



Adur Executive
4 February 2020
Agenda Item 5

ADUR DISTRICT COUNCIL

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

Budget Estimates 2020/21 and Setting of the 2020/21 Council Tax

Report by the Director for Digital & Resources

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 2020/21 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2020/21, prior to its submission to the Council for approval on the 20th February 2020. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget by the Executive.

1.2 The report outlines the medium term financial challenge through to 2024/25, and sets out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. The current budget strategy is having a significant effect on how the Council will be funded in the future with increasing income generated from commercial income and rents. Following the delay to the fairer funding review, the challenge still remains significant for 2021/22, however the delivery of the budget strategy will ensure that this is met.

1.3 These budgets reflect the Councils' ambitions set out in *Platforms for our Places*, and agreed savings proposals contributing to the financial sustainability of the Councils. The report also updates members about the impact of the draft 2020/21 settlement.

1.4 The major points raised within the report include:

- A full update on the impact of settlement. The Council should prepare itself for a continuation of the reduction in Government resources for 2021/22 and beyond (see section 4.2) ;
- Highlights the proposed funding for initiatives to support the Councils' ambitions set out in *Platforms for our Places - Going Further*;
- Details the proposals to invest in services outlined in Appendix 2;
- The Executive will need to consider whether to increase Council Tax by 2.0% or by a lower amount (paragraph 5.11).

1.5 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2020/21 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.6 The Police and Crime Commissioner (PCC) has previously consulted on an increase to the Council Tax for 2020/21 of £5.00 or 2.63%, however the PCC has yet to be informed of the referendum criteria for 2020/21. The proposed 2020/21 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 31st January 2020. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 17th February 2020 at which point the Commissioner will be in a position to confirm the Council Tax for 2020/21 just in time for Council on the 18th February 2020.

1.7 The draft Local Government Settlement allows Councils to increase core Council Tax by up to 2% which is in addition to the 2% Council Tax increase permitted specifically to support adult social care services. Therefore a maximum Council Tax increase of 4% for Councils with social care responsibilities is allowed.

1.8 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 14th February 2020. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 20th February 2020.

1.9 The following appendices have been attached to this report:

- (i) **Appendix 1** 5 year forecast for Adur District Council

- (ii) **Appendix 2** Proposals for investment in services
- (iii) **Appendix 3** Estimated Reserves
- (iv) **Appendix 4** Council Tax base for 2020/21
- (v) **Appendix 5** Summary of Executive Member Portfolio budgets for 2020/21

2. Recommendations

2.1 The Executive is recommended to:

- (a) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 2;
- (b) Agree to recommend to Council the draft budgets for 2020/21 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £8,612,350 which includes provision for the proposals in Appendix 2, subject to any amendments agreed above; and
- (c) Consider which Band D Council Tax to recommend to Council for Adur District Council's requirements in 2020/21 as set out in paragraph 5.11
- (d) Recommend to Council that special expenses of £22.23 per Band D equivalent to be charged in all areas of the District except Lancing.
- (e) Approve the Council Tax base of 21,380.4 for 2020/21 as set out in paragraph 12.3.

3. INTRODUCTION

3.1 The Joint Strategic Committee considered the 'Becoming financially sustainable - Revenue Budget Strategy for 2020/21' on 9th July 2019. This report outlined the financial context, the key budget pressures and the budget strategy for Adur and Worthing Councils. The report built on the strategy first proposed in 2015/16 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax and business rates.

3.2 To address the known pressures and to realise its ambitions set out in *Platforms for our Places*, the Councils have set-up several strategic programmes delivering new income and savings for the next 5 years:

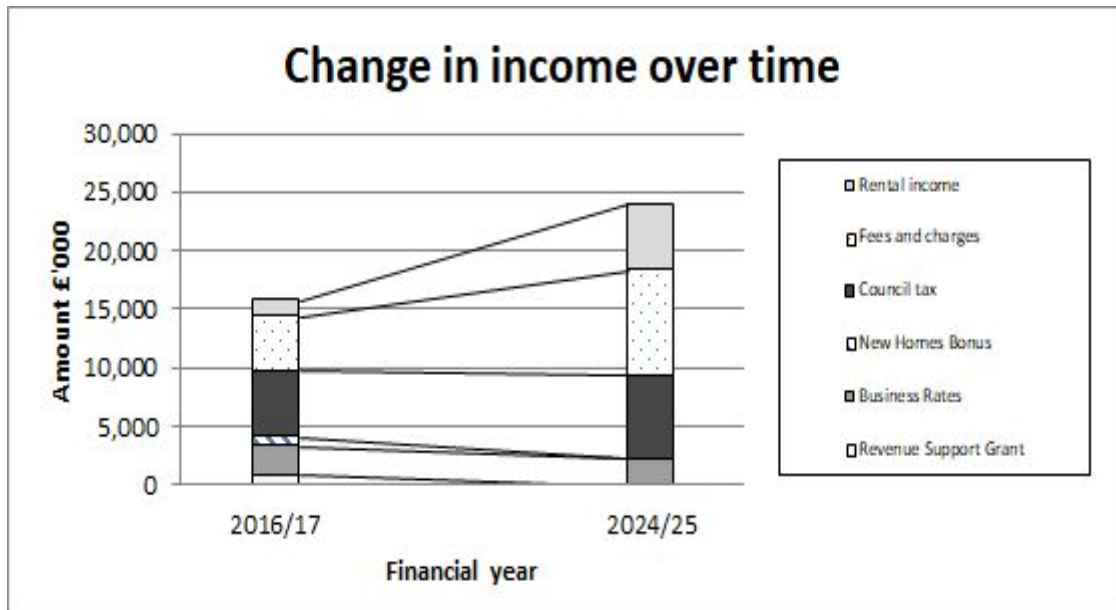
- The Major Projects programme will lead on delivering regeneration projects to increase employment space and additional housing;
- The Service Redesign programme leads on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work;
- The Strategic Asset Management programme will lead on delivering the income growth associated with the Strategic Property Investment Fund;
- The Commercial programme develops initiatives to promote income growth from commercial services and seeks to improve the customer experience; and
- The Affordable Homes Working Group leads on initiatives to improve the supply of affordable homes and to reduce the cost of temporary and emergency accommodation.

For 2020/21 the Service Redesign programme, the Commercial programme and the Strategic Asset Management Board were set explicit targets as part of the budget strategy.

3.3 The successful delivery of our strategy fundamentally changes how the Council is funded while pursuing transformational approaches to how we deliver services and work with our partners. The Council is moving increasingly away from government funding towards funding from the local

community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities over time.

Total budgeted income	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support and other grants	887	271	0	0	0	0	0	0	0
New Homes Bonus	2,436	2,386	2,337	2,227	2,081	2,115	2,156	2,198	2,244
Business Rates	767	553	202	126	11	10	10	0	0
Council Tax	5,690	5,848	6,084	6,306	6,521	6,676	6,825	6,978	7,134
Income from taxation	9,780	9,058	8,623	8,659	8,613	8,801	8,991	9,176	9,378
Fees and charges	4,655	5,882	5,826	5,857	6,123	6,564	7,184	7,987	8,976
Commercial rent income	1,431	1,528	2,866	4,818	5,273	5,373	5,473	5,573	5,673
Income from commercial activity	6,086	7,410	8,692	10,675	11,396	11,937	12,657	13,560	14,649
Total income excluding specific grants	15,866	16,468	17,315	19,334	20,009	20,738	21,648	22,736	24,027



3.4 The subsequent report to the Joint Strategic Committee, on 3rd December 2019 updated Members as to the latest budgetary information and the forecast shortfall was revised as follows:

Adur District Council	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – July forecast	1,532	1,971	2,409	2,772	3,073
Overall shortfall – December forecast (including net approved growth)	1,390	1,845	2,179	2,542	2,842
Increase / (Decrease) in shortfall	-142	-126	-230	-230	-231
Overall shortfall – December forecast	1,390	1,845	2,179	2,542	2,842
Savings identified in December 2019 report	-1,383	-1,941	-2,331	-2,681	-3,031

Revised budget shortfall/Surplus(-) as at December 2019	7	-96	-152	-139	-189
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- 3.5 The 2020/21 savings proposals identified within the report amounted to £1,383,000.
- 3.6 Since the meeting in December, the Adur District Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any proposals to reinvest back into services. Overall, therefore, the current financial position of the Council for 2020/21 can be summarised as:

	£'000
Original 2019/20 budget shortfall	1,532
<i>Changes to income from grants and taxation:</i>	
(a) Improvements to the income from Council Tax	-32
(b) Impact of current Council Tax Collection Fund deficits	9
(c) Impact of delay to fairer funding review	
- Delay to consolidation of homelessness grants into retained business rates	-139
- Improvements to retained business rates	-235
(d) Net impact of Business Rate Collection Fund deficit	219
<i>Other changes:</i>	
(e) Reduction in employers pension contribution expected from 2019 triennial valuation.	-90
(f) Net committed growth items identified by Service Heads in December	196
(g) Removal of contingency budget for new committed growth items	-70
Revised Budget Shortfall as at 3rd December 2019	1,390
<i>Impact of Settlement</i>	
Final change to business rate income following confirmation of the tariff and new multiplier (includes other minor changes to grants).	-27
<i>Adjustment for final items identified</i>	
Impact of increase in interest rates on capital programme financing net of any reprofiling of the capital programme	19
Increase in Council Tax income	-29
Revised Budget shortfall	1,353
Less: Net savings agreed in December (excluding those related to increased Council Tax)	-1,379
Budget surplus based on a 2% Council Tax increase (before any further action is agreed)	-26

4. 2019 SPENDING REVIEW AND 2020/21 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.1 2019 Spending Review

4.1.1 The Spending Review 2019 (SR19) was published on 4 September 2019. This was a one-year only review covering 2020/21 with the intention for a multi-year review to be announced in 2020/21.

