

ARUN DISTRICT COUNCIL

BUDGET 2016/17

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ARUN DISTRICT COUNCIL BUDGET 2016/17

REPORT BY THE HEAD OF FINANCE AND PROPERTY

1. Introduction

1.1 The budget for 2016/17 was considered by the Overview Select Committee on 26th January 2016 and by Cabinet on 8th February 2016 before being formally approved by Full Council on 23rd February 2016. The budget book sets out the Capital, Housing Revenue and General Fund Revenue budget for 2016/17 in a summarised format. These budgets have been prepared taking account of the following:

- The Medium Term Financial Strategy 2015/16 to 2020/21 considered at Cabinet 16th November 2015
- The provisional Local Government Finance settlement issued by the Department of Communities and Local Government (DCLG) in December 2015
- Housing Revenue Account business plan
- The 2015 Spending Review

1.2 The Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of the estimates made for the purposes of calculating Council Tax and housing rent levels, and the adequacy of the proposed financial balances. I am satisfied that the estimates, as presented in the draft budget, are sufficiently robust and that the reserve balances proposed for 2016/17 are adequate. However, there are concerns relating to the HRA balance from April 2017 onwards as outlined in paragraph 7.5.

2. Local Government Finance Settlement and Council Tax

2.1 The provisional Local Government Finance Settlement issued by the Department of Communities and Local Government (DCLG) in December 2015 is the fourth year of funding under the new Business Rates Retention scheme.

2.2 The scheme focuses on promoting economic growth through retention of business rates. This is a significant change in the way Central Government financially supports Local Councils from 2013/14 onwards.

2.3 The Business Rates Retention scheme has transferred a considerable risk to the council by linking DCLG support directly to the local economy. This is a strong incentive for the Council to ensure that the business ratings list is fully inclusive

and to encourage a buoyant local economy. It is also important to note any significant negative changes in the value of the ratings list will directly reduce the level of funding received in future, such as valuation appeals which can go back a number of years.

- 2.4 The Council has set up a specific Business Rate Equalisation Reserve to help mitigate the risk associated with the volatility of the scheme.
- 2.5 The 2015 Spending Review announced a number of significant changes in the way Local Government will be funded in the future. The announcements made confirmed the proposal for the 100% business rate retention by 2020. It is anticipated that this will go out to consultation during 2016. There is anticipated to be a shift between the tiers of local government and the potential of transferring extra responsibility (and cost) to Local Government.
- 2.6 The New Homes Bonus (NHB) was introduced in 2011/12. The aim of the grant is to create an incentive which rewards local authorities that deliver sustainable housing growth in their areas. The basis of the grant is that for each new housing unit delivered an annual bonus of £1,500 (band D equivalent) will be paid for six years (of which 80% is paid to the District Council and 20% to the County Council). In addition, a £350 bonus is also paid for each additional unit of affordable housing.
- 2.7 The New Homes Bonus increased by £926k to £4.014m for 2016/17. The Council has had significant benefits from the New Homes Bonus. However, the increasing amount of NHB awarded should be considered in light of significant reductions in other sources of external funding, notably Revenue Support Grant. The level of NHB is summarised in the table below:

NHB Payment relating to:	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
2011/12	509	509	509	509	509	509
2012/13		556	556	556	556	556
2013/14			1,000	1,000	1,000	1,000
2014/15				484	484	484
2015/16					539	539
2016/17						926
Total	509	1,065	2,065	2,549	3,088	4,014

- 2.8 There is a proposal to change the New Homes Bonus, which is currently out to consultation. The potential changes include a reduction in the number of years on which current and future payments are made; a reduced level of grant for those authorities that have not published or adopted a Local Plan; withholding grant for developments approved on appeal; and a deadweight adjustment for development which would have been judged to have occurred naturally without the NHB incentive. The changes are anticipated to take effect from 2017/18. The changes will almost certainly lead to significant reductions in NHB and an assessment will be made following the conclusion of the consultation exercise.

2.9 The changes in Government grant funding are summarised in the table below:

Non-Ringfenced Grant Income	2015/16	2016/17	Change
	£`000	£`000	£`000
Business rates retention*	3,491	3,183	(308)
Revenue Support Grant (RSG)**	2,820	1,666	(1,154)
Total Formula Grant:	6,311	4,849	(1,462)
New Homes Bonus:	3,088	4,014	926
Other non-ringfenced grants:			
Housing Benefits Administration Grant	634	524	(110)
Localising Council Tax Support Administration Grant	175	157	(18)
Localising Council Tax Support s32 Grant	29	0	(29)
Business rates collection allowance	174	174	0
Total Other Non-ringfenced grants:	1,012	855	(157)
Total non-ringfenced grant income	10,411	9,718	(693)
*including s31 grants, Tariff and Levy			
** RSG adjusted for Council Tax Freeze Grants			

2.10 The Council Tax income figure of £9.614m for Arun (excluding Parish/Town Councils) referred to in the General Fund Summary is based on an Arun Band D Council Tax of £166.32 (an increase of £4.95 per annum or 3.1%). This is the first increase since 2010/11.

