



CORPORATE PLAN AND BUDGET 2013 / 2014



THE CORPORATE PLAN AND BUDGET REPORT 2013/14

Contents		Page(s)
Section 1	Overall Summary	3
	Key Factors Taken into Consideration	4 - 6
	Financial Outlook for 2013/14	7 - 11
	Plans for Service Redesign in 2013/14	12 - 14
	S25 Local Government Act 2003	14 - 15
	Risk Analysis	15 - 17
Section 2	Revenue Budget	19 - 84
	Contents	19 - 20
2a	Summary of Revenue Budget	21 - 22
2b	Service Budgets & Service Commentaries	23 - 82
2c	Benefits	83 - 84
Section 3	Capital Programme 2012/13 -2016/17	85 - 114
Section 4	Usable Reserves and Other Balances	115 - 118
Section 5	Financial Strategy	119 - 121
	Medium Term Financial Plan	121 - 124
	Inflation	125 - 127
Section 6	Collection Fund	129 - 130
Section 7	Council Tax Levels	131 - 137
Section 8	Glossary of Terms	139 - 144

1.0 Overall Summary

- 1.1 The financial outlook facing the Council in 2013/14 and beyond remains very challenging. The Chancellor's Autumn Statement on 5 December confirmed the continuing difficulties in the national economy. The projected economic growth rates were significantly reduced from previous forecasts. He also indicated that further reductions in public expenditure would be required in future years for the Coalition Government to achieve its deficit reduction goal.
- 1.2 Although the Chancellor said there would not be any *additional* reductions in local government funding on top of the cuts previously announced for 2013/14, he did say there would be a further 2% reduction in the overall local government budget in 2014/15. He also confirmed that the Coalition Government would be undertaking a Comprehensive Spending Review in the first half of 2013. Given the Government's desire to protect other budgets, it is unlikely that this will bring good news for the local government sector and so will affect our medium term financial plan.
- 1.3 This continuing squeeze on local government finance means the Council needs to continue the successful approach to service and financial planning it has adopted in recent years, namely to:
- maintain a tight control over costs by critically examining all its services and expenditure to ensure the Council is getting value for money;
 - protect frontline services and especially those used by vulnerable people in our communities;
 - ensure compulsory redundancies are a last resort;
 - protect the Council's reserves; and,
 - keep Council Tax as low as possible.
- 1.4 This approach has yielded over £5 million in efficiency savings and additional income in the last six years including a reduction in headcount of 16%. This has enabled the Council to continue to be a low spending, low Council Tax authority with services that perform well.
- 1.5 The Administration's Member Working Group on Service and Financial Planning met a number of times through the autumn and was chaired by the Leader of the Council. It considered the Council's financial outlook and reviewed all the proposals in this document.
- 1.6 In summary, the proposals offer a balanced budget for 2013/14 that:
- allocates resources to the Council's priorities;
 - protects key frontline services and existing levels of grant to the voluntary sector;
 - identifies a number of areas where it is felt savings can be made;
 - avoids the need for compulsory redundancies;
 - does not require any further increase in car parking or green waste charges;
 - continues to protect the Council's reserves position and funds the proposed capital programme;
 - freezes Council Tax for a third year (so it will remain at 2010/11 levels); and,
 - continues the Council's prudent use of New Homes Bonus.

2.0 Key Factors Taken Into Consideration

2.1 Corporate Priorities

2.1.1 The service and financial plans for 2013/14 have been developed in line with the Council's corporate priorities as follows:

Better Lives

Healthy Lifestyles
Opportunities and Quality of Life for All
Strong, Safe Communities

Better Environment

Quality and Sustainable Environment
Distinctive and Sustainable Towns and Villages

Better Services

Efficient and Effective Services
Strong Community Leadership

2.1.2 Similarly, the key themes and longer term challenges that the Council agreed with its partners in the District's Sustainable Community Strategy (approved by Council in April 2009) have been taken into account. These are organised under the four broad themes of:

- Protecting and Enhancing the Environment;
- Ensuring Cohesive and Safe Communities;
- Promoting Economic Vitality; and,
- Supporting Healthy Lifestyles.

2.2 Previous Actions and Initiatives

2.2.1 The plans set out in this document should also be seen in the light of the wide range of initiatives that have been implemented over the last six years. The Council has for example:

- taken advantage of 'big ticket' opportunities such as going to alternate weekly collections of household waste and recycling and introduced alternative arrangements for managing our leisure centres and public halls;
- significantly reduced senior management costs. The Management Team consists of half the number of posts compared to 6 years ago;
- worked to ensure our shared service arrangements have been productive. For example, as the lead council for Housing Benefits and Revenues services in CenSus (a shared service between Mid Sussex, Horsham and Adur Councils), we have improved service performance whilst reducing costs;
- borne down on central support costs. For example, in the past the Council has had a scrutiny team and a marketing team but neither exists now;
- ensured we always review whether in-year savings can be made permanent;
- applied improved procurement approaches to reduce the cost of the full range of supplies and services we use from print costs to stationary materials;

- streamlined processes and used new technology. For example, the use of electronic document management has been central to the improvement in the housing benefits service. Similarly, we have enhanced the transactional aspect of our web site and expanded our customer contact centre;
- examined service levels. For example, this identified cost reductions in the landscapes service and the proposal agreed with SERCO on extending the expected life of their refuse freighters;
- removed unaffordable staff benefits, principally the enhanced component of the car allowance scheme;
- reduced head count by managing staff vacancies and encouraging voluntary redundancies (where the service can be re-shaped to cope with the deletion of the post);
- improved staff productivity through our talent management and related work;
- sought opportunities to charge for discretionary services. This has included introducing new services such as the garden waste service and the street name and numbering service; charging for services that were previously free such as pre-application planning advice and rat treatments; and increasing charges for existing services where we thought the market could bear it such as car parking; and,
- Members have contributed to these efforts by originally freezing their allowances and then reducing them by an overall total of 5%.

2.2.2 Members should also be aware that each time we have proposed a service change or budget reduction, officers have assessed the potential impact on services and identified any necessary mitigating actions required to enable as smooth as possible an introduction of the change. This has been central to ensuring the Council has been intelligent in its service and financial planning and has not resorted to crude 'salami slicing' of budgets as we have seen in some other organisations. However, it also means that over this six year period, perhaps the more obvious and higher yielding savings initiatives have been implemented.

2.3 Service Plans and Performance

2.3.1 The plans in this document are underpinned by the service plans that have been produced by each business unit. The Council's performance statistics have shown for some time that the Council's services are generally performing well; that we do not have any failing services; and that there is a strong performance culture amongst the Business Unit Leaders to ensure that when performance levels are not as expected, remedial actions are quickly put in place. For this reason, the service plans have been developed on the assumption that existing levels of service performance are regarded as adequate and the service is 'fit for purpose'.

2.4 Changing Coalition Government Policy on the Funding of Local Government

2.4.1 In developing this Plan, the Administration's Member Working Group, Cabinet and officers have been very mindful of the changes the Coalition Government have been making in how local authorities are funded. In summary, the Government is:

- significantly reducing the amount of grant funding that councils receive;
- enabling each Council to retain a proportion of the business rates it collects (the Rate Retention Scheme);
- requiring each Council to design and implement a local Council Tax support scheme (while funding it to only 90% of its existing level) as a replacement for the national council tax benefit system;
- giving all Councils some flexibilities to adjust the discounts it gives on some classes of Council Tax (the so-called technical reforms);
- offering Councils a new funding stream, called New Homes Bonus (NHB), calculated on the number of new homes built in the area each year; and,
- providing another (though different) opportunity for Councils to freeze their Council Tax levels in 2013/14.

2.4.2 The expected impact of these changes on the Council's finances in 2013/14 and beyond is set out in more detail later. However, these changes are significant and have provided an additional level of complexity in developing our service and financial plans for 2013/14 and future years. In response, the guiding principle has been that the Council needs to be as financially self sufficient as possible. This will mean it is best placed to address further funding challenges that are likely to arise in the future (as the results of the 2013 Comprehensive Spending Review are announced) while continuing to deliver a wide range of value for money services to local people.

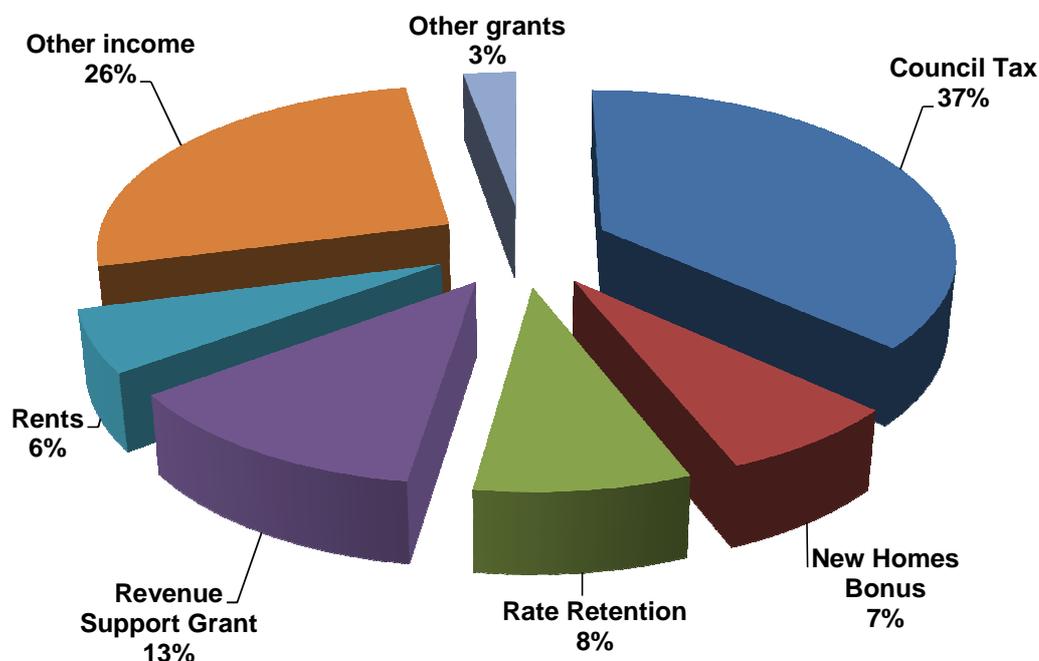
3.0 The Financial Outlook for 2013/14

(a) Income

3.1 Government Funding

3.1.1 This Council is one of a number of district councils that has suffered the highest level of grant reductions in the Country over the last two years with a 15.5% reduction in 2011/12 and a further 15.1% reduction in 2012/13. The Council received £4.085 million of Formula Grant for 2012/13 – equivalent to 20% of the Council's annual income. This is down from 23% in 2011/12 and 29% in 2010/11 when the amount received was £6.4 million. This dramatic reduction has meant that the Council has needed to find significant savings over the last few years.

3.1.2 For 2013/14, the Coalition Government has effectively replaced Formula Grant with three separate funding streams. These are the Rates Retention Scheme, the Revenue Support Grant, and New Homes Bonus. The pie chart below shows what proportion of the Council's income in 2013/14 is comes from each of the funding sources.



3.2 Rates Retention Scheme (RRS)

3.2.1 The Coalition Government is allowing local authorities to retain a proportion of the business rates generated in their areas. The stated intention of the policy is to encourage councils to promote business growth by incentivising them to increase the total rateable value of the business premises in the district. A baseline has therefore been set based on the average of the last two year's income and we can keep a proportion of the increase in income generated each year. Whilst this is a welcome innovation, it is not without risk since the income could go down as well as up, and it is unlikely that Mid Sussex will be actively increasing the business rate base in the short to medium term.

3.3 Revenue Support Grant (RSG)

3.3.1 RSG can be regarded as the residual part of funding under the new model. Whilst Rate Retention Scheme income is anticipated to be broadly stable with the possibility of growth, RSG is expected to reduce in line with government spending cuts. Over the longer term the forecast is that it will cease to provide any significant income at all.

3.4 New Homes Bonus (NHB)

3.4.1 As the importance of RSG diminishes, the NHB funding becomes more important. The level of NHB received is dependent on the scale of new housing completed each year. This Council will receive £735k in 2013/14 in addition to the payments continuing from the previous two years making a total of £1.601 million.

3.4.2 The table below shows the actual funds received to date and the estimated return in future years. The projection from Year 4 onwards is based on a prudent assumption that about 357 homes will be completed per year which would generate an additional £500k per year (for six years). This compares to the draft District Plan which has a requirement that 530 homes will be built on average each year. This level of development was achieved in 2011/12.

Year	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
1 st actual	360	360	360	360	360	360
2 nd actual		506	506	506	506	506
3 rd actual			735	735	735	735
4 th forecast				500	500	500
5 th forecast					500	500
6 th forecast						500
Total	360	866	1,601	2,101	2,601	3,101

3.4.3 So far, the Council has taken a prudent approach to NHB. In November 2011, £360k was allocated to supporting our Affordable Housing programme. This decision was taken when it became clear that other funding streams to help subsidise affordable housing had been severely affected by the cuts in public expenditure. A further £250k was agreed in September 2012 to finance Disabled Facilities Grants (DFGs) in 2012/13 to enable that service to catch up on a backlog and provide more assistance to those in need. Some additional uses of the funding included this year's budget are described in more detail later.

3.5 Income from Fees and Charges

3.5.1 The Council continues to generate substantial income from charging for a number of its own services. Added together, fees and charges are expected to represent about 26% of the Council's overall income i.e. a similar proportion to that received in funding from Government. In developing the budget for 2013/14, assumptions were made about the state of the local economy and in particular, the building related sectors that affect income from land charges, building control and development management. Some additional income is expected in 2013/14 and more details are set out later.

3.6 Council Tax

- 3.6.1 The MSDC element of the Council Tax charged across the district is set each year by the Council and it is the largest proportion of the Council's income, equivalent to 37% in 2013/14. The Council froze Council Tax in 2011/12 by taking advantage of a four year subsidy offered by the Coalition Government. The subsidy corresponded to an increase in Council Tax of 2.5%. As a 1% increase or decrease on the Tax at Band D equates to about £85k in revenue, this represented a subsidy of about £215k for each of the four years. Last year, the Council accepted a second opportunity to freeze Council Tax levels but this time the Government subsidy, again equivalent to 2.5% increase, was only offered for one year.
- 3.6.2 The Coalition Government has again offered a grant to Councils wishing to freeze their Council Tax levels, this year equating to a 1% increase in Council Tax, offered for two years. The Council considered this offer very carefully, recognising that in strictly financial terms, taking this further one year offer would add to the projected budget gap when the subsidies are withdrawn in 2015/16. However, being mindful of the continued financial pressure on local residents and especially those on low or fixed incomes the Council has taken up the offer to freeze Council Tax for a third year in succession (i.e. frozen at 2010/11 levels).

(b) Expenditure

In preparing the proposals for 2013/14, the following aspects of expenditure have been accounted for:

3.7 Inflation and Staff Salaries

- 3.7.1 Overall, net inflation relating to contracts and other expenditure is expected to be £285k in 2013/14. The principal increases are in contracts (£72k), maintenance (£48k) and postage (£26k). The inflation figure assumes a 1% pay increase for staff in 2013/14, equivalent to £78k. This would be the first increase for staff in three years but is dependent on the outcomes of national pay bargaining.

3.8 Other Staff Related Costs

- 3.8.1 On pensions, there are no changes to the Employer's contribution this year, although the sum payable with respect to the ongoing deficit reduction has increased to £881k. This was highlighted in the Corporate Plan and Budget in previous years and is part of the strategy to increase the funding level of the Mid Sussex element of the WSCC pension fund.
- 3.8.2 Severance costs associated with any staffing changes described in this report have or will be met from the Council's Job Evaluation and Redundancy Reserve or from in-year savings. At present, no extra provision is made for any costs arising from the job evaluation process currently being undertaken jointly with Unison. Once the process has reached a suitable point, Members will be informed of the short and longer term financial implications.

3.9 Collection Fund Surplus / Deficit

- 3.9.1 Officers are currently forecasting a £93k surplus on the Collection Fund. This has arisen as a result of more house building than forecast, fewer council tax discounts being awarded and the writing back of some Council Tax credits over 6 years old. This has the effect of increasing the overall level of funding available to the Council in 2013/14.

3.10 Council Tax Support Scheme

- 3.10.1 The Council has adopted a new, local scheme as the Government has passed responsibility almost completely to local authorities for scheme design, setup and administration. The scheme is designed to be funded entirely by the grant received and the effect on our financial plans is neutral overall.
- 3.10.2 In the past, the Council has been reimbursed pound for pound on all benefit payments, except where an error or fraud is found, where reimbursement changed to just £0.40 in every pound. The Council therefore immediately lost £0.60 in every pound. However, if we subsequently recovered the £1 from the claimant, we were able to keep all of it; thereby giving us £1.40 for our expenditure of £1. In the case of a council tax benefit debt, this overpayment was added back to the bill, thereby offering a reasonable security of debt over the medium term. Under the new arrangements this subsidy betterment is lost. Presently, this amounts to some £100k of income for the authority, and this loss of income has been factored into our spending plans.

3.11 Housing Benefit Administration Grant

- 3.11.1 The Housing Benefit Administration Grant is not a new source of funding but is one that has been re-categorised after the audit of our accounts for 2011/12. We can now show it as a 'financing item' for the first time, and it can be considered as similar to the other sources of income received.

3.12 'Into Work' Scheme

- 3.12.1 As part of the Council's local Council Tax Support Scheme, MSDC has committed to working with WSCC to commission projects to support people into work. The costs of this initiative are being split 80:20 with the County Council. This means that the Council will allocate £20k as part of a £100k scheme. Detailed proposals for the use of this budget will be considered by Scrutiny on 2 April and then by Cabinet on 8 April 2013.

3.13 Tax Base

- 3.13.1 The tax base for the year was set at Council on 23 January 2013 at a figure of 55,396.9 which represents a decrease of 4% on last year. This arises from there being growth from new properties of 1%; the effect of technical reforms adding another 1.1%; but the impact of the new Council Tax Support Scheme depressing the base by 6.1%. This gives a taxbase reduction of 4% overall although that will vary from parish to parish. This reduction in the taxbase means that we collect less Council Tax compared to the previous year. This reduction is then fully offset by Government Grant.

3.14 Balance Unallocated

- 3.14.1 This forms a contingency for the year and has been kept low for the last few years. In effect, we accurately balance the budget by appropriately varying this figure by small amounts and for 2013/14 we need to set it at £46k.

3.15 Capital Programme and Reserves Position

- 3.15.1 The Capital Programme is set out in detail in Section 3 of this document. It proposes that affordable housing will be funded through housing Section 106 and that Disabled Facilities Grants are funded through the allocation of New Homes Bonus as set out earlier, together totalling £930k, with the aim of helping to fund the delivery of approximately 100 new units over the next 5 years. Seven play areas will also be upgraded with new equipment and materials.

- 3.15.2 The most significant elements of the programme are centred on developments at Bridge Road, Haywards Heath. Two schemes are to be developed; a replacement depot from which Serco will operate the refuse and recycling contract and a small starter unit development, partly funded by WSCC, to support business development and the local economy.
- 3.15.3 The Council's reserves position is significantly better than 6 years ago following the implementation of a prudent package of actions agreed in previous budgets. It stands at £8.1 million of unearmarked funds at 01/04/12. However, and as set out in the September Cabinet report, it is recommended that the current prudent approach to reserves is maintained and that only high priority projects to invest in community assets, backed up by robust business cases, are considered next year. To aid this process, officers are working on an updated asset management plan which will be considered by Members in due course.

3.16 Four Year Position

- 3.16.1 The financial outlook for the Council over the next four years is summarised in the Medium Term Financial Plan (MTFP) in Section 5. It is always prudent to treat such projections with caution as circumstances can change quickly and the assumptions underpinning the figures might become out-of-date. This is particularly relevant at this time given the uncertainty created by the Coalition Government's deficit reduction programme; the changes to how local government is being financed; and, the state of the national economy.
- 3.16.2 However, it is still useful to see the overall picture. As further information becomes available and the results of the 2013 Comprehensive Spending Review are also published, the MTFP will be amended. Suffice to say, at this point, it is estimated that the Council will need to find further cost savings/efficiency reductions and/or generate additional income in future years in order to deliver balanced budgets:

2014/15	£298k
2015/16	£640k
2016/17	£303k

4.0 Plans for Service Redesign in 2013/14

4.0.1 The plans described below have been carefully developed so as to minimise as far as possible the impact on residents and service users. The aim has been to protect frontline services and ensure performance levels are maintained. There are no compulsory redundancies.

4.0.2 As usual, the service changes described below are a mixture of:

- making in-year savings permanent;
- further reducing management costs;
- implementing further phases of initiatives started in the 2011/12 budget;
- making changes in service provision; and,
- generating additional income where the market can bear it.

4.1 Savings from Service Redesign

4.1.1 It has been possible to identify £93k of efficiency savings as the Council continues to implement the 4 year cost reduction programme developed in 2010/11. These proposals comprise of:

- £10k of further savings in Landscapes as the third year of the changes to the Council's landscaping regime are implemented. The original proposals were agreed by Members in 2011/12 and they build on the £105k of savings already secured;
- £15k from tasking the Council's own Leisure Rangers to conduct playground inspections rather than use external contractors;
- £30k from savings in cleaning costs as a result of the programme to rationalise public toilet provision during 2011/12 and 2012/13;
- £7k from the green waste service after allowing for the effect of one year implementation costs incurred in 2012/13 only; and,
- £31k reduction in management costs from the removal of a business unit leader post in Leisure and Sustainability. The post holder left the Council last year so a permanent reduction in the budget can now be made.

4.2 Savings from Budget Working Papers

4.2.1 Whilst preparing the draft service budgets for next year and reviewing existing financial commitments from previous decisions made by the Council, officers have identified an additional net saving of £121k pa.

4.2.2 On the savings side, these are generally small scale savings relating to continued tight budget management such as reduced printing and telephone costs. The cost of the Council's external audit has also reduced as a consequence of the Audit Commission's auditing practice being disbanded. There are also some income adjustments for instance, additional income expected from the nationwide 15% increase in planning fees and some extra income from legal fees.

4.2.3 In terms of pressures, the Council will have to start paying, for example, for specialist ecology and archaeology advice it receives from WSCC. There are also some additional costs as a result of land adoptions across the district. Finally, we have agreed to make a one year investment in a county-wide initiative that will give us better access to specialist support for the customer relationship management system that drives the Customer Contact Centre.

4.3 On-going Savings from 2011/12

4.3.1 There are £44k of on-going savings from 2011/12 comprising of:

- £15k of utilities savings from improved meter monitoring systems in the pavilions as part of the Council's on-going drive to reduce our energy consumption;
- £4k of savings generated by reducing the frequency with which the signage in our parks and open spaces is renewed;
- £15k of further savings from car allowances due to a reduction in staffing in Development Management delivered last year; and,
- £10k saving from a negotiated reduction in the costs of the Council's internal audit contract. This proposal has been risk assessed and only affects discretionary work. The Council will still be spending £66k on internal audit work and £90k on external audit work in 2013/14.