4.1.2 It was announced that departmental spending will increase by 4.1% in real terms, whilst keeping within the government's own fiscal rules. The Spending Review will deliver "the fastest real growth in day-to-day departmental spending in 15 years". This is a funding settlement that is very different to those that were announced earlier this decade, when spending was falling in cash terms.

4.1.3 The Chancellor was confident of keeping within the government's fiscal rules; although detailed forecasts will not be published until the Budget which is now due in March 2020.

4.1.4 Funding for Local Government would increase by 12.4% (£1.1bn in 2020-21). The bulk of the increase, however, is the increase in funding for the adult social care grants (£1.0bn). As the figures within the spending review are only shown to the nearest £100m, it is difficult to be precise, but it seems likely that the remaining funding for Local Government will increase in line with inflation (1.8%).

4.1.5 This showed that non-social care authorities will get only a modestly good settlement, however this was an improvement on previous assumptions which had planned for no overall increase in funding.

4.1.6 Councils were also informed of the likely referendum criteria. Authorities will be able to increase the Band D council tax by 2.0% for the basic element and a further 2.0% for the Adult Social Care precept. For social care authorities, this gives a maximum increase of 4.0%, which is higher than most were expecting. For districts (and potentially fire authorities as well), the 2.0% threshold is lower than the last two financial years when it was set at 2.99%.

4.2 2020/21 Local Government Finance Settlement

4.2.1 The government published the provisional local government finance settlement for 2020-21 on 20th December 2019 via a written statement. Consultation on the provisional settlement closed on the 17th January 2020.

4.2.2 Unusually, the Council already knew what to expect from settlement following the technical consultation on Local Government Finance

Settlement for 2020/21 which was released on the 3rd October 2019. However the timing of settlement itself was uncertain.

4.2.3 From this consultation it was clear that the Government was now formally delaying the fairer funding review to 2021/22 and are proposing a 'roll forward' settlement for 2020/21.

The implications of this change for 2020/21 were twofold:

1. Existing homelessness grants will continue until absorbed into the business rate retention scheme; and
2. The councils will retain all surplus business rate income for one more year.

4.2.4 There were no material changes in the draft Settlement which confirmed much of what was contained in the Technical Consultation, namely:

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

The 2020-21 settlement is effectively an extension to the four-year settlement that covered the period of 2016-17 to 2019-20. With the delay in both the Fair Funding Review and reform of business rates, combined with a one-year spending review, the 2020-21 settlement was only ever going to be a roll-over settlement. The operation of the funding schemes and the values within it have broadly been rolled-over either in cash terms from 2019-20 or increased in line with the change in the business rate multiplier.

Consequently, the Council will receive no Revenue Support Grant in 2020/21. Since 2015/16 the Council has seen Revenue Support Grant fall by over £1.3m.

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

Whereas baseline funding (minimum amount of retained business rates) has increased in line with the business rate multiplier from £1,739,000 to £1,767,000 in 2020/21.

- ***Council Tax referendum thresholds***

The council Tax referendum threshold for District Councils was confirmed as the higher of 2% or £5.00 for a Band D property. The increase for Adur District Council is limited to 1.99%.

The current 5-year forecast assumes an increase of 2%. An increase in Council Tax would enable the Council to balance the budget and reinvest a minor amount back into priority services.

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

- ***New Homes Bonus***

New Homes Bonus (NHB) will continue for another year but the government very clearly intends to phase out the current scheme by 2023-24. For now, there is no change in the operation of the scheme for 2020-21: 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%.

However, the major change in NHB is that the new amounts earned in 2020/21 will only be paid for one year only. In the following years (2021-22 and 2022-23), rewards will only be paid in respect of NHB secured in earlier years. NHB will effectively end by 2023-24.

Adur District Council is entitled to an additional payment of NHB of £76,610 for 2020/21. However given the transitional nature of this payment, it is not proposed to use it to balance the budget. Instead it is proposed that this grant will be set aside to fund projects arising from 'Platforms for our Places - Going Further (2020-2022)' to be released in consultation with the Leader of the Council.

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

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
NHB used to support the budget					
Historic allocations	116	1	0	0	0
2019/20 allocation	10	10	10	10	0
Total NHB used to support the budget	126	11	10	10	0
One off payment in 2020/21		76			
Total New Homes Bonus	126	87	10	10	0

The government is making very clear that it wants to replace NHB, with something that is more “targeted”. Any replacement is unlikely to distribute as much funding as the current NHB scheme does, or to be distributed in the same way. The Government will be consulting on the design of the new scheme early in 2020:

“It is not clear that the New Homes Bonus in its current form is focussed on incentivising homes where they are needed most. I am therefore announcing that the government will consult on the future of the housing incentive in the spring.

“This will include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need, and which is aligned with other measures around planning performance.”

4.2.5 Changes to local government funding in 2021/22 and beyond:

The Fairer Funding Review and the changes to the Business Rate Retention Scheme have now been delayed until 2021/22. However, the announcement of any significant changes in local government funding will have to wait until either the Budget (expected on 11th March 2020) or the Spending Review 2020 (which will follow in the Summer).

4.2.6 Summary of 2020/21 Local Government Settlement

In overall terms, the 2020/21 settlement revealed that District and Borough Councils received an increase in government funding of 2.21%, the first

overall increase for many years. For districts, this is significantly improved from last year's drop of 12.05%.

YEAR-ON-YEAR CHANGE FOR THE 2020/21 SETTLEMENT

Class of Local Authority	2019-20	2020-21	Overall increase in funding
	Adjusted Settlement Funding Assessment	Settlement Funding Assessment	
	£million	£million	%
England	15,807.53	16,157.38	2.21%
London Area			
London Boroughs	2,713.34	2,757.55	1.63%
GLA	2,147.14	2,182.94	1.67%
Metropolitan Areas			
Metropolitan Districts (including new combined authorities)	4,104.57	4,286.58	4.43%
Metropolitan Fire Authorities	198.57	201.8	1.63%
Shire Areas			
Shire unitaries with fire	272.09	273.66	0.58%
Shire unitaries without fire	2,739.81	2,784.99	1.65%
Shire counties with fire	1,079.36	1,092.89	1.25%
Shire counties without fire	1,683.26	1,699.82	0.98%
Shire districts	568.52	571.38	0.50%
Shire fire authorities	300.87	305.77	1.63%

4.2.8 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 17th January 2020 with final settlement expected in February.

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

4.3 Update on current Business Rate Retention Scheme

4.3.1 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 of 7.5% of Baseline Funding which is equivalent to a maximum fall in income below the baseline funding level of £132,600.
- 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 WSCC Pool	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	100	25	25

4.3.2 The forecast for 2020/21 is currently being finalised. The 2020/21 NNDR return which underpins this forecast is due to be submitted by the 31st January 2020 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.

4.3.3 Looking further ahead, the generation of additional business rates is one of the solutions to the Council's ongoing financial pressures especially in light of the Government's commitment to return all of business rates to Local

Government. Members will be aware that there are several schemes progressing which will create employment space. Examples include: Adur Civic Centre site, new warehouse at Shoreham Airport, and Monks Farm.

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

- It is difficult to establish the number of appeals which are likely to come forward. There is no time limit on when an appeal might be lodged. However to date far fewer appeals have been received following the 2017 revaluation following the introduction of the new 'Check, Challenge, and Appeal' process by the VOA.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.
- Conversion of office blocks and retail space into accommodation will result in a permanent loss of income however, this will be mitigated to some extent by the additional Council Tax generated once the conversion is completed.

4.3.6 Consequently there could be significant swings in the amount of business rate income in any one year. However, any shortfall in income will be recovered in the following financial year. The Council will fully provide for any known backdated business rates appeals at the 2019/20 year end. To help mitigate these risks the Council has created a Business Rate smoothing reserve.

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

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

The income from Council Tax forms an increasingly significant proportion of the Council's overall taxation income over the next 5 years and the decision regarding the annual increase has a greater strategic importance for both the current year and future years as well.

Breakdown of taxation income to the Council:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	6,306	6,521	6,676	6,825	6,978	7,134
Business Rates **	2,227	2,081	2,115	2,156	2,198	2,244
New Homes Bonus	126	11	10	10	0	0
	8,659	8,613	8,801	8,991	9,176	9,378

* Includes any surplus or deficit on the collection fund

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

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Council Tax	72.82%	75.71%	75.86%	75.92%	76.05%	76.08%
Business Rates	25.72%	24.16%	24.03%	23.97%	23.95%	23.92%
New Homes Bonus	1.46%	0.13%	0.11%	0.11%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

5.0 DRAFT REVENUE ESTIMATES 2020/21

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £8,612,350. This includes the savings and committed growth proposals agreed at Joint Strategic Committee in December.

