



Adur Cabinet
1st February 2024

ADUR DISTRICT C O U N C I L

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

Budget Estimates 2024/25 and setting of the 2024/25 Council Tax

Report by the Director for Sustainability & Resources

Officer Contact Details

Emma Thomas, Chief financial officer

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 2024/25 including adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of council tax for 2024/25, prior to its submission to the council for approval on the 20th February 2024. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget by the Executive.

1.2 This report outlines the Adur Cabinet specific decisions to be made with respect to areas such as fees and charges and the setting of council tax. It also includes the Adur Cabinet decisions on the shared services which are reported to the JSC for review at its meeting on 8th February as part of the Joint Services Budget.

1.3 The report outlines the medium term financial challenge through to 2027/28 and describes the key risks and assumptions which underpin this medium term financial view.

- 1.5 These budget estimates reflect the council's priorities for 2024/25 and its ambitions across Adur.
- 1.6 The major points raised within the report include:
- A full update on the impact of settlement.
 - Highlights the proposed funding for initiatives to support the councils' ambitions;
 - Details the proposals to invest in services outlined in Appendix 3 alongside savings proposals which are being proposed;
 - The Executive will need to consider whether to increase council tax by 2.99% or by a lower amount (section 4.3).
- 1.7 Appendix 7 shows a breakdown of the budget by Cabinet Member portfolio. The draft estimates for 2024/25 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).
- 1.8 The Police and Crime Commissioner (PCC) has been informed that the referendum criteria for this year is an increase of £13.00 per Band D property which would be equivalent to an increase of 5.42%. The proposed 2024/25 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 26th January 2024. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 19th February 2024 at which point the Commissioner will be in a position to confirm the council tax for 2024/25 in time for Full Council on the 22nd February 2024.
- 1.9 The draft Local Government Finance Settlement allows councils to increase core council tax by up to 3%. Councils with responsibility for Adult Social Care can increase council tax by up to a further 2%. Therefore a council tax increase of 5% for councils with social care responsibilities is allowed for 2024/25.
- 1.10 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 16th February 2024. The formal detailed resolution setting the overall council tax for next year will be presented directly to the council meeting on 22nd February 2024.
- 1.11 The following appendices have been attached to this report:

Appendix 1 5 year forecast for Adur District Council

Appendix 2 Proposals for savings

Appendix 3 Proposals for investment in services

Appendix 4 Organisation Design Programme.

Appendix 5 Estimated Reserves

Appendix 6 Council tax base for 2024/25

Appendix 7 Portfolio budget breakdown

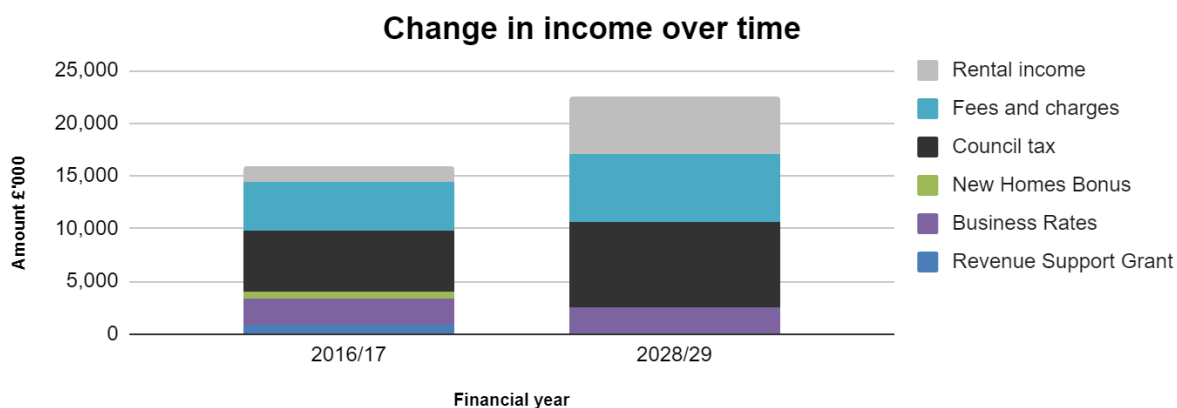
2. Recommendations

2.1 The Cabinet is recommended to:

- (a) Consider and approve, if agreed, the proposals for savings outlined in Appendix 2;
- (b) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 3;
- (c) Recommend to Full Council to approve the use of capital receipts to support the delivery of the Organisation Design Programme and the budget as set out at appendix 4;
- (d) Agree to recommend to Full Council the draft budgets for 2024/25 and the transfer to reserves leading to a net budget requirement of £11,101,880 which includes provision for the proposals in Appendix 2 and 3, subject to any agreed amendments; and
- (e) Consider which Band D council tax to recommend to Full Council for Adur District Council's requirements in 2024/25 as set out in section 4.3.
- (f) Recommend to Full Council that special expenses of £28.80 per Band D equivalent to be charged in all areas of the district except Lancing.
- (g) Approve the council tax base of 22,409.9 for 2024/25 as set out in paragraph 11.3.

3. Introduction

- 3.1 The national picture for local government is challenging. According to research carried out by the LGA, almost one in five councils are at risk of issuing a Section 114 notice this year or next.
- 3.2 The picture is no different for Adur District Council which has seen increased pressures 2023/24 which has required the implementation of in-year spending controls which have been outlined in the Quarter 2 Revenue Monitoring Report 2023/24.
- 3.3 Despite this the council continues to deliver for its communities and has an ambitious programme of work for 2024/25, outlined in Section 6.
- 3.4 This report outlines the final set of proposals for the setting of the 2024/25 revenue budget which have been developed to address the considerable financial pressures that Adur District Council is experiencing while continuing to deliver essential services for our residents in a way which reflects the key priorities of the council.
- 3.5 The council continues to focus on several strategic programmes which look at income and expenditure which are responsible for taking forward key initiatives aimed at delivering a balanced budget for the future. These have been refreshed in light of the current challenges and also the ongoing programme of organisational design following on from the corporate adoption of our plan
- 3.6 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 2028/29 income from locally controlled sources (including council tax) is expected to increase from £11.8m to £20.1m, whilst at the same time income controlled by central government (including a share of business rates) will reduce from £4.1m to £2.5m.



3.7 A report to the Joint Strategic Committee on 7th December 2023 updated members as to the latest budgetary information prior to the provisional settlement announcement and the forecast was presented as follows:

| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|--|---------|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Overall shortfall – December forecast | 960 | 1,401 | 2,491 | 3,458 | 4,451 |
| Savings identified in December 2023 | -223 | -345 | -470 | -508 | -546 |
| Organisation Redesign | -1,008 | -1,028 | 1,049 | -1,070 | -1,091 |
| Revised budget shortfall/ Surplus(-) as at December 2023 | -271 | 28 | 972 | 1,880 | 2,814 |

3.8 The 2024/25 savings proposals identified within the report amounted to £1.2m and are outlined in Appendix 2. The organisational redesign programme is outlined in Appendix 4 and will be further reported at the March 2024 Joint Strategic Committee meeting, subject to budgets being approved by both councils.

3.9 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. The current financial position for 2024/25 can be summarised as:

**Changes in Budgetary Shortfall/Savings since report to Joint
Strategic Committee on 11th July 2023**

| | |
|---|-------------|
| Original 2024/25 budget shortfall | 941 |
| <i>Other changes:</i> | |
| Final impact of 2023/24 pay award | -115 |
| Financing costs of capital programme | -40 |
| Investment income | 78 |
| Increase in budget for Housing Needs | 100 |
| Committed growth - Increase in audit fee costs | 40 |
| Addition of reduced WTAM contract costs | |
| Council tax - impact of taxbase | -139 |
| Review of additional business rates | 35 |
| Collection Fund surplus/deficit | 100 |
| Removal of contingency budget for committed growth item | -40 |
| Revised Budget Shortfall Reported in December | 960 |
| <i>Impact of settlement</i> | |
| Change to business rates | 117 |
| One off funding: | |
| New Homes Bonus | -3 |
| Changes to existing grant streams | -16 |
| Funding Guarantee Grant confirmation | -220 |
| <i>Adjustment for final items identified</i> | |
| Final assessment of council tax income for 2024/25 based on a 2.99% increase | -73 |
| Review of interest rate and profiling of the capital programme | 71 |
| Increase to provision to build reserves | 100 |
| Adjustment to HRA contribution and inflation budgets | 58 |
| Contingency budget | 123 |
| Removal of contingency for committed growth | -30 |
| Removal of Budget for new investment in Service proposals | -100 |
| | 987 |
| Potential savings identified to date (Appendix 3) | -1,087 |
| Budget surplus based on a 2.99% council tax increase available to fund new initiatives (before any further action is agreed) | -100 |

4. Income and reserves position for 2024/25

Income for the council is split across four main areas:

- Local Government Finance settlement
- Business rate retention
- Council tax
- Income from commercial activities

This section of the report outlines each of these income areas.

4.1 2024/25 Local Government Finance Settlement

4.1.1 The government published the provisional Local Government Finance Settlement for 2024/25 on 18th December 2023 via a written statement. Consultation on the provisional settlement closed on the 15th January 2024. This is a one-year settlement.

4.1.2 Settlement confirmed the referendum principles. The council will be able to increase council tax by up to 3% or £5.00 whichever is the higher.

4.1.3 Local Government as a whole was a major beneficiary of the Autumn Statement 2023, 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. Shire districts will see a lower core spending increase on average next year compared to other councils. 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. Councils in England continue to face a funding gap of £4 billion across this year and next.

4.1.4 The impact of settlement can be summarised as follows:

- ***Revenue support grant***

The council will receive some Revenue Support Grant in 2024/25 (£79,067), this is due to the inclusion of Council Tax Support Administration Grant which was amalgamated as part of Revenue Support Grant for the first time in 2023/24. Since 2016/17 the council has seen Revenue Support Grant fall by £1m and had received no grant since 2018/19 until 2023/24.

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

The small business rates multiplier will be frozen for 2024/25 at 49.9p. The standard business rates multiplier will rise by CPI to 54.6p.

The government will compensate local authorities for the loss of income for this decision up to the level of the September 2023 Consumer Price Index (CPI). This will be part-paid via an uplift to Baseline Funding Level (BFL), with the remainder paid via section 31 grant. Taken together, the increase in the Baseline Funding Level (BFL) and the multiplier under-indexation grant for 2024/25 provide an increase of 6.7 per cent. Baseline funding for 2024/25 will be £1,914,068.

- ***Funding Guarantee grant (£196m nationally)***

This grant, introduced in 2023/24, was 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% (assuming local decisions of maximum council tax increases). This grant 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 £196m in 2024-25. Adur District Council will receive £446,933. It has not been confirmed whether this funding will remain in place in 2025/26.

- ***Services Grant (£77m 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 £11,246 a reduction on the £68,650 allocated in 2023/24.

- ***New Homes Bonus (£291m nationally)***

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 2024/25, 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 £291m will be made nationally. This is a one off allocation in 2024/25 and the council will receive an additional grant of only £2,800.

4.1.5 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.