4.4 Income from Fees and Charges

4.4.1 The Council has not, for 2013/14, increased any of its main fees and charges such as garden waste or car parking (although the impact of the Government's decision to increase planning fees by 15% is noted above). Despite this, a review of demand has shown that we can prudently increase income projections for car parking by £200k as there has been no price resistance to the increase in fees implemented as part of last year's budget. Similarly, levels of planning applications are estimated to be such in 2013/14 that it is prudent to budget for a £90k increase above 2012/13 levels.

4.5 Proposals for Use of New Homes Bonus

Disabled Facilities Grants (DFGs)

4.5.1 The provision of Disabled Facilities Grants is a statutory requirement on the Council. They fund much-needed adaptations to the homes of people with disabilities following an assessment of need. It is funded partly by Government and partly by the Council.

4.5.2 In the past, the Council funded its share of DFGs from reserves but as part of our strategy to protect reserves, the Council agreed to fund DFGs from the revenue budget from 2010/11. In 2013/14, DFGs expenditure of £425k will be funded through New Homes Bonus. It is a sensible use of New Homes Bonus and will both protect reserves and ensure there is a reliable source of funding in place for DFGs into the medium term.

Provision for SANG and SAMM

4.5.3 The Council is working hard to ensure a robust District Plan is in place. One aspect of this is the special European designation given to the Ashdown Forest, which can restrict development within 7km of the Forest. The sustainable way to mitigate the constraints and enable sensible development within the 7km zone (and thus contribute to the overall level of development anticipated in the draft District Plan) is the provision of a Suitable Alternative Green Space or SANG. The amount of land required for a SANG is around 15 hectares. The cost of maintaining the SANG will ultimately be funded from developer contributions but until the SANG is in place, the Council cannot collect these monies.

- 4.5.4 Development within the 7km zone will also need to contribute to on-site mitigation measures within Ashdown Forest itself. This is known as Strategic Access Management and Monitoring or SAMM. The Council needs to develop a suitable strategy in partnership with the other responsible local authorities (Wealden, Tandridge, Lewes and Tunbridge Wells) and the Ashdown Forest Conservators. As with the SANG, the on-going costs of the SAMM will be covered by developer contributions but in the meantime, the Council doesn't have any budgetary provision for developing the strategy or any set up costs.
- 4.5.5 A one off allocation from New Homes Bonus of £150k will be placed in a special reserve to enable the set up of a SANG and SAMM. Officers cannot currently estimate the exact costs of the SANG and SAMM but this proposal would ensure that finance is not a barrier to progressing both issues.

CPO Fund for Empty Homes

- 4.5.6 There is a significant issue nationally with long term empty homes. In Mid Sussex, we have over 350 properties that have been empty for over 6 months and 11 that have been empty for over 10 years as their owners cannot be persuaded to bring them back into use. They are a wasted resource, often unsightly and in disrepair, and can be the focus of break-ins and other problems for their neighbours.
- 4.5.7 From 2013/14 (under the new approach to the Technical Reforms to Council Tax) the Council will be able to charge the owner of an empty property an additional 50% of Council Tax where they have been empty for over two years. However, experience shows that a few persistent cases are very time consuming, with Council efforts to bring the property back into use being to no avail. To this end Council has set aside £50k of New Homes Bonus to fund the Compulsory Purchase of homes that have been empty for many years and where all other measures have failed. It is anticipated that this sum would enable the Compulsory Purchase of two long-term empty properties. It would involve giving the owner notice and the opportunity to sell their property voluntarily or take the necessary actions to bring it back into use. If this did not happen, the Council would obtain a Compulsory Purchase Order (CPO) (which can take between 6-12 months depending on whether it was contested), sell the property and reimburse the owner as and when they claim this money.
- 4.5.8 Experience in other local authorities is that the threat of a CPO will sometimes encourage owners to take action themselves to sell the property and also act as an encouragement to other owners of empty properties to get them back into use or sell them on. It should also be noted that bringing an empty property back into use would generate nearly £9k of New Homes Bonus for the Council over 6 years.

5.0 S25 Local Government Act 2003

- 5.1 Section 25 of the Local Government Act 2003 requires that:

"the chief finance officer of the authority must report to it on the following matters:

- (a) the robustness of the estimates made for the purposes of the calculations, and*
(b) the adequacy of the proposed financial reserves."

- 5.2 The annual budget is compiled in the context of the Corporate Plan, the Financial Strategy and the Medium Term Financial Plan. It provides the means whereby each service plan can be adequately financed to achieve the relevant part of the Corporate Plan. The recommendations for the budget for 2013/14 ensure that the net budget can be financed from Council Tax income, RSG, RRS Baseline Funding, Housing Benefit Administration Grant, a collection fund surplus and Council Tax freeze grant. This budget has been compiled in close consultation and agreement with the Chief Executive and the Heads of Service. The estimates have been evidenced in detailed working papers, which were compiled jointly between the staff of the Accountancy Section and each Head of Service.

The Head of Finance or his representative has also met with each Head of Service to ensure their detailed budget is well understood. This process has ensured that the implications of the estimates included in the budget are owned and are considered realistic and achievable by each Head of Service.

- 5.3 There are risks associated with any estimate and the main risks are explained below. It should be noted though, that the budget monitoring process updates both Officers and Members on the current and forecast position at frequent intervals. If this process exposes areas of concern, action will be taken to minimise the possibility of a significant variation. This process has been evidenced during previous years where Budget Management reports have continually adjusted the budget to ensure spending remains broadly on target.

6.0 Risk Analysis

- 6.1 The annual budget is the plan of how the Council will manage its finances in the next year. Approving the budget is the first step in managing the financial risks in the following year. However, in approving the budget, there are a number of key risks that need to be acknowledged. For 2013/14, the risks of adverse variances can be considered minimised because there are only a small number of minor changes proposed to service budgets. We have once again spread the risk around the budget and also achieved all of our savings in advance of the start of the financial year.
- 6.2 Assumptions have been made at the point the budget was prepared based on information currently to hand and there is always a risk that these assumptions do not hold true. However, again, senior management accept that these projections need to be managed in-year. Every effort will be made to identify opportunities to make further net savings in the year to accommodate any shortfall and to be used to offset further budget pressures that may arise.

Inflation

- 6.3 It is necessary to budget for the realistic probability that prices will increase. Clearly, this cannot be calculated accurately in advance and there is therefore a risk that prices will vary from the estimate. However, whilst inflation in recent years has been relatively stable, we are now in an economy where growth is negative or negligible but inflation is increasing by both RPI and CPI measures. There is therefore a risk that we have under-budgeted for expenditure that is actually increasing. The main component of inflation is now the annual pay settlement for staff. Within this budget a pay increase of 1% has been assumed. This represents a risk to the budget in the event that a greater increase is awarded, although this is not considered likely.
- 6.4 Any other adverse increase in prices, particularly on our contracts, could be contained by better procurement and energetic negotiation and we therefore consider this risk to be insignificant compared to the overall budget.

Cost Control – 2011/12 net savings made permanent

- 6.5 These are net savings arising from the budget preparation process. Some are budget reductions, whilst some relate to small increases in income. These latter carry similar risks to those outlined below in relation to income. Assumptions have been made at the point the budget was prepared based on information currently to hand and there is always a risk that these assumptions do not hold true. However, again, senior management accept that these projections need to be managed in-year. Every effort will be made to identify opportunities to make further net savings in the year to accommodate any shortfall and to be used to offset further budget pressures that may arise.

Service Redesign

- 6.6 There are a number of savings included within this heading, set out in Section 4 above, that present little by way of risk to the robustness of the budget.

Income Budgets

- 6.7 The budget requirement includes income from fees and charges which are inherently demand led. There is a risk, therefore, that budgeted income levels will not be achieved; conversely, they could be exceeded. For 2013/14 prudent assumptions are made, particularly around areas such as land charges and building control income, where we have used the 2012/13 budgets as the base figure. Our in-year monitoring shows that these are realistic figures to use.
- 6.8 There are two areas of income where some fluctuation can be expected; car parking and development management income.
- 6.9 We have now increased the car park income budget to the level of expected 2012/13 income. This makes explicit that the charging regime which started in July 2012 has not led to any consumer resistance and that the total income projection (without the anticipated fall-off) can now be assumed for future years.
- 6.10 Development Management income continues to enjoy strong growth although this may well be tempered by the abolition of the South East Plan. On balance, however, the likelihood is that income will overhaul projections as a result of applications for the larger sites coming forward.
- 6.11 The main risk to our income budget arises from the introduction of the Rate Retention Scheme. This firmly puts the risk of income shortfall with the local authority, whether that derives from a downturn in business rate collection from economic reasons, the outflow of cash for backdated Rateable Value appeals or a loss of a key business to another district. We are liable to the extent of the safety net i.e. after a drop of 7.5% or some £140,000. To mitigate this risk we are establishing an equalisation reserve which can be drawn on to enable spending on services to continue were we to drop to the safety net. This also enables us to budget at an expenditure level and be certain that we can finance the budget overall. The risk is therefore mitigated given that we will have £290,000 in the reserve.

Expenditure budgets

- 6.12 Most expenditure budgets can be effectively controlled by management. The experience of controlling previous years' budgets is that it is most effective when the budget is considered as a whole by the Management Team and the Chief Executive and the Heads of Service as a group own the need to aim for a nil overspend. This approach will be used again in 2013/14 and can be expected to rigorously control costs.
- 6.13 The most difficult area for 2013/14 is the new Council Tax Support Scheme (CTSS) and the inherent risk in funding a scheme with a cash limit. Whilst there can be no certainty as to the level of take up in the year, we are liable for 14% of any CTSS granted in excess of our cash grant.
- 6.14 To mitigate this risk, and in line with our approach to Housing Benefits, we are increasing our Equalisation Reserve and redefining it in order to smooth unexpected expenditure in both these areas. The reserve will now contain some £444,000 and this can be expected to reduce the risk to an insignificant level for the foreseeable future.

Reserves

- 6.15 The total of the Council's non-earmarked General Reserves as at 1st April 2013 are estimated to be £8,845k and at 1st April 2014 £9,129k. The financial strategy includes that the target for the minimum level of total unearmarked reserves is £1,500,000. The estimated positions at the start and end of the year demonstrate that this minimum level will be exceeded. The projections for reserves also include capital expenditure commitments and other commitments (included in the specific reserve). This level of reserves is considered adequate for managing the council's existing commitments whilst allowing the Council the scope to invest modestly in new capital projects over the forecast period.

Capital Programme

- 6.16 All the projects in the Programme are supported by existing or projected funding and reserves. There is no reliance on capital receipts being received in the year in which they are used for financing the programme.

REVENUE BUDGET CONTENTS

	Page
Section 2a	
Summary of Revenue Budget	21 - 22
Section 2b	
Service Budgets - Definitions	23 - 24
Service Budgets - Summary	25
Gross Expenditure & Income Summary	26
Specific Items Summary	27
Capital Charges Summary	27
Performance, Partnerships, Customer Services and Communications:	29 - 34
- Customer Services & Communications Business Unit	31 - 32
- Performance & Partnerships Business Unit	33 - 34
Economic Promotion and Planning:	35 - 40
- Planning Policy & Economic Development Business Unit	36 - 37
- Development Management Business Unit	38 - 39
- Planning Service Support Business Unit	40
Finance, Personnel & Payroll and CenSus:	41 - 51
- Finance Accountancy Business Unit	42 - 43
- Finance Corporate Business Unit	44 - 45
- Personnel & Payroll Business Unit	46 - 47
- CenSus ICT Business Unit	48 - 49
- CenSus Revenues & Benefits Business Unit	50 - 51

REVENUE BUDGET CONTENTS (CONTINUED)

Section 2b Cont'd	Page
Housing, Environmental Health and Building Control	53 - 59
- Housing Business Unit	54 - 55
- Environmental Health Business Unit	56 - 57
- Building Control Business Unit	58 - 59
Leisure and Sustainability	61 - 69
- Leisure, Community Services & Culture Business Unit	62 - 63
- Parking Services Business Unit	64 - 65
- Cleansing Services Business Unit	66 - 67
- Facility Management & Street-Scene Business Unit	68 - 69
Legal Services, Member Support Services & Elections, Property Services & Land Charges	71 - 79
- Legal Services Business Unit	72 - 73
- Property & Asset Management Business Unit	74 - 75
- Member Support Services & Elections	76 - 77
- Land Charges Business Unit	78 - 79
Strategic Core:	
- Strategic Core Business Unit	81 - 82
Section 2c	
Benefits Statement	83 - 84

SERVICE BUDGETS

1. Budgets for 2013/14 for each Business Unit are shown on the next pages. There is a section for each containing :
 - a) an introduction by the Head of Service for 2013/14;
 - b) tables showing the variation for each Business Unit between 2012/13 and 2013/14 budgets, and
 - c) a budget summary including an analysis by type of spending which shows data for 2011/12 outturn, original budget 2012/13 and budget 2013/14. Also included are figures to show the amount and percentage change between 2012/13 and 2013/14.

(Note that the signs for % increases and decreases are the same for both expenditure and income i.e. increases in expenditure and income are both shown as "+".)

2. *Definitions:*

Employee costs:

- Gross pay
- Employer's NI and superannuation contributions
- Training expenses
- Employee related insurances
- Recruitment costs
- Medical/ general costs

Premises related expenditure:

- Repairs and maintenance
- Energy costs
- Rental of premises
- Non-domestic rates
- Water / sewerage
- Fixture and fittings
- Cleaning and domestic supplies
- Premises insurance

Transport related expenditure:

- Vehicle maintenance / running expenses
- Vehicle leasing expenses
- Car allowances
- Vehicle insurance
- Other travel costs

Supplies and services:

- Furniture and equipment
- Materials
- Catering costs
- Uniform and laundry expenses
- Printing and stationery
- Marketing / publicity
- Legal and financial expenses
- Consultant fees
- Licences
- Postage, telephones and communications
- Computer costs
- Expenses
- Grants and subscriptions
- Miscellaneous expenses

Third party payments

- Private contractor payments

Transfer Payments

- Homelessness
- Funeral costs
- Housing benefits

Support Services

- Central support recharges
 - Finance
 - Legal
 - Personnel and payroll
 - Customer services and communications
 - Corporate health and safety
 - Democratic services
 - Contract support
 - Strategic management
 - Strategic core

- Office accommodation recharges

- Computer recharges

Income

- Customer and client receipts
- Rents
- Specific Government grants
- Other grants / reimbursements and contributions
- Recharges to other divisions and services

**REVENUE BUDGET 2013/14
SUMMARY**

Actual 2011/12 £'000		Budget 2013/14 £'000	Budget 2012/13 £'000	Change From 2012/13	
				£'000	%
(98)	Customer Services & Communications	0	0	0	
631	Performance and Partnerships	690	713	(23)	(3%)
636	Planning Policy and Economic Development	573	596	(23)	(4%)
656	Development Management	480	702	(222)	(32%)
0	Planning Service Support	0	0	0	
(2)	Finance Accountancy	(15)	(29)	14	(48%)
1,295	Finance Corporate	1,297	1,201	96	8%
21	Personnel & Payroll	0	0	0	
(258)	CenSus ICT	(116)	(141)	25	(18%)
1,399	CenSus Revenues & Benefits	1,658	1,177	481	41%
875	Housing	934	888	46	5%
920	Environmental Health	940	951	(11)	(1%)
220	Building Control	234	220	14	6%
1,974	Leisure, Community Services & Culture	1,734	1,784	(50)	(3%)
(892)	Parking Services	(1,169)	(955)	(214)	22%
2,650	Cleansing Services	2,724	2,640	84	3%
1,878	Facility Management & Streetscene	2,082	2,003	79	4%
(11)	Legal Services	0	0	0	
(1,064)	Property and Asset Management	(834)	(1,094)	260	(24%)
789	Member Support	754	792	(38)	(5%)
49	Land Charges	108	73	35	48%
1,145	Strategic Core	944	1,131	(187)	(17%)
(93)	Benefits	7	(93)	100	(108%)
12	Drainage Levies	12	13	(1)	(8%)
20	Balance Unallocated	46	45	1	3%
12,752	Council Net Expenditure	13,084	12,617	467	
	Capital schemes financed from revenue	50	50	0	
	Council Tax Support Scheme - welfare to work incentives	20		20	
	Contribution to Rate Retention Scheme Equalisation Reserve	290		290	
	Contribution to Benefits and Council Tax Support Scheme (CTSS) Equalisation Reserve	100		100	
	Contribution to Parish Councils	137		137	
	Contribution to Disabled Facility Grants	0	425	(425)	(100%)
	Council Tax Freeze Grant	0	(218)	218	(100%)
12,752	Total Revenue Spending	13,681	12,874	807	

GROSS EXPENDITURE & INCOME SUMMARY BUDGET 2013/14

Actual 2011/12 £'000		Budget 2013/14 £'000	Budget 2012/13 £'000	Change From 2012/13	
				£'000	%
	Gross Expenditure				
12,295	Employees	11,498	11,354	144	1%
2,528	Premises Related Expenditure	2,535	2,524	11	0%
411	Transport Related Expenditure	416	457	(41)	(9%)
4,341	Supplies and Services	4,637	4,513	124	3%
43,901	Third Party Payments	4,700	4,526	174	4%
613	Transfer Payments	31,050	38,010	(6,960)	(18%)
5,995	Support Services	5,127	5,421	(294)	(5%)
<u>70,084</u>		<u>59,963</u>	<u>66,805</u>	<u>(6,842)</u>	<u>(10%)</u>
	Gross Income				
(5,196)	Customer and Client Receipts	(5,937)	(5,368)	(569)	11%
0	Interest	0	0	0	
(1,496)	Rents	(1,353)	(1,471)	118	(8%)
(37,340)	Government Grants	(171)	(1,023)	852	(83%)
(7,305)	Other Grants Reimburse Cont	(33,694)	(40,648)	6,954	(17%)
(5,995)	Recharges	(5,127)	(5,421)	294	(5%)
<u>(57,332)</u>		<u>(46,282)</u>	<u>(53,931)</u>	<u>7,649</u>	<u>(14%)</u>
<u>12,752</u>	Total Revenue Spending	<u>13,681</u>	<u>12,874</u>	<u>807</u>	

**REVENUE BUDGET 2013/14
SUMMARY**

Details of Specific Items per Service Area	Budget 2013/14 £'000	Original Budget 2012/13 £'000
Planning Policy and Economic Development	70	209
Finance Accountancy		5
Finance Corporate	40	9
Personnel & Payroll	1	2
Census ICT	15	
Housing	1	13
Leisure, Community Services & Culture	150	155
Facilities Management & Streetscene	150	26
Property and Asset Management	20	
Member Support	1	3
Strategic Core	80	
	528	422

Details of Capital Charges per Service Area	Budget 2013/14 £'000	Original Estimate 2012/13 £'000
Performance & Partnerships	9	9
Planning Policy and Economic Development	21	23
Development Management	11	16
Finance Accountancy	15	29
CenSus ICT	116	141
CenSus Revenues and Benefits	36	19
Leisure, Community Services & Culture	954	1,027
Parking Services	59	84
Cleansing Services	154	356
Facility Management & Street-scene	222	214
Property & Asset Management	326	253
Member Support	3	3
Land Charges	39	26
	1,965	2,200

Performance & Partnerships, Customer Services & Communications
Head of Service: Richard Hodson (Assistant Chief Executive)

Customer Service and Communications

This business unit, led by Diane Talbot, will continue to provide the Council's 'front of house' services – principally the main reception at Oaklands, the switchboard and the Customer Contact Centre (CCC).

The CCC has been in operation for 5 years and there are 10 services using it for their initial (first tier) calls. Service performance is good and LAGAN, the customer relationship management system on which it operates, was upgraded in 2012 at no cost to the Council. In 2013/14 the emphasis will be on identifying further opportunities to bring in services where the efficiency and customer service benefits warrant it.

The Council's communications function is also co-ordinated through this team. Work will continue to promote the Council's services and successes through press and media activity; publish the Mid Sussex Matters (MSM) magazine delivered to every household in the district three times a year; and use of the Council's web site (which had over 5 million pages viewed last year). In 2013 we expect to make more use of social media while continuing to produce tried and tested communication tools such as the Town and Parish Council Newsletter.

The team also leads on ensuring the Council's publications are of appropriate quality. It also continues to offer marketing and communications advice to other business units as required and to procure graphic design services where this is necessary.

Performance and Partnerships

This business unit, led by Jo Harper, is responsible for a wide range of functions some of which deliver services directly to members of the public whilst others are support services. The Health and Well-being team has recently been moved into this business unit. It has successfully set up the district's health and well-being hub which provides a range of services for local people from support for carers to weight management. The team is working hard to promote its services and raise its profile across the district and with people such as local GPs and voluntary organisations who refer people to the services available to maximise the take-up of what it has to offer. This team is fully funded from Public Health and commissions a range of organisations.

We are continuing to use our excellent relationships with the Police and other agencies to tackle local community safety issues. Recorded crime rates are low compared to other areas across the country and we deliver a variety of preventative and responsive services. Our dedicated Anti-social Behaviour Case Worker will continue to handle between 80 - 100 cases a year and we are introducing the E-CINS case management software to help improve partnership working in this area. Next year, much of our work will be in lobbying and supporting the new Police and Crime Commissioner to ensure Mid Sussex gets its fair share of funding.

There are two areas for further development, the first being the Early Intervention project. This is a small service currently funded by the Mid Sussex Partnership (MSP) that works to provide intensive support to families who are beginning to experience multiple or complex problems including those who are participating in crime, disorder and antisocial behaviour. The Council is currently exploring with West Sussex County Council how it could expand this service using the Government's 'Troubled Families' funding. Similarly, the team is leading on developing and commissioning a work incentives scheme to aid people into work.

The team also monitors service performance across the Council by providing the information used in the monthly review meetings with business unit leaders (chaired by the Chief Executive and Assistant Chief Executive) and for the quarterly reports for Members. While performance remains good and is consistent across our services (despite the efficiency savings secured in the last few years), the team will help other business units review their indicators, targets and how well they perform compared to neighbouring authorities.

The team leads on the Council's service redesign work (now regularly reported to the Scrutiny Committee for the Leader and Service Delivery portfolios). This covers a breadth of initiatives and next year they will be focusing on helping services introduce improved ICT solutions (e.g. electronic document management, more use of e-forms and e-payment options on the website and increased automation of administrative processes). The Council is also supporting a countywide LAGAN development team. The team will provide specialist skills to improve our use of the system and secure efficiency improvements. The funding commitment is for £29k and is for one year only.

Finally the team support the Leader of the Council, the Cabinet Portfolio Holder and the Chief Executive in their work with partner agencies through the Mid Sussex Partnership (MSP) and its supporting groups.