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

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

5.3.1 **Prosperous places**

The Council recognises the importance of ongoing investment in our places to ensure that they remain vibrant locations for social, economic and culture hubs for our communities. Budgets have been created to facilitate the delivery of major projects to enable the development of Adur's town centres and provide for additional employment land. This includes the construction of a new office building on the land formerly the Civic Centre car park.

The delivery of other strategic projects for both Councils will be supported by further investment in a major projects team.

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

5.3.2 **Thriving People and Communities**

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

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

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

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

Alongside the organisational work, the Councils have developed an area wide framework called SustainableAW which was published in December 2019. This will be followed by a major community-led conference Zero2030 on March 4th 2020, and, subject to approval, a Climate Assembly process which will provide a representative forum for residents over six one day sessions to engage with the climate and ecology challenge, creating ideas for action.

As part of the 2020/21 budget there are proposals to invest in this area of the business, building capacity to take this agenda forward (see appendix 2).

5.3.4 Good Services and New Solutions

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

- 5.4 The final budget will be dependent on Members consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.
- 5.5 The key question of how the net budget requirement of £8,613m translates into the Council Tax charge can now be determined as the proposed details of the Local Government Finance Settlement have been received. Any final changes arising from settlement will be dealt with through the reserves. However, if there is a significant reduction in government resources, in-year action will be needed to reduce the final impact on the reserves.
- 5.6 Details of all of the main changes in the base budget from 2019/20 to 2020/21 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 5. The changes can be summarised briefly as follows:

2019/20 Original Estimate	£'000	£'000
Add: General Pay and Price Increases		8,659
Add: Committed and Unavoidable Growth:		342
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	966	
Impact of Capital Investment and Development Programme	-192	1,158
Less: Compensatory savings and additional Income:		
Compensatory savings	-160	
Additional income	-33	-193
2020/21 budget prior to agreed savings		9,966
Less: Savings agreed by members		
Approved in December	-1,379	-1,379
Executive Member requirements		8,587
Potential contribution to reserves*		26
Potential budget requirement before external support		8,613
Collection fund deficit		9
2020/21 BUDGET REQUIREMENT		8,622
<p>* The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the proposals to invest in services at Appendix 2 and the Council Tax increase.</p>		

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

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

5.8 Overall the current net estimated budget is less than that predicted in December due to the following factors:

	£'000
Reassessment of the cost of the capital programme following interest rate increase and to reflect latest expected spend profile	18
Latest forecast of business rate income (including any adjustments arising from settlement)	-27

5.9 The projected deficit on the Collection Fund is estimated to be £53,060, of which £8,650 is the District Council share. This is a minor deficit in light of the overall income due which exceeds £40.1m and is due to marginally lower increase in housing growth than expected.

5.10 Members are now faced with two questions:

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

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

5.11 **The Council Tax increase:**

5.11.1 Over the past 10 years, the Council Tax has been increased by 11.8%, an average of 1.2% per year (in 2009/10 the average Band D tax was £267.71, in 2019/20 it was £299.43). Over the equivalent period, inflation (CPI) has been 24.49%.

5.11.2 The budget forecast currently assumes that Council Tax will increase by just under 2.0% in 2020/21. The most recent inflation index was 1.5% (CPI in November 2019).

5.11.3 A 2% uplift would only be a modest increase in the Council share of the bill for 2020/21. The table below details how the Council Tax will change as a result of a 1%, 1.5%, 1.8% and just under 2% increase.

	2019/20	Annual increase for 2020/21			
		1%	1.5%	1.75%	2.01%
	£	£	£	£	£
Council Tax Band D	299.43	302.40	303.93	304.65	305.37
Annual increase		2.97	4.50	5.22	5.94
Weekly increase		0.06	0.09	0.10	0.11
Council Tax Band C	266.16	268.8	270.16	270.8	271.44
Average annual increase		2.64	4.00	4.64	5.28
Average weekly increase		0.05	0.08	0.09	0.10
Total additional Council Tax raised		63,500	96,210	111,600	127,000
Additional Council Tax raised over a 1% increase			32,710	48,100	63,500

5.11.4 Members should also be aware that the Police and Crime Commissioner has previously consulted on a £5.00 (2.6%) increase for their share of the overall bill. Whilst the level of increase to be set by the County Council is unknown at this stage, given the financial pressures that the County is under, there are indications that the increase will be close to the maximum permitted (4%). 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 just over 3.5%:

	2019/20	2020/21 (Indicative only)	%
	£	£	
Adur District Council	299.43	305.37	1.98%
West Sussex County Council	1,383.57	1,438.83	3.99%
Sussex Police and Crime Commissioner	189.91	194.91	2.63%
	1,872.91	1,939.11	3.53%

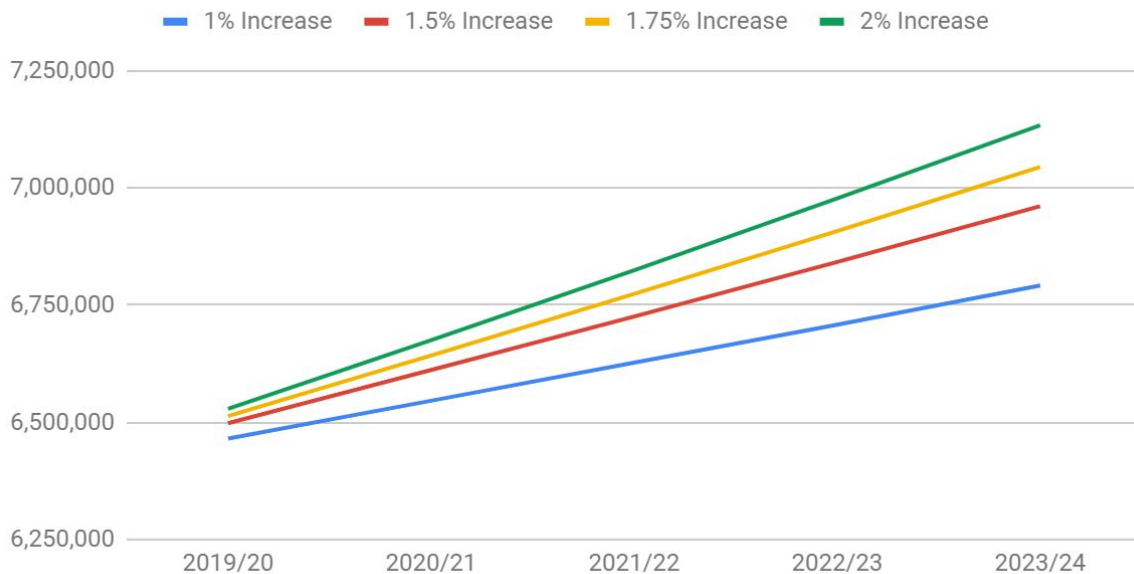
5.11.5 The decision to raise Council Tax should be considered alongside the projected budget shortfalls for the next 5 years, as there are long term consequences to setting a Council Tax increase significantly lower than the maximum permitted. This is particularly significant at the moment given the scale of the withdrawal of government funding the Council will contend with

over the next 5 years and the potential impact of the County Council budget decisions. The impact of changing the Council Tax by 1%, 1.5%, 1.75% and 2% annually would be as follows:

Total income	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
1% annual increase	6,465,310	6,546,010	6,627,010	6,708,320	6,791,870
1.5% annual increase	6,498,020	6,611,580	6,725,600	6,842,020	6,960,840
1.75% annual increase	6,513,420	6,642,440	6,773,930	6,907,900	7,044,360
2% annual increase	6,528,810	6,675,230	6,824,200	6,977,660	7,133,700

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

Adur District Council - Long term impact of Council Tax increases



5.11.6 Members are asked to consider which level of Council Tax increase that they support. An increase of 2.00% would enable the Council to set a balanced budget and fund all of the proposals for investment in services recommended for approval in Appendix 2. Those proposals recommended

5.12 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% increase):

	£'000	£'000
Net budget requirement		8,587
Less:		
Baseline Funding	1,767	
Share of additional Business Rate income	314	
Council Tax (2.0% increase)	6,530	
New Homes Bonus	11	
Collection Fund Deficit	-9	-8,613
Budget surplus based on 2.00% Council Tax increase		-26
Maximum impact of accepting the growth items (Appendix 2)		26
Budget balanced at a 2% Council Tax increase		-

6.0 IMPACT ON FUTURE YEARS

- 6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown in Appendix 1 (which includes an assumed 2.00% tax increase for 2020/21 which is to be considered as part of this report). The settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

	Expected shortfall (Cumulative)				
	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall as per appendix 1	1,353	1,791	2,126	2,485	2,783
Less:					
Net savings identified in 2020/21 budget round	-1,379	-1,557	-1,597	-1,597	-1,597
Impact of accepting the growth items at appendix 2	26	32	32	32	32
Adjusted cumulative budget shortfall	-	266	561	920	1,218
Savings required each year	-	266	295	359	298

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

- Increased income from business rates which is discussed fully in section 4 above;
- Reduced cost of Council Tax benefits from any new jobs created;
- Additional Council Tax income from each new home;

6.3 However, these measures are unlikely to be enough. The Council will also need to deliver on the strategy to generate £170k more commercial income per year and invest in property. Alongside this, there will need to be a continuing emphasis on efficiency in the annual savings exercise; whether this is through the digital strategy or by improving customer service or by reducing the cost of temporary and emergency accommodation. Overall, if the Council delivers upon the current budget strategy then the level of new initiatives required each year to balance the budget will reduce as follows:

	Expected shortfall per year			
	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Annual budget shortfall	266	295	359	298
Future savings from budget strategy:				
Investment in commercial property	-100	-100	-100	-100
Commercial activities	-170	-170	-170	-170
Service and digital redesign	-80	-80	-80	-80
Affordable housing programme	-30	0	0	0
Excess savings (-) / new savings initiatives to be identified	-114	-55	9	-52

6.4 With the delay to the fairer funding review, the challenge has now moved onto 2021/22 which becomes a challenging year and the delivery of the budget strategy is essential to ensure the Council meets the challenges of the next few years.

