/22-23 Budget Estimates 2023/24 and setting of the 2023/24 Council Tax

Decision The Cabinet:-

- a) approved the proposals to invest in services outlined in Appendix 2;
- b) recommended to Council the draft budgets for 2023/24 at Appendix 6, as submitted in Cabinet Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £10,611,720 which included provision for the proposals in Appendix 2; and
- c) recommended to Council an average increase of 2% in Council Tax, making the average Band D £324 for Adur District Council's requirements in 2023/24, as set out in paragraph 5.10;
- d) recommended to Council that special expenses of £26.28 per Band D equivalent, to be charged in all areas of the District except Lancing;
- e) approved the Council Tax base of 21,937.3 for 2023/24 as set out in paragraph 12.3.

Reason for Decision

Statutory requirement to set a budget.

A CAB/5/22-23 Investing in our Places - Capital Programme 2023/24 to 2025/26

Decision 4 The Cabinet:

- a) Considered the General Fund Capital Investment Programmes for 2023/24 and confirms the schemes to be included as detailed in Appendix 2 and 3;
- b) Recommend the full programme detailed at Appendix 3 for approval by Council on the 23rd February 2023;
- c) Notes the amendments and additions to the reserve lists as detailed in Appendix 5 approved the Housing Revenue Account estimates for 2022/23 as set out in Appendix 1;

Reason for Decision

To protect and maintain the District's Assets

PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY

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

The Authority'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 and financing

This prudential indicator is a summary of the Councils' 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	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m	£m
Non-HRA	4.293	5.660	55.548	1.847	1.882
HRA	7.007	14.006	29.508	5.600	5.600
TOTAL	11.300	19.666	85.056	7.447	7.482
Financed by:					
Capital receipts	1.243	0.224	0.121	0.104	0.100
Capital grants and contributions	4.884	0.938	2.307	0.673	0.512
Revenue Reserves & contributions	4.895	8.402	7.007	7.075	7.094
Net financing need for the year	0.277	10.101	76.363	-0.405	-0.224

1.2 The Councils' borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Councils' Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of each councils indebtedness and so its underlying borrowing needs. 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 Councils' borrowing requirement, these types of schemes include a borrowing facility and so the Councils are not required to separately borrow for these schemes. The Councils currently do not have any such schemes within the CFR. The Councils are asked to approve the CFR projections below:

ADUR DISTRICT COUNCIL

Capital Financing Requirement (£m)	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
CFR – non-HRA	28.566	32.026	83.309	82.498	81.894
CFR - HRA	61.802	69.608	94.816	96.116	97.416
CFR – strategic	78.405	77.556	76.685	75.790	74.873
Total CFR	168.773	179.190	254.810	254.406	254.181
Movement in CFR	0.277	10.417	75.620	-0.405	-0.224
Movement in CFR represented by					
Financing need for the year	2.499	12.414	78.359	2.385	2.581
Less: MRP/VRP and other financing movements	(2.222)	(1.997)	(2.739)	(2.790)	(2.805)
Movement in CFR	0.277	10.417	75.620	-0.405	-0.224

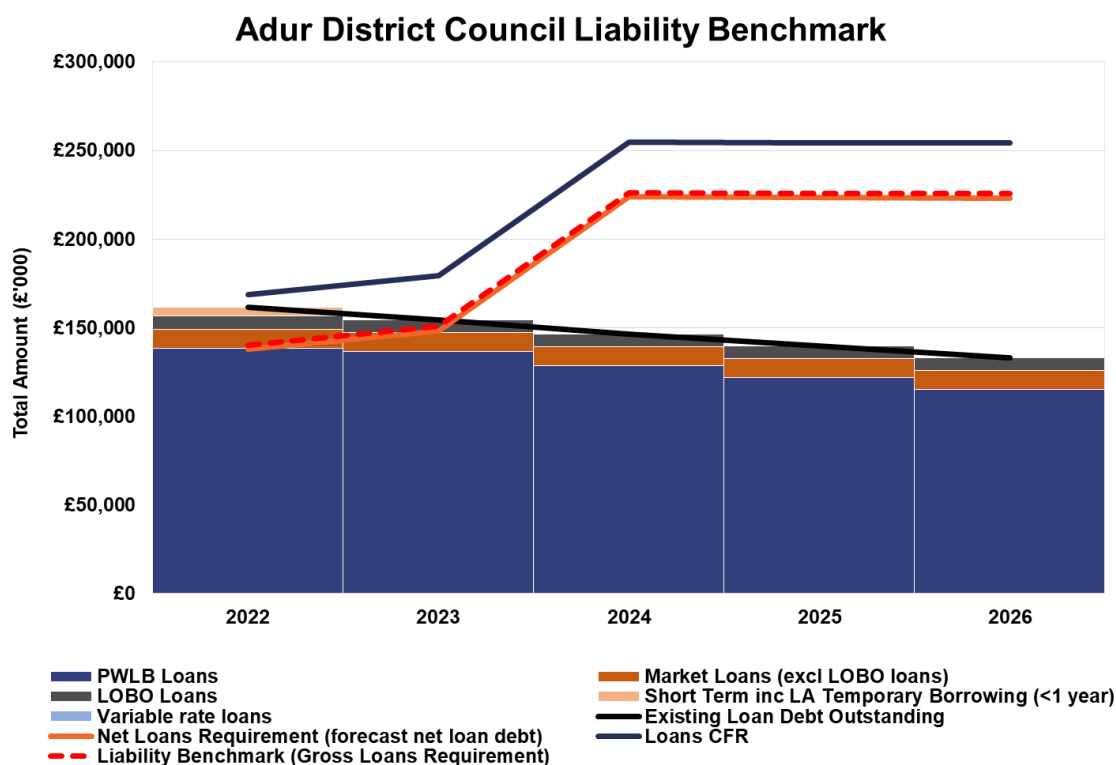
1.3 Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
2. Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.

3. Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



The above chart shows the liability benchmark for Adur District Council and Worthing Borough Council for the year ended 2022 through to the year ended March 2026. An analysis of what is shown is given below:

- The black line represents existing loan debt outstanding which tracks the existing debt balance closely as repayments are made on the opening debt position as at the year ended March 2022.
- The red dashed line and Orange line represent the additional borrowing requirement which is driven by the amount of the Council's forecast capital expenditure which will be funded through prudential borrowing.
- The Blue line sitting at the top of the graph represents the Loans CFR, the gap between this and the liability benchmark line represents in part the treasury management investments held by the council which are required for management of liquidity and cash flow.

Though further periods of forecast are possible, as there is no capital programme set for years beyond 2026 the models data beyond that point is not indicative of the likely movement and has therefore not been included in this report.

2.0 **MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT**

The Council is 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.

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 Statements:

ADUR DISTRICT COUNCIL

For 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.

2.1 **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.

2.2 It is proposed to use the same policy for 2023/24.

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.

2.4 It is proposed to retain this policy for 2023/24.

VOLUNTARY REVENUE PROVISION

2.5 **MRP Overpayments** – A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory MRP, which are designated as voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayments made each year. Up until the 31st March 2023 Adur has a net VRP overpayment of £20k and Worthing has a cumulative net £310k VRP overpayment which will be reclaimed over the five years following each voluntary overpayment.

3. **BORROWING PRUDENTIAL INDICATORS**

3.1 The Councils' forward projections for borrowing are summarised below. The tables show the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

ADUR DISTRICT COUNCIL

Adur District Council External Debt £m	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt at 1 April	(158.936)	(161.517)	(174.036)	(249.656)	(249.252)
Expected change in Debt	(2.581)	(12.519)	(75.620)	0.405	0.224
Other long-term liabilities (OLTL)	0.000	0.000	0.000	0.000	0.000
Actual gross debt at 31 March	(161.517)	(174.036)	(249.656)	(249.252)	(249.027)
The Capital Financing Requirement	168.773	179.190	254.810	254.406	254.181
Under/(over) borrowing	7.256	5.154	5.154	5.154	5.154

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

Adur District Council	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
External Debt for commercial activities / non-financial investments					
Actual debt at 31 March £m	(78.405)	(77.556)	(76.685)	(75.790)	(74.873)
Percentage of total external debt %	49%	45%	31%	31%	30%

Within the range of prudential indicators there are a number of key indicators to ensure that the Councils operate their activities within well-defined limits. One of these is that the Councils need to ensure that their 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 2023/24 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 Councils 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.

3.2 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	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt	185.0	258.0	260.0	258.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	186.0	259.0	261.0	259.0

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 Councils. 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 Councils are asked to approve the following authorised limits:

ADUR DISTRICT COUNCIL

Authorised limit	£m	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Debt		253.0	255.0	257.0	259.0
Other long term liabilities		1.0	1.0	1.0	1.0
Total		253.0	255.0	258.0	260.0

4.0 PRUDENTIAL INDICATORS RELATING TO INVESTMENTS

- 4.1 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Councils' 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			
	2023/24	2024/25	2025/26
Principal sums invested > 365 days	50%	50%	50%

**TO BE UPDATED WITH FINAL 2023/24 INFORMATION FOLLOWING WSCC AND SPCC
CONFIRMATION OF PRECEPT FOLLOWING DECISION MEETINGS**

Council

23rd February 2023

Ward: All



**ADUR DISTRICT
COUNCIL**

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 2023/24.