CUSTOMER SERVICES & COMMUNICATIONS VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Inflation	4
Pressure - telephone software maintenance contract	7
	<hr/>
Total	11
	<hr/>
Budget Changes - Decreasing	
Salary adjustments*	(5)
Recharges	(5)
Minor savings	(1)
	<hr/>
Total	(11)
	<hr/>
Total Variation for Performance and Partnerships	0
	<hr/> <hr/>

* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes

CUSTOMER SERVICES AND COMMUNICATIONS BUDGET 2013/14	Budget 2013/14 £'000	Customer Service and Comms £'000
Gross Expenditure		
Employees	321	321
Premises Related Expenditure	0	0
Transport Related Expenditure	0	0
Supplies and Services	87	87
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	164	164
	<u>572</u>	<u>572</u>
Gross Income		
Customer and Client Receipts	0	0
Rents	(6)	(6)
Government Grants	0	0
Other Grants Reimburse/Contributions	0	0
Recharges	(566)	(566)
	<u>(572)</u>	<u>(572)</u>
Net Expenditure	<u><u>0</u></u>	<u><u>0</u></u>
Budget 2012/13	0	0
Change from 2012/13		
£'000 Change	0	0
% Change		
Other Items 2013/14		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	0	0

PERFORMANCE & PARTNERSHIPS VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Salary adjustments *	3
Inflation	6
Staff restructure from Leisure, Community Service and Culture	5
Pressure - increase in contribution to West Sussex County Council for Customer Relationship Management System	29
	<hr/>
Total	43
Budget Changes - Decreasing	
Recharges	(66)
	<hr/>
Total	(66)
	<hr/>
Total Variation for Performance and Partnerships	(23)
	<hr/> <hr/>

* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes

PERFORMANCE AND PARTNERSHIPS BUDGET 2013/14	Budget 2013/14 £'000	Community Services £'000	Partnership Funding £'000	Corporate Improvement £'000
Gross Expenditure				
Employees	450	113	115	222
Premises Related Expenditure	9	8	0	1
Transport Related Expenditure	10	2	3	5
Supplies and Services	150	13	48	89
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	227	53	58	116
	846	189	224	433
Gross Income				
Customer and Client Receipts	(149)	0	(149)	0
Rents	0	0	0	0
Government Grants	0	0	0	0
Other Grants Reimburse/Contributions	(7)	(7)	0	0
Recharges	0	0	0	0
	(156)	(7)	(149)	0
Net Expenditure	690	182	75	433
Budget 2012/13	713	92	95	526
Change from 2012/13				
£'000 Change	(23)	90	(20)	(93)
% Change	(3%)			
Other Items 2013/14				
Capital Financing Costs	9	0	0	9
Capital Financing Income	0	0	0	0
Specific Items	0	0	0	0

Economic Promotion and Planning
Head of Service: Claire Tester

Planning Policy and Economic Development

The Council's Economic Development Strategy is being refreshed and emphasises the 'Whole Council Approach' to promoting economic vitality in Mid Sussex. The Planning Policy and Economic Development team will support the Cabinet Member for Economic Development in leading the Council's work in this area, coordinating the efforts of other business units and delivering the aspects of the Strategy relevant to this team.

The District Plan and Community Infrastructure Levy Charging Schedule timetable has been held back due to the Government's delay in abolishing the South East Plan. However, subject to this revocation occurring in the Spring of 2013, it is hoped to publish the draft District Plan and Community Infrastructure Levy (CIL) Charging Schedule in the summer of 2013, followed by submission to Government for examination later this year.

There are 19 Neighbourhood Plans currently being progressed in Mid Sussex – the highest number for any district in the UK. The team will continue to work with the Town and Parish Councils to advise on the content of these Plans, administer the examinations and assist the elections team with the referendum stages.

The team will also continue to work with Development Management in protecting the natural and built environment, particularly through:

- Supporting mitigation measures to meet the requirements of the Habitats Regulations (in particular the provision of Suitable Alternative Natural Green Space and a Strategic Access Management and Monitoring strategy for Ashdown Forest); and
- The provision of conservation advice in respect of listed buildings and major conservation area applications.

Development Management

In accordance with Government policy, Development Management will continue to approach decision-making on planning applications and enforcement in a positive way to foster the delivery of sustainable development, and proactively look for solutions to any issues. It will do this by:

- Continuing to work closely with Members, from the pre-application stage through to delivery of development, so that any community issues can be identified early and, where possible, resolved.
- Improving communications about enforcement issues, so that Members and the community they represent, better understand the legal limitations within which planning enforcement operates, whilst continuing to firmly and proactively enforce against those breaches that cause harm to the area.

PLANNING POLICY & ECONOMIC DEVELOPMENT VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Salary adjustments *	1
Inflation	4
Total	<u>5</u>
Budget Changes - Decreasing	
Recharges	(26)
Saving - reduction in contribution to High Weald Area of Natural Beauty (AONB)	(2)
Total	<u>(28)</u>
Total Variation for Planning Policy & Economic Development	<u><u>(23)</u></u>

* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes

PLANNING POLICY & ECONOMIC DEVELOPMENT BUDGET 2013/14	Budget 2013/14 £'000	Planning Policy £'000	Economic Development Promotion £'000
Gross Expenditure			
Employees	300	275	25
Premises Related Expenditure	1	1	0
Transport Related Expenditure	13	12	1
Supplies and Services	72	40	32
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	198	170	28
	584	498	86
Gross Income			
Customer and Client Receipts	(11)	(11)	0
Rents	0	0	0
Government Grants	0	0	0
Other Grants Reimburse/Contributions	0	0	0
Recharges	0	0	0
	(11)	(11)	0
Net Expenditure	573	487	86
Budget 2012/13	596	522	74
Change from 2012/13			
£'000 Change	(23)	(35)	12
% Change	(4%)		
Other Items 2013/14			
Capital Financing Costs	21	21	0
Capital Financing Income	0	0	0
Specific Items	70	70	0

DEVELOPMENT MANAGEMENT VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Inflation	11
Staff restructure from Planning Service Support	21
Pressure - WSCC specialist consultants	11
Pressure - Increase in staff costs	5
Total	<u>48</u>
Budget Changes - Decreasing	
Salary adjustments *	(4)
Recharges	(55)
Ongoing saving - car allowances	(15)
Saving - planning fee increase	(106)
Income generation - planning fees (volume increase)	(90)
Total	<u>(270)</u>
Total Variation for Development Management	<u><u>(222)</u></u>

* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes

DEVELOPMENT MANAGEMENT BUDGET 2013/14	Budget 2013/14 £'000	Development Management £'000
Gross Expenditure		
Employees	773	773
Premises Related Expenditure	0	0
Transport Related Expenditure	36	36
Supplies and Services	212	212
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	371	371
	<u>1,392</u>	<u>1,392</u>
Gross Income		
Customer and Client Receipts	(912)	(912)
Rents	0	0
Government Grants	0	0
Other Grants Reimburse/Contributions	0	0
Recharges	0	0
	<u>(912)</u>	<u>(912)</u>
Net Expenditure	<u>480</u>	<u>480</u>
Budget 2012/13	702	702
Change from 2012/13		
£'000 Change	(222)	(222)
% Change	(32%)	
Other Items 2013/14		
Capital Financing Costs	11	11
Capital Financing Income	0	0
Specific Items	0	0

PLANNING SERVICE SUPPORT VARIATION TABLE	
Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget	
Description	Variation £'000
Budget Changes - Increasing	
Salary adjustments *	2
Recharges	10
Pressure - staff restructure	6
Inflation	3
Total	<u>21</u>
Budget Changes - Decreasing	
Staff restructure to Development Management	(21)
Total	<u>(21)</u>
Total Variation for Planning Service Support	<u><u>0</u></u>
* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes	

Note a budget summary has not been provided as all figures are nil. This is because all variations relate to employee expenses

Finance, CenSus (ICT, Revenues and Benefits) and Personnel & Payroll
Head of Service: Peter Stuart (Section 151 Officer)

Finance

With all the changes in the Finance Act 2012, the year promises to be busy and innovative. The team will need to enhance budget monitoring in response to changes such as the introduction of the Rate Retention Scheme through the introduction of monthly monitoring on levels of Rateable Values (RVs) and the financial impact of the local Council Tax Support Scheme

It is aimed to increase the use of purchase cards, reduce the level of paper-based petty cash claims and staff expense claims processed through creditors following a review of current policy and approach.

We are reducing our internal audit coverage slightly by concentrating on those essential audits without compromising on the overall risk profile; and our external audit fee has reduced as a result of the national Audit Commission outsourcing and tendering exercise.

Finally, the retendering of the Leisure contract and Grounds Maintenance contract will necessitate the provision of financial support and advice relating both to the preparation of tender document and the financial appraisal of tenders received.

Personnel & Payroll

The main features of the year ahead revolve around development of the Human Resources system to increase self-serve for the 300+ users and thereby increase their personal and collective efficiency. Modules to be implemented include Leave Management, Sickness Absence, Maternity & Paternity and Other Leave, as well as finalisation of the training module. The Performance & Development Review (PDR) process will also now be based on an e-form for the first time.

2013 should also see the culmination of the long-standing Job Evaluation project, which aims to evaluate all posts and establish an amended grading structure. This has been ongoing since 2009 and will be a significant milestone in the longer-term HR workplan.

The team will also be following up on the recent Management Training at the Business Unit Leader (BUL) level.

CenSus ICT

The service will continue to provide a resilient and secure network and desktop to all users, and accommodate the prioritised project needs of the Mid Sussex user group. Particular projects include:

- Upgrading the desktop to Windows 7 to enable compliance with the Public Services Network (PSN) Code of Connection.

The cabling and network switches on which the Council's computer and telephone systems rely has exceeded its guaranteed design lifetime and investigation into their replacement will be undertaken.

Complete the rollout of VoIP (Voice over Internet Protocol) based handsets to all users to allow for greater flexibility during moves and changes, and;

Consolidate servers and migrate appropriate services into the CenSus Data Centre.

CenSus Revenues and Benefits

The level of change in this area is unprecedented since the introduction of Council Tax in 1993. We will be dealing with a number of significant national changes which will impact on both Revenues and Benefits, such as:

- the replacement of a national Council Tax Benefit Scheme with a Local Council Tax Support Scheme (from 01/04/13),
- a number of technical reforms to Council Tax that affect discounts and exemptions,
- the introduction of a National Fraud Service although the timing of this is unclear,
- the introduction of Universal Credit later in the year,
- a significant increase in funding and take up of Discretionary Housing Payments, and,
- possible involvement in local administration of Crisis Loans (from 01/04/13).

These changes are to be implemented without extra staffing resources in order to maintain financial stability for the shared service partnership and our colleagues at Horsham and Adur Councils.

FINANCE ACCOUNTANCY VARIATION TABLE	
Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget	
Description	Variation £'000
Budget Changes - Increasing	
Recharges	16
Inflation	7
Total	<u>23</u>
Budget Changes - Decreasing	
System installation - removal of one year only cost	(9)
Total	<u>(9)</u>
Total Variation for Finance Accountancy	<u><u>14</u></u>

FINANCE ACCOUNTANCY BUDGET 2013/14	Budget 2013/14 £'000	Accountancy Support £'000
Gross Expenditure		
Employees	469	469
Premises Related Expenditure	0	0
Transport Related Expenditure	1	1
Supplies and Services	97	97
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	114	114
	681	681
Gross Income		
Customer and Client Receipts	0	0
Rents	0	0
Government Grants	0	0
Other Grants Reimburse/Contributions	0	0
Recharges	(696)	(696)
	(696)	(696)
Net Expenditure	(15)	(15)
Budget 2012/13	(29)	(29)
Change from 2012/13		
£'000 Change	14	14
% Change	(49%)	
Other Items 2013/14		
Capital Financing Costs	15	15
Capital Financing Income	0	0
Specific Items	0	0

FINANCE CORPORATE VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Inflation	1
Recharges	27
Increase in Pension Fund deficit contribution.	128
Total	<u>156</u>
Budget Changes - Decreasing	
Ongoing saving - internal audit fees from prior year	(10)
Savings - external audit fees	(40)
Savings - internal audit fees - reduction of audits on non core services	(9)
Minor savings - insurance	(1)
Total	<u>(60)</u>
Total Variation for Finance Corporate	<u><u>96</u></u>

FINANCE CORPORATE BUDGET 2013/14		Budget 2013/14 £'000	Other Corp and Democratic Core £'000	Non Distributed Costs £'000	Insurance £'000	Finance Control Support £'000
Gross Expenditure						
Employees	1,105	0	1,116	(11)	0	
Premises Related Expenditure	2	0	0	2	0	
Transport Related Expenditure	0	0	0	0	0	
Supplies and Services	231	159	0	5	67	
Third Party Payments	0	0	0	0	0	
Transfer Payments	0	0	0	0	0	
Support Services	32	22	0	6	4	
	1,370	181	1,116	2	71	
Gross Income						
Customer and Client Receipts	0	0	0	0	0	
Rents	0	0	0	0	0	
Government Grants	0	0	0	0	0	
Other Grants Reimburse/Contribution	(2)	0	0	(2)	0	
Recharges	(71)	0	0	0	(71)	
	(73)	0	0	(2)	(71)	
Net Expenditure	1,297	181	1,116	0	0	
Budget 2012/13	1,201	213	988	0	0	
Change from 2012/13						
£'000 Change	96	(32)	128	0	0	
% Change	8%					
Other Items 2013/14						
Capital Financing Costs	0	0	0	0	0	
Capital Financing Income	0	0	0	0	0	
Specific Items	40	40	0	0	0	

PERSONNEL AND PAYROLL VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Inflation	4
Salary adjustments*	1
	<hr/>
Total	5
Budget Changes - Decreasing	
Recharges	(5)
	<hr/>
Total	(5)
	<hr/>
Total Variation for Finance Accountancy	0
	<hr/> <hr/>

* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes

PERSONNEL & PAYROLL BUDGET 2013/14	Budget 2013/14 £'000	Personnel and Payroll £'000
Gross Expenditure		
Employees	334	334
Premises Related Expenditure	0	0
Transport Related Expenditure	4	4
Supplies and Services	57	57
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	82	82
	<u>477</u>	<u>477</u>
Gross Income		
Customer and Client Receipts	0	0
Rents	0	0
Government Grants	0	0
Other Grants Reimburse/Contributions	(4)	(4)
Recharges	(473)	(473)
	<u>(477)</u>	<u>(477)</u>
Net Expenditure	<u><u>0</u></u>	<u><u>0</u></u>
Budget 2012/13	0	0
Change from 2012/13		
£'000 Change	0	0
% Change		
Other Items 2013/14		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	1	1

CENSUS ICT VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Inflation	7
Recharges	10
Pressure - annual licence fees (document management software)	9
Total	<u>26</u>
Budget Changes - Decreasing	
Minor saving - corporate accounts (telephones and printers)	(1)
Total	<u>(1)</u>
Total Variation for CenSus ICT	<u><u>25</u></u>

CENSUS ICT BUDGET 2013/14	Budget 2013/14 £'000	Central Computer Costs £'000	Census ICT £'000	Corporate System Accounts £'000
Gross Expenditure				
Employees *	6	6	0	0
Premises Related Expenditure	0	0	0	0
Transport Related Expenditure	0	0	0	0
Supplies and Services	200	35	169	(4)
Third Party Payments	551	0	551	0
Transfer Payments	0	0	0	0
Support Services	168	164	0	4
	925	205	720	0
Gross Income				
Customer and Client Receipts	0	0	0	0
Rents	0	0	0	0
Government Grants	0	0	0	0
Other Grants Reimburse/Contributions	0	0	0	0
Recharges	(1,041)	(321)	(720)	0
	(1,041)	(321)	(720)	0
Net Expenditure	(116)	(116)	0	0
Budget 2012/13	(141)	(141)	0	0
Change from 2012/13				
£'000 Change	25	25	0	0
% Change	(18%)			
Other Items 2013/14				
Capital Financing Costs	116	116	0	0
Capital Financing Income	0	0	0	0
Specific Items	15	0	15	0

CENSUS REVENUES & BENEFITS VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Salary adjustments*	1
Inflation	24
Removal of Housing Benefit Admin Grant as now shown as overall budget financing item	549
	<hr/>
Total	574
	<hr/>
Budget Changes - Decreasing	
Recharges	(3)
Saving - Discretionary Rate Relief funding now within Rate Retention Scheme	(90)
	<hr/>
Total	(93)
	<hr/>
	<hr/>
Total Variation for CenSus Revenues and Benefits	481
	<hr/> <hr/>

* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes

**CENSUS REVENUES & BENEFITS
BUDGET 2013/14**

	Budget 2013/14 £'000	Census Benefits Administration £'000	Census Revenue Collection £'000	Benefits Administration £'000	Revenue Collection £'000
Gross Expenditure					
Employees	2,659	1,431	1,196	17	15
Premises Related Expenditure	0	0	0	0	0
Transport Related Expenditure	99	57	42	0	0
Supplies and Services	762	322	390	13	37
Third Party Payments	0	0	0	0	0
Transfer Payments	0	0	0	0	0
Support Services	705	0	0	343	362
	4,225	1,810	1,628	373	414
Gross Income					
Customer and Client Receipts	(586)	(14)	(572)	0	0
Rents	0	0	0	0	0
Other Grants Reimburse/Contributions	(1,810)	(1,140)	(670)	0	0
Government Grants	(171)	0	0	0	(171)
Recharges	0	0	0	0	0
	(2,567)	(1,154)	(1,242)	0	(171)
Net Expenditure	1,658	656	386	373	243
Budget 2012/13	1,177	694	326	(107)	264
Change from 2012/13					
£'000 Change	481	(38)	60	480	(21)
% Change	41%				
Other Items 2013/14					
Capital Financing Costs	36	0	0	0	36
Capital Financing Income	0	0	0	0	0
Specific Items	0	0	0	0	0

Housing, Environmental Health and Building Control
Head of Service: Lynne Standing

Housing

Housing will continue to feel the effects of Welfare Reform, as the bedroom tax, benefit caps and Universal Credit are introduced in 2013, increasing the risk of poverty and homelessness for some residents. Demand for advice and help in securing more affordable homes is likely to rise, but it is also important that our service is proactive in working with others to contact those likely to be affected before they are in crisis. We will therefore be working with Census colleagues, Registered Providers and a range of other support agencies to take whatever proactive action we can to prevent homelessness wherever possible. Whilst homelessness rose during 2012-13, numbers in temporary accommodation did not rise as much as we feared they might. This has led to an underspend against the temporary accommodation budget, which has therefore been reduced by £50k for 2013/14. A further increase in homelessness is to be expected during 2013 and our targets for next year reflect this.

The new funding regime for affordable housing places greater financial risks on Registered Providers, as they are increasingly dependent on raising private finance. Next year we expect to be able to deliver 80 affordable homes, fewer than we would like, and the prospects after the current funding programme which ends in 2015 are uncertain. Changes in how some Registered Providers let their properties, focussing more lettings on better off tenants who pose less financial risk, will also impact on the ability of those in the greatest need to access affordable housing. We will be closely monitoring the impact of any such changes to mitigate such effects as far as possible. We will also step up our work to tackle the waste of empty homes, so that they can be brought back into productive use and generate New Homes Bonus.

Environmental Health

Demand for a number of Environmental Health services continues to grow, with new businesses opening regularly and requiring advice and support to achieve required hygiene standards, licensing requirements etc. We are looking at the best way of managing this increased demand within our current resources through process mapping and the possible introduction across the service of EDRMS (Electronic Document and Records Management System) to increase efficiency and allow for more mobile working. Nevertheless, we expect on the basis of recent experience, to have to engage contractors to undertake some food inspections on our behalf and have set aside £5K for this in the budget. We have successfully reduced the costs of Disabled Facilities Grants, saving an average of £500 on each grant paid. This means we can do more with our budget and meet demand. National licensing policies continue to change and we will need to keep our own policies under review to reflect such changes.

Building Control

The Building Control service has made significant strides in improving its efficiency and this is reflected in higher targets for customer service. Next year we will be aiming to build on this progress, re-examining our processes and the potential of EDRMS to improve efficiency still further. We will also focus on trying to improve our market share of building control work by offering new services to help developers with energy ratings for their properties and by a greater emphasis on marketing our services.

HOUSING VARIATION TABLE	
Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget	
Description	Variation £'000
Budget Changes - Increasing	
Recharges	1
Inflation	10
Removal of homelessness grant as now part of Government financing and shown separately	85
Total	<u>96</u>
Budget Changes - Decreasing	
Saving - temporary accommodation	(50)
Total	<u>(50)</u>
Total Variation for Housing	<u><u>46</u></u>

HOUSING BUDGET 2013/14		Budget 2013/14	Housing Needs	Choice Based Lettings	Housing Enabling
	£'000	£'000	£'000	£'000	£'000
Gross Expenditure					
Employees	357	251	0	106	
Premises Related Expenditure	0	0	0	0	
Transport Related Expenditure	17	12	0	5	
Supplies and Services	216	211	0	5	
Third Party Payments	0	0	0	0	
Transfer Payments	335	335	0	0	
Support Services	180	109	0	71	
	1,105	918	0	187	
Gross Income					
Customer and Client Receipts	(9)	(9)	0	0	
Rents	0	0	0	0	
Government Grants	0	0	0	0	
Other Grants Reimburse/Contributions	(162)	(162)	0	0	
Recharges	0	0	0	0	
	(171)	(171)	0	0	
Net Expenditure	934	747	0	187	
Budget 2012/13	888	691	0	197	
Change from 2012/13					
£'000 Change	46	56	0	(10)	
% Change	5%				
Other Items 2013/14					
Capital Financing Costs	0	0	0	0	
Capital Financing Income	0	0	0	0	
Specific Items	1	1	0	0	

ENVIRONMENTAL HEALTH VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Inflation	9
Pressure - inspection contractor fees	5
	14
Total	14
Budget Changes - Decreasing	
Recharges	(25)
	(25)
Total	(25)
	(11)
Total Variation for Environmental Health	(11)

ENVIRONMENTAL HEALTH BUDGET 2013/14		Contaminated Land	Housing Standards	Safety and Licensing	Environmental Protection
	Budget 2013/14	£'000	£'000	£'000	£'000
	£'000				
Gross Expenditure					
Employees	804	28	141	426	209
Premises Related Expenditure	0	0	0	0	0
Transport Related Expenditure	54	1	7	21	25
Supplies and Services	78	3	3	31	41
Third Party Payments	5	0	0	0	5
Transfer Payments	2	0	0	0	2
Support Services	328	9	33	155	131
	1,271	41	184	633	413
Gross Income					
Customer and Client Receipts	(331)	(1)	(1)	(261)	(68)
Rents	0	0	0	0	0
Government Grants	0	0	0	0	0
Other Grants Reimburse/Contributions	0	0	0	0	0
Recharges	0	0	0	0	0
	(331)	(1)	(1)	(261)	(68)
Net Expenditure	940	40	183	372	345
Budget 2012/13	951	43	177	348	383
Change from 2012/13					
£'000 Change	(11)	(3)	6	24	(38)
% Change	(1%)				
Other Items 2013/14					
Capital Financing Costs	0	0	0	0	0
Capital Financing Income	0	0	0	0	0
Specific Items	0	0	0	0	0

BUILDING CONTROL VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Recharges	10
Inflation	5
	<hr/>
Total	15
	<hr/>
Budget Changes - Decreasing	
Salary adjustments *	(1)
	<hr/>
Total	(1)
	<hr/>
Total Variation for Building Control	14
	<hr/> <hr/>

* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes

BUILDING CONTROL BUDGET 2013/14	Budget 2013/14 £'000	Building Control £'000
Gross Expenditure		
Employees	532	532
Premises Related Expenditure	0	0
Transport Related Expenditure	31	31
Supplies and Services	30	30
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	127	127
	<u>720</u>	<u>720</u>
Gross Income		
Customer and Client Receipts	(486)	(486)
Rents	0	0
Government Grants	0	0
Other Grants Reimburse/Contributions	0	0
Recharges	0	0
	<u>(486)</u>	<u>(486)</u>
Net Expenditure	<u>234</u>	<u>234</u>
Budget 2012/13	220	220
Change from 2012/13		
£'000 Change	14	14
% Change	6%	
Other Items 2013/14		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	0	0

Leisure & Sustainability
Head of Service: Mark Fisher

Leisure, Community Services and Culture

The team will continue to work on both embedding sustainability and climate change initiatives within the Council's operations and working with our communities to reduce carbon emissions.