7.0 RESERVES

7.1 Sections 26 and 27 of The Local Government Act 2003 require the Council's Chief Financial Officer to comment on the adequacy of the Council's reserves. The reserves have therefore been reviewed in accordance with best practice as advised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in LAAP 99 'Local Authority Reserves and Balances'.

7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The General Fund Working Balance which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. unexpected increases in the demand for services); and Earmarked Reserves which are sums held for specific defined purposes and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.

7.3 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. This is even more important in the current economic climate when there are so many uncertainties. The balance as at 31st March 2019 was £518,000 which was

6.0% of net 2019/20 revenue expenditure – just within the range of 6% -10% set by the Council. There are no plans to draw down from the working balance and where possible this reserve will be boosted over the new few years from underspend to ensure it that it remains sufficient to manage risks.

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

		£'000	%
31.03.2019	Balance carried forward – per Final Accounts	518	6.0
31.03.2020	No planned drawdown, a minor contribution to be made at the year end to increase the level.	568	6.6
31.03.2020	No planned drawdown or contribution expected	568	6.5
31.03.2021	No planned drawdown or contribution expected	568	6.3
31.03.2022	No planned drawdown or contribution expected	568	6.2

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

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

1. A further fall in interest rates of 0.25% would cost the Council in a region of £42,000 in 2020/21.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £102,400.
3. Further adverse falls in income from such sources as development control income, car parks and land.
4. Demand is increasing for services such as homelessness and housing benefit which may well lead to increased (and unbudgeted) costs.
5. Other unforeseen circumstances such as the failure of a major contract

6. Any use of the working balance would be difficult to recoup in the short term. Consequently, the reserve needs to be sufficient enough to cope with at least two years of adverse impacts.

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2019/20 of £518,000 or 6% of net revenue spend as laid out in the current policy. However, it is unlikely that the Council will need in excess of £861,300 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of between 6% and 10% is valid and the forecast level fall within these parameters.

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

- i) As part of the initiative to invest in commercial property, an element of the additional rent raised every year is being set aside into a specific reserve to manage void periods on these properties and to set aside resources to fund future investment needs. The annual contribution to this provision will be gradually built up over the next 5 years to a level of £600,000 per year by 2024/25.
- ii) As part of the development of the 2019/20 budget there was a change in approach to the management of general inflation (excluding inflation on items such as salaries, rates, utilities, and contractual commitments). This is no longer allocated out this year but held centrally in the Corporate Management budget. This budget will be allocated out where the inflationary pressure can be demonstrated. Any unutilised budget at the year end will be transferred to the reserves and the budget offered up as a budget saving for the forthcoming year.

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

- 7.7 The estimated balance of general fund earmarked reserves as at 31st March, 2020 is £1,911,000, although this reduces to £1,348,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. Overall, the level of reserves held by the Councils is expected to improve over the forthcoming years as follows:

Summary for report	Balance at year end				
	2018/19	2019/20	2020/21	2021/22	2021/22
	£'000	£'000	£'000	£'000	£'000
General Earmarked Reserves	1,049	1,348	1,548	1,848	2,248
Grants and Contributions	563	563	563	563	563
Total earmarked reserves	1,612	1,911	2,111	2,411	2,811
General Fund Working Balance	518	568	568	568	568
Total reserves	2,130	2,479	2,679	2,979	3,379

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

- 7.8 Given the relatively low level of reserves, it is now critical that these reserves be used only as a funding resource of last resort until such time as the reserve level has recovered to some extent. The Council has over the past year minimised new calls on such resources, utilising the ability to use capital receipts to fund initiatives to generate budget savings where possible.
- 7.9 In all probability, the Council will continue to have occasional opportunities to put money into earmarked reserves rather than solely to drawdown on a planned basis. Even without this, I believe the earmarked revenue reserves are adequate for their particular purposes provided that they are used sparingly.
- 7.10 However the size and nature of the risks to the overall budget leaves the Council with no room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:
- supporting one-off rather than recurring revenue expenditure;
 - dealing with short-term pressures in the revenue budget; and
 - managing risk to the Council's budget.

8.0 SIGNIFICANT RISKS

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

(i) **Housing Services**

The Council has experienced a significant increase in demand for emergency and temporary accommodation over the past year since the introduction of the Homelessness Reduction Act. Whilst substantial growth has been built into the budget, the degree to which this will be adequate depends on two factors:

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

Whilst the Council is now sourcing more cost effective accommodation for our clients, there remains a risk that demand for such accommodation will outstrip our ability to find additional cost effective units. However, to better manage this a contingency budget has been created for further increases to the cost of this service

(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 particularly pertinent this year when the budget decisions of the County Council has had a significant impact on the finances of the Council. Overall the Council has seen a significant cost pressures this year as a result of County Council decisions, particularly in relation to waste management.

	2020/21		
	Adur	Worthing	Total
	£'000	£'000	£'000
Impact of changes to recycling credits	377	671	1,048
Net impact County budget reduction to supported housing services after recommissioning exercise	60	140	200
Total impact	437	811	1,248

However, the Council has been able to mitigate this challenge by identifying sufficient savings to address these cost pressures. The risk from the County Council budget decisions has now reduced, as there is little other funding we receive from them. Nevertheless, partnership funding remains a more general risk

- (iii) **Income** - The Council receives income from a number of services which will be affected by demand. These include land charges, crematorium income, trade and green waste services, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2020/21, income may fall further than expected or new targets for commercial income may not be met.

The Council is investing in new commercial property, as leases expire there is an increased risk of loss of income from voids. To mitigate this risk the Council has introduced an annual provision for void rents which will be £200,000 in 2020/21. This will be increased annually in line with the level of investment in the property portfolio and the associated risk.

- (iv) **Inflation** - A provision for 2% inflation has been built into non-pay budgets. Pay budgets have a 2% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2020/21, 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	102
Non-pay	44

8.2 To help manage these risks, the council has a working balance of £518,000 and £1.3m of other earmarked reserves are also available to the Council to help mitigate these risks.

9.0 CONSULTATION

9.1 The Council ran a detailed consultation exercise which supported the proposed five year budget strategy. In light of this, no consultation exercise was undertaken this year.

9.2 Officers and members have been consulted on the development of the budget.

10.0 UPDATE TO PRUDENTIAL INDICATORS

- 10.1 The Council's budget fully reflects the cost of financing the capital programme. Members have previously approved sufficient growth to accommodate the proposed capital programme. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2020/21 and future years.
- 10.2 Under the Prudential Code of Practice and the capital finance system introduced in April 2004, the capital programme is based on the Council's assessment of affordability. This includes any new borrowing which the Council wishes to undertake.
- 10.3 The Code of Practice has recently been revised. 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. This includes a new requirement to publish an annual capital strategy, which the Council has long complied with however this document must now contain more information on risk management.
- 10.4 The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. These are included with the annual Treasury Management Strategy Statement which is due to be considered by JSC on the 11th February 2020 and which will be included in the Council budget pack for approval.

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

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

- making prudent allowance in the estimates for each of the services, and in addition;
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient which has been considered in detail on section 7 of the report.

11.3 Overall view on the robustness of the estimates:

Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates and the adequacy of reserves. The exceptions relate to:

- (1) The provision of estimates for items outside of the direct control of the Council:
 - Income from fees and charges in volatile markets, e.g. car parks and development control fees.
 - External competition and declining markets, particularly during a recession. E.g. Local land charges and building control fees.
 - Changes to business rate income due to revaluations, redevelopments and increases in mandatory rate relief.
- (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
- (3) Initiatives and risks not specifically budgeted for.

It will therefore be important for members to maintain a diligent budget monitoring regime during 2020/21.

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

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

12.0 COUNCIL TAX SETTING

12.1 The Council is obliged to raise the balance of its resources, after allowing for any government grant and business rates, to finance the General Fund Revenue Budget from its local Council Taxpayers. The Adur District Council Tax will be added to the Precepts from West Sussex County Council and the Sussex Police and Crime Commissioner to form a combined Council Tax to

levy on the taxpayers of Adur. This will be formally approved by Council on the 20th February 2020 via a report on the Council Tax Determination.