3. Budget Assumptions

- 3.1 The budget for 2016/17 includes provision for a 1.0% pay award. As in previous years, no provision has been made for price increases in goods, services and contracts except where there is clear evidence of the need for it.
- 3.2 The budget reflects the loss of the 3.4% Employers National Insurance Contribution contracting out rebate resulting from the Governments single tier pension.
- 3.3 With regard to fees and charges, increases have been applied either in accordance with statutory provisions, or, where the Council has discretion, having regard to specific service circumstances. The fees and charges for car parks have been increase by an average of approximately 11%.
- 3.4 HRA rents have been set at 1% below the 2015/16 current year's level in accordance with statutory provisions (Welfare Reform and Work Bill).

4. General Fund Revenue Budget

- 4.1 A summary of the General Fund Revenue budget showing 2015/16 Original Budget and 2016/17 proposed budget, summarised by Service Portfolio is shown on page 12. A summary of the projected movement on General Fund Reserve is shown in the table below:

General Fund Reserve Movement	Original Budget £`000	Current Budget £`000	2016/17 Budget £`000
Net Budget Requirement	25,094	26,106	23,974
Financed by:			
Government Grants and Retained Business Rates	(10,411)	(11,148)	(9,718)
Council Tax (including collection fund surplus)	(12,809)	(12,809)	(13,537)
Taken From / (Added to) Balances	1,874	2,149	719
General Fund Balance 01 April 2015*	12,035	12,035	10,664
Supplementary Estimates		(275)	
Outturn on General Fund	(1,874)	(1,874)	(719)
Current Budget Variation Estimated Outturn 2015/16	0	778	
General Fund Balance 31 March 2016	10,161	10,664	9,945
* current budget estimate November 2015			

- 4.2 The proposed 2016/17 budget draws (£0.719m) from reserves, a change of (£1.155m) from the 2015/16 original budget. Budget monitoring as at November 2015 is showing a current budget variation of £778k, resulting in an estimated draw down from reserves of (£1.371m) for 2015/16 after supplementary estimates totalling (£275k).
- 4.3 The (£719k) proposed draw down from reserves for 2016/17 includes £1.560m revenue funding towards a significantly enhanced capital programme (approved by Cabinet in November 2015). It should be noted that this expenditure is one-off in nature.
- 4.4 The Council is anticipating the receipt of significant s106 sums for maintenance in perpetuity in respect of a number of sites and these sums will enhance the forecast level of General Fund balance. However, the receipt of these sums will also lead to the requirement for additional revenue expenditure in respect of maintaining the relevant sites. These sums are not included in the budget for 2016/17 as the timing of the receipts is not certain.

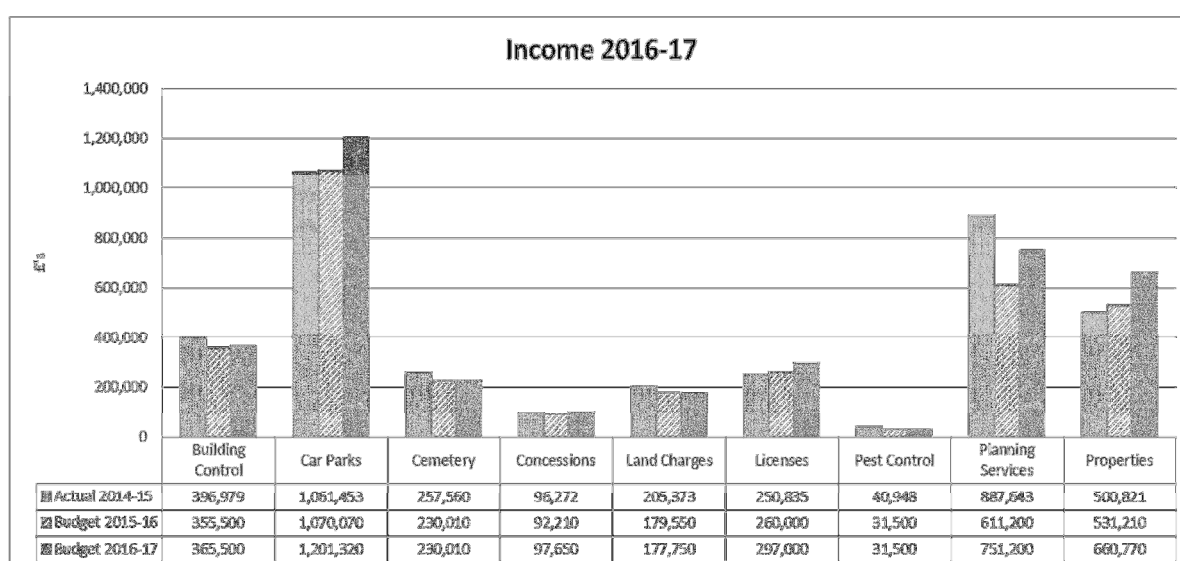
4.5 A summary of headline changes is given below:

General Fund Budget 2016/17	Changes +/- £ 50k	£'000
Service changes:		
Pay award		126
Superannuation rate increase		90
Increase in employers national insurance contributions		217
Planning market supplement		139
Rent Allowances changes in claimant status		274
Fall out of 2015 District Election		(100)
Registration of Electors (Individual Elector Registration)		54
Empty Homes grants programme end of 2 year programme		(50)
Increase in income		(452)
Major contracts inflation		79
Leisure Management contract reduction net		(400)
Recycling credits		(175)
HRA recharge		(95)
IT rolling programme from projects		115
Other net service changes in service budgets <£50k		9
Net change in service budgets		(169)
Change in required Contingencies		489
Parish grant taper		(143)
Council Tax Income increase		(454)
Collection Fund surplus		(80)
Earmarked Reserves funding change		(345)
Interest & investment income		(59)
Capital expenditure financed from revenue change in capital programme		(1,038)
Change in Retained Business Rates		308
Reduction in RSG		1,154
Additional New Homes Bonus		(926)
Other non-ringfenced grants		157
Other changes <£50k		(49)
Net change in budgeted reserve movement		(1,155)
Reserve 2015/16 budgeted draw down		(1,874)
Reserve 2016/17 budgeted draw down		(719)
Net reserve change		1,155