Following the incorporation of the leisure client function into the business unit and the savings of £23,000 achieved, the key projects for the team will include:

- undertaking the tendering of the leisure management contract;
- addressing the future delivery of discretionary travel concessions;
- development of the new community facilities at the Bolnore recreation site;
- exploring opportunities and external funding for projects, which address the core issues of health, sustainability and community cohesion through the arts and physical activity;
- developing opportunities for young people and volunteers to participate through training and support.

Parking Services

The team will continue to work on the options developed in the 10 year Parking Strategy. This will include a review of parking payment options, reviews of car parks for possible disposal, partial disposal, alternative use and the consideration of car park assets and car parking provision as part of the Better Mid Sussex and Town Revitalisation project. Due to the lack of resistance encountered following the price changes implemented in July 2012, £200k of extra income has been projected. The team will ensure that all parking enquiries relating to enforcements within Parking Services will be responded to within 10 days.

Cleansing Services

Progress will be made regarding the re-provision of the Council's waste and recycling depot at Bridge Road, Haywards Heath, which is occupied and managed by SERCO, the Council's service provider. The Council will also be working with the West Sussex waste collection and disposal authorities to tackle a shared problem of poor quality recycling in parts of our communities. The pilot recycling quality project implemented in September 2012 to March 2013, to improve communication on recycling quality, will if successful be considered for roll out across the district.

Facility Management and Street Scene

We will be working with local stakeholder groups to assist in the delivery of a number of facility improvement projects, and in particular preparations for the construction or adaptation of facilities in-conjunction with the relevant parties. The timing of these projects ultimately rests with the Clubs concerned, but progress on new buildings or facility improvement projects at Finches Field, Pease Pottage, Ansty Recreation Ground and Lindfield Common are anticipated in the year.

The initial implementation of the community toilets scheme will be assessed with a further possible expansion in each town as an alternative to secondary toilets.

Landscapes

Procurement efficiencies will be explored through the re-tendered grounds maintenance contract (the new contract is due to commence Jan 2014). The team will seek to retain the Green Flag Award for Beech Hurst as well as delivering a range of play and hard landscape related improvement projects across the district.

LEISURE, COMMUNITY SERVICES & CULTURE VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Inflation	23
Recharges	54
Pressure - concessionary fares loss of income from WSCC	62
Total	<u>139</u>
Budget Changes - Decreasing	
Staff restructure to Performance and Partnerships	(5)
Saving - concessionary fares efficiency saving	(62)
Realignment of maintenance budgets to Facility Management & Streetscene and Property & Asset Management	(99)
Service redesign saving - leisure operations staff costs	(23)
Total	<u>(189)</u>
Total Variation for Leisure, Community Services & Culture	<u><u>(50)</u></u>

LEISURE, COMMUNITY SERVICES & CULTURE BUDGET 2013/14		Grants to Organisations	Concessionary Fares	Sustainability Climate Change	Community Leisure and Devlpmnt	Leisure Centres
	Budget 2013/14	£'000	£'000	£'000	£'000	£'000
	£'000					
Gross Expenditure						
Employees	365	45	26	43	153	98
Premises Related Expenditure	223	0	0	0	1	222
Transport Related Expenditure	19	2	1	2	11	3
Supplies and Services	793	259	(59)	13	68	512
Third Party Payments	187	0	88	0	0	99
Transfer Payments	3	0	0	0	3	0
Support Services	228	27	32	27	93	49
	1,818	333	88	85	329	983
Gross Income						
Customer and Client Receipts	0	0	0	0	0	0
Rents	0	0	0	0	0	0
Government Grants	0	0	0	0	0	0
Other Grants Reimburse/Contribution	(84)	0	(82)	0	(6)	4
Recharges	0	0	0	0	0	0
	(84)	0	(82)	0	(6)	4
Net Expenditure	1,734	333	6	85	323	987
Budget 2012/13	1,784	326	5	59	290	1,104
Change from 2012/13						
£'000 Change	(50)	7	1	26	33	(117)
% Change	(3%)					
Other Items 2013/14						
Capital Financing Costs	954	0	0	0	0	954
Capital Financing Income	0	0	0	0	0	0
Specific Items	150	0	0	0	0	150

PARKING SERVICES VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Recharges	19
Inflation	12
	<hr/>
Total	31
Budget Changes - Decreasing	
Car Park charges full year effect of 2012/13 increase in fees	(25)
Savings - electricity saving from Solar powered parking machines	(6)
Saving - car washing income generation	(5)
Saving - business rates reduction	(9)
Income generation - pay and display income (growth)	(200)
	<hr/>
Total	(245)
	<hr/>
Total Variation for Parking Services	(214)
	<hr/> <hr/>

PARKING SERVICES BUDGET 2013/14			
	Budget 2013/14	Car Parks	Parking Enforcement
	£'000	£'000	£'000
Gross Expenditure			
Employees	513	42	471
Premises Related Expenditure	362	362	0
Transport Related Expenditure	35	7	28
Supplies and Services	107	58	49
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	158	158	0
	1,175	627	548
Gross Income			
Customer and Client Receipts	(2,173)	(1,796)	(377)
Rents	0	0	0
Government Grants	0	0	0
Other Grants Reimburse/Contributions	(171)	0	(171)
Recharges	0	0	0
	(2,344)	(1,796)	(548)
Net Expenditure	(1,169)	(1,169)	0
Budget 2012/13	(955)	(955)	0
Change from 2012/13			
£'000 Change	(214)	(214)	0
% Change	22%		
Other Items 2013/14			
Capital Financing Costs	59	59	0
Capital Financing Income	0	0	0
Specific Items	0	0	0

CLEANSING SERVICES VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Inflation	67
Recharges	29
Refuse Collection - additional properties	16
Refuse contract - additional resource street cleansing	17
Green waste additional collection costs	17
	<hr/>
Total	146
	<hr/>
Budget Changes - Decreasing	
Green Waste - additional income	(17)
Refuse contract - inflation savings and reduced civic amenities collections	(38)
Service redesign savings - garden waste charges full year effect of 2012/13 increase in fees	(7)
	<hr/>
Total	(62)
	<hr/>
Total Variation for Cleansing Services	84
	<hr/> <hr/>

CLEANSING SERVICES BUDGET 2013/14		Budget 2013/14	District Drainage	Refuse Collection	Recycling	Highway Cleansing	Highway Maintenance
		£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure							
Employees	243	0	102	73	46	22	
Premises Related Expenditure	25	0	1	10	0	14	
Transport Related Expenditure	17	0	6	6	4	1	
Supplies and Services	62	0	40	21	1	0	
Third Party Payments	3,768	0	2,707	0	1,061	0	
Transfer Payments	0	0	0	0	0	0	
Support Services	202	0	119	53	21	9	
	4,317	0	2,975	163	1,133	46	
Gross Income							
Customer and Client Receipts	(852)	0	(852)	0	0	0	
Rents	0	0	0	0	0	0	
Government Grants	0	0	0	0	0	0	
Other Grants Reimburse/Contributions	(741)	0	(18)	(706)	(17)	0	
Recharges	0	0	0	0	0	0	
	(1,593)	0	(870)	(706)	(17)	0	
Net Expenditure	2,724	0	2,105	(543)	1,116	46	
Budget 2012/13	2,640	0	2,052	(556)	1,101	43	
Change from 2012/13							
£'000 Change	84	0	53	13	15	3	
% Change	3%						
Other Items 2013/14							
Capital Financing Costs	154	0	154	0	0	0	
Capital Financing Income	0	0	0	0	0	0	
Specific Items	0	0	0	0	0	0	

FACILITY MANAGEMENT & STREET - SCENE VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Salary adjustments*	5
Inflation	43
Recharges	13
Removal of one year only saving in 2012/13 - Pavilion / PC deep cleans	26
Realignment of maintenance budgets from Leisure, Community & Culture	36
Pressure - fixed plant annual contracts reversal of 2012/13 saving	23
Pressure - landscapes land adoptions	15
Total	161
Budget Changes - Decreasing	
Ongoing saving - utility costs	(15)
Ongoing saving - conservation and signage	(4)
Saving - hire of facilities income - playgroups	(8)
Service redesign saving - public toilet premises costs	(30)
Service redesign saving - reduction of hard landscaping	(10)
Service redesign saving - play areas	(15)
Total	(82)
Total Variation for Facilities Management & Street - Scene	79

* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes

FACILITY MANAGEMENT & STREET- SCENE BUDGET 2013/14	Budget 2013/14 £'000	Outdoor Facilities £'000	Trust Fund Accounts £'000	Public Conveniences £'000	Emergency Planning £'000
Gross Expenditure					
Employees	421	355	5	36	25
Premises Related Expenditure	1,441	1,296	74	71	0
Transport Related Expenditure	24	20	0	2	2
Supplies and Services	120	110	2	1	7
Third Party Payments	94	35	0	59	0
Transfer Payments	0	0	0	0	0
Support Services	323	260	10	36	17
	2,423	2,076	91	205	51
Gross Income					
Customer and Client Receipts	(226)	(217)	(9)	0	0
Rents	(114)	(32)	(82)	0	0
Government Grants	0	0	0	0	0
Other Grants Reimburse/Contributions	(1)	(1)	0	0	0
Recharges	0	0	0	0	0
	(341)	(250)	(91)	0	0
Net Expenditure	2,082	1,826	0	205	51
Budget 2012/13	2,003	1,749	3	210	41
Change from 2012/13					
£'000 Change	79	77	(3)	(5)	10
% Change	4%				
Other Items 2013/14					
Capital Financing Costs	222	207	0	15	0
Capital Financing Income	0	0	0	0	0
Specific Items	150	150	0	0	0

**Legal Services, Property and Asset Management,
Member Support Services & Elections and Land Charges
Head of Service: Tom Clark (Solicitor to the Council & Monitoring Officer)**

Legal

The legal team will continue to concentrate on property and planning work. We are expecting the upturn in planning applications requiring new and amended Section 106 planning obligations to continue in 2013/14 given the pro-development changes to planning policy in the last 12 months and the welcomed economic activity in the area.

The largest community project in 2013/14 will be the legal arrangements for the future operation of the Bolnore pavilion.

Internally the legal team will be working with a new case management system, which will make most of the work electronic. It will also provide more scope to monitor and cost the work being undertaken which will assist in income generation.

Property and Asset Management

The Property team manages the Council's investment property estate and will continue to seek to maximise income from these assets. The team is also identifying surplus land/property assets to deliver a programme of capital receipts for the Council. The team will also look to make prudent acquisitions in what is still a depressed commercial market.

Asset Maintenance will complete a full review of the Council's operational assets to complete a life cycle costing exercise to inform a new longer term asset maintenance strategy. The strategy will consider the most appropriate plan for maintenance and development of assets over the longer term to include rationalisation/re-provision plans for some facilities to safeguard future service provision and ensure best value. The team is also managing the construction of two large projects for the Council, firstly a new waste services depot at Bridge Road in Haywards Heath and a new community building on the recreation ground at Bolnore. A full refresh of all health and safety policies will also be undertaken.

The team is also looking to procure a new property management IT system to replace two currently separate systems used by Property and Asset Maintenance. The new system will bring together the work of the two teams and should enable efficiencies to be achieved within the service.

Member Support

Member Services have installed a new IT system, which cuts down the time it takes to prepare committee papers. It also enables the information on the web site to be more readily updated. The team will try to limit the number of paper copies and try to minimise the use of postage the cost of which rose sharply in April 2012. The team will continue to support the work of the Council Chairman and civic events generally.

Elections will deliver the County Council elections in May 2013, encourage more people to opt to register for elections by telephone and on line, start the process leading to individual voter registration in 2015 and complete the parish boundary reviews currently underway. It may also need to react to any completed Parliamentary Boundary review and any other electoral review conducted by the electoral commission.

Land Charges

Local Land Charges continues to make good progress towards a fully electronic service, whilst in the meantime providing a fast reliable service to solicitors and conveyancing professionals. Although the property market remains unpredictable the service continues to work to maintain existing market share.

LEGAL SERVICES VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Recharges	11
Inflation	3
	<hr/>
Total	14
	<hr/>
Budget Changes - Decreasing	
Salary adjustments *	(2)
Payback to reserves - prior year staff departure	(7)
Saving - legal income small volume increase	(3)
Saving - practicing certificates	(2)
	<hr/>
Total	(14)
	<hr/>
Total Variation for Legal Services	0
	<hr/> <hr/>

* Includes salary increments, year 4 reduction in car allowances and any approved establishment changes

LEGAL SERVICES BUDGET 2013/14	Budget 2013/14 £'000	Legal Support Costs £'000
Gross Expenditure		
Employees	253	253
Premises Related Expenditure	0	0
Transport Related Expenditure	2	2
Supplies and Services	31	31
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	86	86
	<u>372</u>	<u>372</u>
Gross Income		
Customer and Client Receipts	(65)	(65)
Rents	0	0
Government Grants	0	0
Other Grants Reimburse/Contributions	0	0
Recharges	(307)	(307)
	<u>(372)</u>	<u>(372)</u>
Net Expenditure	<u><u>0</u></u>	<u><u>0</u></u>
Budget 2012/13	0	0
Change from 2012/13		
£'000 Change	0	0
% Change		
Other Items 2013/14		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	0	0

PROPERTY AND ASSET MANAGEMENT VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Recharges	63
Inflation	23
Realignment of maintenance budgets from Leisure, Community & Culture	63
Pressure - The Martlets shopping centre supplementary rent reduction	40
Pressure - The Orchards shopping centre supplementary rent reduction	80
Total	<u>269</u>
Budget Changes - Decreasing	
Saving - NNDR	(9)
Total	<u>(9)</u>
Total Variation for Property and Asset Management	<u><u>260</u></u>

**PROPERTY AND ASSET
MANAGEMENT
BUDGET 2013/14**

	Budget 2013/14 £'000	Property Operational £'000	Investment Property £'000	Contracts £'000	Oaklands £'000	District Drainage £'000	Health and Safety £'000	Better Mid Sussex £'000
Gross Expenditure								
Employees	303	0	129	0	87	36	28	23
Premises Related Expenditure	471	10	5	0	425	31	0	0
Transport Related Expenditure	22	0	4	10	4	2	1	1
Supplies and Services	89	9	19	17	37	1	3	3
Third Party Payments	82	0	0	0	82	0	0	0
Transfer Payments	0	0	0	0	0	0	0	0
Support Services	325	11	143	56	62	25	5	23
	1,292	30	300	83	697	95	37	50
Gross Income								
Customer and Client Receipts	(4)	0	(3)	0	(1)	0	0	0
Rents	(1,233)	(86)	(1,147)	0	0	0	0	0
Government Grants	0	0	0	0	0	0	0	0
Other Grants Reimburse/Contributions	(9)	0	0	0	(9)	0	0	0
Recharges	(880)	0	0	(83)	(760)	0	(37)	0
	(2,126)	(86)	(1,150)	(83)	(770)	0	(37)	0
Net Expenditure	(834)	(56)	(850)	0	(73)	95	0	50
Budget 2012/13	(1,094)	(52)	(1,000)	0	(189)	93	0	54
Change from 2012/13								
£'000 Change	260	(4)	150	0	116	2	0	(4)
% Change	(24%)							
Other Items 2013/14								
Capital Financing Costs	326	77	0	0	73	176	0	0
Capital Financing Income	0	0	0	0	0	0	0	0
Specific Items	20	0	0	0	0	0	20	0

MEMBER SUPPORT VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Inflation	10
Pressure - Member services software	6
Total	<u>16</u>
Budget Changes - Decreasing	
Recharges	(20)
Saving - Electoral Registration canvassing costs	(14)
Saving - Member expenses - printing and courier costs	(9)
Saving - Members' allowances	(11)
Total	<u>(54)</u>
Total Variation for Member Support	<u><u>(38)</u></u>

MEMBER SUPPORT BUDGET 2013/14	Budget 2013/14 £'000	Elections and Registration £'000	Members Services £'000
Gross Expenditure			
Employees	199	95	104
Premises Related Expenditure	2	0	2
Transport Related Expenditure	16	0	16
Supplies and Services	549	135	414
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	145	69	76
	911	299	612
Gross Income			
Customer and Client Receipts	(4)	(2)	(2)
Rents	0	0	0
Government Grants	0	0	0
Other Grants Reimburse/Contributions	0	0	0
Recharges	(153)	0	(153)
	(157)	(2)	(155)
Net Expenditure	754	297	457
Budget 2012/13	792	296	496
Change from 2012/13			
£'000 Change	(38)	1	(39)
% Change	(5%)		
Other Items 2013/14			
Capital Financing Costs	3	3	0
Capital Financing Income	0	0	0
Specific Items	1	1	0

LAND CHARGES VARIATION TABLE

Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget

Description	Variation £'000
Budget Changes - Increasing	
Recharges	35
Inflation	1
Total	<u>36</u>
Budget Changes - Decreasing	
Saving- land charges income	(1)
Total	<u>(1)</u>
Total Variation for Land Charges	<u><u>35</u></u>

LAND CHARGES BUDGET 2013/14	Budget 2013/14 £'000	Local Land Charges £'000
Gross Expenditure		
Employees	142	142
Premises Related Expenditure	0	0
Transport Related Expenditure	1	1
Supplies and Services	3	3
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	92	92
	<u>238</u>	<u>238</u>
Gross Income		
Customer and Client Receipts	(130)	(130)
Rents	0	0
Government Grants	0	0
Other Grants Reimburse/Contributions	0	0
Recharges	0	0
	<u>(130)</u>	<u>(130)</u>
Net Expenditure	<u>108</u>	<u>108</u>
Budget 2012/13	73	73
Change from 2012/13		
£'000 Change	35	35
% Change	48%	
Other Items 2013/14		
Capital Financing Costs	39	39
Capital Financing Income	0	0
Specific Items	0	0

Strategic Core

This section covers those costs that are related to the strategic management of the Authority and cannot be allocated to the specific service areas set out in the previous tables. It includes various items of expenditure including the cost of the Chief Executive, Heads of Service and the Council's cost of the shared procurement service.

This area includes the majority of Corporate and Democratic core costs. Conscious efforts have been made in recent years to reduce the overall cost in this area.

STRATEGIC CORE VARIATION TABLE	
Analysis of changes in budget between 2012/13 original budget, and 2013/14 budget	
Description	Variation £'000
Budget Changes - Increasing	
Inflation	8
Total	<u>8</u>
Budget Changes - Decreasing	
Recharges	(93)
Payback to reserves - prior year staff departure	(25)
Salary savings - BUL non - replacement	(69)
Service redesign saving - salary savings	(8)
Total	<u>(195)</u>
Total Variation for Strategic Core	<u><u>(187)</u></u>

STRATEGIC CORE BUDGET 2013/14	Budget 2013/14 £'000	Strategic Core £'000
Gross Expenditure		
Employees	931	931
Premises Related Expenditure	1	1
Transport Related Expenditure	10	10
Supplies and Services	71	71
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	870	870
	1,883	1,883
Gross Income		
Customer and Client Receipts	0	0
Rents	0	0
Government Grants	0	0
Other Grants Reimburse/Contributions	0	0
Recharges	(939)	(939)
	(939)	(939)
Net Expenditure	944	944
Budget 2012/13	1,131	1,131
Change from 2012/13		
£'000 Change	(187)	(187)
% Change	(17%)	
Other Items 2013/14		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	80	80

Forecast of Benefits Costs 2013/14

	2011/12 Accounts	2012/13 Estimate	2012/13 Forecast	2013/14 Estimate	
Non HRA Rent Rebates					
	£'000	£'000	£'000	£'000	
gross expenditure	172	148	137	137	
net expenditure at standard subsidy					
effect of reduced subsidy	10	11	14	14	
effect of overpayments	(10)	(12)	(12)	(12)	
Total Rent Rebates	0	(1)	2	2	
Rent Allowances					
	£'000	£'000	£'000	£'000	
gross expenditure	30,212	29,927	31,165	31,165	
net expenditure at standard subsidy	0	0	0	0	
effect of reduced subsidy	542	531	739	739	
effect of overpayments	(581)	(462)	(631)	(631)	1
Total Rent Allowances	(39)	69	108	108	
Council Tax Benefit					
	£'000	£'000	£'000	£'000	
gross expenditure	7,574	7,441	7,310	0	
net expenditure at standard subsidy	0	0	0	0	
effect of reduced subsidy	0	0	0	0	
effect of overpayments	(103)	(104)	(114)	0	2
Total Council Tax Benefit	(103)	(104)	(114)	0	
Discretionary Local Scheme					
Council Tax Benefit					
Rent Allowances	30	36	35	35	
Subsidy 75%	(22)	(27)	(26)	(26)	
Total Discretionary scheme	8	9	9	9	
Total Support	(134)	(27)	5	119	
Add : Previous Year Adjustment					
Less : LA Error subsidy	(109)	(76)	(178)	(128)	3
Adjustment for 2010/11 claim	(24)		0	0	
Transfer to Benefits Equalisation Reserve	0	0	0	0	
(Less)/Add : Funding (from)/to Benefits Equalisation Reserve	174	10	80	16	4
Cost to MSDC	(93)	(93)	(93)	7	

(1) The introduction of Local Housing Allowance in 2008/2009 was forecast to reduce overpayment collection rates. This was due to the payment of Housing Benefits directly to Benefit recipients rather than the previous system of payments to Landlords. This involved a gradual process of transfer to tenants over a number of years and should result in a long term reduction in collection rates already included within the forecast.

(2) Overpayments which are not caused by LA error in relation to Council Tax currently attract 40% subsidy. This is an additional income as we are also able to reclaim the overpayment back from the recipient. For 2013/14, the introduction of the the Council Tax support scheme replaces Council tax benefits, reducing the additional 40% subsidy for Council Tax Benefit overpayments.

(3) LA error volumes for 2012/13 are higher than expected. This is due to higher than budgeted overpayment volumes, resulting in higher volumes of LA error. LA error subsidy is paid in full for this type of overpayment, as long as the total values do not exceed a lower threshold of 0.48% of correct benefits paid. Maximum LA error subsidy is only achieved when volumes are as close to the lower threshold as possible without exceeding it. The forecast reduction in LA error subsidy for 2013/14 is due to the Introduction of Council Tax Support Scheme which replaces Council Tax Benefits, reducing the LA error subsidy for overpayments.