4.1.6 **Changes to local government funding in 2025/26 and beyond:**

This is only a one-year settlement and so there is uncertainty around 2025/26. We do not yet know the future of NHB.

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.

The lack of even short term certainty around funding makes long term planning very difficult and contributes to the challenges of the council's finances.

4.2 **Business Rate Retention Scheme**

4.2.1 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 £143,555.
- 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 |
| District Council | 40 | 20 | 20 |
| | 100 | 25 | 25 |

4.2.2 The forecast for 2024/25 is currently being finalised. The 2024/25 NNDR return which underpins this forecast is due to be submitted by the 31st January 2024 and any substantial changes resulting from the final assessment of the business rate income will be managed through the business rate smoothing reserve which has been set up for this purpose.

4.2.3 The Collection Fund will have another deficit at the end of the current year, partially due to the additional reliefs granted in the year and the impact of some substantial in-year revaluations for major retailers which have been backdated to 2017.

4.2.4 Overall a deficit of £5.2m will need to be recouped in 2023/24 which can be broken down as follows:

| | Total to be recovered in 2024/25 |
|----------------------------|----------------------------------|
| | £'000 |
| Adur District Council | 2,099.7 |
| West Sussex County Council | 524.9 |
| Government (HMT) | 2,624.7 |
| Total recovered | 5,249.3 |

The council will receive compensation in 2023/24 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.

4.2.5 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

4.2.6 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 2023 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.

4.2.7 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 2023/24 year end. To help mitigate these risks the council has created a Business Rate smoothing reserve.

4.2.8 Finally, as in previous years, Adur District Council will participate in the County Business Rate Pool. 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 £5.8m 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.

4.3 Council Tax Increases

- 4.3.1 The decision over the level of increase to the council tax influences not only has an impact on the current budget but future budgets as well. Over the past 10 years, the council tax has been increased by 17.9%, an average of 1.8% per year (in 2013/14 the Band D tax was £274.72, in 2023/24 it was £324.00). Over the equivalent period, inflation (CPI) has been 28.0%.
- 4.3.2 The budget forecast currently assumes that council tax will increase by 2.99% in 2024/25. The most recent inflation index was 5.3% (CPI in November 2023) and so the forecast rate is below current inflation rates.
- 4.3.3 A 2.99% uplift would only be a modest increase in the council share of the bill for 2024/25. The table below details how the council tax will change as a result of a 1%, 1.5%, 2.0% and 2.99% increase.

| | 2023/24 | Annual increase for 2024/25 | | | |
|---|---------|-----------------------------|---------|---------|---------|
| | | 1% | 1.5% | 2.0% | 2.99% |
| | £ | £ | £ | £ | £ |
| Average council tax Band D | 324.00 | 327.24 | 328.86 | 330.48 | 333.72 |
| Annual increase | | 3.24 | 4.86 | 6.48 | 9.72 |
| Weekly increase | | 0.06 | 0.09 | 0.12 | 0.19 |
| Average council tax Band C | 288.00 | 290.88 | 292.32 | 293.76 | 296.64 |
| Annual increase | | 2.88 | 4.32 | 5.76 | 8.64 |
| Weekly increase | | 0.06 | 0.08 | 0.11 | 0.17 |
| Total additional council tax raised compare to 2023/24 | | 72,610 | 108,910 | 145,210 | 217,820 |
| Additional council tax raised over a 1% increase | | | 36,300 | 72,600 | 145,210 |

- 4.3.4 Members should also be aware that the Police and Crime Commissioner has the flexibility to increase the Band D tax by £13.00 (5.42%) 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 council 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 the maximum allowed could be close to 4.75%:

| | 2023/24 | 2024/25 (Indicative only) | % |
|--------------------------------------|----------|------------------------------|-------|
| | £ | £ | |
| Adur District Council | 324.00 | 333.72 | 2.99% |
| West Sussex County Council | 1,633.41 | 1,714.95 | 4.99% |
| Sussex Police and Crime Commissioner | 239.91 | 252.91 | 5.42% |
| | 2,197.32 | 2,301.58 | 4.74% |

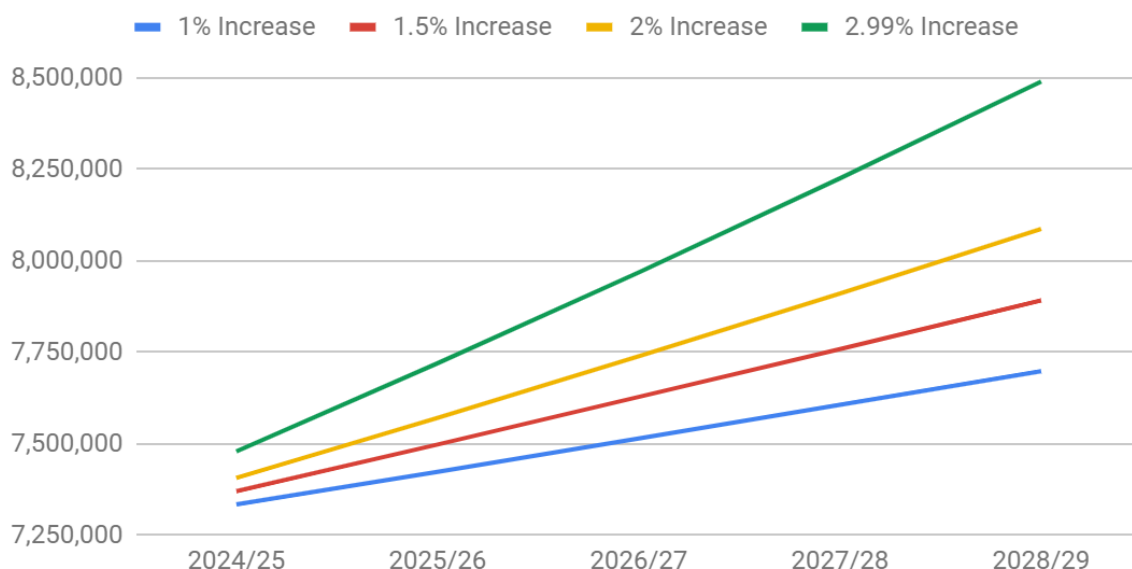
4.3.5 The decision to raise council tax influences not just the 2024/25 budget but future years and should be considered alongside the projected budget shortfalls for the next 5 years, as there are long term consequences to setting a council tax increase lower than the maximum permitted. This is particularly 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.

4.3.6 The impact of changing the council tax by 1%, 1.5%, 2.0% and 2.99% annually would be as follows:

| Total income | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ | £ |
| 1% annual increase | 7,333,420 | 7,422,550 | 7,514,030 | 7,605,840 | 7,697,990 |
| 1.5% annual increase | 7,369,720 | 7,497,340 | 7,627,480 | 7,758,120 | 7,891,310 |
| 2.0% annual increase | 7,406,020 | 7,570,110 | 7,738,900 | 7,910,400 | 8,086,660 |
| 2.99% annual increase | 7,478,630 | 7,719,690 | 7,967,830 | 8,225,110 | 8,489,570 |

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

Adur District Council - Long term impact of Council Tax increases



4.3.7 Members are asked to consider which level of council tax increase that they support. An increase of 2.99% would enable the council to set a balanced budget and fund all of the proposals for investment in services recommended for approval in Appendix 3. 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.

4.3.8 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.

4.3.9 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 2.99% increase):

| | | |
|---|--------|---------|
| Net budget requirement 2024/25 | £'000 | £'000 |
| Less: | | 11,001 |
| Baseline Funding | -1,914 | |
| Share of additional Business Rate income | -1,315 | |
| Council tax (2.99% increase) | -7,478 | |
| Other grants | -540 | |
| Collection Fund Deficit | 146 | -11,101 |
| Budget surplus based on 2.99% council tax increase | | -100 |
| Maximum impact of accepting the growth items (Appendix 3) | | 100 |
| Budget balanced at a 2.99% council tax increase | | - |

4.4 Proposals to maximise commercial income

4.4.1 ADC continues to drive significant benefits from fees and charges and in fact could not produce a balanced budget without this element of income. In considering the changes in these areas officers consider three main factors:

- Inflationary pressures on the cost to deliver
- Market benchmarks
- Affordability for residents and businesses

4.4.2 Fees and charges are set by Directors, Assistant Directors and Heads of Service in consultation and agreement with relevant cabinet members. These charges can be amended or changed throughout the year but most follow an annual cycle, whether calendar year or financial year. It should be noted that car parking pricing must follow a statutory process.

4.4.3 Over the course of 24/25 the council will continue to review our commercial services to ensure that charges for products and services meet criteria of profitability and public value. The new organisational design will consolidate the councils commercial capability and also develop the organisation's ability to secure external funding. This capability will then develop a new commercial income strategy in advance of the 2025/26 budget as well as to manage in-year targets for income generation.

- 4.4.4 For the majority of the income lines it should be noted that the councils invest capital funding to maintain or replace equipment or infrastructure associated with these income lines, therefore this estimated additional income contributes to ongoing maintenance or replacement. For example, the councils periodically invest in waste vehicles to ensure the commercial and green waste services can be delivered.
- 4.4.5 The portfolio of commercial lines flows across a number of departments and portfolio holders, whilst it should be noted that some commercial activity is weighted to each council depending on the activity and level of activity. For example, for Worthing there is a higher volume of car parking and beach huts, whilst street markets are solely delivered in Adur.
- 4.4.6 The estimated budget impact has been modelled on a minimum inflationary increase of 3% increase, whilst some are projected to increase to match the current inflation level of 6.3% or beyond. The commercial services highlighted in the table within Appendix 2 signal those services that are estimated to rise above the minimum 3%. A number of these income lines have been reviewed and assessed to ensure the correct governance process is in place and any change in the pricing can be made ahead of the next billing cycle, whether calendar or financial year.
- 4.4.7 Alongside fees and charges, the other significant area of income are the strategic property investment funds (SPIF) for each council. Adur District Council's SPIF is expected to generate £4.88m in 2023/24, exclusive of VAT and borrowing costs. This makes up around a fifth of the council's income and is slightly down on the £4.91m generated in 2022/23. This is due to 2 long-term vacant properties, 6% of the portfolio. Active management of the assets, including rent reviews, has partially mitigated the void periods. No properties were acquired in 2023/24.
- 4.4.8 Looking to 2024/25, the portfolio will continue to be reviewed against its strategic objectives to ensure that it is the best use of borrowing, continues to generate revenue, and to ensure that they meet any expected government requirements such as the 2027 requirement that commercial properties hold an EPC of C or above (and a minimum of B from 2030) or they cannot be re let at lease end. Currently 2 of the 10 units in the Adur portfolio are not compliant - an upgrade programme is being considered to address this. The primary focus for 2024/25 will be filling vacant space to secure maximum returns through continued active

management.

5. Reserves Position

5.1 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.

5.2 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 (details are provided in Appendix 5) and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.