4.6 The headline changes show that there is significant pressure on demand led services like Housing Benefit (and Homelessness). Overall the service budgets have not significantly changed from the previous year. The changes have all been specific with minimal general upward drift in the cost of service delivery. The single biggest increase has been in the cost of establishment inflationary increases through the pay award and changes in employers' pension and national insurance contributions.

- 4.7 The tendering of the Leisure Management contract is anticipated to deliver savings of around (£400k) depending on certain mobilisation issues.
- 4.8 The Registration of Electors budget has been under considerable pressure due to the processes required for the Individual electoral registration (IER) introduced in 2014. Additional funding was received in previous years but there has been no indication of additional funding for this service for 2016/17. The additional costs of £54k mainly relate to postages and printing.
- 4.9 The contingencies budget is assessed each year as a provision for known possible service changes that have not been sufficiently developed to fully cost into the budget. The budget includes £380k for projects relating to the new investment projects (paragraph 8.4) which are not capital by definition and cannot be included in the capital programme.
- 4.10 The Environment Agency (EA) is responsible for managing local water courses. There are two Internal Drainage Districts (IDDs) which fall within the Arun District (River Arun Drainage Board; and South West Sussex Drainage Board). The total levy for both IDDs was £149k for 2015/16. The EA anticipates that the IDDs in the Arun District will be abolished by the autumn of 2016, subject to ministerial (Defra) approval. The responsibility for managing local water courses will then transfer to the Council. Latest indication is that £107k will be requested for 2016/17 (with any unspent balances being returned to the Council). A sum of £43k has also been included in the contingencies budget for 2016/17 for the costs of a post to ensure a smooth transition when the Council takes on the IDDs functions. A full report will be prepared for cabinet when further details become available.
- 4.11 The budget contains an £1.078m contribution from the specific Business Rate Equalisation Reserve which the Council has set up to help mitigate the risk associated with the volatility of the Business Rate Retention scheme.
- 4.12 Income from fees, charges and rents are included within net cost of service. In total this amounts to overall financing of £3.8 million. Income is a key risk area to the budget as it is predominantly externally influenced, without a direct link to service cost and each source is unique. Total income has increased by (£452k). The main income variations are summarised in the following paragraphs.
- 4.13 The budget for car parking charges has been increased by (£124k). Fees have not been increased for a number of years for reasons including the support of the local economy. A review of parking charges by the Environmental Services and Community Development Working Group (13th October 2015) confirmed that charges were below those of other Local Authorities and had not kept up with inflation and therefore recommended that charges be increased in a number of car parks (see also Cabinet 16th November 2015).
- 4.14 The budget for Development Control fees has been increased by (£140k) to more closely align with recent outturns.
- 4.15 The budget includes (£121k) of new property services income relating to the provision of beach huts. There are also projects identified in the new investment programme which will lead to future increases in income.

4.16 The graph below shows income by source and value, and demonstrates trend. The income estimates included in 2016/17 appear robust.



5. Earmarked Reserves

5.1 Earmarked Reserves are amounts of money specifically identified for operational purposes and held alongside the General Fund for drawdown as required. The total value of earmarked reserves at the end of 2014/15 financial year was £11.458m, with approved in-year virements of £4.304m during 2015/16. The carry forward balance into 2016/17 will therefore be a minimum of £7.154m, depending upon the amount of budget variation during 2015/16. Budget expenditure relating to these reserves is isolated from the cost of service for General Fund financing purposes. Earmarked reserves are drawn down into the budget as required through the virement approval process.

6. Risk analysis

6.1 Corporate and Operational risk registers have been reviewed for financial implications as part of the budget process on the criteria of probability of occurrence and materiality of impact upon balances.

6.2 The Our Future Council 2020 Vision report considered at full Council on 13th January 2016 summarises the progress that has made on the transformation process and outlines the next stage of the programme. At the point in time it is not possible to estimate the likely cost of the transformation programme with any degree of accuracy. A further report is due to go to Council to outline the required cuts and the potential costs associated with the changes which are likely to require a supplementary estimate during 2016/17 (as detailed in the report).

6.3 The NHB funding is currently out to consultation (as mentioned in 2.8 above). The potential change relating to a reduced level of grant for those authorities that have not published or adopted a Local Plan is a significant risk to future budgets.