12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2020/21 Budget, the resulting Council Tax for the Borough can be set. This takes into account the Total Aggregate External Finance (Revenue Support Grant and Business Rates contributions) and any contribution to or from the local Collection Fund.

12.3 Adur District Council:

(a) The following table shows the net sum to be raised from local Council Taxpayers in 2020/21 prior to the consideration of the budget proposals. This is based on 1.98% Council Tax increase:

Net 2020/21 Budget *	£	£
		8,586,650
Less: Aggregate External Finance		
Baseline Funding	-1,757,150	
Additional Retained Business Rate income	-313,440	
New Homes Bonus	-11,480	
Contribution to the Collection Fund deficit (as per paragraph 5.9)	8,650	
		-2,083,420
Minimum amount to be raised from Council Tax		6,503,230
Net additional impact of proposals identified in Appendix 2 if all approved		25,580
Amount to be raised from Council Tax based on 1.98% Council Tax		6,528,810

* 2020/21 budget requirement after any contribution to or from reserves required to balance the budget or any further increase to Council Tax.

Within section 5 of the report, members are given the options for the Council Tax and approving the non-committed growth items.

(b) Council Tax Base

The Council's Tax base for 2020/21 is 21,380.40 Band D equivalent properties. There is an increase to the current year base of 21,195.00 which is due to an increasing number of homes, the falling cost of Council Tax benefits, and the anticipated benefit of the recently approved changes to premiums and discounts. The full calculation of the tax base is shown in Appendix 4.

	2019/20 Tax Base	2020/21 Tax Base
Lancing	6,234.40	6,309.80
Sompting	2,759.40	2,773.40
Unparished	12,201.30	12,297.20
TOTAL	21,195.00	21,380.40

(c) Special Expenses

At the extraordinary meeting of Council held on 10th January 1995, Maintenance of recreation grounds and provision of community buildings were agreed as special expenses not chargeable in the Lancing area under the terms of section 35 of the Local Government Finance Act 1992. In 2020/21 expenditure of £336,240 (£321,551 in 2019/20) falls under the resolution and will need to be financed by a Band D tax of £22.23, to be charged in all areas of the District except Lancing.

(d) Adur District Council Band D Council Tax

In Section 5.11, the options for the Council Tax increase are discussed in detail. An average Council Tax increase of 1.00% will ensure that the Council has a balanced budget, an average increase of 2.00% will lever in sufficient additional resources to fund the growth recommended for approval at Appendix 2 and deliver a balanced budget. The actual amount charged in each area will depend on whether Special Expenses is charged and the level of the Basic Council Tax. The final agreed amounts will be incorporated into the Council Tax determination.

Area	2019/20	2020/21 (Average 1% increase)	2020/21 (Average 1.5% increase)	2020/21 (Average 1.75% increase)	2020/21 (Average 2.0% increase)
Lancing - Basic Council Tax	£ 284.22	£ 287.10	£ 288.18	£ 288.90	£ 289.68
Percentage increase		0.85%	1.39%	1.65%	1.93%
Annual increase (Band D)		2.43	3.96	4.68	5.49
Weekly increase (Band D)		0.05	0.08	0.09	0.11

Area	2019/20	2020/21 (Average 1% increase)	2020/21 (Average 1.5% increase)	2020/21 (Average 1.75% increase)	2020/21 (Average 2.0% increase)
	£	£	£	£	£
Shoreham, Southwick, Sompting and Coombes					
Basic Council Tax	284.22	286.65	288.18	288.90	289.71
Special Expenses	21.42	22.23	22.23	22.23	22.23
TOTAL in Shoreham, Southwick, Sompting and Coombes	305.64	308.88	310.41	311.13	311.94
Percentage increase	1.06%	1.56%	1.80%	2.06%	1.06%
Annual increase (Band D)	3.24	4.77	5.49	6.30	3.24
Weekly increase (Band D)	0.06	0.09	0.11	0.12	0.06

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 20th February, 2020. The proposed 2020/21 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 31st January 2020.

	2019/20 £	2020/21 £
West Sussex County Council	1,317.78	t.b.c
Sussex Police Authority	165.91	t.b.c
TOTAL	1,483.69	t.b.c.

12.5 The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the Borough Council at its meeting on 20th February 2020.

13.0 LEGAL IMPLICATIONS

13.1 The Local Government Act 2003 requires that the Council sets a balanced budget. This report demonstrates how Adur District Council will meet this requirement for 2020/21.

14.0 CONCLUSION

14.1 This has been a significantly challenging year in which the Council has had to address a budget shortfall of over £1.3m. The Council has seen the government grants fall, and addressed the consequences of the County Council's budget decisions. To meet this challenge the Council has identified £1.4m of savings and is now in the position to set a balanced budget.

14.2 However, with the delay to the Fairer Funding Review, the financial challenge now moves to 2021/22 which will be again be difficult as the Council grapples with the impact of the fairer funding review, reducing government funding and the building capacity to invest in the initiatives detailed in Platform for our Places. Consequently, the strategy of delivering commercial income growth and business efficiencies through the digital agenda continues to play a vital role in balancing the budget.

14.3 However, provided we continue to deliver on this strategy, the Council will become increasingly financially resilient over the next 5-10 years as Revenue Support Grant disappears, New Homes Bonus reduces and we become largely funded by our community through Council Tax, retained Business Rates and income from our commercial services.

14.4 The aims of 'Platforms for our Places' are critical to our success. Developing the local economy to increase employment space and local jobs together with the provision of new homes is one of the strategic measures that the Council can take to protect its longer term financial interests, however there will be inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.

14.5 There will need to be a sharp focus on financial health over the next couple of years whilst we balance the budget and rebuild the reserves. However, we must not forget that the Council has a good track record in dealing with such challenges

14.6 Finally, in preparing the strategy and forecast for 2020/21 an assessment was carried out of the significant risks and opportunities which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the

Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.

Local Government Act 1972

Background Papers:

Report to the Joint Strategic Committee 9th July 2019 'Becoming Financially Sustainable – Budget strategy for the 2020/21'

Report to the Joint Strategic Committee 3rd December 2019 'Financially Sustainable Councils: Update to the 2020/21 - 2024/25 and savings proposals for 2020/21'

Report to the Joint Strategic Committee 3rd December 2019 'Investing for the future: Capital Investment Programme 2020/21 to 2022/23'

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

2019 Spending Review – On-the-day briefing

Local Government Act 2003 and Explanatory Note

"Guidance Note on Local Authority Reserves and Balances" – LAAP Bulletin No. 77 - CIPFA -published in November 2008

Statement of Accounts 2018/19

Report to Joint Strategic Committee 3rd December 2019 – 2nd Quarter Revenue Budget Monitoring 2019/20

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2019/20 - 2024/25						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Base					
Net Spending to be Financed from Taxation	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	8,659	8,659	8,659	8,659	8,659	8,659
(a) <i>Annual Inflation</i>		342	677	1,007	1,326	1,648
(b) <i>One -off / non-recurring items</i>						
Local Elections (not held once every four years)		18	-	19	-	20
(c) <i>Committed Growth / Cost reductions</i>						
Change in grant for homelessness		45	139	139	139	139
Net cost of increasing recycling to meet 50% targets:						
- Full year impact of implementation of Alternative Weekly Collection		(70)	(70)	(70)	(70)	(70)
- Impact of introducing weekly food waste collections		-	72	72	72	72
Reduction in pension contributions		(90)	(213)	(341)	(341)	(341)
Net new committed growth items identified by heads of service approved in December		196	287	382	452	522
(d) <i>Impact of County budget reductions</i>						
Further reduction in supported housing budgets		270	270	270	270	270
Withdrawal of recycling support		377	377	377	377	377
(e) <i>Impact of capital programme</i>						
General Financing costs		150	274	431	554	581
Maximum impact of Gigabit Project		42	42	42	42	42
(f) <i>Additional income</i>						
Investment income		(33)	(42)	(50)	(59)	(68)
(h) <i>Provision for new growth items (see appendix 2)</i>		60	120	180	240	300
Total Cabinet Member Requirements	8,659	9,966	10,592	11,117	11,661	12,161

ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2019/20 - 2024/25


	2019/20 Base	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Total Cabinet Member Requirements	8,659	9,966	10,592	11,117	11,661	12,161
Income from grants and taxation						
<i>Business Rate Income</i>						
Baseline funding	1,739	1,767	1,802	1,838	1,875	1,913
Add: Net retained additional business rates	711	614	313	318	323	331
Add: Share of surplus /deficit (-)	(250)	(300)				
Add: Levy surplus	27					
Adjusted Business Rate Income	2,227	2,081	2,115	2,156	2,198	2,244
<i>Council Tax income</i>	6,347	6,530	6,676	6,825	6,978	7,134
<i>New Homes Bonus</i>						
New homes bonus (2016-20)	115	-	-	-	-	-
New homes bonus (2017-21)	1	1	-	-	-	-
New homes bonus (2019-23)	10	10	10	10	-	-
Total New Homes Bonus	126	11	10	10	-	-
<i>Collection fund surplus/deficit (-)</i>	(41)	(9)	-	-	-	-
Total Income from grants and taxation	8,659	8,613	8,801	8,991	9,176	9,378
AMOUNT REQUIRED TO BALANCE THE BUDGET	-	1,353	1,791	2,126	2,485	2,783