5.3 The council has successfully protected and built the reserves over a number of years. The reserves position over the last 5 years:

| History of reserves | Year ended 31st March | | | | |
|---|-----------------------|-------|-------|-------|-------|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| General Earmarked Reserves (a) | 646 | 658 | 1,219 | 1,360 | 968 |
| Tax Smoothing Reserves | 402 | 31 | 4,035 | 1,884 | 1,826 |
| Grants and Contributions | 563 | 623 | 1,343 | 1,203 | 914 |
| Total earmarked reserves | 1,611 | 1,312 | 6,597 | 4,447 | 3,708 |
| General Fund Working Balance (b) | 519 | 952 | 951 | 1,051 | 1,051 |
| Total reserves | 2,130 | 2,264 | 7,548 | 5,498 | 4,759 |
| Available reserves for general purposes (a+b) | 1,165 | 1,610 | 2,170 | 2,411 | 2,019 |

* In 2020/21, and to some extent in 2021/22, the government funded significant additional business rate reliefs to support business during the Covid pandemic. Due to timing differences within the business rate system, the council actually funded the impact of these additional reliefs in

the following years which was financed by the grant provided by the Government and which had been placed into reserves for this purpose.

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.

- 5.4 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 2023 is £1,051,500. The balance is 9.90% of net 2023/24 revenue expenditure and is in the upper part of the range of 6% -10% set by the council. However as a result of the current financial challenges that the council is experiencing, it is expected that the council will have to reduce its reserves in 2023/24 by around £0.2m with the result that current projections indicate the working balance reserve will reduce to approximately £851,000 by the year end.

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

| | | £'000 | % |
|------------|---|-------|-----|
| 31.03.2023 | Balance carried forward – per Final Accounts | 1,051 | 9.9 |
| 31.03.2024 | Use of reserves expected to fund the potential 2023/24 overspend. | 851 | 8.0 |
| 31.03.2025 | Planned contribution expected | 1,051 | 9.9 |
| 31.03.2026 | No planned drawdown or contribution expected | 1,051 | 9.9 |
| 31.03.2027 | No planned drawdown or contribution expected | 1,051 | 9.9 |

- 5.5 The working balance is currently projected to be too low at year end. Whilst there are obviously plans to rebuild this reserve, these should be accelerated where possible by:
1. Mitigating any potential overspend in 2023/24 as far as possible to protect the current level of reserves;
 2. Creating underspend in the 2024/25 budget by accelerating the delivery of savings to balance the budget;
 3. Creating a specific 'contribution to reserves' budget from the 2024/25 budget to further repair the council's financial health at a faster pace. An amount of £200,000 has been allowed for 2024/25 to replenish the

Working Balance and £100,000 per year from 2025/26 onwards to increase the Capacity Issues Reserve.

It is extremely important that the council maintains its residual reserves at the planned amount for the foreseeable future.

5.6 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 current provision is £750,000 and this will gradually be increased by £100,000 over the next 5 years to a level of £1,250,000 per year by 2028/29.
- ii) Following the LGA peer review conducted in 2018, 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 in 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.

5.7 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.

5.8 The estimated balance of general fund earmarked reserves as at 31st March 2024 is £1.64m 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 change over the forthcoming years as follows:

| | Balance as at 31st March | | | | |
|----------------------------|--------------------------|--------------|--------------|--------------|--------------|
| | 2023 Actual | 2024 Est. | 2025 Est. | 2026 Est. | 2027 Est. |
| General Earmarked Reserves | 968 | 792 | 1,642 | 2,692 | 3,842 |
| Collection Fund Smoothing | 1,826 | 586 | 0 | 0 | 0 |

| | | | | | |
|------------------------------|-------|-------|-------|-------|-------|
| Reserves | | | | | |
| Grants and Contributions | 914 | 914 | 914 | 914 | 914 |
| Total Earmarked Reserves | 3,708 | 2,292 | 2,556 | 3,606 | 4,756 |
| General Fund Working Balance | 1,051 | 851 | 1,051 | 1,051 | 1,051 |
| Total Reserves | 4,759 | 3,143 | 3,607 | 4,657 | 5,807 |

A detailed schedule of the earmarked reserves is attached at Appendix 4.

- 5.9 Given the low level of reserves, it is now even more 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.
- 5.10 However the size and nature of the risks to the overall budget leaves the council with little room for using these reserves for new on-going spending initiatives. The council should maintain its current policy of spending its scarce earmarked reserves on:
- supporting one-off rather than recurring revenue expenditure;
 - dealing with short-term pressures in the revenue budget; and
 - managing risk to the council's budget.

6. Delivering the council's priorities

- 6.1 The council continues to develop Adur as a collection of unique and vibrant places, seeking to get the best balance between ambitious regeneration and the creation of vitally needed new homes alongside the creation of infrastructure and services for residents. This includes making Adur a great place to work and for businesses to grow.
- 6.2 Adur continues to lead ambitious climate and nature programmes, focused on protecting and enhancing biodiversity and reducing the council's contribution to climate change. Carbon emission reductions have been significantly reduced through heat pump projects at Shadwells Court, Tollbridge House and the Shoreham Centre. The DEFRA backed Adur River Restoration project is a major strategic nature recovery initiative, and the Sussex Bay programme supported by Esme Fairbairn Foundation is a leading project nationally for marine recovery.

Strategic commitment to the agenda is reflected in the new organisational design and the commitment to the climate mission as outlined in Our Plan.

- 6.3 While Adur Homes is funded via a separate Housing Revenue Account and so not a matter for this budget update, its transformation is a key priority for the council and so important to note here. A safe and secure home is essential for residents to thrive. The work as part of the Adur Homes Improvement Plan following self referral to the Regulator of Social Housing is progressing positively in priority areas including compliance and resident engagement. In addition Adur Homes has a pipeline of delivery of new social housing with 14 new units occupied by the end of the 2023/24 financial year and a further 54 new units estimated for completion in 2024/25. Once completed residents are allocated these homes through the council's Choice Based Lettings scheme.
- 6.4 Adur District Council has had a longstanding ambition to create a new sports facility for Buckingham Park. In order to create capacity to progress this work £1.65m prudential borrowing has been assumed within the 2024/25 budget.
- 6.5 The council continues to work in partnership with West Sussex County Council under Growth Deal arrangements to invest in infrastructure projects to assist economic growth. The council still holds an ambition, under this arrangement, to support interventions in Lancing in response to the participatory approach held in 2022/23 named "Lancing - Now and into the Future". The projects are also being considered matching the council's priorities.
- 6.6 Financial resilience and organisational development are also key priorities for each council in the shared service arrangement:
- 6.6.1 The need to deliver a balanced budget is a central obligation of local government which has become increasingly difficult to achieve. As can be seen in appendix 4 and will be discussed in more detail in the subsequent JSC report, the councils are in the process of an ambitious organisational redesign with the goal of making the organisation more resilient, participative and adaptive as outlined in Our Plan.
- 6.6.2 The council will also prioritise the recovery of its reserve position as outlined in the previous section
- 6.6.3 The council will also continue to maintain tight spending controls, as have been outlined in recent monitoring reports, in order to ensure close tracking of the 24/25 budget going forward.

6.7 Funding the costs of delivering the budget savings:

The savings identified represent service and staff changes which will require some investment up front, details of which can be found in Appendix 4. To deliver the expected level of savings the councils will be required to fund a number of strands of work as follows:

- Delivery support to the organisational change programme which is delivering a new more resilient operating model;
- External advice for service areas where specialised knowledge is required;
- Any departure costs arising from the proposals;
- Specialist people and change support and advice over the two year programme

6.7.1 The Organisational Design programme is planned to deliver savings of £4m over 2 years for Adur and Worthing, the cost of the work required to support the delivery is expected to be £1.56m. This is set out in more detail in Appendix 4.

6.7.2 Given the level of reserves, it is planned to use the capital receipts flexibility regime which allows councils to release capital receipts to fund initiatives to generate a saving. The estimated use of receipts for Adur of the cost of change is £624,000. As at 31st December 2023, the council held £3.98m uncommitted and available capital receipts.

6.7.3 There is a restriction on the funding of departure costs, only statutory redundancy and pension costs can be funded from capital receipts.

7. Significant risks

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

(i) Inflation

A provision for 4.5% inflation has been built into pay budgets; general non-pay budgets have been increased by 3%. Whilst the Bank of England inflation forecasts expect that inflation will continue to fall in 2024 and return to 2% in 2025, 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 | 116 |
| Non-pay | 53 |

(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. This is a particular issue for such services wellbeing and sustainability which receive considerable funding from external sources.

(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 parking, 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 2024/25, income may fall further than expected; or new targets for commercial income may not be met.

The council has invested in commercial property, as leases expire there is an increased risk of loss of income from voids. To mitigate this risk the council holds a Property Risk Reserve to manage any void rent periods, the budgeted provision is £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, the current assumption allows for a £100,000 increase per year.

(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.

(v) **Pace of change**

The organisational change programme outlined in appendix 4 is ambitious and delivering this at pace will require considerable officer time as well as active engagement from the teams directly affected in order to be successful.

(vi) **General election and political uncertainty**

In many ways the next year will be no less uncertain than recent experience - compounding the uncertainty of a lack of long term funding agreements. There is additional turbulence created by the anticipated general election as well as organisational focus needed to deliver an election which does need to be managed.

(vii) **Lack of clarity with respect to the environment bill**

As was highlighted in the December JSC budget update, the implementation of the requirements of the Environment Act (particularly the requirement to provide food waste collections to all households by March 2026) present a significant risk in terms of funding. The Government has committed to covering 'reasonable' costs in terms of revenue and capital. Capital funding was announced on 9 January 2024 and early review of the figures indicate it will not be sufficient to cover the full cost of investment. Announcements regarding revenue funding are still being awaited from the Government. In the absence of the costs being fully covered, delivering the requirements is unaffordable for the council and shared service.

8. **Consultation**

8.1 The council undertook a public consultation exercise this year, the outcome was reported to JSC in December 2023. The council received 727 responses. The survey targeted a representative set of responses from residents, council staff, businesses, and other organisations, using various engagement mechanisms such as the website, email, press releases, and social media channels.

8.2. To ensure consistency, both Adur & Worthing Councils included three key questions they engaged residents on last year to understand:

- How comfortable people would be with potential spending reductions on a set of areas of focus.
- What areas people would like to prioritise for investment.
- Options on council tax.

- 8.3. The councils also included the option for people to share other comments they would like on key themes that are important to them to inform the budget engagement.
- 8.4. On the above questions, respondents expressed varying levels of discomfort with potential spending reductions in key areas, including waste and recycling, addressing the cost of living, health and wellbeing, clean streets, and support for homelessness. Overall, there's diversity in priorities across Adur's communities.
- 8.5. Residents prioritised investment in addressing housing cost and availability, tackling the cost of living, supporting people most in need, and youth-focused services. However, there were mixed views on sustainable travel infrastructure and a balanced perspective on green spaces and park amenities.
- 8.6. Regarding council tax options, there was varied support for the different options - from spending reductions, freezing council tax, to 1/2/3% increases. The feedback suggests a nuanced consideration, balancing the desire for service investment with concerns about taxation and spending.
- 8.7. Additionally, diverse themes emerged in the free-text comments, including concerns about housing, infrastructure, traffic, the environment, youth services, community safety, council tax, spending, and miscellaneous concerns.
- 8.8. Officers and members have been consulted on the development of the budget.
- 8.9. The insights gathered from the engagement exercise will inform the development of the Budget for 2024/25, with individual considerations for Adur District Council.