- 6.4 The level of New Homes Bonus (NHB) has been relatively buoyant but this could easily change if the level of house building tailed off in the District and this is closely monitored on a monthly basis.
- 6.5 No provision has been made in the HRA budget in respect of the proposed levy re the sale of high value dwellings (7.8). No firm data has been made available in time to set the budget for 2016/17. There will almost certainly be significant adverse consequences for the HRA, leading to a further reduction in the level of balance.
- 6.6 The Council has gained substantial benefit from business rate growth, particularly due to the opening of new supermarkets in the district. However, there is a risk that the level of business rate appeals is more than has been anticipated and this risk lies with local government. The Council has set up a Business Rate equalisation reserve to mitigate this risk.
- 6.7 No further significant risks have been identified relating to 2016/17. However, some lesser risks are inherent within the overall budget. These are discussed below.
- 6.8 Income: the budget includes £3.8 million from fees, charges and rents; these have been set on the basis of achievement of the level of predicted income and previous outturn, including known changes in environment. A potential risk could be a poor summer resulting in lower car park income. A review of income has been undertaken and it is considered to be achievable.
- 6.9 Vacancy management factor continues to be set at £450k. The achievement of the target is dependent upon strict control of vacancies due to the low rate of staff turnover.
- 6.10 Homelessness: The number of people presenting as homeless is increasing, resulting in financial pressures on the Council. The mitigation is to ensure strict application of the eligibility criteria, sign posting to other more appropriate organisations and getting people onto Housing Benefit as soon as possible.

7. Housing Revenue Account Budget

- 7.1 A summary of the Housing Revenue Account (HRA) budget, including Major Repairs Reserve, is shown on page 35.
- 7.2 A complete reappraisal of the current year's HRA was undertaken as part of the budgetary process. The financing of the acquisition/new build programme was reassessed in the light of the available level of "1 for 1" receipts and a number of savings identified. However, these savings were more than offset by additional repair & maintenance costs, particular in respect of void dwellings (this issue is the subject of a separate Cabinet report). All these changes are reflected in the opening HRA balance for 2016/17.
- 7.3 The budget includes the approved acquisition/new build programme of £8m (49 dwellings). It is assumed that this programme will be funded from a mix of borrowing and "1 for 1" receipts.

- 7.4 HRA rents for 2016/17 have been set at 1% below the current year's level in accordance with the provisions of the Welfare Reform and Work Bill.
- 7.5 The HRA balance is expected to reduce steadily from April 2017, falling to below the recommended minimum level of £2m during 2020/21.
- 7.6 The phasing of the acquisition/new build programme will need to be carefully monitored to ensure that the requirements of the "three year rule" are met. ("1 for 1" receipts must be spent within three years or returned to the Government plus interest at 4% above base rate).
- 7.7 The priority given to the acquisition/new build programme means that there is no budgetary provision for major works at the sheltered schemes or for any possible emergency works relating to the existing stock
- 7.8 No provision has been made in respect of the proposed levy re the sale of high value dwellings. (This levy is intended to fund discounts for housing association tenants exercising their Right to Buy). No firm data is yet available but there will almost certainly be significant adverse consequences for the HRA, leading to a further reduction in the level of balance.

8. Capital, Asset Management and other projects Budget

- 8.1 A summary of the Capital, Asset Management and other projects budget is shown on page 36.
- 8.2 The new capital programme for 2016/17, together with the proposed method of financing, is set out in the table below. The programme includes the second stage of the major investment programme approved by Cabinet at its November 2015 meeting.

2016/17 Capital Programme	
General Fund :	£'000
New Investment Programme (Phase 2)	1,890
Asset Management	690
Disabled Facilities Grants	800
Other	1,153
Total General Fund	4,533
Housing Revenue Account :	
Improvements (including Decent Homes)	2,255
Total Housing Revenue Account	2,255
Total programme	6,788
Financed by :	
Capital Grants (Disabled Facilities Grant)	794
Capital Receipts	716
Charge to General Fund	1,870
Charge to Housing Revenue Account	2,255
Total Financing	5,635
Net Borrowing Requirement	1,153

- 8.3 The budget assumes capital receipts financing of £0.716m and prudential borrowing of £1.153m (for works at the Arun Leisure Centre). However, the actual use of capital receipts and prudential borrowing will depend on the nature of the expenditure incurred and the availability of alternative funding sources.
- 8.4 The enhanced new investment programme for 2016/17 includes expenditure that is not capital by definition and has therefore been included in the Contingency and Special Items budget to be vired to service when further detail is known. The table below shows the budgets for 2016/17. The budgets for 2017/18 and 2018/19 are also included, however, it should be noted that these budgets will be subject to annual appraisal and approval.

2016/17 New Investment Programme			
	£'000	£'000	£'000
	2016/17	2017/18	2018/19
Civic Centre Windows (phase 2 of 3)*	120	120	
Public Toilets (phase 2 of 5)*	200	200	200
Beach Hut Replacement (phase 2 of 2)*	110		
Resurfacing (phase 2 of 2)*	100		
Play Area Investment (phase 2 of 5)*	100	100	100
EH IT System**	170		
Marine Park Gardens Café	180		
Bognor Regis Seafront Hub (additional)	50		
RSL Housing Programme (phase 3 of 5)*	100	100	100
LSSC New Build Capital **	610	7,800	6,350
LSSC New Build Revenue **	150	70	50
Community Flood Fund (phase 1 of 3)***	250	250	250
Future Schemes***	130	0	100
	2,270	8,640	7,150

* Included in the Capital Projects Prioritisation Report 15th September 2014 - C/031/150914
** Assumptions made with regards to the timings of cashflows and also the split between Revenue & Capital, at this time it is assumed that Project Management and Consultancy are revenue.
*** In contingency for 2016/17

8.5 Arun has entered into an agreement with the Government to retain the additional receipts generated by the relaxation of the Right to Buy discount rules (“1 for 1” receipts), subject to these receipts being used for the provision of new social housing and Arun matching every £30 of receipts with £70 of its own funding (the 70/30 rule). At current sale levels, these “1 for 1” receipts are accruing at the rate of some £0.840m per annum, which means that Arun is required to spend £2.800m in total (£0.840m X 100/30) per annum on the provision of new social housing.