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 2023/24 is capped at an additional 2%.
- 2.3 Since the meeting of the Cabinet 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 2023/24 is detailed in the Appendix A and totals **£7,107,690**. The increase in the average Band D Council Tax is **2%** and results in an average Band D Council Tax figure of **£324.00** for 2023/24.

- 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 2nd February 2023, the Cabinet approved the tax base for the Adur District and for each of the Parish Council areas for 2023/24, the total is **21,937.30** Band D equivalents.
- 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 Cabinet on 2nd February 2023, 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 2023/24 total **£440,337**.

Parish Precepts	2022/23	2023/24
Lancing Parish Council	£337,637	£337,637
Sompting Parish Council	£102,700	£102,700
Total	£440,337	£440,337

West Sussex County Council

West Sussex County Council are due to set their precept at the Council meeting on 17th February 2023. The County budget proposals indicate that the precept will be **£35,831,727.70**. Once confirmed the Council will be in a position to approve the overall Council Tax to be charged in 2023/24. If approved, this will result in an overall Band D tax of **£1,633.37**.

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 27th January 2023. The Council has now received the precept notification of **£5,262,977.64**. This results in a Band D Council Tax of **£239.91**.

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 **2nd February 2023**

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.

The Council Tax Requirement is calculated by taking the Council's Net Revenue Budget for 2023/24 of **£10,611,720**, 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

	2022/23 £	2023/24 £	Increase %
West Sussex County Council Total split as below:	1,555.74	1,633.37	2.99
West Sussex - Core Precept	1,370.94	1,417.46	
West Sussex - Adult Social Care Precept	184.80	215.91	
Police and Crime Commissioner for Sussex	224.91	239.91	6.67
Adur District Council			
Split as follows:			
Adur DC (excl. special expenses)	299.79	305.55	1.92
Lancing Parish Council	52.65	51.84	-1.54
Lancing Parish Council area subtotal	352.44	357.39	1.61
Total for Lancing Parish Area	2,133.09	2,230.67	4.57

Sompting Parish Council area

	2022/23 £	2023/24 £	Increase %
West Sussex County Council Total split as below:	1,555.74	1,633.37	4.99
West Sussex - Core Precept	1,370.94	1,417.46	
West Sussex - Adult Social Care Precept	184.80	215.91	
Police and Crime Commissioner for Sussex	224.91	239.91	6.67
Adur District Council			
Split as follows:			
Adur DC (excl. special expenses)	299.79	305.55	1.92
Special Expenses	25.29	26.28	3.91
	325.08	331.83	2.08
Sompting Parish Council	37.17	36.81	-0.97
Sompting Parish Council area subtotal	362.25	368.64	1.76
Total for Sompting Parish Area	2,142.90	2,241.92	4.62

All other areas including Shoreham, Southwick and Coombes:

	2022/23 £	2023/24 £	Increase %
West Sussex County Council Total split as below:	1,555.74	1,633.37	4.99
West Sussex - Core Precept	1,370.94	1,417.46	
West Sussex - Adult Social Care Precept	184.80	215.91	
Police and Crime Commissioner for Sussex	224.91	239.91	6.67
Adur District Council			
Split as follows:			
Adur DC (excl. special expenses)	299.79	305.55	1.92
Special Expenses	25.29	26.28	3.91
Other Areas total	325.08	331.83	2.08
Total for Other Areas	2,105.73	2,205.11	4.72

5.0 RECOMMENDATION

5.1 The Council is recommended to approve the formal Council Tax resolution (Resolution 1, 2 and 3) for Adur District Council set out at Appendix A including the Council's specific Council Tax for 2023/24, Parish Precepts and Special Expenses, which include:

5.1.1 The basic part of Adur Council's requirements (excluding special expenses) in 2023/24 to be **£305.55** for a Band D equivalent property as per paragraph 3(h).

5.1.2 The special expenses part of Adur Council's requirements in 2023/24 to be **£26.28** for a Band D equivalent property.

5.1.3 The average Band D equivalent for Adur per paragraph 3(f), to be **£324.00**.

Background Papers

Budget Estimates 2023/24 and the setting of 2023/24 Council Tax Report submitted to the Cabinet on **2nd February 2023**.

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 2023/24 and Related Matters: DLUHC Letters and associated papers of 13th December 2022.

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

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

ADUR DISTRICT COUNCIL – COUNCIL TAX RESOLUTION

The council is recommended to resolve as follows:

1. It is noted that on **2nd February 2023**, the Executive calculated the Council Tax Base 20
 - (a) for the whole Council area as **21,937.30** [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 as set out below:

Lancing Parish Council	6,511.80
Sompting Parish Council	2,790.90
All other areas including Shoreham Southwick and Coombes	12,634.60

2. That the Council Tax requirement for the Council’s own purposes for 2023/24 (excluding Parish precepts) is **£7,107,690**.
3. That the following amounts be calculated by the Council for the year 2023/24 in accordance with Sections 31 to 36 of the Act:
 - (a) **£62,406,294** 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) **£54,858,267** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) **£7,548,027** 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) **£344.07** 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) **£324.00** 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) **£405,166** being the aggregate amount of all special expenses (not applicable in the Lancing Parish area)

- (h) **£305.55** 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.