9. Update to prudential indicators

- 9.1 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 2024/25 and future years.

- 9.2 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.
- 9.3 The Code of Practice was revised in 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.
- 9.4 The Prudential Code of Practice requires the council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. These are included with the annual Treasury Management Strategy Statement which is due to be considered by JSC on the 8th February 2024 and which will be included in the council budget pack for approval.

10 Comments by the Chief Financial Officer

- 10.1 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.
- 10.2 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.

10.3 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 cost of living crisis and the continuing impact of 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.

10.4 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.

11. Council Tax Setting

- 11.1 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 council tax for Adur District Council 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 Full Council on the 22nd February 2024 via a report on the council tax determination.
- 11.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the council for the 2024/25 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.

11.3 Adur District Council:

- (a) The following table shows the net sum to be raised from local council taxpayers in 2024/25 prior to the consideration of the budget proposals. This is based on 2.99% council tax increase which is the maximum increase permitted without triggering the requirement for a referendum:

| | £ | £ |
|--|------------|------------|
| Net 2024/25 Budget * | | 11,001,880 |
| Less: Aggregate External Finance | | |
| Baseline Funding | -1,914,070 | |
| Additional Retained Business Rate income | -1,315,190 | |
| Funding Guarantee Grant | -446,930 | |
| New Homes Bonus | -2,800 | |
| Revenue Support Grant | -79,070 | |
| Services Grant | -11,240 | |
| Contribution to the Collection Fund surplus (as per paragraph 5.8) | 146,050 | |
| | | -3,623,250 |
| Minimum amount to be raised from council tax | | 7,378,630 |
| Net additional impact of proposals identified in Appendix 3 if approved | | 100,000 |

| | |
|---|-----------|
| Amount to be raised from council tax based on 2.99% council tax | 7,478,630 |
|---|-----------|

- * 2024/25 budget requirement after any contribution to or from reserves required to balance the budget or any further increase to council tax.

Within section 4 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 2024/25 is 22,409.9 Band D equivalent properties. There is an increase to the current year base of 21,937.3 which is largely due to the increase in housing numbers. The full calculation of the tax base is shown in Appendix 6.

| | 2023/24 Tax Base | 2024/25 Tax Base |
|--------------|---------------------|---------------------|
| Lancing | 6,511.8 | 6,835.0 |
| Sompting | 2,790.9 | 2,879.1 |
| Other areas | 12,634.6 | 12,695.8 |
| TOTAL | 21,937.3 | 22,409.9 |

(c) Special Expenses

At the extraordinary meeting of the 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 2024/25 expenditure of £448,090 (£405,170 in 2023/24) falls under the resolution and will need to be financed by a Band D tax of £28.80, to be charged in all areas of the district except Lancing.

(d) Adur District Council Band D Council Tax

In Section 4.3, the options for the council tax increase are discussed in detail. An average council tax increase of 2.99% will ensure that the council has a balanced budget, and will lever in sufficient additional resources to fund the service investment proposals recommended for approval at Appendix 3 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 | 2023/24 | 2024/25 (Average 1% increase) | 2024/25 (Average 1.5% increase) | 2024/25 (Average 2.00% increase) | 2024/25 (Average 2.99% increase) |
|------------------------------------|---------|--|--|---|---|
| | £ | £ | £ | £ | £ |
| Lancing - Basic Council Tax | 305.55 | 307.26 | 308.88 | 310.50 | 313.74 |
| Percentage increase | | 0.56% | 1.09% | 1.62% | 2.68% |
| Annual increase (Band D) | | 1.71 | 3.33 | 4.95 | 8.19 |
| Weekly increase (Band D) | | 0.03 | 0.06 | 0.10 | 0.16 |

| Area | 2023/24 | 2024/25 (Average 1% increase) | 2024/25 (Average 1.5% increase) | 2024/25 (Average 2.00% increase) | 2024/25 (Average 2.99% increase) |
|---|---------|--|--|---|---|
| | £ | £ | £ | £ | £ |
| Shoreham, Southwick, Sompting and Coombes | | | | | |
| Basic Council Tax | 305.55 | 307.26 | 308.88 | 310.50 | 313.74 |
| Special Expenses | 26.28 | 28.80 | 28.80 | 28.80 | 28.80 |
| TOTAL in Shoreham, Southwick, Sompting and Coombes | 331.83 | 336.06 | 337.68 | 339.30 | 342.54 |
| Percentage increase | | 1.27% | 1.76% | 2.25% | 3.23% |
| Annual increase (Band D) | | 4.23 | 5.85 | 7.47 | 10.71 |
| Weekly increase (Band D) | | 0.08 | 0.11 | 0.14 | 0.21 |

11.4 West Sussex County Council and Sussex Police Authority

- (a) The county council requirements are expected to be confirmed on 16th February, 2024. The proposed Police and Crime 2023/24 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 26th January 2024.

| | 2023/24 £ | 2024/25 £ |
|----------------------------|--------------|--------------|
| West Sussex County Council | 1,633.41 | t.b.c |
| Sussex Police Authority | 239.91 | t.b.c |
| TOTAL | 1,873.32 | t.b.c. |

11.5 The final figures for all authorities will be incorporated into the formal council tax setting resolution to be presented to the council at its meeting on 22nd February 2024.

12. Legal implications

12.1 The Local Government Act 2003 places an obligation on the Chief Finance Officer to set prudential indicators and report to the council on the robustness of the estimates and the adequacy of reserves which are addressed within the body of this report.

12.2 The Local Government Act 2003 requires that the council sets a balanced budget. The purpose of this Report is to demonstrate how Adur District Council intends to meet this legal requirement for 2023/24.

12.3 The Local Authority Finance Act 1992 provides the power for Full Council to authorise the proposals for council tax.

12.4 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

13. Conclusion

13.1 This has once again been a difficult year financially with considerable macro-economic headwinds as well as local pressures such as housing need. This has driven considerable impacts in our communities as well as on our finances.

13.2 Despite this the council is in a position to set a balanced budget and has been able to ensure the continued delivery of important strategic projects as well as continue to meet its commitments with respect to the climate emergency.

- 13.3 It is important to note however that the low level of reserves means that there is little contingency available and so tight budget control will be needed to ensure that this budget is delivered on.
- 13.4 Finally, the risks to this budget are outlined in this paper but will need to be closely monitored and managed. It's important to note that not all of those risks are within the control of the council and so matters such as the funding for the implementation of the Environment Act 2021 continue to be of material concern to the council and will also be monitored carefully.

Local Government Act 1972

Background Papers:

- Our Plan - The new corporate plan for Adur & Worthing Councils - report to JSC 11th October 2022
- Developing a revenue budget for 2024/25 in difficult economic circumstances – Report to Joint Strategic Committee on 11th July 2023
- Report to the Joint Strategic Committee 7th December 2023 - 2023/24 Budget update 2024/25
- Local Authority Finance (England) Settlement Revenue Support Grant for 2024/25 and Related Matters: MHCLG Letters and associated papers of 18th December 2023.
- 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 2022/23
- Report to Joint Strategic Committee 7th December 2023 – 2nd Revenue Budget Monitoring Report (Q2)

Contact Officer:

Emma Thomas
Chief Financial Officer
Town Hall, Worthing
emma.thomas@adur-worthing.gov.uk

SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Through its strategies and operations, the council has an important role to play in the economic development of Adur. The development of major regeneration projects, public realm and active transport initiatives support the development of a thriving economy, and the council's strategy to direct procurement and contracts towards local companies are key levers.

2. SOCIAL

2.1 Social Value

The council's housing strategy is key to supporting local residents and communities, as are the range of initiatives to help tackle the cost of living crisis. The council's use of data is helping target those most in need, offering support through our One Stop and proactive services and signposting people to further help.

2.2 Equality Issues

These proposals have been developed with regard to the Equality Act 2010. No proposals contained within the proposals would require a detailed Equalities Impact Assessment with the exception of the organisational design work where impact assessments will be completed as part of the process.

2.3 Community Safety Issues (Section 17)

We are considering how these proposals impact safety in our communities and are ensuring that where possible these reductions do not have an adverse effect. Where possible we are working to create better alignment and organisational change to strengthen this work and ensure there is much better organisational ownership for our work around community safety.

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

The council's budget is supporting the delivery of a range of carbon emissions reduction and biodiversity initiatives that is helping it meet its net zero 2030 commitments while also providing leadership for others across the area.

4. GOVERNANCE

Matter considered and no issues identified

| ADUR DISTRICT COUNCIL | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue Budget Summary Statement 2024/25- 2028/29 | | | | | | |
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| | Base | | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Net Spending to be Financed from Taxation | | | | | | |
| Base budget | 10,610 | 10,610 | 10,610 | 10,610 | 10,610 | 10,610 |
| External Economic Factors | | | | | | |
| Inflation on Pay: | | | | | | |
| - Assumption of 4.5% increase in 24/25 and 2% in future years | | 681 | 989 | 1,335 | 1,675 | 2,022 |
| - Impact of 2023/24 pay award (average of 5.8% against a budget of 4.5%) | | 152 | 155 | 158 | 161 | 164 |
| Inflation on Costs: | | | | | | |
| - Assumption of 3% in 24/25 and 2% in Future years | | 157 | 265 | 375 | 487 | 601 |
| Inflationary increase on income (Commercial activities and Fees and Charges): | | | | | | |
| - Assumption of 3% in 24/25 and 2% in Future years | | (166) | (280) | (396) | (514) | (635) |
| Investment income | | 65 | 84 | 100 | 156 | 143 |
| Impact of rate revaluation 2022 | | 5 | 8 | 29 | 30 | 31 |
| Council Commitments to services and long term obligations | | | | | | |
| Local Elections (held every other year) | | (18) | - | (19) | - | (20) |
| Heat Network | | 10 | 10 | 10 | 10 | 10 |
| Nature restoration projects - to fund capital and revenue impacts of any proposals | | 100 | 100 | 100 | 100 | 100 |
| Capital programme financing costs (including sale of the Civic Centre) | | 91 | 340 | 752 | 979 | 1,318 |
| Impact of Triennial review: Reduction in backfunded contributions | | (95) | (190) | (190) | (190) | (190) |
| Final cost of new leisure contract | | (99) | (99) | (99) | (99) | (99) |
| Renewal of insurance contract | | 135 | 135 | 135 | 135 | 135 |
| Increase in Audit Fees | | 40 | 40 | 40 | 40 | 40 |
| Other items | | | | | | |
| Removal of one-off growth associated with the local plan review | | (50) | (150) | (150) | (150) | (150) |
| Increase in Housing Needs | | 100 | 100 | 100 | 100 | 100 |
| Review of clinical waste budgets | | 12 | 12 | 12 | 12 | 12 |
| Removal of contingency budget created by one off resources in 2023/24 | | 161 | (117) | (117) | (117) | (117) |
| Planned increase to the Strategic Property Management annual provision | | 100 | 200 | 300 | 400 | 500 |
| HRA Corporate charges | | (103) | (103) | (103) | (103) | (103) |
| Contingency budget - to build reserves | | 200 | 100 | 100 | 100 | 100 |
| Allowance for committed growth items | | - | 100 | 170 | 240 | 310 |
| Provision for new growth items to be agreed later in the process - | | 100 | 200 | 300 | 400 | 500 |
| Investment in services | | | | | | |
| Total Cabinet Member Requirements | 10,610 | 12,188 | 12,509 | 13,552 | 14,462 | 15,382 |