8.6 The Local Authority Mortgage Scheme (LAMS) has been developed by CAPITA Asset Services to assist first time buyers who can afford mortgage repayments but are unable to fund the level of deposit required by the lenders. If the first time buyer meets the strict lending requirements of the financial institution and has a 5% deposit the Council would indemnify to the value of the difference between the loan amount (typically 75% of property value) and a 95% loan. The first time buyer would be able to obtain a 95% mortgage on similar terms to a 75% mortgage. The indemnity will be in place for a fixed 5 year period and would only be called upon if a loss is incurred by the lender. The scheme will be subject to a maximum per dwelling and a total indemnity of £1m. The details of the LAMS is contained in a report to be considered at full Council on 16th March 2016.

9. Conclusion

9.1 The General Fund revenue budget and Capital budgets are set robustly within the medium term financial strategy.

General Fund Revenue Budget Summary

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
	Cost of Service		
689	Community Services	679	778
1,905	Corporate Governance	1,800	2,074
544	Council Strategy	442	445
925	Environmental Services	1,735	1,831
1,453	Housing	1,020	1,001
5,935	Leisure and Amenities	5,013	3,997
393	Planning & Infrastructure	1,187	1,229
8,586	Support Services	7,976	8,423
0	Vacancy Management	(450)	(450)
(1,171)	Recharges to Housing Revenue Account	(1,041)	(1,136)
19,259	Total Cost of Service:	18,361	18,192
	Corporate Cost		
3,440	Parish Precepts	3,589	3,783
431	Grant payments to parishes	287	144
250	Other precepts and levies	253	210
(527)	Interest & investment income	(411)	(470)
0	Contingencies / miscellaneous	775	1,264
3,018	Contribution to/(from) earmarked reserves	(1,863)	(2,208)
418	Capital expenditure finance from revenue	2,908	1,870
1,228	Pension deficit contributions	1,195	1,189
8,258	Total Corporate Cost:	6,733	5,782
27,517	Total Net Budget Requirement	25,094	23,974
	Financed By		
(5,300)	Retained Business Rates	(3,491)	(3,183)
(3,768)	Revenue Support Grant	(2,820)	(1,666)
(2,550)	New Homes Bonus	(3,088)	(4,014)
(1,540)	Other non ringfenced grants	(1,012)	(855)
(9,020)	Council Tax Income - Arun Excluding Parishes	(9,160)	(9,614)
(3,440)	Council Tax Income - Town & Parish Councils	(3,589)	(3,783)
(100)	Collection Fund deficit/(surplus)	(60)	(140)
(25,718)	Total External Finance:	(23,220)	(23,255)
1,799	Transfer (to) / from General Fund Reserve	1,874	719

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Community Services Summary			
(119)	Arun Lifeline	(95)	(93)
207	Community Safety/Development	260	360
224	Day Centres	186	187
377	Voluntary Sector	328	324
689	Total for Community Services:	679	778

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Community Services			
<u>Arun Lifeline</u>			
85	Employees	105	102
13	Transport	12	12
34	Supplies and Services	31	36
48	Third Party Costs	57	57
(299)	Income	(300)	(300)
(119)	Total for Arun Lifeline:	(95)	(93)
<u>Community Safety/Development</u>			
209	Employees	240	320
5	Premises	0	1
5	Transport	7	6
101	Supplies and Services	37	34
(91)	Government Grants and Contributions	(2)	(1)
(22)	Other Charges	(22)	0
207	Total for Community Safety/Development:	260	360
<u>Day Centres</u>			
0	Employees	9	10
46	Premises	2	2
2	Supplies and Services	1	1
176	Third party costs	174	174
224	Total for Day Centres:	186	187

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Community Services (Continued)			
<u>Voluntary Sector</u>			
469	Employees	506	48
2	Premises	0	0
20	Transport	1	1
607	Supplies and Services	330	324
(472)	Income	(265)	(49)
(249)	Government grants and contributions	(244)	0
377	Total for Voluntary Sector:	328	324
689	Total for Community Services:	679	778

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Corporate Governance Summary			
223	Registration of Electors & Elections	241	183
1,894	Revenue & Benefits	1,912	2,214
(212)	Sundry Properties	(353)	(323)
1,905	Total for Corporate Governance:	1,800	2,074

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Corporate Governance			
<u>Registration of Electors & Elections</u>			
96	Employees	80	67
1	Transport	1	1
132	Supplies and Services	183	128
(6)	Income	(23)	(13)
223	Total for Registration of Electors & Elections:	241	183
<u>Revenue & Benefits</u>			
1,516	Employees	1,563	1,557
26	Transport	30	27
389	Supplies and Services	374	378
52,714	Transfer payments	52,750	52,380
(204)	Income	(197)	(158)
(52,547)	Government Grants and Contributions	(52,608)	(51,970)
1,894	Total for Revenue & Benefits:	1,912	2,214
<u>Sundry Properties</u>			
75	Premises	41	41
36	Supplies and Services	9	9
(323)	Income	(403)	(373)
(212)	Total for Sundry Properties	(353)	(323)
1,905	Total for Corporate Governance:	1,800	2,074