ADUR DISTRICT COUNCIL
Revenue Budget Summary Statement 2019/20 - 2024/25

	2019/20 Base	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE THE BUDGET	-	1,353	1,791	2,126	2,485	2,783
Savings / Initiatives identified to date:						
<i>Strategic Property Investment Fund</i>						
Future property purchases		500	700	900	1,100	1,300
New Office Block		55	55	55	55	55
Provision for future voids and repairs		(100)	(200)	(300)	(400)	(500)
<i>Affordable Housing Programme</i>						
Approved projects		380	410	410	410	410
<i>Commercial activities and commissioning</i>						
Commercial and Customer Activities		149	319	489	659	829
<i>Efficiency Measures</i>						
Service and Digital redesign		68	148	228	308	380
<i>Savings identified by Heads of Service</i>		327	505	545	545	545
Total savings initiatives identified to date		1,379	1,937	2,327	2,677	3,027
Cumulative savings still to be found/ (surplus)		(26)	(146)	(201)	(192)	(244)
Annual savings still to be found		(26)	(120)	(55)	9	(52)
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Annual increase (Band D property)		£5.99	£6.11	£6.23	£6.36	£6.48
Weekly increase (Band D property)		£0.12	£0.12	£0.12	£0.12	£0.12
Average annual increase (Band C property)		£5.32	£5.43	£5.54	£5.65	£5.76
Average weekly increase (Band C property)		£0.10	£0.10	£0.11	£0.11	£0.11

	Expected cost (cumulative)					
	2020/21			2021/22 and beyond		
	Joint (memo only)	Adur	Worthing	Joint (memo only)	Adur	Worthing
Service reinvestment proposal	£	£	£	£	£	£
Climate change and environmental investment proposals						
Ash Dieback Strategy (as per JSC report)						
Arboricultural Inspector resource	18,960	7,580	11,380	18,960	7,580	11,380
Surveys, road closure and associated costs	10,000	4,000	6,000	10,000	4,000	6,000
Sustainability manager	54,000	21,600	32,400	54,000	21,600	32,400
Climate change and protecting the environment are key priorities for the Councils, with a large programme of work ahead. In order to deliver this agenda, we need to increase resources and ensure both organisation and area based projects are supported and delivered.						
Homes and Communities Enabling Officer	32,000	12,800	19,200	32,000	12,800	19,200
To support our ambitions to build better and more creative relationships with Registered providers and developers and to involve our communities in the co-design of ideas and suggestions that meet our ambitions, we propose a part time role of Homes and Communities Enabling officer. Many local authorities have a housing enabling role which links to RPs and collates data. However we see this role as being critical to providing the resource to engage and involve communities in the design of place; the design of ideas that may use local CIL funds for example; and influencing the outcome of planning applications on what community benefit is desirable, as opposed to always thinking of the obvious off the shelf solutions (e.g a community centre) The officer will therefore work across housing - understanding housing need, planning - looking at forthcoming applications, with the new development team - building relationships with affordable homes providers and crucially with the communities and wellbeing teams. They will also be responsible for ensuring accurate and timely returns on data required by central government.						

	Expected cost (cumulative)					
	2020/21			2021/22 and beyond		
	Joint (memo only)	Adur	Worthing	Joint (memo only)	Adur	Worthing
Service reinvestment proposal	£	£	£	£	£	£
Service Designer Service design has been used in many projects including preventing homelessness, housing repairs, loneliness, supported housing and work & skills, delivering multiple benefits including cost saving and cost avoidance. This post will bring the specialist skills needed in-house, delivering a highly valued service at lower cost.	54,000	21,600	32,400	54,000	21,600	32,400
Asset Manager Following the expansion of the Council's asset portfolio, the council needs to invest into the management of the service to ensure it provides a sustainable level of income growth for the future.	45,000	18,000	27,000	60,000	24,000	36,000
Less: Provision for reinvestment back into services		-60,000	-90,000		-60,000	-90,000
Net impact of growth proposals	213,930	25,580	38,380	228,960	31,580	47,380

	Balance as at 01.04.19	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.20	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 CAPACITY ISSUES FUND Purpose: To enable the Council to fund one-off initiatives. Now includes Carry Forward Reserve.	426	-	(205)	221	-	-	221
2 INSURANCE FUND Purpose: To offset the costs of insurance excesses and fund insurance risk management initiatives.	153	31	(37)	147	30	(30)	147
3 PROPERTY INVESTMENT RISK RESERVE Purpose: To offset future void rental periods in investment properties.	-	560	-	560	200	-	760
4. SPECIAL & OTHER EMERGENCY RESERVE	60	-	-	60	-	-	60
5. ELECTION RESERVE To offset future maintenance costs of investment properties.	8	-	(8)	-	-	-	-

	Balance as at 01.04.19	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.20	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6. BUSINESS RATES SMOOTHING RESERVE	402	-	(321)	81	-	-	81
7. GRANTS & CONTRIBUTIONS HELD IN RESERVES *	563	-	-	563	-	-	563
8. RESIDUAL PROJECTED UNDERSPEND Reserves to be identified at outturn*	-	279 *see below	-	279	-	-	279
9. GENERAL FUND WORKING BALANCE	518	50	-	568	-	-	568
TOTAL	2,130	920	(571)	2,479	230	(30)	2,679

*contribution to be confirmed at year end

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE - Budget year 2020/21										
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	2,760.0	5,062.0	11,459.0	6,158.0	1,944.0	743.0	300.0	9.0	28,435.0
Less: Exemptions	0.0	-68.0	-65.0	-118.0	-86.0	-14.0	-10.0	-6.0	0.0	-367.0
	0.0	2,692.0	4,997.0	11,341.0	6,072.0	1,930.0	733.0	294.0	9.0	28,068.0
Disabled Relief Adjustment (net)	7.0	5.0	39.0	-5.0	-27.0	-10.0	-1.0	-2.0	-6.0	0.0
Chargeable Dwellings	7.0	2,697.0	5,036.0	11,336.0	6,045.0	1,920.0	732.0	292.0	3.0	28,068.0
Broken down as follows:										
Full Charge	5.0	918.0	2,915.0	7,751.0	4,513.0	1,508.0	595.0	259.0	2.0	18,466.0
25% Discount (including adj for SP Dis)	2.0	1,765.0	2,096.0	3,551.0	1,521.0	406.0	130.0	25.0	0.0	9,496.0
50% Discount	0.0	24.0	38.0	70.0	36.0	16.0	14.0	11.0	0.0	209.0
0% Discount (Long Term Empty Homes)	0.0	92.0	106.0	116.0	53.0	18.0	5.0	3.0	2.0	395.0
Total Equivalent Number of Dwellings	6.5	2,250.3	4,503.0	10,430.8	5,660.3	1,817.5	696.0	281.8	4.0	25,650.0
Reduction in tax base due to Council Tax Support	3.0	632.4	865.6	1,027.9	250.1	41.8	5.0	1.3	0.0	2,827.1
Adjusted equivalent total dwellings	3.5	1,617.8	3,637.4	9,402.8	5,410.1	1,775.7	691.0	280.5	4.0	22,822.9
<u>Band D Equivalents</u>										
Revenue Support Settlement	2.0	1,064.8	2,819.3	8,355.6	5,409.5	2,170.1	998.0	467.5	7.9	21,294.8
Add: Forecast new homes	0.0	20.8	37.5	75.7	19.5	2.5	3.6	0.0	0.1	159.6
Less: Adjustments for Losses on Collection, and Void Properties	0.0	0.0	0.0	0.0	74.0	0.0	0.0	0.0	0.0	74.0
COUNCIL TAX BASE	2.0	1,085.6	2,856.8	8,431.3	5,355.0	2,172.6	1,001.6	467.5	8.0	21,380.4
										21,380.4

ADUR BUDGET 2020/2021
Summary of Executive Member Portfolios

APPENDIX 5

EXECUTIVE PORTFOLIO	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
Environment	2,272,600	2,522,040
Health and Wellbeing	1,269,140	1,274,720
Customer Services	1,507,950	1,430,250
Leader	624,800	638,050
Regeneration	1,765,060	1,734,060
Resources	1,111,680	(98,470)
Support Services Depreciation Not Charged To Services	249,790	55,670
NET SERVICE EXPENDITURE	8,801,020	7,556,320
Credit Back Depreciation / Impairments	(1,385,100)	(1,326,600)
Minimum Revenue Provision	1,242,940	2,356,630
	8,658,860	8,586,350
Transfer to / from Reserves	-	-
Balance Available to Transfer To / (From) Reserves	-	25,580
TOTAL BUDGET REQUIREMENT BEFORE EXTERNAL SUPPORT FROM GOVERNMENT	8,658,860	8,611,930
Baseline Funding	(1,738,820)	(1,767,150)
Additional business rate income	(461,370)	(313,440)
Levy Surplus	(26,680)	-
Other unfenced grants (New homes bonus)	(125,990)	(11,480)
Contribution to/ (from) Collection Fund	40,950	8,650
AMOUNT REQUIRED FROM COUNCIL TAX	6,346,950	6,528,510
COUNCIL TAX BASE	21,195.0	21,380.4
Average Band D Council Tax - Adur District	299.43	305.37
% increase		1.98%