| ADUR DISTRICT COUNCIL | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue Budget Summary Statement 2024/25- 2028/29 | | | | | | |
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| | Base | | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Net Spending to be Financed from Taxation | | | | | | |
| Business Rates - Baseline funding | 1,832 | 1,914 | 1,952 | 1,991 | 2,031 | 2,072 |
| Add: Retained additional business rates | 1,066 | 1,409 | 1,431 | 1,098 | 747 | 381 |
| Add: Share of previous year's surplus / (deficit) | | (94) | | | | |
| Council Tax | | | | | | |
| Council tax income - assumed increase of 2.99% 2024/25 and 2% per annum from 2025/26 | 7,107 | 7,478 | 7,645 | 7,815 | 7,989 | 8,167 |
| Other grants | | | | | | |
| New homes bonus - One off payments | 79 | 3 | - | - | - | - |
| Lower Tier Services Grant / Revenue Support Grant | 74 | 79 | 79 | 79 | 79 | 79 |
| Local Tax Guarantee Scheme - Council Tax | 59 | - | - | - | - | - |
| Services Grant | 69 | 11 | - | - | - | - |
| Funding guarantee | 227 | 447 | - | - | - | - |
| Collection fund surplus/deficit (-) | 97 | (146) | - | - | - | - |
| Total Income from Grants and Taxation | 10,610 | 11,101 | 11,107 | 10,983 | 10,846 | 10,699 |
| (Surplus) / Shortfall in Resources | - | 1,087 | 1,402 | 2,569 | 3,616 | 4,683 |
| AMOUNT REQUIRED TO BALANCE BUDGET | - | 1,087 | 1,402 | 2,569 | 3,616 | 4,683 |
| Savings Proposed | | | | | | |
| Asset review and rationalisation (Commercial Landlord Programme) | | 30 | 60 | 90 | 120 | 150 |
| Directorate Services Review - Savings (from Initiatives Tracker) | | 108 | 182 | 259 | 264 | 269 |
| Directorate Services Review - Additional Income (from Initiatives Tracker) | | 58 | 59 | 60 | 61 | 62 |
| Organisation Redesign ** | | 891 | 1,600 | 1,632 | 1,665 | 1,698 |
| Total initiatives identified | | 1,087 | 1,901 | 2,041 | 2,110 | 2,179 |
| Cumulative savings still to be found/ (surplus) | | - | (499) | 528 | 1,506 | 2,504 |
| Annual savings still to be found | | - | (499) | 1,027 | 978 | 998 |

Proposed Savings 2024/25

| Description | Comments | Joint (memo only) | Adur | Worthing |
|--|--|----------------------|----------|----------|
| Contract Review | | | | |
| Contract Review | Review and rationalisation of contracts | £404,600 | £161,800 | £259,800 |
| Review of security provision in MSCP | | | | £12,000 |
| Reduction in Funding of Community Works | Further wider review pending. | | £7,900 | £7,800 |
| Reduction in Funding of Community Transport Grants | Further wider review pending. | | £3,000 | £5,000 |
| Base Budget Reviews | | | | |
| Place and Economy | | £41,200 | £26,900 | £129,100 |
| Utilities | Reduction in energy budgets | £30,000 | £62,000 | £218,000 |
| Health & Safety | Removal or reduction of under utilised budgets | £2,300 | £900 | £1,400 |
| Commercial Income | | | | |
| <u>Place and Economy</u> | | | | |
| Foreshore Services | Income from Lancing Parish Council | | | £15,000 |
| Beach Hut Rental | Uplift in fees by 6.27% | | £4,600 | £14,200 |
| Events | Additional budget | | £4,000 | £5,000 |
| Concession Income | Uplift in fees by 4.5% | | | £800 |
| Colonnade House | Contribution to staff costs from trust | | | £7,500 |

| | | | | |
|--|--------------------------|-------------------|-------------------|-------------------|
| Commercial Income (continued) | | | | |
| <u>Parking</u> | | | | |
| Increase in Parking Tariffs | Uplift in tariffs by 7% | | | £57,800 |
| Increase in Season Ticket Prices | Uplift in tariffs by 7% | | | £8,100 |
| Additional Season ticket income from NHS | | | | £4,400 |
| <u>Community Alarm</u> | | | | |
| | Uplift in fees by 5% | | £7,000 | |
| <u>Waste</u> | | | | |
| Commercial Waste | Uplift in fees by 8% | | £42,000 | £85,200 |
| Green Waste - no uplift in fees in 2024/25 | Retain £89 annual fee | -£57,500 | -£23,000 | -£34,500 |
| Household Bulky Waste | Uplift fees by 7.85% | £6,800 | £2,700 | £4,100 |
| Asset Rationalisation and review | | | | |
| | | | £30,000 | £350,000 |
| Organisation Redesign | | | | |
| (Further detail provided in appendix 4) | | | | |
| | Neighbourhoods | £504,000 | £202,000 | £302,000 |
| | Resident Services | £266,000 | £106,000 | £160,000 |
| | Community Capacity | £173,000 | £69,000 | £104,000 |
| | Regenerative Development | £296,000 | £129,000 | £182,000 |
| | Housing Redesign | £202,000 | £94,000 | £121,000 |
| | Core Services | £160,000 | £64,000 | £96,000 |
| | Waste and Cleansing | £97,000 | £39,000 | £58,000 |
| | Place | £96,000 | £38,000 | £65,000 |
| | Bereavement | £40,000 | £16,000 | £46,000 |
| Total Savings from Proposals | | £2,261,400 | £1,086,800 | £2,284,700 |

| Proposals for investment in services | | Expected cost (cumulative) | | | | | |
|--|--|----------------------------|----------|----------|-------------------|----------|----------|
| | | 2024/25 | | | 2025/26 | | |
| | | Joint (memo only) | Adur | Worthing | Joint (memo only) | Adur | Worthing |
| Description | Comment | | | | | | |
| Rapid Improvement Programme | Funding of the Digital Rapid Improvement Team to support the digital transformation and organisational redesign across the councils - Lead Service Designer - uplift to core budget - Digital Applications and Innovation Manager - uplift to core budget - Lead Digital Developer - uplift to core budget - Service Designer x 2 - Business Analyst - Junior Business Analyst | 250,000 | 100,000 | 150,000 | 250,000 | 100,000 | 150,000 |
| Total growth identified through financial planning | | 250,000 | 100,000 | 150,000 | 250,000 | 100,000 | 150,000 |
| Allowance in MTFS for Investment in Services | | | -100,000 | -150,000 | | -100,000 | -150,000 |
| Net growth identified | | | 0 | 0 | | 0 | 0 |

Organisational design programme

1. Purpose of programme

1.1 The programme has two core objectives:

1.1.1 To implement a new organisational design based on the principles and framework outlined in Our Plan which was adopted in Autumn 2022. The goal of this is to create a sustainable organisation which is adaptive, resilient and participative.

1.1.2 To provide a mechanism for delivering outlined savings targets in a way which protects frontline service delivery to the greatest extent possible and retaining our ability to deliver the ambitions of the two councils.

1.2 The implementation plan and initial projects will be reported to the March 2024 Joint Strategic Committee meeting. Progress of the programme will be reported to that committee on a quarterly basis from March 2024.

1.3 The programme will therefore incorporate the in-year spending controls into its governance and approach in order to ensure that organisational design and spending reductions are closely aligned.

2. Scope of programme

2.1 Service redesigns look across all revenue budgets for a service, including agency and contractor spend alongside staffing, contract spend and incidentals such as print and postage. By putting more budget lines into the scope of a single exercise, the process has maximised the opportunities to reduce the total cost of delivery without continuing to remove delivery capacity which is an outcome of the 'salami slicing' approach. The programme workstreams are outlined in this section.

2.2. Governance and performance systems

Governance and performance are core functions of a well run organisation. A priority is to redesign and support the subsequent organisational design work. A new internal governance system will be implemented as an early deliverable for the programme and will be reported to the Joint Audit and Governance Committee.

2.3 Digital and design

Digital transformation is essential to the successful delivery of these redesigns. The budget proposals include the extension of the digital rapid improvement team to deliver this work.

2.4 Contracts and procurement

In order to underpin the 6% savings target (£340K) on external contracts there will be strong corporate accountability, as well as additional training and personal development for managers to improve their organisational grip of this key area. Given the corporate track record of £200K annual savings (approx) for procurement, these additional measures support this higher target.

2.5 Commercial income development

The new organisational design will consolidate the councils commercial capability and also develop the organisation's ability to secure external funding. This capability will then develop a new commercial income strategy in advance of the 2025/26 budget as well as to manage in-year targets for income generation.

3. Programme design and implementation approach

- 3.1 The programme will address all areas of the organisation by creating a pipeline of redesign projects (areas of focus) which will then be programmed into delivery based on factors such as savings profile, support needed and annual delivery rhythms for the services involved.
- 3.2 Given the continued need for vacancy control, the programme will maximise use of vacancies in order to minimise impact on staff. It should be noted that given the current vacancy levels in the organisation due to this year's budget control measures, much of the capacity impact of removing staff is already being felt. Service redesign is now needed to balance out workloads and ensure that staff are focused on the right priority areas. While redundancies cannot be avoided, this approach will minimise them.
- 3.3 By embedding the current in-year controls into the programme governance, the programme team will be able to make real time adjustments to the delivery plans of the organisation and maximise opportunities for redesign.
- 3.4 The programme will be managed by the new People and Change function, supported by a multidisciplinary team which will include representatives from finance and legal. It will also incorporate the Rapid Improvement team.
- 3.5 The lessons learned from the Organisational Design programme will be acted on in real time to inform improvement on the wider building blocks to make the organisation adaptable, participative and resilient.