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Council Strategy Summary			
455	Economic Regeneration	310	313
89	Tourism	132	132
544	Total for Council Strategy:	442	445

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Council Strategy			
<u>Economic Regeneration</u>			
248	Employees	261	266
742	Premises	0	0
2	Transport	3	2
552	Supplies and Services	92	92
23	Third party costs	0	0
(1,112)	Income	(46)	(47)
455	Total for Economic Regeneration:	310	313
<u>Tourism</u>			
49	Employees	59	60
0	Transport	2	1
33	Supplies and Services	64	64
17	Third party costs	17	17
(10)	Income	(10)	(10)
89	Total for Tourism:	132	132
544	Total for Council Strategy:	442	445

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
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Environmental Services Summary

24	Cemeteries & Churchyards	43	62
264	Coast Protection & Land Drainage	55	52
77	Emergency Planning & Support	80	74
436	Environmental Health & Protection	505	531
124	Parks & Green Spaces	1,052	1,112
925	Total for Environmental Services:	1,735	1,831

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Environmental Services			
<u>Cemeteries & Churchyards</u>			
66	Employees	68	74
196	Premises	187	199
6	Transport	7	7
14	Supplies and Services	11	12
(258)	Income	(230)	(230)
24	Total for Cemeteries & Churchyards:	43	62
<u>Coast Protection & Land Drainage</u>			
400	Premises	63	46
6	Supplies and Services	6	5
1	Third party costs	1	1
(143)	Income	(15)	0
264	Total Coast Protection & Land Drainage:	55	52
<u>Emergency Planning & Support</u>			
71	Employees	72	66
2	Transport	3	3
31	Supplies and Services	5	5
(27)	Income	0	0
77	Total for Emergency Planning & Support:	80	74
<u>Environmental Health & Protection</u>			
585	Employees	643	659
32	Transport	40	33
95	Supplies and Services	95	115
(275)	Income	(273)	(276)
(1)	Grants and contributions	0	0
436	Total for Environmental Health & Protection:	505	531

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Environmental Services (Continued)			
<u>Parks & Green Spaces</u>			
503	Employees	545	563
698	Premises	627	689
58	Transport	64	55
293	Supplies and Services	216	219
6	Third party costs	7	0
(189)	Income	(96)	(106)
(45)	Government Grants and Contributions	0	0
(914)	Section 106 Income	(24)	(25)
(286)	Other Charges	(287)	(283)
124	Total for Parks & Green Spaces:	1,052	1,112
925	Total for Environmental Services:	1,735	1,831

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Housing Summary			
590	Homeless & Housing Advice	569	619
40	Pest Control	53	58
823	Private Sector Housing	398	324
1,453	Total for Housing:	1,020	1,001

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Housing			
<u>Homelessness & Housing Advice</u>			
253	Employees	277	299
8	Transport	8	7
482	Supplies and Services	387	424
(153)	Income	(103)	(111)
590	Total for Homelessness & Housing Advice:	569	619
<u>Pest Control</u>			
61	Employees	64	69
11	Transport	14	10
9	Supplies and Services	7	11
(41)	Income	(32)	(32)
40	Total for Pest Control:	53	58
<u>Private Sector Housing</u>			
237	Employees	298	306
10	Transport	14	14
699	Supplies and Services	86	833
9	Third party costs	10	10
(9)	Income	(10)	(45)
(123)	Government Grants and Contributions	0	(794)
823	Total for Private Sector Housing:	398	324
1,453	Total for Housing:	1,020	1,001

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Leisure and Amenities Summary			
(611)	Car Parks	(654)	(782)
4,368	Cleansing Services	4,469	4,407
2,178	Recreation, Sports & Culture	1,198	372
5,935	Total for Leisure and Amenities:	5,013	3,997

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Leisure and Amenities			
<u>Car Parks</u>			
139	Employees	146	150
320	Premises	252	251
17	Transport	20	18
46	Supplies and Services	51	51
202	Third party costs	204	210
(1,277)	Income	(1,259)	(1,396)
(58)	Contributions	(68)	(66)
(611)	Total for Car Parks:	(654)	(782)
<u>Cleansing Services</u>			
257	Employees	256	258
174	Premises	108	109
24	Transport	28	23
74	Supplies and Services	95	104
5,863	Third party costs	5,882	6,045
(1,831)	Income	(1,743)	(1,989)
(193)	Contributions	(157)	(143)
4,368	Total for Cleansing Services:	4,469	4,407
<u>Recreation, Sports & Culture</u>			
267	Employees	272	267
946	Premises	320	327
14	Transport	13	14
455	Supplies and Services	103	105
741	Third party costs	646	53
(245)	Income	(156)	(394)
2,178	Total for Culture & Heritage:	1,198	372
5,935	Total for Leisure and Amenities:	5,013	3,997

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
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Planning & Infrastructure Summary

35	Building Control	104	112
(3)	Bus Shelters & Street Nameplates	(2)	26
(311)	Housing Strategy & RSL's	94	95
(15)	Land Charges	(75)	(77)
614	Planning & Development Control	1,066	1,058
73	Travellers Site	0	15
393	Total for Planning & Infrastructure:	1,187	1,229