(4) The amount to be drawn from or transferred to the Benefits Equalisation reserve is calculated to bring the final cost to MSDC back to required budget. The Benefits equalisation reserve was set up from previous years surplus's. Due to the higher LA error overpayment volumes forecast and the resulting favourable effect, a higher payment to the equalisation reserve is budgeted.

CAPITAL PROGRAMME 2012/13 - 2016/17

1.0 Background

- 1.1 This section sets out a proposed Capital Programme and Capital Strategy. It also outlines the Council's approach to capital investment ensuring that such investment is directed to the Council's corporate priorities.
- 1.2 Each year, the Council sets out its Capital Programme for the forthcoming year. Although this varies from year to year, it does contain certain core constituents throughout the four-year programme. On this basis, this section sets out, in tables overleaf, the overall Core Capital Programme Summary for the next four years together with its financing. In addition to this, the section details:
- a list of all projects contained in the current Capital Programme including scheme slippage from previous years and capital variations approved by Members during 2012/13;
 - a detailed list of the proposed projects for 2013/14 together with financing.

2.0 Capital Strategy

- 2.1 The current strategy for capital spending is outlined below:
- a) The Capital Projects will contribute to achieving the Corporate Plan and must further the Council's corporate priorities. This will be the means that objectively selects, ranks and recommends projects for inclusion in the Capital Programme, regardless of the source of the funding for the projects.
 - b) The affordability of capital projects must be determined in the context of the Strategy for Revenue Spending and the Strategy for reserves and cash balances and will be governed by the provisions of the Prudential Code.
 - c) The Capital Programme will be financed by the most appropriate mix of:
 - interest;
 - contributions from the Revenue Budget;
 - loan;
 - contributions from stakeholders (including s106 agreements);
 - capital grants;
 - other grants;
 - proceeds from the sale of assets;
 - external funding from partners in both the public and private sectors, which is consistent with this Financial Strategy.
 - d) The use of borrowing as a means of financing capital expenditure will be consistent with the Prudential Code and with the Strategy for Revenue Spending.
 - e) The Council will continually review the financial and service benefits of existing assets and, in accordance with prudent asset management best practice, draw up a schedule of those which could be disposed of and the timescale for disposal in accordance with the Asset Management Plan.

- f) The Council will make every effort to generate funding for capital projects from partners and other sources (including Section 106 agreements). Negotiations on the sources of funding must focus on the Council's priorities at the time.
- g) The asset base will be continually reviewed to maximise financial benefits including income whilst ensuring the Council, as a local authority, does not compromise its fiduciary duty to the Council Tax payers.
- h) Projects that can be supported by a business case may be financed from reserves subject to a payback within an appropriate and specified period but subject to the Council's capacity to allow such a commitment.

3.0 Capital Spending – General Principles

3.1. The general principles of Capital spending are detailed below:

- The expenditure for any particular year to be based only on previous years' cumulative receipts plus use of interest. This is to prevent cashflow problems developing if expenditure is incurred before receipts are received.
- All Affordable Housing grant aid is firstly financed from S106s and topped up by a contribution from New Homes Bonus of £360k, as described in section one of this report.
- The Council will use Prudential borrowing only for investments with a proven business case. Under this system, the Council will be able to borrow money on the strength of its resources, to pay for capital projects on an 'Invest to Save' basis and satisfying affordability criteria.
- All capital projects are subject to a project justification process and consultation with Cabinet and Ward Members as part of the approval process.
- Capitalised salaries to be permitted where appropriate but kept to a minimum to ease pressure on capital reserves. There are no instances of this in 2013/14.
- Council must approve the Capital Programme as part of the Corporate Plan and Budget exercise.

3.2 The adoption of the foregoing principles results in a modest Capital Programme for 2013/14, as detailed further in the paragraphs below.

4.0 Financial Position: Current and Medium Term

4.1 Over the last few years, work has continued to protect and where possible increase the level of reserves. Part of our strategy was to reduce the overall expenditure on capital projects. This approach has been successful and we are now in a position where some prudent investments can be made from our increased level of reserves.

4.2 As was the case last year, Major Capital Renewals continue to be financed from a revenue contribution, which relieves the pressure on reserves whilst we have financed Disabled Facilities Grants from the £1.601m of New Homes Bonus for 2013/14. In addition, where we have appropriate S106 contributions, we have utilised these for specific projects.

4.3 There are two projects in the programme for building a depot and nursery units at Bridge Road, Haywards Heath, shown as funded from capital receipts and loan/contributions respectively. The final financing of these projects is not concluded and will be reported to Council when the schemes are ready to start. The first tranche of the nursery unit expenditure is to be funded from the West Sussex CC contribution of £600,000.

5.0 Proposed Projects for 2013/14

5.1 In light of the comments above, the capital projects that have come forward are as follows:

i) Major Capital Renewals

This is the cost of maintaining our assets and is detailed in the table of proposed projects set out overleaf.

ii) Affordable Housing

This is the contribution to Registered Social Landlords to provide new affordable housing and is financed wholly from S106 contributions and New Homes Bonus.

iii) ICT

There are now just two schemes identified here – a minimal PC replacement programme at £25k and a contribution of £15k towards additional hardware. Additional schemes relating to various improvements required in order to ensure network stability will come forward during 2013/14 once requirements have been finalised.

iv) Disabled Facility Grants

This is a mandatory scheme and is funded partly from Government grant. Cabinet has also agreed to use New Homes Bonus monies to replace the previous draw on revenue.

v) Playground Improvements

These are funded wholly from S106s with the exception of the Beech Hurst scheme, which is funded from both S106 and Beech Hurst Trust Fund Surplus.

vi) Other schemes

These comprise of a small number of schemes which are detailed in the following pages but includes the first phase to the Bridge Road, New Business Starter Units scheme and energy conservation schemes at The Dolphin Leisure Centre and Oaklands.

5.2 The proposed capital projects to be included in the 2013/14 Capital Programme are set out on the next page.

<i>Description</i>	<i>Project Cost £'000</i>	<i>Project Cost £'000</i>	<i>Revenue Implications</i>
Service Projects			
<i>ICT:</i>			
CenSus SAN Disk Expansion	15		
PC Replacement Programme	25		
Total ICT:		40	
<i>S106 Fully Funded Schemes:</i>			
Improvements to playground at Beech Hurst Gardens, Haywards Heath	6		
Improvements to playground at Cuckfield Recreation Ground	14		
Improvements to Kickabout pitch at Forest Fields Haywards Heath	33		
Improvements to playground at Barn Close, Pease Pottage	14		
Improvements to playground at Imberhorne lane, East Grinstead	49		
BMX track Leylands Park Burgess Hill	41		
Improvements to playground at Manor Glade East Grinstead	13		
Improvements to Skatepark St Johns Park Burgess Hill	24		
Total S106 Schemes		194	
<i>Other Schemes:</i>			
Improvements to playground at Beech Hurst Gardens, Haywards Heath	34		
Bridge Road Haywards Heath – Business Starter Units	570		
Oaklands – Invest to Save – Electrical works	49		
Dolphin CHP Project	350		
Suitable Alternative Natural Green Space (SANG)	150		
Total other schemes		1,153	
Additional Funding			
<i>Major Capital Renewals (MCR):</i>			
Dolphin leisure centre, Haywards Heath	23		
Kings leisure centre, East Grinstead	150		
Triangle leisure centre, Burgess Hill	95		
Queens Way car park East Grinstead - improvements	32		
Cyprus Road car park, Burgess Hill - improvements	100		
Total Major Capital Renewals (MCR)		400	
Housing			
Disabled Facilities Grants	750		
Affordable Housing	180		
		930	
Total proposed capital projects for 2013/14		2,717	

- 5.3 Each project has a full accompanying justification statement, and has been the subject of Ward and Cabinet Member consultation. The justification proformas for all service projects are included at the end of this section.
- 5.4 It is proposed that the capital projects set out in 5.2 above are financed by a variety of means as follows:

	£'000	£'000
Capital Grants (re. Disabled Facilities Grants 60% financed from central government)		348
Capital Grants Contributions- Receipts in Advance :		
: S106 – Time Limited		146
: S106 – Housing – Time Limited		100
Capital Grants - Unapplied Account		
- - Capital Contributions		570
: - S106 Contributions – Non Time Limited		48
: - S106 Contributions – Housing – Non Time Limited		80
Beech Hurst Trust Fund Surplus		34
New Home Bonus		552
General Reserve		439
Met from Revenue Contributions		400
Total Capital Spending 2013/14		<u>2,717</u>

Background Papers

Report to Performance and Scrutiny Committee on 15th January 2013.

Budget Report and Council Tax 2013/14

Budget working papers

**Capital Programme 2012/13 - 2016/17
Programming Summary**

Total Costs £'000	Scheme Description	Payments* to 31/3/2012 £'000	Payments				
			2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
	Service Programme						
5,481	Schemes in Progress	715	1,658	3,078	30	0	0
3,465	New Projects	0	107	1,787	1,418	86	67
<hr/>		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
8,946		715	1,765	4,865	1,448	86	67
<hr/>		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Additional Funding						
1,200	Unallocated Funding - Future Projects	0	0	0	400	400	400
<hr/>		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,200		0	0	0	400	400	400
<hr/>		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
10,146	Total Service Programme	715	1,765	4,865	1,848	486	467
<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
			-----> £9,431,000 <-----				
	Housing Services Programme						
9,656	Disabled Facility Grants	5,656	800	950	750	750	750
2,887	Affordable Housing	1,590	70	180	500	547	0
<hr/>		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
12,543	Total Housing Services Programme	7,246	870	1,130	1,250	1,297	750
<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
			-----> £5,297,000 <-----				
<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
22,689	Total Programme	7,961	2,635	5,995	3,098	1,783	1,217
<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
			-----> £14,728,000 <-----				

Capital Programme 2012/13 - 2016/17
Financing Schedule

Description	Notes					
		2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Capital Grants - Disabled Facility Grants	1	348	348	348	348	348
Capital Receipts	2	75	1,936			
Capital Grants Unapplied Account :	3					
: - Capital Contributions		4	570	30		
: - S106 Contributions -non time limited		179	164	44	26	15
: - S106 Contributions - Housing -non time limited		70	80	140	187	
Capital Grants & Contributions - Receipts in Advance :	4					
: - Capital Contributions		15				
: - S106 Contributions -time limited		213	753	47	35	27
: - S106 Contributions - Housing -time limited			100			
Beech Hurst Trust Fund	5	15	34			
Loan	6			1,272		
New Homes Bonus	7	50	752	762	762 *	402 *
Use of General Reserves / Revenue Contributions	8	1,666	1,258	455	425	425
Total Programme		2,635	5,995	3,098	1,783	1,217

* This includes provisional allocation of New Homes Bonus monies see report to Cabinet 7th November 2011

Notes for Financing Schedule:

1. Government grant received for Disabled Facility Grants.
2. Capital receipts from asset disposals.
3. Capital grants, capital contributions and S106 contributions from developers with no conditions to repay.
4. Capital grants and S106 contributions from developers with conditions to repay if not used within a specified time limited.
5. Amount to be used from Beech Hurst Trust Fund surplus as approved by the Trustees at meeting on 21st November 2012.
6. Amount potentially to be borrowed in order to finance the business starter units at Bridge Road Haywards Heath.
7. Government grant - allocation to Disabled Facility Grants and Affordable Housing schemes. In addition this includes provisional allocation of £360k for Affordable Housing see Cabinet report 7th November 2011.
8. Financing from General Reserve including the use of revenue contributions.

Capital Programme 2012/13 - 2016/17

<i>Scheme Description</i>	<i>Total</i>	<i>Pre 1/4/2012</i>	<i>2012/2013</i>	<i>2013/2014</i>	<i>2014/2015</i>	<i>2015/2016</i>	<i>2016/2017</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Economic Promotion & Planning</i>							
S106 monitoring software	12	8	4				
Suitable Alternative Natural Green Space (SANG)	150	0		150			
<i>Total Economic Promotion & Planning</i>	162	8	4	150	0	0	0
<i>Leisure & Sustainability</i>							
Bolnore Woodland	23	22	1				
Improvements to Victoria Park Skatepark Haywards Heath	32	23	9				
Bolnore Leisure site	836	0	200	636			
Improvements to playground at Queens Crescent Burgess Hill	54	48	6				
Improvements to play facilities at Balcombe recreation ground	10	0	10				
Imps to playground at Kings Centre East Grinstead	50	0	50				
Extend skatepark at Kings Centre East Grinstead	78	0	78				
King Street public conveniences East Grinstead	230	54	176				
Improvements to playground at Fairfield rec Hurstpierpoint	7	6	1				
Improvements to athletics facilities at Whitemans Green Cuckfield	11	7	4				
Footpath works at Beech Hurst Gardens Haywards Heath	15	0	15				
Improvements to playground at Court Bushes Hurstpierpoint	9	0	9				
Improvements to playground at Forest Fields Haywards Heath	16	0	0	16			
Improvements to playground at Mt Noddy East Grinstead	42	0	0	42			
Improvements to playground at Orchard Way East Grinstead	29	0	0	29			
Improvements to Leisure facilities at Worlds End Burgess Hill	41	0	41				
Victoria Park Splash Pad H aywards Heath	15	0	15				
Dolphin CHP (combined heat and power) Project	350	0		350			
Improvements to playground at Beech Hurst Gardens	40	0		40			
Improvements to playground at Cuckfield recreation ground	14	0		14			
Improvements to Forest Fields kickabout pitch Haywards Heath	33	0		33			

Capital Programme 2012/13 - 2016/17

<i>Scheme Description</i>	<i>Total</i>	<i>Pre 1/4/2012</i>	<i>2012/2013</i>	<i>2013/2014</i>	<i>2014/2015</i>	<i>2015/2016</i>	<i>2016/2017</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Leisure & Sustainability Continued</i>							
Improvements to playground at Barn Close Pease Pottage	14	0		14			
Improvements to playground - Imberhorne Lane Rec East Grinstead	49	0		49			
BMX Track Leylands Park Burgess Hill	41	0		41			
Improvements to playground - Manor Glade East Grinstead	13	0		13			
Improvements to skatepark - St Johns Park Burgess Hill	24	0		24			
Improvements to playground at Hemsleys Pease Pottage	40	0			40		
Improvements to playground at Hollands Way East Grinstead	18	0			18		
Improvements to playground at Barn Cottage Rec Haywards Heath	8	0			8		
Improvements to playground at Sandy Vale Haywards Heath	25	0			25		
Improvements to playground at St Johns Park Burgess Hill	15	0				15	
Improvements to playground at Wisden Avenue Burgess Hill	16	0				16	
Improvements to playground at Richmond Way East Grinstead	19	0				19	
Improvements to playground at Parklands Hassocks	11	0				11	
Improvements to playground at Capenor Burgess Hill	16	0					16
Improvements to playground at Pavilion Way East Grinstead	11	0					11
Improvements to playground at Wyvern Close East Grinstead	15	0					15
<i>Total Leisure & Sustainability</i>	2,270	160	615	1,301	91	61	42

Capital Programme 2012/13 - 2016/17

<i>Scheme Description</i>	<i>Total</i>	<i>Pre 1/4/2012</i>	<i>2012/2013</i>	<i>2013/2014</i>	<i>2014/2015</i>	<i>2015/2016</i>	<i>2016/2017</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Finance, CenSus (ICT, Revenues & Benefits) and Personnel & Payroll</i>							
BACS software upgrade	17	0	17				
Telephony system upgrade	100	0	100				
PC replacement programme	25	0	25				
PC replacement programme	100	0		25	25	25	25
CenSus ICT strategy	48	0	48				
CenSus Revs & Benefits Council Tax Support scheme software	150	0	150				
CenSus SAN disk expansion	15	0		15			
<i>Total Finance, CenSus (ICT, Revenues & Benefits), Personnel & Payroll</i>	455	0	340	40	25	25	25
<i>Legal Services, Member Support, Elections, Property & Asset Management and Land Charges</i>							
Computerisation of Land Charges	108	103	5				
Modernisation of corporate records	156	46	40	40	30		
Land purchase at Leylands Rd Burgess Hill	20		20				
Replacement refuse and recycling depot	2,360	0	75	2,285			
Oaklands Campus - car park works	42	0	42				
Bridge Road - business starter units	1,872	0		570	1,302		
Oaklands Invest to save - electrical works	49	0		49			
<i>Total Legal Services, Member Support, Elections, Property & Asset Management and Land Charges</i>	4,607	149	182	2,944	1,332	0	0
<i>Total schemes</i>	7,494	317	1,141	4,435	1,448	86	67

Capital Programme 2012/13 - 2016/17

<i>Scheme Description</i>	<i>Total</i>	<i>Pre 1/4/2012</i>	<i>2012/2013</i>	<i>2013/2014</i>	<i>2014/2015</i>	<i>2015/2016</i>	<i>2016/2017</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Major Capital Renewals(MCR)</i>							
Dolphin - Haywards Heath	83	0	83				
Dolphin - Haywards Heath	23	0		23			
Kings - East Grinstead	84	82	2				
Kings - East Grinstead	60	0	60				
Kings - East Grinstead	150	0		150			
Triangle - Burgess Hill	110	0	110				
Triangle - Burgess Hill	95	0		95			
Triangle - Burgess Hill	140	40	100				
Whitemans Green pavilion	48	42	6				
Martlets Hall	27	10	17				
Streams & watercourses culvert Hurstpierpoint	70	60	10				
Clair Hall	97	94	3				
Oaklands campus - roof works & boilers	50	46	4				
Oaklands campus - roof works	90	20	70				
Oaklands - air conditioning to ICT server room	12	0	12				
Improvements to Heath Road car park Haywards Heath	20	0	20				
Improvements King Street car park East Grinstead	30	0	30				
Access road Fairfield Recreation Ground Hurstpierpoint	6	4	2				
East Court East Grinstead Access Road	25	0	25				
Bolney Pavilion -toilet and kitchen works	30	0	0	30			
Heating imp's at St Johns, Janes Lane & Whiteman Green pavilions	20	0	20				
Improvements Broad Street car park Cuckfield	10	0	10				
Streams & watercourses Tower Close East Grinstead	40		40				
Improvements to Queens Way car park East Grinstead	32	0		32			
Improvements Cyprus Rd car park Burgess Hill	100	0		100			
Major Capital Renewals Unallocated Funding	1,200	0			400	400	400
<i>Total Major Capital Renewals (MCR)</i>	2,652	398	624	430	400	400	400

Capital Programme 2012/13 - 2016/17

<i>Scheme Description</i>	<i>Total</i> £'000	<i>Pre 1/4/2012</i> £'000	<i>2012/2013</i> £'000	<i>2013/2014</i> £'000	<i>2014/2015</i> £'000	<i>2015/2016</i> £'000	<i>2016/2017</i> £'000
<i>Total Service Programme</i>	10,146	715	1,765	4,865	1,848	486	467
<i>Housing Services</i>							
Disabled Facility Grants	9,656	5,656	800	950	750	750	750
Affordable Housing*	2,887	1,590	70	180	500	547 *	
<i>Total Housing Services Programme</i>	12,543	7,246	870	1,130	1,250	1,297	750
<i>Grand Total</i>	22,689	7,961	2,635	5,995	3,098	1,783	1,217

* This includes provisional allocation of New Homes Bonus monies see report to Cabinet 7th November 2011

PROJECT JUSTIFICATION DETAILS

CenSus SAN Disk Expansion

Purpose of Project: CenSus SAN Disk Expansion

Amount: £15,000

Capitalised Salaries included in the project total: None

Revenue Implications: None

Value For Money Assessment:

The CenSus Storage Area Network (SAN) is the core disk storage system that supports the shared systems hosted in the CenSus Data Centre. Currently this supports key business systems such as the Information@Work Document Management System (Planning and Revenues & Benefits) and Uniform (Planning & Environmental Health).

During 2013/14 additional systems will be added to the CenSus Data Centre and regardless of these additional systems the volume of data grows year on year necessitating an expansion of the storage.

Continued investment in the Census infrastructure is necessary for the efficiency of the Council's services.

Business Unit/Service: CenSus ICT

Head of Service: Peter Stuart, Head of Finance, ICT and Personnel & Payroll

Project Manager: Graham Crossingham, ICT Operations Manager, Horsham District Council

Cabinet Member: Cllr Ash-Edwards and Cllr Marsh

Ward Members: None

This project contributes to achieving the Corporate Plan in the following ways:

Continued investment in the Census infrastructure enables all services to perform efficiently and thereby achieve their own service targets and project deliverables.

Summary of discussions with Cabinet Member:

The Cabinet Member is supportive of this project.

Risk Analysis:

It is not considered that any risk is attached to this project. Horsham District Council as lead authority for ICT will deliver the projects listed to the Census standards.

PROJECT JUSTIFICATION DETAILS

PC Replacement Programme

Purpose of Project:

The Council currently has approximately 400 desktop PCs / Laptops and to ensure efficiency and reliability a replacement programme is required. With the ever increasing use of ICT systems in all business areas and the demands of new or upgraded systems the average life of a PC is 4-5 years. This project forms part of the on-going PC replacement programme and represents the monies required to replace a number of PCs each year which have been deemed to have reached the end of their useful life.

Total Amount: £25,000

Capitalised Salaries included in the project total: None

Other sources of funding: None

Revenue Implications: None

Value for Money Assessment:

Due to the increasing use of ICT in all areas of the Council's Business and the increased demands made by new systems the average lifespan of a PC is assumed to be 4-5 years. Due to the current financial climate the expected lifetime of a PC has been extended but this should be reviewed in future years to make sure that this is still valid. To ensure value for money, Government frameworks will be used in the procurement process.

Current practice / doing nothing:

The rolling programme presented here is the current practice and doing nothing would have a negative impact in the efficient working of the Council.

Other alternative approaches:

Due to the increasing demands placed upon the desktop PC's a rolling replacement programme is the most appropriate way forward.

Business Unit/Service: ICT Services

Head of Service: Peter Stuart, Head of Finance, ICT and Personnel & Payroll

Project Manager: Graham Crossingham, ICT Operations Manager, Horsham District Council

Graham is trained in PRINCE Lite.

CenSus ICT operates projects under PRINCE Lite methodology.

Overall CenSus ICT Strategy is managed by the CenSus Programme Management Board.

Cabinet Members: Cllr Jonathan Ash-Edwards

Continued...

PC Replacement Programme

Ward Members: Not applicable

This project contributes to achieving the Corporate Plan in the following ways:

By maintaining the rolling replacement programme it ensures that PCs have sufficient processing power to enable business units to work efficiently and provide an effective service to customers.

Summary of discussions with Cabinet Member:

Cllr Ash-Edwards is supportive of the reduced programme for the forthcoming years in light of the Council's overall financial position.