3.6 The organisation design programme will have costs associated with transformation. The overall estimated cost is set out in the table below, and includes exit costs where needed which can include redundancy and pension costs, programme delivery support and external advice to support redesign.

| Item | Description | Estimated cost |
|-----------------------------|---|----------------|
| Staff change | Where redundancy can't be avoided some contingency is needed to fund associated exit costs | £800k |
| Delivery support | 3 delivery managers plus additional delivery officer to support the programme over 2 years | £440k |
| External advice | For areas with considerable technical knowledge needed (such as waste, bereavement and others) external support will be needed to shape and test thinking | £200k |
| Support for managing change | 1 People Specialist role to support the organisational change process over 2 years | £120k |

3.7 Due to the reserve position, it is planned to use the capital receipts flexibility regime which allows the councils to release capital receipts to fund initiatives to generate a future saving. There is a restriction on the funding of departure costs. Only statutory redundancy and pension costs can be funded from capital receipts.

| Year | Overall annual savings generated £ | Annual saving Adur £ | Use of capital receipts Adur £ | Annual saving Worthing £ | Use of capital receipts Worthing £ | Nature of expenditure |
|-----------|---------------------------------------|-------------------------|-----------------------------------|-----------------------------|---------------------------------------|---|
| 2024/2025 | 2,226,700 | 890,800 | 336,100 | 1,335,900 | 504,120 | HR and delivery support (to manage and support the delivery of the reorganisation design work over the 2 year programme). Associated Statutory departure costs. Expert/specialist advice on service design. |

| | | | | | | |
|-----------|-----------|-----------|---------|-----------|---------|--|
| | | | | | | |
| 2025/2026 | 1,797,700 | 719,100 | 287,900 | 1,078,600 | 431,880 | |
| Total | 4,024,400 | 1,609,900 | 624,000 | 2,414,500 | 936,000 | |

The total capital receipts available and uncommitted as at 31st December 2023:

Adur £3.980m
Worthing £1.847m

Draw down from the cost of change fund will be monitored via the quarterly reports to JSC and the normal scheme of delegation will apply with respect to decision making.

4. Initial areas of focus

Each area of focus has been developing proposals based on its overall operating model - allowing savings to be made with respect to management, removing duplication with respect to support roles and addressing capacity issues by implementing digital solutions. Grant funding has also been reviewed to ensure that the councils are maximising the impact of external monies while addressing the risks of posts being underwritten by uncertain income.

Further areas of focus will be developed over the course of 2024/25 and reports will come to the JSC as they are programmed.

4.1 Neighbourhood model

4.1.1 Summary: The neighbourhood model is the most ambitious of the areas of focus. Its objective is to change how the councils work in the neighbourhoods in a way that better uses the strengths of the frontline staff, residents and partners to deliver the services citizens see and use every day.

4.1.2 The model will be implemented in phases in order to ensure that ideas can be developed and tested with communities and stakeholders and a careful transition delivered:

- The first phase of implementation will be redesign of key frontline services in order to ensure that they work to a common physical footprint based on neighbourhoods and have shared planning and prioritisation to make sure teams are most effective on the ground

- The next phase will look at ensuring that capabilities such as participation are embedded in the model - developing the councils ability to work more effectively with stakeholders and its communities.
- Finally the volunteering and participation 'offer' will be developed, working alongside communities in order to support their ambitions.

4.1.3 The following areas of organisation have been identified so far for review as part of the neighbourhood model, however this model may draw in other aspects during the long-term development and delivery of working with and throughout the neighbourhoods:

- Parks & Foreshore
- Sustainability (Nature, Circular Economy & Sustainable Transport)
- Cleansing
- Community Assets and Grants

4.2 **Housing redesign**

4.2.1 Summary: The housing redesign will prioritise prevention and early intervention of homelessness. It will enhance collaboration across community services and the wider council to collectively address housing challenges and opportunities.

4.2.2 This redesign has been in discussion for some time and will embed the proactive principles that have been developed by the proactive project team. This redesign will focus on addressing the costs and human impacts of the increased housing need across both councils and maximise the use of grant funding in this area. The team will also need to continue to manage and deliver the Adur Homes improvement plan.

4.2.3 The following areas of organisation have been identified for review for the housing redesign

- Housing needs
- Adur Homes
- Health and Wellbeing teams (see below)
- Private sector housing

4.3 **Resident services**

4.3.1 Summary: The resident services redesign will develop a front door for residents to access the right help when they need it in a quick and easy way. This will enable residents to solve the majority of their issues online to free up staff to proactively prioritise residents most in need.

4.3.2 This work builds on the work of the rapid improvement team in 2023/24 which provides a solid foundation for further digitisation work.

4.3.3 This change will affect the following teams and services:

- Revenue (council tax and NNDR (national non-domestic rates))
- Benefits
- Customer Services
- Customer Insight
- Business Support

4.4 **Community Capacity and Resilience**

4.4.1 With participative being a key principle of Our Plan communities, prevention and wellbeing will be at the centre of what the councils do. Following the departure of the Head of Service for Community Capacity and Resilience, the organisation is working through proposals to integrate and align the core functions of the team.

4.4.2 The savings for this area of focus will be filled through deletion of the Head of Service post (which is vacant as of end of January 2024) to better align to the service offer above.

- Participation: Combine engagement resources and lead it from the new People and Change function. This will strengthen a coordinated approach to participation across the organisation that makes the best use of community capacity and is integrated into the strategic priorities.
- Prevention and wellbeing: Embedding wellbeing in the housing team to develop a joined-up offer. This will provide leadership for residents around prevention, and create the opportunity to redesign the health and wellbeing offer to better develop approaches that support early intervention.
- Community safety and safeguarding: Put the safety of residents and safeguarding right at the centre of the organisation in the people and change function. This includes delivering statutory responsibilities and duties, and the reviewing of community safety partnership activities as part of this design work in 2024/25.
- Business development: Key functions and activities, such as community assets, grants, commissioning, contracts, responsive activity and levered in funding. These are to be better aligned with the councils' place-based and corporate work and will be aligned to the anticipated commercial function.

4.4.3 This change enables these functions to operate more effectively with foundational delivery areas such as housing and increases the level of CLT focus on them - mitigating the capacity impact of removing the head of service post.

4.4.4 This change will affect the following teams and services

- Safeguarding
- Safer Communities
- Business Development
- OneStop
- Wellbeing
- Going Local
- Grants and Commissioning
- Participation

4.5 Building the pipeline

4.5 Building the pipeline

An ongoing pipeline of service redesigns are being planned in order to continue to work towards a resilient staffing model that reflects the organisational design needed to deliver Our Plan. This pipeline has savings targets assigned which are subject to change as the proposals are developed. These further areas of focus have plans in development which will be reported on at JSC as outlined above.

4.5.1 Bereavement

Bereavement services address emotional, social, ethical, and environmental needs, by facilitating meaningful farewells. It is important to recognise that bereavement services also play a vital role in the financial health of the councils. As an income generator, this service allows the councils to reinvest in the community, and support various other initiatives that uplift and empower residents. These services will be reviewed through a refresh of the service design and commercial offer.

4.5.2 Core Services

At the very heart of the organisation lies Core Services (finance, legal, procurement, HR and digital) who help ensure the seamless functioning of council operations. In a world where adaptability is the key to resilience, reviewing Core Services will help better support frontline services who directly impact the lives of communities. It will ensure teams have the tools, resources, and support needed to deliver. This review is a commitment to continuous improvement. It will reshape Core Services, ensuring they not only meet today's demands but also build a solid foundation for a resilient and thriving future.

4.5.3 Place and Economy

The Place and Economy Department helps fuel inclusive economic growth and fosters skills and innovation. The organisation wants to align these services more effectively with its core values of adaptability, participation, and resilience as well as also reviewing the service offer in light of the neighbourhood model as it develops.

4.5.4 Regenerative Development

The regeneration team has been a catalyst for shaping places across Adur and Worthing. It has provided the driving force needed to breathe life into the physical infrastructure and spaces in local areas. To anticipate future challenges, it is essential to take a step back and reflect on regenerative development efforts as part of the commitment to continually being adaptive, participative and resilient.

4.5.5 Waste redesign

4.5.5.1 Redesign work in the waste service is anticipated once the impact of the Environment Act 2021 is understood, and preparatory work in the form of a review is already underway to support this.

4.5.5.2 The Environment Act 2021 will have a major impact on the organisation's waste service. This legislative milestone will undoubtedly reshape the landscape of waste management, calling for an evolution in the organisation's approach. While the full impact of the 2021 Act is yet to be unveiled, the organisation is not sitting idle. It is already preparing for the challenges and opportunities it presents, in the form of a comprehensive review. This seeks to bolster resilience and adaptability, ensuring that the waste service remains at the forefront of sustainable waste management.

4.5.5.3 The councils are committed to a meticulous and thorough examination of all opportunities for savings, cost-effectiveness, and sustainability. The aim is to ensure that every decision made in this area is grounded in a deep understanding of the evolving waste management ecosystem.

4.5.5.4 Further discovery work will be undertaken over the coming months to identify what additional opportunities can be added to this pipeline of organisational redesign work.

5. Conclusion

5.1 This is an ambitious programme of change which delivers both savings and improvements for the councils.

5.2 The pace at which this needs to be delivered is also ambitious and a detailed risk mitigation plan will be developed as part of programme governance alongside detailed monitoring of progress. A key risk is the anticipated Environment Act 2021 implementation which has the potential to derail ourselves and many other councils if the

funding approach is not addressed.

- 5.3 In delivering this programme the objective is an organisation which, based on current projects and understanding of government funding, is sustainable and will be able to lift its head up from annual saving rounds in order to focus on wider ambitions. There is much to do but very good reasons to do it.

| SCHEDULE OF EARMARKED RESERVES | | | | | | | |
|---|-----------------------------------|----------------------------------|--------------------------------|--|----------------------------------|--------------------------------|--|
| Reserve | Balance as at 01.04.23 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.24 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.25 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 1 CAPACITY ISSUES FUND Purpose: To enable the council to fund one-off initiatives. | 441 | - | -172 | 269 | - | - | 269 |
| 2 INSURANCE FUND Purpose: To offset the costs of insurance excesses and fund insurance risk management initiatives. | 83 | | | 83 | 30 | -30 | 83 |
| 3 PROPERTY INVESTMENT RISK RESERVE Purpose: To offset future void rental periods in investment properties and provide for maintenance. | 376 | - | - | 376 | 850 | - | 1226 |
| 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 | | -1240 | 526 | | -526 | 0 |

SCHEDULE OF EARMARKED RESERVES

| Reserve | Balance as at 01.04.23 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.24 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.25 |
|---|---------------------------|--------------------------|------------------------|---------------------------------------|--------------------------|------------------------|---------------------------------------|
| | £'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. | 60 | | | 60 | - | -60 | 0 |
| 8 WELLBEING GRANTS - EXIT COST RESERVE Purpose: This reserve holds grant monies to fund the exit cost of any grant funded posts at the end of the grant funded period.. | 68 | | -4 | 64 | | | 64 |
| 9 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. | 914 | - | - | 914 | - | - | 914 |
| 10 GENERAL FUND WORKING BALANCE | 1,051 | - | - | 1,051 | 200 | - | 1,251 |
| 11 PROJECTED OVERSPEND* | | | -200 | -200 | | | -200 |
| TOTAL | 4,759 | 0 | -1,616 | 3,143 | 1,080 | -616 | 3,607 |