ADUR DISTRICT COUNCIL – COUNCIL TAX RESOLUTION

4. That it be noted that for the year 2023/24 the West Sussex County Council and The Police and Crime Commissioner for Sussex have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below:-

All of the Council's Area 2023/24	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Sussex County Council Total as split below:	1,088.91	1,270.40	1,451.88	1,633.37	1,996.34	2,359.31	2,722.28	3,266.74
West Sussex - Core Precept	944.97	1,102.47	1,259.96	1,417.46	1,732.45	2,047.44	2,362.43	2,834.92
West Sussex - Adult Social Care Precept	143.94	167.93	191.92	215.91	263.89	311.87	359.85	431.82
The Police and Crime Commissioner for Sussex	159.94	186.60	213.25	239.91	293.22	346.54	399.85	479.82

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown below as the amounts of Council Tax for the year 2023/24 for each part of its area and for each of the categories of dwellings:

LANCING PARISH COUNCIL AREA

Council Tax Schedule 2023/24	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Sussex County Council Total split as below:	1,088.91	1,270.40	1,451.88	1,633.37	1,996.34	2,359.31	2,722.28	3,266.74
West Sussex - Core Precept	944.97	1,102.47	1,259.96	1,417.46	1,732.45	2,047.44	2,362.43	2,834.92
West Sussex - Adult Social Care Precept	143.94	167.93	191.92	215.91	263.89	311.87	359.85	431.82
The Police and Crime Commissioner for Sussex	159.94	186.60	213.25	239.91	293.22	346.54	399.85	479.82
Parish of Lancing area total as split below:	238.26	277.97	317.68	357.39	436.81	516.23	595.65	714.78
Adur District Council Core Precept	203.70	237.65	271.60	305.55	373.45	441.35	509.25	611.10
Lancing Parish Precept	34.56	40.32	46.08	51.84	63.36	74.88	86.40	103.68
TOTAL	1,487.11	1,734.97	1,982.81	2,230.67	2,726.37	3,222.08	3,717.78	4,461.34

SOMPTING PARISH COUNCIL AREA

Council Tax Schedule 2023/24	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Sussex County Council Total split as below:	1,088.91	1,270.40	1,451.88	1,633.37	1,996.34	2,359.31	2,722.28	3,266.74
West Sussex - Core Precept	944.97	1,102.47	1,259.96	1,417.46	1,732.45	2,047.44	2,362.43	2,834.92
West Sussex - Adult Social Care Precept	143.94	167.93	191.92	215.91	263.89	311.87	359.85	431.82
The Police and Crime Commissioner for Sussex	159.94	186.60	213.25	239.91	293.22	346.54	399.85	479.82
Parish of Sompting area total as split below:	245.76	286.72	327.68	368.64	450.56	532.48	614.40	737.28
Adur District Council Core Precept	203.70	237.65	271.60	305.55	373.45	441.35	509.25	611.10
Sompting Parish Precept	24.54	28.63	32.72	36.81	44.99	53.17	61.35	73.62
Special Expenses	17.52	20.44	23.36	26.28	32.12	37.96	43.80	52.56
TOTAL	1,494.61	1,743.72	1,992.81	2,241.92	2,740.12	3,238.33	3,736.53	4,483.84

ALL OTHER AREAS INCLUDING SHOREHAM, SOUTHWICK AND COOMBES

Council Tax Schedule 2023/24	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Sussex County Council Total split as below:	1,088.91	1,270.40	1,451.88	1,633.37	1,996.34	2,359.31	2,722.28	3,266.74
West Sussex - Core Precept	944.97	1,102.47	1,259.96	1,417.46	1,732.45	2,047.44	2,362.43	2,834.92
West Sussex - Adult Social Care Precept	143.94	167.93	191.92	215.91	263.89	311.87	359.85	431.82
The Police and Crime Commissioner for Sussex	159.94	186.6	213.25	239.91	293.22	346.54	399.85	479.82
All other areas total as split below:								
Adur District Council Core Precept	203.70	237.65	271.60	305.55	373.45	441.35	509.25	611.10
Special Expenses	17.52	20.44	23.36	26.28	32.12	37.96	43.80	52.56
TOTA	1,470.07	1,715.09	1,960.09	2,205.11	2,695.13	3,185.16	3,675.18	4,410.22

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