Risk Analysis:

The main risks for this project are:

- (a) Sufficient resources not being made available
- (b) Change of PC specification by Supplier / Manufacturer / MSDC

The likelihood, severity, financial impact (rated low, medium, high) of each of these risks are:

- (a) Medium, low, low
- (b) Medium, low, low

Mitigation actions:

- (a) Slip project completion in to next financial year
- (b) Slip project, while new hardware \ software image built and tested

PROJECT JUSTIFICATION DETAILS

Improvement Works to Playground at Beech Hurst Gardens, Haywards Heath

Purpose of Project:

To upgrade the equipped playground in Beech Hurst, Haywards Heath.

Amount: £39,897

S106 available P35/516 £5,897

Beech Hurst Trust Fund £34,000

Capitalised Salaries included in the project total: None

Revenue Implications: Expected reduction in revenue costs of c.£50 pa for first 3 years

Value for Money Assessment:

This will reduce future maintenance costs and provide an improved and more exciting play experience for children.

Business Unit/Service: Leisure and Sustainability

Head of Service: Mark Fisher

Project Manager: Rupert Browning

Cabinet Member: Cllr Pru Moore

Ward Members: Cllr Tim Farmer and Cllr Mims Davies

This project contributes to achieving the Corporate Plan in the following ways:

BL 1.2 – Deliver further improvements to leisure facilities in Mid Sussex.

BL 1.4 – Improve the District's parks and open spaces for the benefit and health of the community.

Summary of discussions with Cabinet Member:

Cllr Pru Moore is supportive of the need to enhance this playground so as to provide a better play experience for the local residents and visitors to these gardens.

Risk Analysis:

Risk assessments will be undertaken by the Contractor before commencing works to ensure any risks to Health and Safety and nuisance to neighbours is minimised.

PROJECT JUSTIFICATION DETAILS

Improvement Works to Playground at Cuckfield Recreation Ground

Purpose of Project:

To upgrade the equipped playground in Cuckfield Recreation Ground.

Amount: £14,097

S106 available: P35/527 £14,097

Capitalised Salaries included in the project total: None

Revenue Implications: Expected reduction in revenue costs of c.£50 pa for first 3 years

Value for Money Assessment:

This will reduce future maintenance costs and provide an improved and more exciting play experience for children.

Business Unit/Service: Leisure and Sustainability

Head of Service: Mark Fisher

Project Manager: Rupert Browning

Cabinet Member: Cllr Pru Moore

Ward Members: Cllr Katy Bourne and Cllr Robert Salisbury

This project contributes to achieving the Corporate Plan in the following ways:

BL 1.2 – Deliver further improvements to leisure facilities in Mid Sussex.

BL 1.4 – Improve the District's parks and open spaces for the benefit and health of the community.

Summary of discussions with Cabinet Member:

Cllr Pru Moore is supportive of the need to enhance this playground so as to provide a better play experience for the local residents and visitors to this recreation ground.

Risk Analysis:

Risk assessments will be under taken by the Contractor before commencing works to ensure any risks to Health and Safety and nuisance to neighbours is minimised.

PROJECT JUSTIFICATION DETAILS

Improvement Works to Forest Fields Kickabout Pitch in Haywards Heath

Purpose of Project:

To upgrade the grass kick about pitch to a more formal all weather pitch without any associated fencing at Forest Fields Open Space, Haywards Heath, so as to provide a better playing surface that can be used all year around. The results of consultation are currently being assessed and it is hoped work will start in the spring of 2013.

Amount: £33,164

S106 available:	P35/494	£21,541
	P35/515	£5,891
	P35/447	£5,732
Total		£33,164

Capitalised Salaries included in the project total: None

Revenue Implications: Expected reduction in revenue costs of c.£1,200 pa (current cost of annual renovation works)

Value for Money Assessment:

This will reduce future maintenance costs of this grass playing surface and provide an improved playing surface.

Business Unit/Service: Leisure and Sustainability

Head of Service: Mark Fisher

Project Manager: Rupert Browning

Cabinet Member: Cllr Pru Moore

Ward Member: Cllr Garry Wall and Cllr John De Mierre

This project contributes to achieving the Corporate Plan in the following ways:

BL 1.2 – Deliver further improvements to leisure facilities in Mid Sussex.

BL 1.4 – Improve the District's parks and open spaces for the benefit and health of the community.

Summary of discussions with Cabinet Member:

Cllr Pru Moore is supportive of the need to improve this grass kickabout area.

Risk Analysis:

The Contractor installing the MUGA (Multi-Use Games Area) will ensure that the work is done in as risk-free a way as possible with appropriate fencing during the works.

Risk assessments will be undertaken by the Contractor before commencing works to ensure any risks to Health and Safety and nuisance to neighbours is minimised.

PROJECT JUSTIFICATION DETAILS

Upgrade the Playground at Imberhorne Lane Recreation Ground East Grinstead -

Purpose of Project:

To upgrade the equipped playground at Imberhorne Lane Recreation Ground, East Grinstead.

Amount: £49,331

S106 available	P35/478	£3,585
	P35/583	£3,461
	P35/263	£42,285

Total £49,331

Capitalised Salaries included in the project total: None

Revenue Implications: Expected reduction in revenue costs of c.£100 pa for first 3 years

Value for Money Assessment:

This will reduce future maintenance costs and provide an improved and more exciting play experience for children.

Business Unit/Service: Leisure and Sustainability

Head of Service: Mark Fisher

Project Manager: Rupert Browning

Cabinet Member: Cllr Pru Moore

Ward Member: Cllr Heidi Brunsdon and Cllr Bob Mainstone

This project contributes to achieving the Corporate Plan in the following ways:

BL 1.2 – Deliver further improvements to leisure facilities in Mid Sussex.

BL 1.4 – Improve the District's parks and open spaces for the benefit and health of the community.

Summary of discussions with Cabinet Member:

Cllr Pru Moore is supportive of the need to enhance this playground so as to provide a better play experience for the local residents and visitors to this recreation ground.

Risk Analysis:

Risk assessments will be undertaken by the Contractor before commencing works to ensure any risks to Health and Safety and nuisance to neighbours is minimised.

PROJECT JUSTIFICATION DETAILS

Improvement Works to BMX facility at Leylands Park, Burgess Hill

Purpose of Project:

To upgrade the BMX facility at Leylands Park on the ex-tip site so as to revitalise this facility that was initially provided in the 1980's.

Amount: £40,723

S106 available:	P35/619B	£5,304
	P35/687	£15,419
	P35/543	£20,000 (part of total contribution)

Total		£40,723
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Capitalised Salaries included in the project total: None

Revenue Implications: c.£100 pa

Value for Money Assessment:

This will provide a much needed facility for the youth of Burgess Hill and surrounding areas.

Business Unit/Service: Leisure and Sustainability

Head of Service: Mark Fisher

Project Manager: Rupert Browning

Cabinet Member: Cllr Pru Moore

Ward Members: Cllr Pru Moore and Cllr Cherry Catherine

This project contributes to achieving the Corporate Plan in the following ways:

BL 1.2 – Deliver further improvements to leisure facilities in Mid Sussex.

BL 1.4 – Improve the District's parks and open spaces for the benefit and health of the community.

Summary of discussions with Cabinet Member:

Cllr Pru Moore is supportive of the need to enhance this facility and it forms a part of the emerging Neighbourhood Plan for this part of Burgess Hill.

Risk Analysis:

The project is not likely to involve any undue risk to the Council. The Contractor installing the track improvements will ensure that the work is done in as risk-free a way as possible and it is intended that the whole site will be fenced off for the duration of the works.

PROJECT JUSTIFICATION DETAILS

Improvement Works to Playground at Manor Glade, East Grinstead

Purpose of Project:

To upgrade the equipped playground in Manor Glade, East Grinstead.

Amount: £13,043

S106 available: P35/498 £6,858

P35/514 £6,185

Total £13,043

Capitalised Salaries included in the project total: None included

Revenue Implications: Expected reduction in revenue costs of c.£100 pa for first 3 years

Value for Money Assessment:

This will reduce future maintenance costs and provide an improved and more exciting play experience for children.

Business Unit/Service: Leisure and Sustainability

Head of Service: Mark Fisher

Project Manager: Rupert Browning

Cabinet Member: Cllr Pru Moore

Ward Members: Cllr Liz Bennett and Cllr Peter Reed

This project contributes to achieving the Corporate Plan in the following ways:

BL 1.2 – Deliver further improvements to leisure facilities in Mid Sussex.

BL 1.4 – Improve the District's parks and open spaces for the benefit and health of the community.

Summary of discussions with Cabinet Member:

Cllr Pru Moore is supportive of the need to enhance this playground so as to provide a better play experience for the local residents and visitors to this open space.

Risk Analysis:

Risk assessments will be undertaken by the Contractor before commencing works to ensure any risks to Health and Safety and nuisance to neighbours is minimised.

PROJECT JUSTIFICATION DETAILS

Improvement Works to SkatePark at St John's Park , Burgess Hill

Purpose of Project:

To upgrade the Skatepark at St Johns Park in Burgess Hill to make it a safe and enjoyable facility. This will involve removal of some older items and replacement with new units plus some adaptation of existing units.

Amount: £24,000

S106 available: P35/716 £24,000 (part of total contribution)

Capitalised Salaries included in the project total: None included

Revenue Implications: Expected reduction in revenue costs of c.£100 pa for first 3 years

Value for Money Assessment:

The improved skate facility will continue to provide a much needed facility for the youth of this part of the District and will reduce future maintenance costs.

Business Unit/Service: Leisure and Sustainability

Head of Service: Mark Fisher

Project Manager: Rupert Browning

Cabinet Member: Cllr Pru Moore

Ward Members: Cllr. Anne Jones MBE, Cllr. Kathleen Dumbovic

This project contributes to achieving the Corporate Plan in the following ways:

BL 1.2 – Deliver further improvements to leisure facilities in Mid Sussex.

BL 1.4 – Improve the District's parks and open spaces for the benefit and health of the community.

Summary of discussions with Cabinet Member:

Cllr. Pru Moore is supportive of the need to enhance this skatepark so as to provide a better skating experience for the local residents and visitors to this recreation ground.

Risk Analysis:

The Contractor installing the skatepark improvements will ensure that the work is done in as risk-free a way as possible with appropriate fencing during works.

Risk assessments will be undertaken by the Contractor before commencing works to ensure any risks to Health and Safety and nuisance to neighbours is minimised.

PROJECT JUSTIFICATION DETAILS

New Business Start-Up Units at Bridge Road, Haywards Heath

Purpose of Project:

To construct new business start-up units on the site of the current waste services depot in Bridge Road, Haywards Heath following the provision of a new facility and demolition of the current depot.

The rate of new business births within Haywards Heath is slightly below the regional average and there is a need to support and enable existing businesses to grow. Supporting business start-up and the growth of small businesses will be particularly fundamental to future economic growth. There are currently no facilities in Haywards Heath for such potential growth opportunities. There is a key role for local authorities to support the start-up and growth of small businesses through direct provision of start-up or 'move-on' business premises.

This will provide an economic boost to Haywards Heath and meets a need identified for local businesses.

Total Amount: £1,872,000

Phased as follows: £570,000 2013/14

£1,302,000 2014/15

Value for Money Assessment:

An appraisal of a potential development and the on-going investment value of the built development has been carried out (although a final scheme has yet to be designed and appraised). With the grant from West Sussex County Council of £600,000, this development should be financially viable. The project provides value for money for the reasons outlined. It provides much needed small business units within Haywards Heath and will provide a longer term economic boost to the town.

Business Unit/Service: Property & Asset Maintenance

Head of Service: Tom Clark (Solicitor to the Council and Monitoring Officer)

Project Manager: Emma Grundy

Cabinet Members: Cllr Gary Marsh and Cllr Pru Moore

Ward Members: Cllr Jonathan Ash-Edwards and Cllr Natalie March

This project contributes to achieving the Corporate Plan in the following ways:

The project will contribute to a better environment through modern quality/sustainable buildings.

It also contributes to the key themes of the Sustainable Community Strategy by promoting economic vitality and the Council's aim to support the local economy.

Continued...

New Business Start-Up Units at Bridge Road, Haywards Heath**Summary of discussions with Cabinet Member:**

Project agreed at Cabinet 10 September 2012.

Risk Analysis:

As with any construction project, there are risks of a project costing more than anticipated. However, detailed surveys and site investigations have already been undertaken on this site so any scheme design will reflect these known factors to ensure a project can be completed within the budget of £1,872,000.

It has already been highlighted that the District Council will bear the risk going forward of any letting voids and empty rates liabilities for such a scheme.

The Council is also likely to have to be responsible for structural repairs to the buildings in future. This is because the very nature of the properties will attract businesses using the properties on a short term basis as a 'stepping stone' whilst their business grows. It will not be possible to transfer the liability of these major structural items to short term tenants. The Council will need to consider a longer term maintenance plan for the buildings to ensure they are kept to an appropriate standard.

PROJECT JUSTIFICATION DETAILS

Electrical Works at Oaklands, Haywards Heath

Purpose of Project:

The installation of LED lighting, PIR controls and sensors to lighting and a voltage optimisation system to the electricity intake to the building. These measures will optimise power usage and reduce annual costs by approximately 26%. The voltage optimisation installation also helps to protect the Council's equipment from harmful electrical currents and can extend the life and reduce maintenance costs of installation infrastructure and equipment.

Total Amount: £49,000

Value for Money Assessment:

The outlook over the medium to long term is one of continuing increases in the cost of energy. By taking these measures, the Council can reduce its consumption and improve the efficiency of the energy it uses. Both of these will result in reducing the cost of energy used (circa £12k p.a.) and also reduce our carbon emissions.

In addition, the condition of the electrical infrastructure and equipment is preserved which should extend the working life of the equipment and result in less frequent maintenance being required.

Business Unit/Service: Property & Asset Maintenance

Head of Service: Tom Clark (Solicitor to the Council and Monitoring Officer)

Project Manager: Emma Grundy

Cabinet Members: All

This project contributes to achieving the Corporate Plan in the following ways:

Better Environment (by reducing our CO2 emissions and using less natural resources)

Better services (by reducing costs)

Summary of discussions with Cabinet Member:

Cabinet members have been consulted and are supportive of these proposals as this capital expenditure will result in real annual cost savings going forward.

Risk Analysis:

The measures taken may not produce the anticipated annual cost savings of 26%. They could produce more or less than this estimated amount depending on actual usage. However, these measures will definitely result in annual cost savings to the Council to some degree and this is not therefore considered to be a project with significant risk.

PROJECT JUSTIFICATION DETAILS

Replacement of Boilers and Installation of Combined Heat and Power Plant at the Dolphin Leisure Centre, Haywards Heath

Purpose of Project:

This project involves:

- a. The replacement of existing boilers at the Leisure Centre. This is necessary as they are now of an age and design whereby replacement parts are becoming difficult to source and any mechanical failure therefore becomes potentially irreparable and/or costly; and
- b. The installation of a combined heat and power plant at the Leisure centre. By recovering most of the lost heat from electricity production, a combined heat and power plant enables electric energy and thermal energy output to a building/facility at an overall energy efficiency that is greater than if being provided separately. This can result in energy cost savings of around 40% and reduces harmful CO2 emissions by potentially up to 50%.

Total Amount: £350,000

£170,000 boilers

£180,000 CHP plant

Value for Money Assessment:

All works will be competitively tendered to ensure that the most cost effective installations are procured. This will consider capital cost of installation and on-going maintenance costs.

It is necessary to replace the boilers at the centre as they are reaching the end of the functional and economic life. It is not suitable to wait until repair is not possible as any closure of the leisure centre results in a loss of income. Planned replacement therefore reflects appropriate business continuity management and reduces costs.

The combined heat and power plant is not mandatory. However, the annual savings in running costs make this a compelling course of action, particularly where the facility is a large consumer of fuel/energy (such as leisure centres). The payback period is relatively short and there are also environmental emissions benefits.

Business Unit / Service: Property & Asset Maintenance / Leisure and Sustainability

Head of Service: Tom Clark (Solicitor to the Council and Monitoring Officer) and Mark Fisher

Project Manager: Emma Grundy

Cabinet Members: Cllr Pru Moore

Ward Members: Cllr Tim Farmer and Cllr Mims Davies

Continued...

Replacement of Boilers and Installation of Combined Heat and Power Plant at the Dolphin Leisure Centre, Haywards Heath

This project contributes to achieving the Corporate Plan in the following ways:

These proposals will contribute to the corporate priorities as follows:

- Better Lives (healthy lifestyles) by continuing to maintain and improve the fabric and infrastructure of our leisure centres;
- Better Environment (by reducing CO2 emissions);
- Better Services (more efficient and effective services by reducing costs).

Summary of discussions with Cabinet Member:

Cllr Pru Moore is supportive of the scheme.

Risk Analysis:

In terms of the boilers, there is a risk that they could fail and the Council not be able to effect a repair (due to parts not being available). This would result in an un-planned closure of the leisure centre. This closure would also be more lengthy than as planned works as tenders would not have been obtained whilst the centre was operating (as would be the case with planned works). This would cause inconvenience to users and considerable loss of income to the service and a claim from the contractor.

In relation to the combined heat and power plant, this will obviously result in an increase in mechanical and electrical plant which the Council has to maintain. However, if a good installation with appropriate warranties for the future life of the equipment are procured, the equipment is properly maintained thereafter, costs should be more than covered by the potentially substantial annual running cost savings which can be achieved with this equipment.

PROJECT JUSTIFICATION DETAILS

SANG/SAMM Implementation Costs
<p>Purpose of Project:</p> <p>The Habitats Regulations require that any significant impacts on protected sites such as Ashdown Forest must be either avoided or mitigated. The Habitats Regulations Assessment of the District Plan identifies that proposed new housing within 7km of the Forest is likely to increase the number of visitors to the Forest, with associated impacts on the protected bird populations. Following advice from Natural England, since August 2012 planning applications for new residential development within 7km of the Forest in Mid Sussex have been required to provide mitigation in the form of:</p> <ul style="list-style-type: none"> • the provision of Suitable Alternative Natural Greenspace (SANGs) or financial contributions to SANGs; and • the Ashdown Forest Access Management and Monitoring Strategy (SAMM). <p>To avoid unnecessarily delaying or precluding development in this area, the Council is seeking to establish a SANG or SANGs as quickly as possible in order that developers can contribute towards it to mitigate their development. This may require some up-front costs in the form of land purchase or lease arrangements. Work is also progressing in partnership with other affected local authorities and the Ashdown Conservators on the Access Management and Monitoring Strategy and this too may require some pump priming. Longer term costs of both mitigation measures will be funded through developer contributions</p> <p>Total Amount: £150,000</p> <p>Value for Money Assessment:</p> <p>The alternative is to wait for developers to provide their own SANGs and Access Strategy. However, this is likely to prolong the length of time that residential development is unable to be delivered within the 7km zone, increasing the pressure on other parts of Mid Sussex.</p> <p>Business Unit/Service:</p> <p>Development Management, Planning Policy & Economic Development</p> <p>Head of Service: Claire Tester</p> <p>Project Manager: Claire Tester</p> <p>Cabinet Members: Cllr Gary Marsh</p> <p>This project contributes to achieving the Corporate Plan in the following ways:</p> <p>Better Environment – A service plan priority for Planning Policy and Economic Development is to deliver the strategy for mitigation of the impact of development on the Ashdown Forest - Continued Suitable Alternative Natural Greenspace (SANG) and Strategic Access Management and Monitoring (SAMM).</p> <p>Summary of discussions with Cabinet Member:</p> <p>Agreed with Cabinet Member that expenditure meets objectives of enabling sustainable development and protecting high quality environment.</p> <p>Risk Analysis:</p> <p>May be unable to locate and/or secure an appropriate SANG site or unable to reach agreement with other local authorities and Ashdown Forest Conservators on Access Management and Monitoring Strategy.</p>

USABLE RESERVES AND OTHER BALANCES

1. This part of the report considers the Council's usable reserves and other cash balances. These are amounts held for future revenue or capital expenditure and to ensure the Council has sufficient cash resources for any unforeseen demands.
2. Details are set out in Table 1 overleaf, which shows that overall balances held at 1st April 2012 were £19.102m and with the estimated changes, the current expectation is that some £27.307m will be held at 31st March 2017. Brief notes explaining each item are given after the table. Please note that the figures contained within the table are displayed to the nearest thousand pounds. Consequently, the sum of individual figures may not necessarily agree with the totals displayed due to roundings.
3. Estimated interest received on investing surplus balances is based on rates averaging 1.775% for 2012/13, falling to 0.872% for the period 2013/14. The rate rises to 1.107% in 2014/15, 2.047% in 2015/16, and 2.282% in 2016/17. There is a severe reduction expected for 2013/14 following the impact of the Funding for Lending Scheme launched by the Bank of England and HM Treasury. It allows UK banks and building societies to borrow from the Bank of England for up to 4 years at sub-market rates. The major side effect is that banks and building societies will not need to compete so much for cash from depositors, leading to a drop in LIBOR rates and a fall in rates offered across call, notice accounts and longer term money market yields. Whilst this position improves the longer term, it is likely that the interest generated will be relatively low and this will limit our ability to finance anything other than a modest capital programme in future years without using reserves.
4. As was the case last year, further details relating to the management of the Council's daily cash balances and the borrowing limits will be set out in the Treasury Management Strategy Statement and Annual Investment Strategy 2013/14 to 2015/16 report. This is a stand-alone report that will be considered by Council on 20th March 2013.
5. This Council classifies its Usable Reserves as follows:
 - **General Reserve:** This Reserve includes amounts earmarked for the Capital Programme. It also includes the non-earmarked element.
 - **Earmarked Specific Reserve:** This contains amounts for particular purposes and for which Member authorisation has been obtained as to how these may be applied.
 - **Usable Capital Receipts Reserve:** This represents the capital receipts from the sale of assets that are available to finance future capital expenditure.
 - **Capital Grants Unapplied Account:** This comprises capital grants and S106s contributions from developers with no conditions to repay.
6. This Council also holds other balances as follows:
 - **Capital Grants & Contributions receipts in advance:** This comprises capital grants and S106s contributions from developers with conditions to repay if not used within a specified time limit. These sums are restricted to being spent only in accordance with the agreement concluded with the developer.