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|
| PROPERTY ANALYSIS AND CALCULATION OF TAX BASE - 2024/25 | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|

| 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 | 2,775.0 | 5,124.0 | 11,499.0 | 6,327.0 | 2,039.0 | 757.0 | 341.0 | 8.0 | 28,870.0 |
| Less: Exemptions | 0.0 | -91.0 | -86.0 | -155.0 | -102.0 | -33.0 | -8.0 | -5.0 | 0.0 | -480.0 |
| | 0.0 | 2,684.0 | 5,038.0 | 11,344.0 | 6,225.0 | 2,006.0 | 749.0 | 336.0 | 8.0 | 28,390.0 |
| Disabled Relief Adjustment (net) | 7.0 | 6.0 | 48.0 | -8.0 | -34.0 | -12.0 | 0.0 | -1.0 | -6.0 | 0.0 |
| Chargeable Dwellings | 7.0 | 2,690.0 | 5,086.0 | 11,336.0 | 6,191.0 | 1,994.0 | 749.0 | 335.0 | 2.0 | 28,390.0 |
| Broken down as follows: | | | | | | | | | | |
| Full Charge | 4.0 | 885.0 | 2,760.0 | 7,618.0 | 4,457.0 | 1,529.0 | 593.0 | 283.0 | 1.0 | 18,130.0 |
| 25% Discount (including adj for SP Dis) | 3.0 | 1,778.0 | 2,277.0 | 3,698.0 | 1,727.0 | 460.0 | 151.0 | 46.0 | 0.0 | 10,140.0 |
| 50% Discount | 0.0 | 1.0 | 3.0 | 12.0 | 4.0 | 2.0 | 5.0 | 6.0 | 0.0 | 33.0 |
| 0% Discount (Long Term Empty Homes) | 0.0 | 137.0 | 159.0 | 100.0 | 54.0 | 13.0 | 4.0 | 1.0 | 1.0 | 469.0 |
| Total Equivalent Number of Dwellings | 6.3 | 2,272.85 | 4,568.2 | 10,405.5 | 5,757.3 | 1,878.0 | 708.8 | 320.5 | 2.0 | 25,838.5 |
| Family annex adjustment | 0.0 | -20.2 | -52.2 | -10.0 | -4.5 | -4.0 | 0.0 | 0.0 | 0.0 | -92.9 |
| Total equivalent number of dwellings (after family annex) | 6.3 | 2,224.8 | 4,463.0 | 10,395.5 | 5,752.8 | 1,874.0 | 708.8 | 320.5 | 4.0 | 25,745.6 |
| Reduction in tax base due to Council Tax Support | 1.5 | 591.1 | 760.3 | 860.3 | 222.7 | 32.8 | 4.2 | 0.6 | 0.0 | 2,473.4 |
| Adjusted equivalent total dwellings | 4.7 | 1,633.8 | 3,702.7 | 9,535.2 | 5,530.1 | 1,841.2 | 704.6 | 319.9 | 4.0 | 23,272.2 |

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE - 2024/25

| 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 | |
| Band D Equivalents | 2.6 | 1,099.5 | 2,908.3 | 8,519.8 | 5,563.1 | 2,329.3 | 1,017.0 | 532.3 | 2.0 | 21,973.9 |
| Add: Forecast new homes | 0.0 | 99.0 | 154.0 | 228.4 | 120.5 | 79.4 | -0.7 | -0.8 | 1.0 | 680.8 |
| Less: Adjustments for Losses on Collection, and Void Properties | 0.0 | 0.0 | 0.0 | 0.0 | 164.0 | 0.0 | 0.0 | 0.0 | 0.0 | 164.0 |
| Less: Allowance for further increase in Council Tax Support Claims | 0.0 | 15.7 | 23.7 | 30.6 | 9.0 | 1.6 | 0.2 | 0.0 | 0.0 | 80.8 |
| Council Tax BASE | 2.6 | 1,182.8 | 3,038.6 | 8,717.6 | 5,510.6 | 2,407.1 | 1,016.1 | 531.5 | 3.0 | 22,409.9 |

| Cabinet Portfolio | Estimate 2023-2024 | Estimate 2024-2025 |
|---|-------------------------------|-------------------------------|
| The Leader | 704,630 | 698,260 |
| Environment & Leisure | 3,364,830 | 3,317,150 |
| Communities and Wellbeing | 1,332,300 | 1,283,290 |
| Adur Homes & Customer Services | 1,887,080 | 2,034,130 |
| Regeneration & Strategic Planning | 2,028,950 | 1,923,660 |
| Finance & Resources | 681,210 | 908,190 |
| Support Services Depreciation Not Charged To Services | 268,270 | 224,490 |
| Net Service Expenditure | 10,267,270 | 10,389,170 |
| Credit Back Depreciation / Impairments | (1,625,520) | (1,617,020) |
| Minimum Revenue Provision | 1,969,970 | 2,029,730 |
| | 10,611,720 | 10,801,880 |
| Transfer to / from Reserves | 0 | 200,000 |
| Investment in Services to be Approved | 0 | 100,000 |
| | | 0 |
| Total Budget Requirement before External Support from Government | 10,611,720 | 11,101,880 |
| Baseline Funding | (1,833,280) | (1,914,070) |
| Additional business rate income | (1,066,360) | (1,409,190) |
| Business Rates Prior Year Surplus/Deficit | 0 | 94,000 |
| Revenue Support Grant | (74,160) | (79,070) |
| Services Grant | (68,650) | (11,240) |
| Funding Guarantee | (226,630) | (446,930) |
| Appropriation from Reserves for Local Tax Guarantee Scheme | (59,010) | 0 |
| New Homes Bonus | (78,980) | (2,800) |
| Contribution to/ (from) Collection Fund | (96,960) | 146,050 |
| Amount required from Council Tax | (7,107,690) | (7,478,630) |
| | | |
| Council Tax Base | 21,937.3 | 22,409.9 |
| Average Band D Council Tax - Adur District Council | 324.00 | 333.72 |
| % increase | 2.00% | 2.99% |

The Leader Portfolio

| Service | Estimate 2023-2024 | Estimate 2024-2025 |
|--|-------------------------------|-------------------------------|
| Chief Executive Performance and Strategies | 40,780 | 41,310 |
| Director for Sustainability and Resources | | |
| Democratic Services | 435,010 | 438,290 |
| Electoral Services | 228,840 | 218,660 |
| Total The Leader Portfolio | 704,630 | 698,260 |

**The Leader Portfolio
Subjective Analysis**

| Service | Employees | Service Recharges from Joint | Premises | Transport | Supplies & Services | Third Party | Income | Service Controlled Budget Total | Central Support Recharges from Joint | Capital Charges | TOTAL BUDGET |
|---|----------------|------------------------------|--------------|-----------|---------------------|-------------|-----------------|---------------------------------|--------------------------------------|-----------------|----------------|
| Chief Executive Performance and Strategies | 0 | 0 | 0 | 0 | 40,000 | 0 | 0 | 40,000 | 1,310 | 0 | 41,310 |
| Director for Sustainability and Resources Democratic Services | 244,790 | 123,490 | 0 | 0 | 7,660 | 0 | (15,600) | 360,340 | 77,960 | 0 | 438,300 |
| Electoral Services | 7,000 | 91,770 | 2,160 | 0 | 60,030 | 0 | (3,450) | 157,510 | 59,110 | 2,030 | 218,650 |
| Total The Leader Portfolio | 251,790 | 215,260 | 2,160 | 0 | 107,690 | 0 | (19,050) | 557,850 | 138,380 | 2,030 | 698,260 |

Environment & Leisure Portfolio

| Service | Estimate 2023-2024 | Estimate 2024-2025 |
|--|-----------------------|-----------------------|
| Director for Housing and Communities | | |
| Environmental Health - Housing | 2,870 | 2,870 |
| Director for Sustainability and Resources | | |
| Bereavement Services | 117,540 | 115,530 |
| Public Health and Regulation | 33,360 | 34,280 |
| Abandoned Vehicles | 5,850 | 5,850 |
| Recycling | 358,170 | 361,090 |
| Refuse Collection & Waste Projects | 601,120 | 591,540 |
| Street Cleansing | 659,090 | 680,400 |
| Commercial Waste | (260,550) | (305,640) |
| Energy & Sustainability | 193,170 | 300,790 |
| Parking Services | (271,150) | (285,150) |
| Director for Place | | |
| Parks and Open Spaces | 1,049,270 | 994,070 |
| Foreshores | 23,820 | 5,330 |
| Allotments | 4,320 | (390) |
| Leisure Strategic Support | 539,320 | 489,480 |
| Bus Shelters & Highways Liaison | 66,700 | 68,670 |
| Surveying & Design | 234,190 | 247,530 |
| Economic Development | 7,740 | 10,900 |
| Total Environment & Leisure Portfolio | 3,364,830 | 3,317,150 |

**Environment & Leisure Portfolio
Subjective Analysis**

| Service | Employees | Service Recharges from Joint | Premises | Transport | Supplies & Services | Third Party | Income | Service Controlled Budget Total | Central Support Recharges from Joint | Capital Charges | TOTAL BUDGET |
|--|---------------|------------------------------|------------------|--------------|---------------------|----------------|--------------------|---------------------------------|--------------------------------------|-----------------|------------------|
| Director for Housing and Communities | | | | | | | | | | | |
| Environmental Health - Housing | 0 | 0 | 0 | 0 | 2,870 | 0 | 0 | 2,870 | 0 | 0 | 2,870 |
| Director for Sustainability and Resources | | | | | | | | | | | |
| Bereavement Services | 0 | 125,220 | 91,790 | 0 | 10,000 | 0 | (232,490) | (5,480) | 112,110 | 8,900 | 115,530 |
| Public Health and Regulation | 0 | 33,140 | 0 | 0 | 0 | 0 | 0 | 33,140 | 0 | 1,140 | 34,280 |
| Abandoned Vehicles | 0 | 0 | 0 | 0 | 5,850 | 0 | 0 | 5,850 | 0 | 0 | 5,850 |
| Refuse & Recycling | 0 | 308,780 | 0 | 0 | 0 | 0 | 0 | 308,780 | 0 | 52,310 | 361,090 |
| Bulky Refuse & Waste Projects | 0 | 349,140 | 0 | 0 | 0 | 0 | 0 | 349,140 | 150,840 | 91,560 | 591,540 |
| Street Cleansing | 0 | 793,750 | 0 | 0 | 0 | 0 | (164,910) | 628,840 | 0 | 51,560 | 680,400 |
| Commercial Waste | 0 | 224,240 | 0 | 0 | 384,060 | 0 | (928,810) | (320,510) | 0 | 14,870 | (305,640) |
| Energy & Sustainability | 0 | 85,080 | 80,400 | 0 | 135,310 | 0 | 0 | 300,790 | 0 | 0 | 300,790 |
| Parking Services | 0 | 29,080 | 97,970 | 0 | 131,160 | 57,800 | (694,900) | (378,890) | 78,040 | 15,700 | (285,150) |
| Director for Place | | | | | | | | | | | |
| Parks and Open Spaces | 0 | 32,550 | 734,900 | 0 | 47,270 | 0 | (173,480) | 641,240 | 148,800 | 204,030 | 994,070 |
| Foreshores | 0 | 39,330 | 12,780 | 0 | 45,010 | 0 | (144,500) | (47,380) | 18,350 | 34,360 | 5,330 |
| Allotments | 0 | 31,220 | 19,240 | 0 | 0 | 0 | (53,860) | (3,400) | 0 | 3,010 | (390) |
| Leisure Strategic Support | 0 | 8,620 | 82,670 | 0 | 4,150 | 48,000 | (11,090) | 132,350 | 16,310 | 340,820 | 489,480 |
| Bus Shelters & Highways Liaison | 0 | 0 | 37,990 | 0 | 7,170 | 0 | (8,050) | 37,110 | 16,310 | 15,250 | 68,670 |
| Surveying & Design | 0 | 6,290 | 176,920 | 0 | 120 | 0 | (420) | 182,910 | 9,170 | 55,450 | 247,530 |
| Economic Development | 52,370 | 0 | 0 | 8,270 | 15,550 | 0 | (66,920) | 9,270 | 0 | 1,630 | 10,900 |
| Total Environment & Leisure Portfolio | 52,370 | 2,066,440 | 1,334,660 | 8,270 | 788,520 | 105,800 | (2,479,430) | 1,876,630 | 549,930 | 890,590 | 3,317,150 |