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Planning & Infrastructure			
<u>Building Control</u>			
345	Employees	407	425
18	Transport	24	24
24	Supplies and Services	29	29
45	Third party costs	0	0
(397)	Income	(356)	(366)
35	Total for Building Control:	104	112
<u>Bus Shelters & Street Nameplates</u>			
0	Employees	0	27
16	Premises	10	11
(19)	Income	(12)	(12)
(3)	Total for Bus Shelters & Street Nameplates:	(2)	26
<u>Housing Strategy & RSL's</u>			
83	Employees	88	90
1	Transport	0	1
94	Supplies and Services	6	4
(489)	Section 106 Income	0	0
(311)	Total for Housing Strategy & RSL's:	94	95

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
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Planning & Infrastructure Summary (Continued)

Land Charges

87	Employees	82	79
1	Transport	1	1
103	Supplies and Services	22	21
(206)	Income	(180)	(178)

(15)	Total for Land Charges:	(75)	(77)
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Planning & Development Control

1,262	Employees	1,382	1,502
0	Premises	0	0
29	Transport	38	38
662	Supplies and Services	206	214
53	Third party costs	53	55
14	Transfer payments	0	0
(1,006)	Income	(611)	(751)
(355)	Government Grants and Contributions	(2)	0
(45)	Other Charges	0	0

614	Total for Planning & Development Control:	1,066	1,058
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Travellers Sites

73	Supplies and Services	0	15
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73	Total for Travellers Sites:	0	15
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393	Total for Planning & Infrastructure:	1,187	1,229
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Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Support Services Summary			
329	Arun Improvement Board	322	276
216	Communications	223	229
1,214	Corporate Management	1,259	1,320
648	Customer Services	702	711
660	Democratic Services	648	657
214	Engineering & Infrastructure Services	308	280
1,407	Facilities	637	652
1,375	Finance & Property	1,456	1,534
343	Human Resources	309	325
1,228	Information & Communication Technology	1,015	1,261
453	Legal & Administration	506	530
129	Policy & Partnerships	142	146
134	Print Unit & Post Room	227	214
236	Staff Support	222	288
8,586	Total for Planning & Infrastructure:	7,976	8,423

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Support Services			
<u>Arun Improvement Board</u>			
263	Employees	243	256
1	Transport	1	1
66	Supplies and Services	78	19
(1)	Income	0	0
329	Total for Arun Improvement Board:	322	276
<u>Communications</u>			
156	Employees	199	203
0	Transport	2	1
65	Supplies and Services	29	31
(5)	Income	(7)	(6)
216	Total for Communications:	223	229
<u>Corporate Management</u>			
1,186	Employees	1,226	1,289
16	Transport	19	16
12	Supplies and Services	14	15
1,214	Total for Corporate Management:	1,259	1,320
<u>Customer Services</u>			
633	Employees	686	693
0	Transport	0	1
15	Supplies and Services	16	17
648	Total for Customer Services:	702	711

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Support Services (Continued)			
<u>Democratic Services</u>			
127	Employees	132	134
4	Premises	1	1
16	Transport	15	15
514	Supplies and Services	501	508
(1)	Income	(1)	(1)
660	Total for Democratic Services:	648	657
<u>Engineering & Infrastructure Services</u>			
233	Employees	290	300
15	Transport	13	15
8	Supplies and Services	5	5
(42)	Income	0	(40)
214	Total for Engineering & Infrastructure Services:	308	280
<u>Facilities</u>			
136	Employees	151	162
1,207	Premises	468	478
12	Transport	14	5
99	Supplies and Services	51	53
(47)	Income	(47)	(46)
1,407	Total for Facilities:	637	652
<u>Finance & Property</u>			
1,052	Employees	1,141	1,213
12	Transport	15	15
325	Supplies and Services	304	312
(14)	Income	(4)	(6)
1,375	Total for Finance & Property:	1,456	1,534

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Support Services (Continued)			
<u>Human Resources</u>			
312	Employees	278	292
2	Transport	4	4
36	Supplies and Services	29	31
(7)	Income	(2)	(2)
343	Total for Human Resources:	309	325
<u>Information & Communication Technology</u>			
765	Employees	760	794
4	Transport	4	4
469	Supplies and Services	258	469
(10)	Income	(7)	(6)
1,228	Total for Information & Communication Technology:	1,015	1,261
<u>Legal & Administration</u>			
423	Employees	471	496
1	Transport	3	2
37	Supplies and Services	39	39
(8)	Income	(7)	(7)
453	Total for Legal & Administration:	506	530
<u>Policy & Partnerships</u>			
111	Employees	114	117
2	Transport	3	3
16	Supplies and Services	25	26
129	Total for Policy & Partnerships:	142	146

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Support Services (Continued)			
<u>Print Unit & Post Room</u>			
155	Employees	164	159
198	Supplies and Services	207	209
51	Third party costs	64	64
(155)	Income	(94)	(104)
(115)	Other Charges	(114)	(114)
134	Total for Print Unit & Post Room:	227	214
<u>Staff Support</u>			
38	Employees	30	78
98	Transport	90	100
103	Supplies and Services	102	111
(3)	Income	0	(1)
236	Total for Staff Support:	222	288
8,586	Total for Support Services:	7,976	8,423
<u>Other Cost of Service</u>			
0	Vacancy Management:	(450)	(450)
(1,170)	Recharges to Housing Revenue Account:	(1,041)	(1,136)
19,260	Total Cost of Service:	18,361	18,192