Table 1: Usable Reserves and other balances - for Council 27th February 2013

		Balance 01/04/2012 £'000	Balance 31/03/2013 £'000	Balance 31/03/2014 £'000	Balance 31/03/2015 £'000	Balance 31/03/2016 £'000	Balance 31/03/2017 £'000
	Note						
Usable Reserves							
General Reserve:							
Non-Earmarked General Reserve	1	8,115	8,845	9,129	10,785	13,274	16,767
Total Earmarked General Reserve	2	26	26	26	26	26	26
Total General Reserve:		8,141	8,871	9,156	10,811	13,300	16,793
Specific Reserve :							
Performance & Partnerships		7	0	0	0	0	0
Planning Policy & Economic Development		651	378	308	291	291	291
Development Management		70	5	5	5	5	5
Finance Accountancy		5	0	0	0	0	0
Finance Corporate		371	406	366	366	366	366
Personnel & Payroll		25	7	7	7	7	7
Census ICT		20	15	0	0	0	0
Revenues & Benefits		551	551	551	551	551	551
Housing		105	92	92	92	92	92
Leisure, Community Services & Culture		419	375	275	275	275	275
Facilities Management and Streetscene		26	150	0	0	0	0
Property and Asset Management		162	115	95	95	95	95
Member Support		22	59	100	18	60	60
Land Charges		34	33	33	33	33	33
Strategic Core		0	80	0	0	0	0
Total Specific Reserve:	3	2,467	2,267	1,832	1,733	1,775	1,775
		2,467	2,267	1,832	1,733	1,775	1,775
Total Revenue Reserves		10,608	10,408	9,973	9,873	9,915	9,915
Total Usable Capital Receipts Reserve	4	2,011	1,940	7	9	11	14
Total Capital Grants Unapplied Account	5	1,991	1,863	2,399	2,935	3,472	4,207
Total Usable Reserves		14,611	14,942	13,394	15,488	18,559	22,789
Other Balances							
Total Capital Grants & Contributions -Receipts in Advance		4,492	5,480	4,627	4,580	4,545	4,518
Total Other Balances	6	4,492	5,480	4,627	4,580	4,545	4,518
Total Reserves and Other Balances		19,102	20,422	18,021	20,068	23,104	27,307
NB. Figures to nearest £'000 therefore totals subject to rounding variations							

Notes:

(The Table excludes recommendations in the Draft Corporate Plan and Budget 2013/14 report to Cabinet held 12th February 13)

1. Total available to provide additional finance for day-to-day services and/or additional capital expenditure (after financing the current capital programme). Included in this total are planned paybacks to reserves from revenue, windfall income received in 2012/13, amounts received from developers in respect of land adoptions in lieu of maintenance (e.g. culvert commuted sums), interest receipts forecast for the period, and New Homes Bonus monies.
2. It includes an amount set aside to lend to owners of historic buildings to assist in keeping properties in good repair, and the balance on the Car Bond Contingency.
3. Representing a number of balances held for specific purposes for which a decision has previously been taken of how to apply.
4. Accumulated proceeds from asset disposals after the repayment of long term loans.
5. This comprises capital grants and S106s contributions from developers with no conditions to repay.
6. This comprises capital grants and S106s contributions from developers with conditions to repay if not used within a specified time limit. These sums are restricted to being spent only in accordance with the agreement concluded with the developer.

FINANCIAL STRATEGY, MEDIUM TERM FINANCIAL PLAN AND INFLATION

1.0 Introduction

- 1.1 This section sets out the plan for revenue spending and outlines some assumptions made in its preparation. Whilst it is a legal requirement to draw up such a plan it also forms part of the 'Sustainable Finances' workstream which aims to achieve financial equilibrium in the medium term.
- 1.2 The last position adopted by Council was reported in February 2012 as part of the Corporate Plan. A feature of that position was the ongoing recession that made setting a strategy a difficult task.
- 1.3 The tenor of the financial strategy has not changed, and whilst the country's finances have settled down to a more stable economic picture, this is one of a 'flat' economy with little growth, low inflation (at least for local government) and a continuing squeeze on resources.
- 1.4 The three initiatives that we thought had the potential to alter our overall financial position have been worked through and implemented for next year. These were the Localisation of Business Rates, the Localisation of Council Tax benefit and the Technical Changes to the Council Tax base. The impact of these as adopted by the Council are discussed elsewhere within this report.
- 1.4 Officers have therefore been working throughout 2012 to update the four-year financial plan as set out at the end of Section 5 and have now reflected the new system of government funding that will be in place to 2020. Some terminology has therefore changed and we explain that where necessary.
- 1.5 Over the next year, Members will again be invited to familiarise themselves with the financial outlook for the authority and offer views on its associated direction of travel. Of particular interest will be the impact of the changes outlined above at Paragraph 1.4.

2.0 FINANCIAL STRATEGY 2013/14 – 2016/17

2.1. Main Principles

- 2.1.1. The Council's spending priorities to be formulated after consultation with the community in line with the Council's consultation strategy.
- 2.1.2. All expenditure decisions to be led by the Council's priorities, in particular, the Corporate Plan.
- 2.1.3. The Financial Strategy will provide the framework for the Medium Term Financial Plan. The Medium Term Financial Plan will cover a rolling five year period and will include all commitments and the estimated effect of significant future changes for the Council.
- 2.1.4. Annual budget guidelines will be formulated to provide a framework for the annual budget to ensure it is prepared in accordance with the Financial Strategy.
- 2.1.5. The Financial Strategy may be reviewed at this time to ensure it maintains its relevance to the circumstances at the time.

2.2. Strategy for Revenue Spending

- 2.2.1. The Council will continue to adopt a prudent approach to financing the Council Tax Requirement which will, in the main be financed by the council tax, Business Rate Retention and Formula Grant, but will be supported from other sources as necessary to maintain a level of council tax considered, at the time of setting, to be in the best interests of the community as a whole.
- 2.2.2. All payments forming pension contributions will be paid from the revenue budget. The deficit on the Council's element of the pensions fund will be paid from the revenue budget but spread over the maximum period the Actuary advises.
- 2.2.3. The budget will include an allowance for inflation that is considered realistic at the time it is estimated.
- 2.2.4. Income estimates which include volume (rather than price) increases must be the subject of detailed risk and sensitivity analysis in conjunction with the Head of Finance to ensure they are realistic and robust.
- 2.2.5. A fundamental and detailed examination of the Council's budget will be undertaken to ensure all aspects contribute to the Council's priorities. Savings that are identified as a result of this process will be used to further the Council's priorities and the decision on how to apply these savings will be taken corporately.
- 2.2.6. Income that arises which is unbudgeted will be made available for corporate use in achieving the Council's priorities.
- 2.2.7. The Council will aim to achieve net expenditure reductions by exploring alternative ways to deliver existing services.
- 2.2.8. Opportunities for charging for services under powers provided by the Local Government Act 2003 will be maximised. The Council should make such decisions in the light of the best information available to it at the time.
- 2.2.9. The Medium Term Financial Plan will show the difference between projected net spending and income from the council tax and other sources and Cabinet will recommend how this is to be managed in a way that is consistent with this Financial Strategy.

2.3. Strategy for Capital Spending

- 2.3.1. The Strategy for Capital Spending is contained within Section 3.

2.4. Strategy for Reserves and Cash Balances

- 2.4.1. The target for the total level of unearmarked reserves will be a minimum of £1,500,000. This is equivalent to approximately 11% of the Total Revenue Spending and is an amount held which can, legally, be used for any purpose. However, the reason for its being held is to act as a buffer, and a source of ready cash, were the need to arise. It is there to financially protect the Council were the unexpected to happen, and it cannot therefore be earmarked for any particular purpose or form part of any budget plans. Holding such a sum represents good governance on the part of the Council and is a direct recommendation of the Head of Finance; Members will appreciate that it also represents good financial management on behalf of the community they serve.
- 2.4.2. The Treasury Management Strategy Statement and Annual investment Strategy report will determine the investment of cash balances. The Council as a whole will plan and decide how interest from all sources is applied. The target for the generation of interest will be shown in the Medium Term Financial Plan.

3.0 SUMMARY MEDIUM TERM FINANCIAL PLAN

- 3.1 The Budget forecast summarises projected changes in the Council's finances over a five-year timescale, the current period for which is 2013/14 to 2016/17. This is shown on the next two pages with explanatory comments and the key assumptions made in the projections below :
- 3.2 The expenditure and income projections in the Medium Term Financial Plan are based on likely commitments apparent at the present time. It is important to note that they do not dictate the estimate for any particular year. Their purpose is to provide a view of the Council's likely financial position for the period of the plan. The figures making up the plan will need to be analysed further and approved when the annual budget for each year is prepared.
- 3.3 Similarly the council tax figures are purely indications of increases in future years. They are not intended to show the amounts that will be approved. That will be for the Council to decide in relation to the circumstances and budget decisions for the particular year.
- 3.4 Revenue Spending
- Increases in net expenditure are based on commitments known at the present time.
 - Inflation on Head of Service Net Expenditure has been estimated using varying rates according to the type of expenditure.
- 3.5 Council Tax calculations
- This section shows the effect on council tax at Band D as a result of projected changes in Revenue Spending, but having regard to Council Tax capping.
 - Decreases in Revenue Support Grant are based on a two-year settlement (for 2013/14 and provisionally for 2014/15), with further decreases estimated in the third and fourth years.
 - Increases in council tax base are a prudent view to reflect the increase in properties in the district. For 2013/14 the taxbase has fallen as a result of the adoption of the Council Tax Support Scheme whereby what was previously a benefit is now shown as discount from the bill; this collectively lowers the taxbase.

3.6 Capital Spending

- This section is a summary of the programme shown in detail in section 3.

3.7 Receipts and Contributions

- The amount for Disabled Facility Grants is the average 50% grant from government on mandatory awards relating to the expenditure shown in the capital programme in the above section.
- Capital receipts take account of asset disposals known at the present time, and include projected repayments of mortgage loans.
- The level of contributions is a view of payments from developers.
- Anticipated New Homes Bonus is also shown as an annual receipt in line with our housing projections.

3.8 Interest

- Projected interest rates used in estimating interest receipts are a combination of rates averaging 1.775% for 2012/13 falling to 0.872% for the period 2013/14. It then rises to 1.107% in 2014/15, 2.047% in 2015/16, and 2.282% in 2016/17.

3.9 Cash Balances

- The total of cash balances is detailed in Section 4. The amount of cash balances is determined by the assumptions made in the rest of the forecast.

Medium Term Financial Plan – Council 27th February 2013

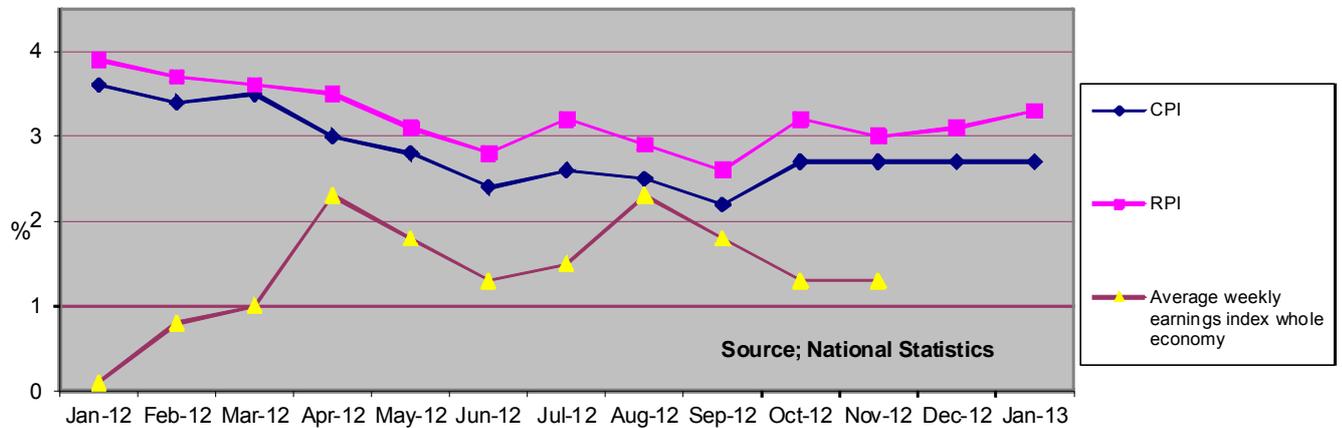
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Revenue Spending</u>					
<i>Base Net Expenditure</i>	12,665	13,031	13,126	13,146	13,186
Benefits	(93)	7	7	7	7
Base Revenue Spending	12,572	13,038	13,133	13,153	13,193
Balance Unallocated	45	46	26	26	26
Council Net Expenditure	12,617	13,084	13,159	13,179	13,219
Capital schemes financed from revenue	50	50	50	50	50
Contribution to Disabled Facility Grants	425	0	0	0	0
Council Tax Freeze Grant for 12/13 only	(218)	0	0	0	0
Council Tax Support scheme -welfare to work incentives	0	20	20	20	20
Contribution to Rate Retention Scheme Equalisation Reserve	0	290	0	0	0
Contribution to Benefits & CTSS Equalisation Reserve	0	100	0	0	0
Contribution to Parish Councils for 2013/14 only	0	137	0	0	0
Net General inflation with pay at 1% for 13/14 & future yrs	0	0	285	570	855
Total Revenue Spending	12,874	13,681	13,514	13,819	14,144
Formula Grant (12/13 only)	(4,085)				
External Funding (RSG)		(2,173)	(1,997)	(1,697)	(1,443)
RRS Baseline funding		(1,446)	(1,805)	(1,859)	(1,915)
Council Tax Freeze Grant 11/12 – 14/15	(215)	(215)	(215)	0	0
Council Tax Freeze Grant 13/14 – 14/15		(87)	(87)		
HB Admin Grant / Local Services support grant non-ringfenced grants		(616)	(616)	(616)	(616)
Council Tax Requirement @ 0% in 13/14 & 1.9% future yrs	(8,632)	(8,286)	(8,496)	(8,709)	(8,929)
Council Tax Support Grant		(765)			
Collection Fund deficit / (surplus)	58	(93)	-	-	-
Cumulative Balance deficit / (surplus)	0	0	298	938	1,241
Gap to close year on year			298	640	303
<u>Financing Revenue Spending</u>					
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
Council Taxbase	57,707	55,397	55,729	56,064	56,400
Change in Taxbase	0.57%	-4.00%	0.60%	0.60%	0.60%
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Total Revenue Spending	12,874	13,681	13,514	13,819	14,144
% change in Formula Grant / External Funding	-15.1%			-15.0%	-15.0%
Formula Grant (12/13 only)	(4,085)				
External Funding (RSG)		(2,173)	(1,997)	(1,697)	(1,443)
RRS Baseline funding		(1,446)	(1,805)	(1,859)	(1,915)
Council Tax Freeze Grant 11/12 – 14/15	(215)	(215)	(215)	0	0
Council Tax Freeze Grant 13/14 – 14/15		(87)	(87)		
HB Admin Grant / Local Services support grant non-ringfenced grants		(616)	(616)	(616)	(616)
Council Tax Requirement	(8,632)	(8,286)	(8,496)	(8,709)	(8,929)
Council Tax Support Grant		(765)			
Collection Fund deficit / (surplus)	58	(93)	-	-	-
Total Financing	(12,874)	(13,681)	(13,216)	(12,881)	(12,903)
Balance (deficit) / surplus	0	0	(298)	(938)	(1,241)
	(12,874)	(13,681)	(13,514)	(13,819)	(14,144)
Council Tax at Band D	£149.58	£149.58	£152.46	£155.34	£158.31
Change from previous year	0.0%	0.0%	1.9%	1.9%	1.9%

Medium Term Financial Plan as at Council 27th February 2013

Capital Spending						
	Total	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Service projects						
Schemes in Progress	4,766	1,658	3,078	30	-	-
New Projects	3,465	107	1,787	1,418	86	67
	8,231	1,765	4,865	1,448	86	67
Additional funding						
Unallocated Funding -future projects	1,200	-	-	400	400	400
	9,431	1,765	4,865	1,848	486	467
Housing Services						
Disabled Facility Grants	4,000	800	950	750	750	750
Affordable Housing	1,297	70	180	500	547	
	5,297	870	1,130	1,250	1,297	750
Total Programme	14,728	2,635	5,995	3,098	1,783	1,217
Receipts and Contributions						
	Total	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Disabled Facility Grants	1,780	388	348	348	348	348
Capital Receipts	12	4	2	2	2	2
New Homes Bonus	10,274	866	1,602	2,102	2,602	3,102
Other Third Party Contributions (including S106s)	4,941	1,341	1,350	750	750	750
Total	17,007	2,599	3,302	3,202	3,702	4,202
Interest						
	Total	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Interest	2,496	515	263	323	625	770
Usable Reserves & Other Balances						
	Base	Year 1	Year 2	Year 3	Year 4	Year 5
	31.03.12	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000
Reserves						
General Reserve	8,141	8,871	9,156	10,811	13,300	16,793
Specific Reserve	2,467	2,267	1,832	1,733	1,775	1,775
Usable Capital Receipts Reserve	2,011	1,940	7	9	11	14
Capital Grants Unapplied Account	1,991	1,864	2,399	2,936	3,472	4,207
Total Usable Reserves	14,611	14,942	13,394	15,488	18,558	22,789
Other balances						
Capital Grants & Contributions -Receipts in Advance	4,491	5,480	4,627	4,580	4,545	4,518
Total Usable Reserves & Other Balances	19,102	20,422	18,021	20,068	23,103	27,307
NB. Figures to nearest £'000 therefore totals subject to rounding variations						

4.0 Net Inflation

- 4.1. A realistic budget needs to take account of price increases in the year. The net inflation allowance set out in the Budget Forecast for 2013/14 in the Medium Term Financial Plan to Council on 29th February 2012 was £336,000. It is now proposed that this figure is revised for the new financial year, as explained below.
- 4.2. Members will note that the figure shown for 2013/14 is £285k. This has been estimated using a variety of indicators, but in the absence of a specific indicator, 2.7% has been used as an estimate of CPI for 2013/14. For 2013/14, the principal increases are in contracts (£72k), maintenance (£48k) and postage (£26k). The inflation figure assumes a 1% pay increase for staff in 2013/14 –equivalent to £78k. This will be the first increase for staff in three years but is dependent on the outcomes of national pay bargaining.
- 4.3. As background information, inflation for the whole economy for the past year has been running as illustrated in the graph below:



- 4.4 After examining each type of expenditure and income in more detail, and in the light of indications for future inflation, the inflation allowance has been recalculated. The table below shows the suggested inflation rate to be applied to each element of the budget.

Inflation calculation for 2013/14 Budget		
<i>Item</i>	<i>Inflation % age</i>	<i>£'000</i>
<i>Employees</i>		
Pay This is forecast at a 1% pay award for 2013/14. This is a net figure as £16k reimbursement from our CenSus partners and £6k from WSCC is included.	1	78
Other employee costs Estimated inflation of 1.0%	1	1
<i>Buildings and Premises</i>		
Maintenance A part of maintenance expenditure is tied to specific contracts which provide a formula for indexation for payments to contractors. In the main these formulae are in two parts, 60% derived from the average earnings index and 40% from RPI.		48
NNDR Allowance required for 2013/14 based on the increase in RPI in September (2.6%) to give a multiplier of 47.1p	2.6	13
Water Allowance required for the inflation increase for both metered water and sewerage for 2013/14 is 1.8% (as approved by OFWAT minus 1.4% plus the RPI in October 2012).	1.8	1
<i>Transport</i>		
Car Allowances No increase to lump sum payments. However, a provision based on October CPI index has been allowed for mileage.	2.7	6
<i>Supplies and Services</i>		
Postage Allowance for the increase in 2 nd Class franking which became effective from April 2012	10.7	26

Inflation calculation for 2013/14 Budget cont.		
	<i>Inflation</i>	
	<i>%</i>	<i>£'000</i>
	<i>age</i>	
<i>Supplies and Services cont.</i>		
Subscriptions		
An estimate of the likely increase for 2013/14 based on the CPI index (October)	2.7	3
Telephones		
An estimate of the likely increase for 2013/14 based on the CPI index (October)	2.7	2
Other Supplies and Services		
A 'basket' of items which will increase by different allowances, or remain static. This is a net figure as £20k reimbursement from our CenSus partners is included.		36
<i>Third Party Payments</i>		
Contracts		
The contract terms for refuse collection, street sweeping and highway maintenance are subject to increases relating to NJC Labour rates for Local Government (60%), price adjustment formulae for construction contracts civil engineering, Index No 2 plant and road vehicles (10%), price adjustment formulae for construction contracts civil engineering, Index No 10 derf fuel (5%) and National Statistics index 18.3 RPI all items (25%).		72
<i>Fees and Charges</i>		
Discretionary charges		
An allowance for a 2.6% increase in discretionary charges (car park fees excluded) has been made.	2.6	(1)
Total		<u>285</u>

COLLECTION FUND

1. The latest Collection Fund estimates are shown below:

Collection Fund				
	2012/13 Original Estimate £'000	2012/13 Revised Estimate £'000	2013/14 Original Estimate £'000	<i>Note</i>
Income				
Council Taxpayers	(79,956)	(81,587)	(84,117)	
Council Tax Benefit	(7,441)	(6,110)	(0)	
	<hr/>	<hr/>	<hr/>	
Total Council Tax	(87,397)	(87,697)	(84,117)	<i>a</i>
Business Ratepayers Income Forecast	(40,024)	(40,024)	(40,566)	<i>b & c</i>
Contribution to estimated CF (deficit)/surplus for previous year	(425)	(425)	678	<i>Para 2</i>
	<hr/>	<hr/>	<hr/>	
	(127,846)	(128,146)	(124,005)	
Expenditure				
West Sussex County Council	67,055	67,055	64,371	
Police & Crime Commissioner for Sussex	7,988	7,988	7,668	
Mid Sussex District Council	11,877	11,877	11,493	
	<hr/>	<hr/>	<hr/>	
Total precepts	86,920	86,920	83,532	
Contribution to NNDR Pool	39,851	39,851	0	<i>b</i>
Rate Retention Scheme - Contribution to Central Govt	0	0	20,197	<i>b</i>
Rate Retention Scheme to WSCC	0	0	4,039	<i>b</i>
Rate Retention Scheme MSDC	0	0	16,158	
Cost of collection (NNDR)	173	173	172	
Prov. for Bad & Doubtful Debts - Council Tax	477	162	585	
	<hr/>	<hr/>	<hr/>	
	127,421	127,106	124,683	
	<hr/>	<hr/>	<hr/>	
Movement on Fund Balance	(425)	(1,040)	678	
	<hr/>	<hr/>	<hr/>	
Collection Fund Balance				
At the beginning of the year	425	362	(678)	
Movement on Fund Balance	(425)	(1,040)	678	
	<hr/>	<hr/>	<hr/>	
Deficit/(Surplus) at Year End	0	(678)	0	
	<hr/>	<hr/>	<hr/>	

Notes:

- a. For 2013/14, total Council Tax, less provision for bad debts of 0.7%, totals £83,532m - the amount required to meet the “precepts” of WSCC, Police & Crime Commissioner for Sussex, MSDC and the parish/town councils. The effect of the new local Council Tax Support Scheme (CTSS) is that Council Tax Benefit is given as a discount to the council tax bill.
 - b. The Rate Retention Scheme (RRS) was introduced as part of the Finance Act 2012. The RRS sets a target for the collection of business rates. The net yield is paid 50% to central government, 20% of the remainder to WSCC leaving 80% of the remainder as the estimate of funding to be retained by MSDC, which can be compared to the Business Rates Baseline. Since the MSDC Baseline is £16.180m we are not projecting any surplus, although this will be monitored and adjusted at the end of the financial year, by way of the NNDR3 form.
 - c. For 2013/14, the amounts are taken from the CLG NNDR1 return. These are derived from the number of hereditaments 3,976, and the total rateable value of £105m as at 30th September 2012. An allowance of 1.0% for losses on collection has been made.
2. In accordance with legislation, the estimated balance as at 31st March 2013 on the Collection Fund is £678,000 surplus and both the County Council and Police Crime Commissioner have been notified. This surplus is paid to each of these principal authorities in proportion to their Council Tax for the current year.