Communities & Wellbeing Portfolio

| Service | Estimate 2023-2024 | Estimate 2024-2025 |
|--|-------------------------------|-------------------------------|
| Director for Housing and Communities | | |
| Community Wellbeing | 337,420 | 307,980 |
| Community Safety | 261,570 | 224,330 |
| Director for Sustainability and Resources | | |
| Public Health and Regulation | 666,370 | 680,570 |
| Emergency Planning | 29,650 | 32,290 |
| Director for Place | | |
| Street Lighting | 37,300 | 38,130 |
| Total Communities & Wellbeing Portfolio | 1,332,310 | 1,283,300 |

Communities & Wellbeing Portfolio
Subjective Analysis

| Service | Employees | Service Recharges from Joint | Premises | Transport | Supplies & Services | Third Party | Income | Service Controlled Budget Total | Central Support Recharges from Joint | Capital Charges | TOTAL BUDGET |
|--|--------------|------------------------------|---------------|-----------|---------------------|-------------|------------------|---------------------------------|--------------------------------------|-----------------|------------------|
| Director for Housing and Communities | | | | | | | | | | | |
| Community Wellbeing | 0 | 59,740 | 890 | 0 | 169,930 | 0 | 0 | 230,560 | 74,690 | 2,720 | 307,970 |
| Community Safety | 0 | 98,830 | 1,510 | 0 | 8,820 | 0 | 0 | 109,160 | 115,170 | 0 | 224,330 |
| Director for Sustainability and Resources | | | | | | | | | | | |
| Public Health and Regulation | 9,090 | 461,210 | 0 | 0 | 27,380 | 0 | (147,690) | 349,990 | 322,710 | 7,880 | 680,580 |
| Emergency Planning | 0 | 5,590 | 0 | 0 | 0 | 0 | 0 | 5,590 | 26,700 | 0 | 32,290 |
| Director for Place | | | | | | | | | | | |
| Street Lighting | 0 | 0 | 9,150 | 0 | 8,770 | 0 | 0 | 17,920 | 10,190 | 10,020 | 38,130 |
| Total Communities & Wellbeing Portfolio | 9,090 | 625,370 | 11,550 | 0 | 214,900 | 0 | (147,690) | 713,220 | 549,460 | 20,620 | 1,283,300 |

Adur Homes & Customer Services Portfolio

| Service | Estimate 2023-2024 | Estimate 2024-2025 |
|---|-------------------------------|-------------------------------|
| Director for Housing and Communities | | |
| Community Alarms | (58,150) | (80,680) |
| Housing Needs | 1,330,610 | 1,461,680 |
| Environmental Health - Housing | 62,420 | 65,520 |
| Home Improvement Assistance | 61,160 | 60,570 |
| Benefits | 147,130 | 160,120 |
| Revenues | 343,910 | 366,920 |
| Total Adur Homes & Customer Services Portfolio | 1,887,080 | 2,034,130 |

Adur Homes & Customer Services Portfolio
Subjective Analysis

| Service | Employees | Service Recharges from Joint | Premises | Transport | Supplies & Services | Third Party | Income | Service Controlled Budget Total | Central Support Recharges from Joint | Capital Charges | TOTAL BUDGET |
|---|----------------|------------------------------|----------------|--------------|---------------------|---------------|---------------------|---------------------------------|--------------------------------------|-----------------|------------------|
| Director for Housing and Communities | | | | | | | | | | | |
| Community Alarms | 138,730 | 18,740 | 0 | 5,340 | 68,940 | 0 | (386,140) | (154,390) | 60,130 | 13,580 | (80,680) |
| Housing Needs | 0 | 315,520 | 275,340 | 440 | 1,763,920 | 65,000 | (1,258,810) | 1,161,410 | 272,620 | 27,650 | 1,461,680 |
| Environmental Health - Housing | 0 | 63,510 | 0 | 0 | 2,010 | 0 | 0 | 65,520 | 0 | 0 | 65,520 |
| Home Improvement Assistance | 0 | 82,700 | 0 | 0 | 0 | 0 | (62,520) | 20,180 | 40,400 | 0 | 60,580 |
| Benefits | 0 | 351,140 | 0 | 0 | 11,845,820 | 0 | (12,202,030) | (5,070) | 138,210 | 26,970 | 160,110 |
| Revenues | 0 | 310,460 | 0 | 0 | 130,190 | 0 | (156,280) | 284,370 | 82,550 | 0 | 366,920 |
| Total Adur Homes & Customer Services Portfolio | 138,730 | 1,142,070 | 275,340 | 5,780 | 13,810,880 | 65,000 | (14,065,780) | 1,372,020 | 593,910 | 68,200 | 2,034,130 |

Regeneration & Strategic Planning Portfolio

| Service | Estimate 2023-2024 | Estimate 2024-2025 |
|--|-------------------------------|-------------------------------|
| Director for Place | | |
| Building Control | 151,810 | 150,110 |
| Coast Protection and Ditch Clearance | 118,210 | 119,920 |
| Planning Policy | 551,400 | 496,550 |
| Development Management | 625,050 | 612,970 |
| Economic Development | 341,450 | 376,160 |
| Tourism and Events | 63,570 | 50,310 |
| Grants - Director for Place | 165,120 | 105,480 |
| Total Regeneration & Strategic Planning Portfolio | 2,028,950 | 1,923,670 |

**Regeneration & Strategic Planning Portfolio
Subjective Analysis**

| Service | Employees | Service Recharges from Joint | Premises | Transport | Supplies & Services | Third Party | Income | Service Controlled Budget Total | Central Support Recharges from Joint | Capital Charges | TOTAL BUDGET |
|--|----------------|------------------------------|--------------|-----------|---------------------|--------------|------------------|---------------------------------|--------------------------------------|-----------------|------------------|
| Director for Place | | | | | | | | | | | |
| Building Control | 0 | 251,560 | 0 | 0 | 0 | 0 | (268,590) | (17,030) | 167,140 | 0 | 150,110 |
| Coast Protection and Ditch Clearance | 0 | 3,060 | 4,690 | 0 | 5,820 | 0 | 0 | 13,570 | 26,130 | 80,220 | 119,920 |
| Planning Policy | 0 | 203,460 | 0 | 0 | 117,790 | 0 | 0 | 321,250 | 175,300 | 0 | 496,550 |
| Development Management | 0 | 633,840 | 0 | 0 | 6,520 | 5,380 | (352,790) | 292,950 | 320,020 | 0 | 612,970 |
| Economic Development | 78,110 | 152,800 | 0 | 0 | 45,970 | 0 | (53,650) | 223,230 | 134,530 | 18,400 | 376,160 |
| Tourism and Events | 0 | 43,750 | 0 | 0 | 6,560 | 0 | 0 | 50,310 | 0 | 0 | 50,310 |
| Grants - Director for Place | 60,640 | 0 | 0 | 0 | 0 | 0 | 0 | 60,640 | 44,840 | 0 | 105,480 |
| Total Regeneration & Strategic Planning Portfolio | 138,750 | 1,288,470 | 4,690 | 0 | 193,000 | 5,380 | (675,030) | 955,260 | 867,960 | 100,450 | 1,923,670 |

Finance & Resources Portfolio

| Service | Estimate 2023-2024 | Estimate 2024-2025 |
|--|-------------------------------|-------------------------------|
| Director for Housing and Communities | | |
| Revenues | (16,080) | (21,480) |
| Director for Sustainability and Resources | | |
| Corporate Management | 2,445,240 | 2,408,340 |
| Treasury Management | 2,544,580 | 2,641,660 |
| Director for Place | | |
| Land Charges | (43,510) | (42,970) |
| Other Buildings | 86,130 | 94,840 |
| Surveying & Design | 40 | 40 |
| Estates | (249,610) | (224,770) |
| Property Investment | (4,085,580) | (3,947,470) |
| Total Finance & Resources Portfolio | 681,210 | 908,190 |

**Finance & Resources Portfolio
Subjective Analysis**

| Service | Employees | Service Recharges from Joint | Premises | Transport | Supplies & Services | Third Party | Income | Service Controlled Budget Total | Central Support Recharges from Joint | Capital Charges | TOTAL BUDGET |
|--|----------------|------------------------------|----------------|-----------|---------------------|-------------|--------------------|---------------------------------|--------------------------------------|-----------------|----------------|
| Director for Housing and Communities | | | | | | | | | | | |
| Revenues | 0 | 88,200 | 0 | 0 | 7,070 | 0 | (116,750) | (21,480) | 0 | 0 | (21,480) |
| Director for Sustainability and Resources | | | | | | | | | | | |
| Corporate Management | 959,500 | 492,470 | 240,600 | 0 | 777,710 | 0 | (420,330) | 2,049,950 | 305,240 | 53,150 | 2,408,340 |
| Treasury Mangement | 0 | 0 | 0 | 0 | 3,003,730 | 0 | (363,380) | 2,640,350 | 1,310 | 0 | 2,641,660 |
| Director for Place | | | | | | | | | | | |
| Land Charges | 0 | 34,600 | 0 | 0 | 20,200 | 0 | (132,420) | (77,620) | 34,650 | 0 | (42,970) |
| Other Buildings | 0 | 0 | 74,040 | 0 | 4,230 | 0 | (4,050) | 74,220 | 5,470 | 15,150 | 94,840 |
| Surveying & Design | 0 | 0 | 40 | 0 | 0 | 0 | 0 | 40 | 0 | 0 | 40 |
| Estates | 0 | 18,960 | 152,650 | 0 | 15,240 | 0 | (623,200) | (436,350) | 97,840 | 113,740 | (224,770) |
| Property Investment | 0 | 0 | 127,730 | 0 | 0 | 0 | (4,191,080) | (4,063,350) | 0 | 115,880 | (3,947,470) |
| Total Finance & Resources Portfolio | 959,500 | 634,230 | 595,060 | 0 | 3,828,180 | 0 | (5,851,210) | 165,760 | 444,510 | 297,920 | 908,190 |