Housing Revenue Account Budget Summary

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Expenditure			
4,798	Supervision and management	4,622	4,991
3,770	Repairs and maintenance	3,958	4,434
2,480	Financing of capital expenditure	2,572	2,255
5,316	Net loan charges	5,250	5,250
16,364	Total Expenditure:	16,402	16,930
Income			
(16,141)	Rents (dwellings, garages, hostels, other property)	(16,307)	(16,092)
(598)	Charges for services and facilities	(610)	(631)
(76)	Interest on balance	(27)	(92)
(16,815)	Total Income:	(16,944)	(16,815)
(451)	HRA (surplus) / deficit	(542)	115
(5,927)	Balance brought forward	(2,599)	(5,478)
(6,378)	Balance carried forward	(3,141)	(5,363)

Capital, Asset Management and other projects Budget Summary

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
Capital expenditure by portfolio			
	Corporate Governance		
2,502	Asset Management	2,078	1,450
309	IT	1,140	170
0	Empty Homes	0	0
774	Council Strategy	0	0
1,452	Environmental Services	100	100
3,566	Housing	3,572	3,055
58	Leisure & Amenities	0	1,913
163	Planning & Infrastructure	100	100
8,824	Total Expenditure:	6,990	6,788
Summary			
5,898	General Fund	4,418	4,533
2,926	Housing Revenue Account	2,572	2,255
8,824	Total Expenditure	6,990	6,788

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
<u>Corporate Governance</u>			
Asset Management			
2,502	Planned/Reactive Maintenance	2,078	1,450
2,502	Total Expenditure	2,078	1,450
IT Services			
113	Arun Improvement Programme	150	170
0	Edge Switch Replacement	100	0
0	FMS Replacement	300	0
110	IT Rolling Programme	165	0
49	PSN Compliance	0	0
0	Storage Area Network	300	0
0	Telephone Switch Upgrade	125	0
7	WAN	0	0
30	Wireless Infrastructure	0	0
309	Total Expenditure	1,140	170
2,811	Portfolio Total:	3,218	1,620

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
<u>Council Strategy</u>			
Economic Regeneration			
774	Public Realm, Bognor Regis	0	0
774	Total Expenditure	0	0
774	Portfolio Total:	0	0
<u>Environmental Services</u>			
Children's Play			
0	Play Areas	100	100
0	Total Expenditure	100	100
Land Drainage			
1,452	East Bank Enhancements	0	0
1,452	Total Expenditure	0	0
1,452	Portfolio Total:	100	100

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
<u>Housing</u>			
Housing IT			
436	Simdell Replacement	0	0
436	Total Expenditure	0	0
Private Housing Services			
640	Disabled Facilities Grants	1000	800
0	Renewable Energy Loans	0	0
640	Total Expenditure	1000	800
Public Housing Services			
429	Disabled Facilities	400	400
49	Stock Development	0	0
176	Heating Programme	300	34
-4	Reroofing Programme	390	490
0	Lift Replacement Programme	50	50
626	Decent Homes	400	400
107	Decent Homes - Voids	100	140
151	Works to Glenlogie	0	0
125	Howard House Room Conversion	0	0
161	Subsidence works Canada Grove	0	0
420	Boiler Room Improvements	592	321
21	Playground Equipment	0	0
17	Buggy Stores	20	20
78	Home Security works	70	0
35	Fire Compliance	80	80
63	Walls	50	50
36	Windows & Doors	30	150
0	Roofline	0	120
0	Environmental & Estate Improvements	90	0
2,490	Total Expenditure	2,572	2,255
3,566	Portfolio Total:	3,572	3,055

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
<u>Leisure & Amenities</u>			
Sports Centres			
38	ALC 3G Pitch	0	0
0	Littlehampton Leisure Centre New Build	0	760
0	ALC Major Works	0	1,153
38	Total Expenditure	0	1,913
Culture & Heritage			
20	Arundel Heritage Centre	0	0
20	Total Expenditure	0	0
58	Portfolio Total:	0	1,913
<u>Planning & Infrastructure</u>			
Gypsy & Traveller Sites			
73	Gypsy & Traveller Sites	0	0
73	Total Expenditure	0	0
Register Social Landlords			
0	Balance of Programme	100	100
0	Market Site, Littlehampton	0	0
90	Hollyacre, Littlehampton	0	0
90	Total Expenditure	100	100
163	Portfolio Total:	100	100
8,824	Total Capital, Asset Management & other projects:	6,990	6,788

Actual 2014-15 £'000	Description	Budget 2015-16 £'000	Budget 2016-17 £'000
	<u>Capital Receipts</u>		
(1,884)	Sale of Council Dwellings	(1,920)	(1,800)
(670)	Other	0	0
(2,554)	Total Receipts:	(1,920)	(1,800)
382	Transferred to Government under pooling arrangements	300	313
13	Applied to finance capital expenditure	883	716
395	Total Expenditure:	1,183	1,029
(2,159)	Movement in year	(737)	(771)
(7,911)	Balance brought forward	(9,741)	(11,128)
(10,070)	Balance carried forward	(10,478)	(11,899)