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Bus Shelters, Street Lighting & Highways	54,600	58,040
Public Conveniences	230,370	218,590
Sustainable Development	29,360	30,100
	314,330	306,730
Customer & Digital Services		
Car Parking	(238,550)	(276,960)
	(238,550)	(276,960)
DIRECTOR FOR COMMUNITIES		
Leisure Client	490,820	481,940
	490,820	481,940
Environmental		
Foreshores	(35,490)	(40,590)
Allotments	(23,470)	(16,070)
Cemeteries	151,990	154,870
Parks	833,290	880,550
Abandoned Vehicles	5,850	5,850
Clinical Waste	1,430	(200)
Graffiti	4,480	4,920
Recycling	(433,020)	(117,840)
Refuse	828,980	815,960
Street Cleansing including Pest Control	570,620	554,720
Trade Refuse	(207,530)	(216,030)
	1,697,130	2,026,140
Housing		
Public Health Burials	2,870	2,870
	2,870	2,870
Wellbeing		
Pollution Control & Dog Control	35,150	35,480
	35,150	35,480
DIRECTOR OF ECONOMY		
Place & Economy		
Street Scene	(29,150)	(54,160)
	(29,150)	(54,160)
TOTAL ENVIRONMENT PORTFOLIO	2,272,600	2,522,040

ADUR - ENVIRONMENT PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES										
Business and Technical Services										
Bus Shelters, Street Lighting & Highways	-	30,230	-	7,170	-	(7,930)	29,470	13,490	15,080	58,040
Public Conveniences	-	164,200	-	120	-	(370)	163,950	13,790	40,850	218,590
Sustainable Development	-	-	-	-	-	-	0	30,100	-	30,100
Customer & Digital Services										
Car Parking	-	113,540	-	131,160	57,800	(686,520)	(384,020)	99,480	7,580	(276,960)
DIRECTOR FOR COMMUNITIES										
Leisure Client	-	51,040	-	4,150	135,000	(9,940)	180,250	13,490	288,200	481,940
Environment										
Foreshores	-	11,790	-	8,910	-	(121,570)	(100,870)	29,370	30,910	(40,590)
Allotments	-	17,770	-	-	-	(36,860)	(19,090)	-	3,020	(16,070)
Cemeteries	138,130	82,590	-	10,000	-	(209,710)	21,010	127,600	6,260	154,870
Parks	(76,360)	685,020	-	47,660	-	(155,820)	500,500	245,060	134,990	880,550
Abandoned Vehicles	-	-	-	5,850	-	-	5,850	-	-	5,850
Clinical Waste	(200)	-	-	-	-	-	(200)	-	-	(200)
Graffiti	3,190	-	-	-	-	-	3,190	1,730	-	4,920
Recycling	(237,160)	-	-	-	-	-	(237,160)	56,660	62,660	(117,840)
Refuse	524,780	-	-	-	-	-	524,780	179,560	111,620	815,960
Street Cleansing including Pest Control	556,040	-	-	-	-	(136,630)	419,410	89,480	45,830	554,720
Trade Refuse	138,140	-	-	255,870	-	(665,580)	(271,570)	22,880	32,660	(216,030)
Housing										
Public Health Burials	-	-	-	2,870	-	-	2,870	-	-	2,870
Wellbeing										
Pollution Control & Dog Control	34,030	-	-	-	-	-	34,030	-	1,450	35,480
DIRECTOR OF ECONOMY										
Place & Economy										
Street Scene	-	-	2,620	15,550	-	(72,330)	(54,160)	-	-	(54,160)
	1,080,590	1,156,180	2,620	489,310	192,800	(2,103,260)	818,240	922,690	781,110	2,522,040
Percentage Direct Cost	37%	40%	0%	17%	7%					

ENVIRONMENT SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2020/2021



SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	Committed Growth	Bids for Investment in Services	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES								
Business and Technical Services								
Bus Shelters, Street Lighting & Highways	54,600	320	2,500	-	-	-	620	58,040
Public Conveniences	230,370	3,130	-	-	-	(1,600)	(13,310)	218,590
Sustainable Development	29,360	-	-	-	-	-	740	30,100
Customer & Digital Services								
Car Parking	(238,550)	(10,670)	-	-	-	(30,000)	2,260	(276,960)
DIRECTOR FOR COMMUNITIES								
Leisure Client	490,820	500	-	-	-	-	(9,380)	481,940
Environment								
Foreshores	(35,490)	220	-	-	-	(5,180)	(140)	(40,590)
Allotments	(23,470)	420	-	-	-	6,530	450	(16,070)
Cemeteries	151,990	(1,710)	10,000	-	-	(27,280)	21,870	154,870
Parks	833,290	12,210	-	-	-	(1,920)	36,970	880,550
Abandoned Vehicles	5,850	-	-	-	-	-	-	5,850
Clinical Waste	1,430	-	-	-	-	-	(1,630)	(200)
Graffiti	4,480	-	-	-	-	-	440	4,920
Recycling	(433,020)	-	-	-	-	-	315,180	(117,840)
Refuse	828,980	-	-	-	-	-	(13,020)	815,960
Street Cleansing including Pest Control	570,620	(2,680)	-	-	-	-	(13,220)	554,720
Trade Refuse	(207,530)	(8,170)	-	-	-	-	(330)	(216,030)
Housing								
Public Health Burials	2,870	-	-	-	-	-	-	2,870
Wellbeing								
Pollution Control & Dog Control	35,150	-	-	-	-	-	330	35,480
DIRECTOR OF ECONOMY								
Place & Economy								
Street Scene	(29,150)	(1,420)	-	-	-	-	(23,590)	(54,160)
TOTAL COST	2,272,600	(7,850)	12,500	0	0	(59,450)	304,240	2,522,040

HEALTH AND WELLBEING PORTFOLIO



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
DIRECTOR OF COMMUNITIES		
Wellbeing		
Community Development, Fishersgate & Grants	350,570	353,110
Community Safety	237,060	245,760
Food Safety	157,520	158,720
Licensing	148,140	142,210
Public Health and Regulation	308,420	311,660
	1,201,710	1,211,460
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Emergency Planning	27,180	27,590
Street Lighting	40,250	35,670
	67,430	63,260
TOTAL FOR HEALTH AND WELLBEING	1,269,140	1,274,720

ADUR - HEALTH AND WELLBEING PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Wellbeing											
Community Development, Fishersgate & Grants	-	82,760	730	-	217,920	-	(15,300)	286,110	63,670	3,330	353,110
Community Safety	-	132,710	1,400	-	8,820	-	-	142,930	102,830	-	245,760
Food Safety	-	1,530	-	-	950	-	-	2,480	156,240	-	158,720
Licensing	8,160	119,950	-	-	13,410	-	(123,540)	17,980	124,230	-	142,210
Public Health and Regulation	-	4,600	-	-	15,400	4,820	(13,350)	11,470	296,720	3,470	311,660
DIRECTOR OF DIGITAL & RESOURCES											
Business and Technical Services											
Emergency Planning	-	5,580	-	-	-	-	-	5,580	22,010	-	27,590
Street Lighting	-	-	8,450	-	8,770	-	-	17,220	8,430	10,020	35,670
TOTAL COST	8,160	347,130	10,580	0	265,270	4,820	(152,190)	483,770	774,130	16,820	1,274,720
Percentage Direct Cost	1%	55%	2%	0%	42%	1%					

HEALTH AND WELLBEING SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2020/2021



SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Reduction In Income	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES										
Wellbeing										
Community Development, Fishersgate & Grants	350,570	-	-	-	-	-	-	-	2,540	353,110
Community Safety	237,060	30	-	-	-	-	-	-	8,670	245,760
Food Safety	157,520	-	-	-	-	-	-	-	1,200	158,720
Licensing	148,140	(1,510)	-	-	-	-	-	-	(4,420)	142,210
Public Health and Regulation	308,420	(260)	-	-	-	-	-	-	3,500	311,660
DIRECTOR OF DIGITAL & RESOURCES										
Business and Technical Services										
Emergency Planning	27,180	-	-	-	-	-	-	-	410	27,590
Street Lighting	40,250	260	-	(5,000)	-	-	-	-	160	35,670
TOTAL COST	1,269,140	(1,480)	0	(5,000)	0	0	0	0	12,060	1,274,720

**CUSTOMER SERVICES
PORTFOLIO**



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
DIRECTOR OF COMMUNITIES		
Housing		
Housing including Homelessness	957,460	950,240
Community Alarm	162,380	170,130
	1,119,840	1,120,370
DIRECTOR OF DIGITAL AND RESOURCES		
Revenues and Benefits		
Revenues	303,130	303,750
Benefits	84,980	6,130
	388,110	309,880
TOTAL FOR CUSTOMER SERVICES	1,507,950	1,430,250

ADUR - CUSTOMER SERVICES PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Housing											
Housing including Homelessness	-	288,050	263,660	440	926,770	112,060	(905,650)	685,330	264,910	-	950,240
Community Alarm	131,110	171,680	-	5,340	44,430	41,050	(330,200)	63,410	90,340	16,380	170,130
DIRECTOR OF CUSTOMER & DIGITAL SERVICES											
Revenues and Benefits											
Revenues	-	253,180	-	1,910	131,610	-	(156,280)	230,420	73,330	-	303,750
Benefits	-	372,800	-	150	29,120	16,567,490	(17,035,850)	(66,290)	63,860	8,560	6,130
TOTAL COST	131,110	1,085,710	263,660	7,840	1,131,930	16,720,600	(18,427,980)	912,870	492,440	24,940	1,430,250
Percentage Direct Cost	1%	6%	1%	0%	6%	86%					

ADUR CUSTOMER SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2019/2020



SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Reduction in Income	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES										
Housing										
Housing including Homelessness	957,460	19,110	-	45,000		-	-	(80,000)	8,670	950,240
Community Alarm	162,380	(6,470)	-	-	-	-	-	-	14,220	170,130
DIRECTOR OF DIGITAL & RESOURCES										
Revenues and Benefits										
Revenues	303,130	(3,060)	-	-	-	-	-	-	3,680	303,750
Benefits	84,980	(3,590)	-	-	-	-	-	-	(75,260)	6,130
TOTAL COST	1,507,950	5,990	0	45,000	0	0	0	(80,000)	(48,690)	1,430,250

**LEADER
PORTFOLIO**



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
CHIEF EXECUTIVE Communications Strategic Planning	£ 880	£ 880
	880	880
DIRECTOR OF COMMUNITIES Wellbeing Members Leaders Support for Cultural Projects	388,850 40,000	380,000 40,000
	428,850	420,000
DIRECTOR OF DIGITAL AND RESOURCES Customer & Digital Services Elections	195,070	217,170
	195,070	217,170
TOTAL for LEADER	624,800	638,050

ADUR - THE LEADER PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE											
Communications											
Strategic Planning	-	-	-	-	-	-	-	0	880	-	880
DIRECTOR OF COMMUNITIES											
Wellbeing											
Members	219,110	86,760	-	-	12,280	-	(15,600)	302,550	77,450	-	380,000
Leaders Support for Cultural Projects	-	-	-	-	40,000	-	-	40,000	-	-	40,000
DIRECTOR OF DIGITAL & RESOURCES											
Customer & Digital Services											
Elections	25,000	79,610	2,000	-	59,380	-	(3,300)	162,690	51,690	2,790	217,170
TOTAL COST	244,110	166,370	2,000	0	111,660	0	(18,900)	505,240	130,020	2,790	638,050
Percentage Direct Cost	47%	32%	0%	0%	21%	0%					

THE LEADER - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2020/2021

SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Compensatory savings	Bids for Investment in Services	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE										
Communications										
Strategic Planning	880	-	-	-	-	-	-	-	-	880
DIRECTOR OF COMMUNITIES										
Wellbeing										
Members	388,850	4,230	-	-	-	-	-	-	(13,080)	380,000
Leaders Support for Cultural Projects	40,000	-	-	-	-	-	-	-	-	40,000
DIRECTOR OF DIGITAL & RESOURCES										
Customer & Digital Services										
Elections	195,070	(20)	-	18,000	-	-	-	-	4,120	217,170
TOTAL COST	624,800	4,210	0	18,000	0	0	0	0	(8,960)	638,050

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
DIRECTOR FOR COMMUNITIES		
Wellbeing		
Land Drainage	1,320	1,380
	1,320	1,380
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Coast Protection & Ditch Clearing	115,520	116,090
	115,520	116,090
DIRECTOR OF ECONOMY		
Grants		
Shoreham Harbour	33,630	101,880
	33,630	101,880
Planning & Development		
Planning Policy	319,140	327,930
Development Control & Major Projects	660,130	655,880
Building Control	202,660	149,350
	1,181,930	1,133,160
Place & Economy		
Regeneration	432,660	381,550
	432,660	381,550
TOTAL FOR REGENERATION	1,765,060	1,734,060

ADUR - REGENERATION PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES											
Wellbeing											
Land Drainage	-	-	-	-	30	-	-	30	-	1,350	1,380
DIRECTOR FOR DIGITAL AND RESOURCES											
Business and Technical Services											
Coast Protection & Ditch Clearing	-	-	4,330	-	5,820	-	-	10,150	25,720	80,220	116,090
DIRECTOR OF ECONOMY											
Grants											
Shoreham Harbour	205,790	-	-	-	-	-	(143,100)	62,690	39,190	-	101,880
Planning & Development											
Planning Policy	-	6,390	-	-	17,790	-	-	24,180	303,750	-	327,930
Development Control & Major Projects	-	442,040	-	-	8,620	5,380	(279,090)	176,950	478,930	-	655,880
Building Control	-	240,960	-	-	-	-	(240,800)	160	149,190	-	149,350
Place & Economy											
Regeneration	-	126,770	-	-	80,810	-	-	207,580	144,940	29,030	381,550
TOTAL COST	205,790	816,160	4,330	0	113,070	5,380	(662,990)	481,740	1,141,720	110,600	1,734,060
Percentage Direct Cost	18%	71%	0%	0%	10%	0%					

REGENERATION SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2020/2021

SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Compensatory savings	Bids for Investment in Services	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES										
Wellbeing										
Land Drainage	1,320	-	-	-	-	-	-	-	60	1,380
DIRECTOR FOR DIGITAL AND RESOURCES										
Business and Technical Services										
Coast Protection & Ditch Clearing	115,520	90	-	-	-	-	-	-	480	116,090
DIRECTOR OF ECONOMY										
Grants										
Shoreham Harbour	33,630	-	-	60,700	-	-	-	-	7,550	101,880
Planning & Development										
Planning Policy	319,140	-	-	-	-	-	-	-	8,790	327,930
Development Control & Major Projects	660,130	(5,240)	-	-	-	-	-	(12,000)	12,990	655,880
Building Control	202,660	(3,580)	-	-	-	-	-	(50,000)	270	149,350
Place & Economy										
Regeneration	432,660	-	-	-	-	-	-	-	(51,110)	381,550
TOTAL COST	1,765,060	(8,730)	0	60,700	0	0	0	(62,000)	(20,970)	1,734,060

RESOURCES PORTFOLIO



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Community Centres	124,760	161,950
	124,760	161,950
Finance		
Corporate Management & Pension costs	1,945,200	2,189,440
Treasury Management	1,052,820	2,348,550
	2,998,020	4,537,990
Revenues & Benefits		
Non Domestic Rates	(32,650)	(41,000)
	(32,650)	(41,000)
DIRECTOR OF ECONOMY		
Major Projects and Investment		
Estates	(1,958,380)	(4,737,840)
	(1,958,380)	(4,737,840)
Planning & Development		
Land Charges	(20,070)	(19,570)
	(20,070)	(19,570)
TOTAL FOR RESOURCES	1,111,680	(98,470)

ADUR - RESOURCES PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Transfer to/from Reserves	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES												
Business and Technical Services												
Community Centres	-	37,130	68,720	-	4,230	-	-	110,080	36,150	-	15,720	161,950
Finance												
Corporate Management & Pension costs	1,211,730	58,650	125,890	-	623,620	-	(520,330)	1,499,560	752,400	(62,520)	-	2,189,440
Treasury Management	-	-	-	-	25,000	-	(355,040)	(330,040)	880	-	2,677,710	2,348,550
Revenues & Benefits												
Non Domestic Rates	-	58,880	-	-	7,470	-	(107,350)	(41,000)	-	-	-	(41,000)
DIRECTOR OF ECONOMY												
Major Projects and Investment												
Estates	-	15,960	149,010	-	15,240	-	(5,144,110)	(4,963,900)	113,000	-	113,060	(4,737,840)
Planning & Development												
Land Charges	-	35,170	-	-	20,200	-	(105,280)	(49,910)	30,340	-	-	(19,570)
TOTAL COST	1,211,730	205,790	343,620	0	695,760	0	(6,232,110)	(3,775,210)	932,770	(62,520)	2,806,490	(98,470)
Percentage Direct Cost	49%	8%	14%	0%	28%	0%						

RESOURCES SERVICES - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2020/2021

SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Bids for Investment in Services	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Business and Technical Services											
Community Centres	124,760	550	-	25,000	-	-	-	-	-	11,640	161,950
Finance											
Corporate Management & Pension costs	1,945,200	38,540	-	167,000	-	-	-	-	(324,040)	362,740	2,189,440
Treasury Management	1,052,820	-	-	21,000	-	38,000	-	(33,000)	(58,330)	1,328,060	2,348,550
Revenues & Benefits											
Non Domestic Rates	(32,650)	(210)	-	-	-	-	-	-	-	(8,140)	(41,000)
DIRECTOR OF ECONOMY											
Major Projects and Investment											
Estates	(1,958,380)	1,330	-	(2,600)	-	-	-	-	(455,000)	(2,323,190)	(4,737,840)
Planning & Development											
Land Charges	(20,070)	(2,060)	-	-	-	-	-	-	-	2,560	(19,570)
TOTAL COST	1,111,680	38,150	0	210,400	0	38,000	0	(33,000)	(837,370)	(626,330)	(98,470)