	%	£
West Sussex CC	77.15	523,050
Police & Crime Commissioner for Sussex	9.19	62,310
MSDC	13.66	92,640
	100.00	678,000

COUNCIL TAX LEVELS

1. The basic amount of Council Tax for this Council is calculated as shown below:

Table 1: Council Tax Calculation		
	£	£
Mid Sussex District Council	13,681,137	
Town and Parish Council precepts	3,206,608	
		16,887,745
Formula Grant		
Rates Retention Scheme	(1,871,456)	
Revenue Support Grant	(2,813,065)	(4,684,521)
Non Ring-fenced Government Grants		(617,707)
Collection Fund Surplus		(92,640)
Council Tax Requirement		11,492,877
Divided by 55,396.9 (tax base)		207.46

This represents the *average* Council Tax for a dwelling in valuation band D in respect of District and Parish/Town Council requirements.

2. From the average council tax calculated in paragraph 1, Parish and Town Council precepts are removed to give a Council Tax at band D of £149.58 for this Council's Council Tax Requirement. For each parish area a sum is added to this amount being the relevant precept divided by the parish tax base. The results of these calculations for each parish area are set out in table 4 overleaf.
3. The method of calculation of the tax base is laid down in the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012.
4. The starting point is the actual number of properties within each tax band as shown on the Council's Valuation List as at 30th November 2012 (the "Relevant Day") less the actual number of exemptions and discounts at that time. The resulting figures are adjusted to take account of estimated movements within and between bands affecting 2013/14 (i.e. changes from 1st December 2012 to 31st March 2014) to arrive at the number of chargeable properties within each band for the year.
5. The numbers of chargeable properties within each tax band are expressed as band D equivalents. The aggregate of all bands is multiplied by the estimated collection rate to determine the tax base for the area. The collection rate represents the effect of losses on collection due to non-payment. For 2013/14 the rate has been set at 99.3% (99.4% last year).
6. The calculations referred to in the previous paragraphs are shown in table 2 below, together with tax base figures for each of the twenty-four parish areas, which are shown in table 3 overleaf.

Table 2: Mid Sussex Tax Base 2013/14 - Analysed by Chargeable dwellings

	band A	band B	band C	band D	band E	band F	band G	band H	Total
No of dwellings									
Property equivalents*	1,981.98	6,045.46	12,713.59	16,070.49	10,443.20	7,689.22	4,072.69	354.45	59,371.08
Exemptions (various classes)**	-119.00	-196.00	-209.00	-219.50	-110.00	-87.50	-35.50	-2.50	-979.00
Disabled reductions	12.00	26.00	37.00	-18.00	-15.00	-9.00	-15.00	-18.00	0.00
Chargeable	1,874.98	5,875.46	12,541.59	15,832.99	10,318.20	7,592.72	4,022.19	333.95	58,392.08
Single discounts	1,077.00	3,595.00	4,726.00	4,463.00	2,287.00	1,163.00	520.00	30.00	17,861.00
Two discounts	1.00	4.00	10.00	6.00	4.00	18.00	21.00	3.00	67.00
Council Tax Support Scheme Discounts	555.00	1,869.00	2,230.00	1,412.00	359.00	105.00	37.00	1.00	6,568.00
Net chargeable	1,272.23	3,853.31	10,017.09	13,867.04	9,529.05	7,229.97	3,859.49	324.35	49,952.53
Ratio to Band D	6/9ths	7/9ths	8/9ths	9/9ths	11/9ths	13/9ths	15/9ths	18/9ths	
Band D equivalent	848.15	2,997.02	8,904.08	13,867.04	11,646.62	10,443.29	6,432.48	648.70	55,787.4
Total multiplied by Collection Rate of 99.3%									55,396.9

* Includes estimates of effect of new dwellings and other changes to the valuation list, and increases for local premiums for long-term empty dwellings.

** Includes estimates of effect of Technical Reforms adjustments to Class A and Class C exemptions.

*** Includes reductions under the new local council tax support scheme.

7. The 2013/14 tax base so calculated for the whole district is 55,396.9 which represents a decrease of 2,310.4 (-4.00%) on the tax base for the current year. The effect at parish area level ranges from a decrease of -653.8 to an increase of 16.7 and in percentage terms from -11.9% to +2.12%.
8. There are two main changes to the calculation of the taxbase for 2013/14. Firstly, the effect of the Technical Reforms, which the Council agreed in December, has the effect of increasing the taxbase by 2% increase overall, although this is then reduced by an average of 6% by the effect of the new local Council Tax Support Scheme (CTSS) which the Council agreed in January.
9. Overall the effect of the two policy changes is that the taxbase is reduced by an average of 4% although this varies between parishes depending upon local factors.

Table 3: Mid Sussex Tax Base 2013/14 - Analysed by Parish Area

Parish area	band A	band B	band C	band D	band E	band F	band G	band H	Total
Albourne	2.2	7.5	32.4	68.7	24.2	35.0	93.3	11.4	274.7
Ansty & Staplefield	12.3	11.2	66.8	126.4	145.3	158.2	233.9	50.4	804.5
Ardingly	12.5	18.0	67.4	178.7	144.0	141.0	96.0	19.3	676.9
Ashurst Wood	8.4	17.4	77.5	179.8	145.3	141.3	149.0	2.0	720.7
Balcombe	11.9	34.8	70.7	133.5	113.4	225.5	183.4	19.3	792.5
Bolney	12.2	16.0	15.8	83.5	82.0	144.5	211.0	48.1	613.1
Burgess Hill	116.3	612.9	2,507.2	3,357.1	2,366.0	1,446.6	559.1	17.4	10,982.6
Cuckfield	34.5	52.6	172.5	209.3	395.1	269.5	421.2	32.8	1,587.5
East Grinstead	218.8	525.3	1,806.5	2,329.2	2,424.7	2,218.5	873.1	44.7	10,440.8
Fulking	2.7	5.7	13.6	18.0	29.1	16.9	48.0	13.4	147.4
Hassocks	21.9	195.8	384.3	910.7	962.6	426.7	289.9	21.4	3,213.3
Haywards Heath	123.2	943.1	2,226.4	2,806.0	1,469.1	1,965.3	1,027.3	34.3	10,594.7
Horsted Keynes	4.5	15.9	69.6	117.3	107.1	156.0	180.9	28.3	679.6
Hurstpierpoint and Sayers Common	39.1	102.4	353.7	658.2	723.7	389.1	408.2	36.2	2,710.6
Lindfield	6.8	152.0	199.2	531.4	507.1	758.8	552.3	44.2	2,751.8
Lindfield Rural	12.1	26.7	84.7	213.9	260.0	353.2	177.9	56.6	1,185.1
Newtimber	0.1	5.4	13.1	3.7	3.6	0.6	8.5	2.0	37.0
Poynings	3.1	11.4	29.0	11.3	20.0	13.7	32.3	6.0	126.8
Pyecombe	1.8	3.1	8.4	22.0	16.7	24.2	25.2	0.0	101.4
Slaugham	29.0	97.3	189.9	254.3	157.3	166.1	124.1	49.2	1,067.2
Turners Hill	128.0	23.9	106.9	105.7	68.7	78.4	59.6	9.9	581.1
Twineham	3.8	3.0	10.1	21.9	25.5	17.2	38.3	15.4	135.2
West Hoathly	17.6	19.3	106.5	177.3	218.7	172.2	162.0	39.2	912.8
Worth	19.2	75.5	229.4	1,252.0	1,156.0	1,051.6	433.2	42.7	4,259.6
Total	842.0	2,976.2	8,841.6	13,769.9	11,565.2	10,370.1	6,387.7	644.2	55,396.9

Table 4: Basic Tax

Parish area	Tax base	Precept £	Precept band D £	MSDC band D £	Basic Tax £
Albourne	274.7	14,054	51.16	149.58	200.74
Ansty & Staplefield	804.5	36,033	44.79	149.58	194.37
Ardingly	676.9	75,030	110.84	149.58	260.42
Ashurst Wood	720.7	52,270	72.53	149.58	222.11
Balcombe	792.5	57,228	72.21	149.58	221.79
Bolney	613.1	34,188	55.76	149.58	205.34
Burgess Hill	10,982.6	736,827	67.09	149.58	216.67
Cuckfield	1,587.5	136,951	86.27	149.58	235.85
East Grinstead	10,440.8	699,720	67.02	149.58	216.60
Fulking	147.4	7,243	49.14	149.58	198.72
Hassocks	3,213.3	178,942	55.69	149.58	205.27
Haywards Heath	10,594.7	446,312	42.13	149.58	191.71
Horsted Keynes	679.6	27,120	39.91	149.58	189.49
Hurstpierpoint & Sayers Common	2,710.6	168,000	61.98	149.58	211.56
Lindfield	2,751.8	148,600	54.00	149.58	203.58
Lindfield Rural	1,185.1	49,796	42.02	149.58	191.60
Newtimber	37.0	176	4.76	149.58	154.34
Poynings	126.8	2,926	23.08	149.58	172.66
Pyecombe	101.4	4,814	47.48	149.58	197.06
Slaugham	1,067.2	64,700	60.63	149.58	210.21
Turners Hill	581.1	59,405	102.23	149.58	251.81
Twineham	135.2	4,000	29.59	149.58	179.17
West Hoathly	912.8	41,213	45.15	149.58	194.73
Worth	4,259.6	161,060	37.81	149.58	187.39
Total	55,396.9	3,206,608	57.88	149.58	207.46

10. The above amounts represent the level of Council Tax to be set for a dwelling within band D in respect of the requirements of this Council and the appropriate Parish/Town Council. These amounts are used to determine the Council Tax for each valuation band in the area by applying the following proportions:

band A	6/9ths
band B	7/9ths
band C	8/9ths
band D	9/9ths
band E	11/9ths
band F	13/9ths
band G	15/9ths
band H	18/9ths

The amounts so calculated are set out in recommendation 3.3.3(g).

11. The Council Tax amounts to be set for 2013/14 are determined by adding to the amounts calculated for District, Parish and Town Council requirements, the amounts calculated by West Sussex County Council and Police and Crime Commissioner for Sussex in respect of their precepts for the year.
12. For illustrative purposes *average* Council Tax figures for each valuation band are shown below:

	WSCC	PCCS	MSDC	Parish/ Town Councils	Total
	£	£	£	£	£
band A	774.66	92.28	99.72	38.59	1,005.25
band B	903.77	107.66	116.34	45.02	1,172.79
band C	1,032.88	123.04	132.96	51.45	1,340.33
band D	1,161.99	138.42	149.58	57.88	1,507.87
band E	1,420.21	169.18	182.82	70.74	1,842.95
band F	1,678.43	199.94	216.06	83.60	2,178.03
band G	1,936.65	230.70	249.30	96.47	2,513.12
band H	2,323.98	276.84	299.16	115.76	3,015.74

An analysis of the actual amounts of tax for each parish area is shown on the following pages.

13. The actual band D Council Tax within each parish area of Mid Sussex ranges from:

Parish	Council Tax £
Newtimber (minimum)	1,454.75
Ardingly (maximum)	1,560.83

14. The percentage increase in the actual band D Council Tax within each parish area of Mid Sussex ranges from:

Parish	Increase/ (Decrease) on 2012/13 %
Twineham (decrease)	(0.5)
Turners Hill (increase)	0.7

Analysis of Council Tax set for 2013/14 in each parish area (bands A to D)

Parish area		band A		band B		band C		band D	
		£	£	£	£	£	£	£	£
Albourne	parish	34.11		39.79		45.48		51.16	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,000.77	1,011.43	1,167.56	1,155.92	1,334.36	1,300.41	1,501.15
Ansty & Staplefield	parish	29.86		34.84		39.81		44.79	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	996.52	1,011.43	1,162.61	1,155.92	1,328.69	1,300.41	1,494.78
Ardingly	parish	73.89		86.21		98.52		110.84	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,040.55	1,011.43	1,213.98	1,155.92	1,387.40	1,300.41	1,560.83
Ashurst Wood	parish	48.35		56.41		64.47		72.53	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,015.01	1,011.43	1,184.18	1,155.92	1,353.35	1,300.41	1,522.52
Balcombe	parish	48.14		56.16		64.19		72.21	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,014.80	1,011.43	1,183.93	1,155.92	1,353.07	1,300.41	1,522.20
Bolney	parish	37.17		43.37		49.56		55.76	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,003.83	1,011.43	1,171.14	1,155.92	1,338.44	1,300.41	1,505.75
Burgess Hill	town	44.73		52.18		59.64		67.09	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,011.39	1,011.43	1,179.95	1,155.92	1,348.52	1,300.41	1,517.08
Cuckfield	parish	57.51		67.10		76.68		86.27	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,024.17	1,011.43	1,194.87	1,155.92	1,365.56	1,300.41	1,536.26
East Grinstead	town	44.68		52.13		59.57		67.02	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,011.34	1,011.43	1,179.90	1,155.92	1,348.45	1,300.41	1,517.01
Fulking	parish	32.76		38.22		43.68		49.14	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	999.42	1,011.43	1,165.99	1,155.92	1,332.56	1,300.41	1,499.13
Hassocks	parish	37.13		43.31		49.50		55.69	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,003.79	1,011.43	1,171.08	1,155.92	1,338.38	1,300.41	1,505.68
Haywards Heath	town	28.09		32.77		37.45		42.13	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	994.75	1,011.43	1,160.54	1,155.92	1,326.33	1,300.41	1,492.12
Horsted Keynes	parish	26.61		31.04		35.48		39.91	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	993.27	1,011.43	1,158.81	1,155.92	1,324.36	1,300.41	1,489.90
Hurstpierpoint & Sayers Common	parish	41.32		48.21		55.09		61.98	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,007.98	1,011.43	1,175.98	1,155.92	1,343.97	1,300.41	1,511.97
Lindfield	parish	36.00		42.00		48.00		54.00	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,002.66	1,011.43	1,169.77	1,155.92	1,336.88	1,300.41	1,503.99
Lindfield Rural	parish	28.01		32.68		37.35		42.02	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	994.67	1,011.43	1,160.45	1,155.92	1,326.23	1,300.41	1,492.01
Newtimber	parish	3.17		3.70		4.23		4.76	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	969.83	1,011.43	1,131.47	1,155.92	1,293.11	1,300.41	1,454.75
Poynings	parish	15.39		17.95		20.52		23.08	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	982.05	1,011.43	1,145.72	1,155.92	1,309.40	1,300.41	1,473.07
Pyecombe	parish	31.65		36.93		42.20		47.48	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	998.31	1,011.43	1,164.70	1,155.92	1,331.08	1,300.41	1,497.47
Slaugham	parish	40.42		47.16		53.89		60.63	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,007.08	1,011.43	1,174.93	1,155.92	1,342.77	1,300.41	1,510.62
Turners Hill	parish	68.15		79.51		90.87		102.23	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	1,034.81	1,011.43	1,207.28	1,155.92	1,379.75	1,300.41	1,552.22
Twineham	parish	19.73		23.01		26.30		29.59	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	986.39	1,011.43	1,150.78	1,155.92	1,315.18	1,300.41	1,479.58
West Hoathly	parish	30.10		35.12		40.13		45.15	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	996.76	1,011.43	1,162.89	1,155.92	1,329.01	1,300.41	1,495.14
Worth	parish	25.21		29.41		33.61		37.81	
	district	99.72		116.34		132.96		149.58	
	wsccl/pcc	866.94	991.87	1,011.43	1,157.18	1,155.92	1,322.49	1,300.41	1,487.80

Analysis of Council Tax set for 2013/14 in each parish area (bands E to H)

band E		band F		band G		band H		Parish area
£	£	£	£	£	£	£	£	
62.53		73.90		85.27		102.32		parish district
182.82		216.06		249.30		299.16		Albourne
1,589.39	1,834.74	1,878.37	2,168.33	2,167.35	2,501.92	2,600.82	3,002.30	wsccl/pcc
54.74		64.70		74.65		89.58		parish district
182.82		216.06		249.30		299.16		Ansty & Staplefield
1,589.39	1,826.95	1,878.37	2,159.13	2,167.35	2,491.30	2,600.82	2,989.56	wsccl/pcc
135.47		160.10		184.73		221.68		parish district
182.82		216.06		249.30		299.16		Ardingly
1,589.39	1,907.68	1,878.37	2,254.53	2,167.35	2,601.38	2,600.82	3,121.66	wsccl/pcc
88.65		104.77		120.88		145.06		parish district
182.82		216.06		249.30		299.16		Ashurst Wood
1,589.39	1,860.86	1,878.37	2,199.20	2,167.35	2,537.53	2,600.82	3,045.04	wsccl/pcc
88.26		104.30		120.35		144.42		parish district
182.82		216.06		249.30		299.16		Balcombe
1,589.39	1,860.47	1,878.37	2,198.73	2,167.35	2,537.00	2,600.82	3,044.40	wsccl/pcc
68.15		80.54		92.93		111.52		town district
182.82		216.06		249.30		299.16		Bolney
1,589.39	1,840.36	1,878.37	2,174.97	2,167.35	2,509.58	2,600.82	3,011.50	wsccl/pcc
82.00		96.91		111.82		134.18		parish district
182.82		216.06		249.30		299.16		Burgess Hill
1,589.39	1,854.21	1,878.37	2,191.34	2,167.35	2,528.47	2,600.82	3,034.16	wsccl/pcc
105.44		124.61		143.78		172.54		parish district
182.82		216.06		249.30		299.16		Cuckfield
1,589.39	1,877.65	1,878.37	2,219.04	2,167.35	2,560.43	2,600.82	3,072.52	wsccl/pcc
81.91		96.81		111.70		134.04		town district
182.82		216.06		249.30		299.16		East Grinstead
1,589.39	1,854.12	1,878.37	2,191.24	2,167.35	2,528.35	2,600.82	3,034.02	wsccl/pcc
60.06		70.98		81.90		98.28		parish district
182.82		216.06		249.30		299.16		Fulking
1,589.39	1,832.27	1,878.37	2,165.41	2,167.35	2,498.55	2,600.82	2,998.26	wsccl/pcc
68.07		80.44		92.82		111.38		parish district
182.82		216.06		249.30		299.16		Hassocks
1,589.39	1,840.28	1,878.37	2,174.87	2,167.35	2,509.47	2,600.82	3,011.36	wsccl/pcc
51.49		60.85		70.22		84.26		town district
182.82		216.06		249.30		299.16		Haywards Heath
1,589.39	1,823.70	1,878.37	2,155.28	2,167.35	2,486.87	2,600.82	2,984.24	wsccl/pcc
48.78		57.65		66.52		79.82		parish district
182.82		216.06		249.30		299.16		Horsted Keynes
1,589.39	1,820.99	1,878.37	2,152.08	2,167.35	2,483.17	2,600.82	2,979.80	wsccl/pcc
75.75		89.53		103.30		123.96		parish district
182.82		216.06		249.30		299.16		Hurstpierpoint & Sayers Common
1,589.39	1,847.96	1,878.37	2,183.96	2,167.35	2,519.95	2,600.82	3,023.94	wsccl/pcc
66.00		78.00		90.00		108.00		parish district
182.82		216.06		249.30		299.16		Lindfield
1,589.39	1,838.21	1,878.37	2,172.43	2,167.35	2,506.65	2,600.82	3,007.98	wsccl/pcc
51.36		60.70		70.03		84.04		parish district
182.82		216.06		249.30		299.16		Lindfield Rural
1,589.39	1,823.57	1,878.37	2,155.13	2,167.35	2,486.68	2,600.82	2,984.02	wsccl/pcc
5.82		6.88		7.93		9.52		parish district
182.82		216.06		249.30		299.16		Newtimber
1,589.39	1,778.03	1,878.37	2,101.31	2,167.35	2,424.58	2,600.82	2,909.50	wsccl/pcc
28.21		33.34		38.47		46.16		parish district
182.82		216.06		249.30		299.16		Poynings
1,589.39	1,800.42	1,878.37	2,127.77	2,167.35	2,455.12	2,600.82	2,946.14	wsccl/pcc
58.03		68.58		79.13		94.96		parish district
182.82		216.06		249.30		299.16		Pyecombe
1,589.39	1,830.24	1,878.37	2,163.01	2,167.35	2,495.78	2,600.82	2,994.94	wsccl/pcc
74.10		87.58		101.05		121.26		parish district
182.82		216.06		249.30		299.16		Slaugham
1,589.39	1,846.31	1,878.37	2,182.01	2,167.35	2,517.70	2,600.82	3,021.24	wsccl/pcc
124.95		147.67		170.38		204.46		parish district
182.82		216.06		249.30		299.16		Turners Hill
1,589.39	1,897.16	1,878.37	2,242.10	2,167.35	2,587.03	2,600.82	3,104.44	wsccl/pcc
36.17		42.74		49.32		59.18		parish district
182.82		216.06		249.30		299.16		Twineham
1,589.39	1,808.38	1,878.37	2,137.17	2,167.35	2,465.97	2,600.82	2,959.16	wsccl/pcc
55.18		65.22		75.25		90.30		parish district
182.82		216.06		249.30		299.16		West Hoathly
1,589.39	1,827.39	1,878.37	2,159.65	2,167.35	2,491.90	2,600.82	2,990.28	wsccl/pcc
46.21		54.61		63.02		75.62		parish district
182.82		216.06		249.30		299.16		Worth
1,589.39	1,818.42	1,878.37	2,149.04	2,167.35	2,479.67	2,600.82	2,975.60	wsccl/pcc

GLOSSARY OF TERMS

AONB – Area of Outstanding Natural Beauty.

Balances - in general, the surplus or deficit on any account at the end of the year. A General Fund balance is required to meet unexpected expenditure or a shortfall in income and to finance expenditure pending receipt of income. An authority may also use its revenue balances to reduce the requirement from the Council Tax.

Balance Unallocated - The term used by MSDC to denote a part of the budget for Net Expenditure which is not allocated to a service at the time the budget is prepared. It has been practice in recent years to use this facility to accrue budget reductions and to meet budget increases (other than new proposals) as a result of revenue budget management during the year. A Balance Unallocated can, however, be earmarked for a purpose but subject to further consideration before being applied.

Band D Equivalent - the weighted number of properties subject to council tax in a local authority's area, calculated on the basis of prescribed proportions in relation to Band D.

Baseline Funding Level – This is notified by CLG in the Local Government Finance Settlement and represents the individual Authority's Business Rates Baseline less tariff / or plus top-up funding.

Benefits - Council Tax Benefit (abolished w.e.f. 1st April 2013) plus Housing Benefit (see Housing Benefit).

Billing Authority - the local authority responsible for the billing and collection of the council tax from all properties in their area. In shire areas the district councils are the billing authorities.

Budget - a statement defining the Council's policies over a specified period of time in terms of finance. Budgets usually include statements about the use of other resources (e.g. numbers of staff) and provide some information on performance measures.

Capital - see Capital Expenditure.

Capital Accounting - the recording in local authority balance sheets of the value of all capital assets and the use of these values to charge services with depreciation

Capital Expenditure (see also Capital Spending) - spending on the acquisition of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Section 40 of the Local Government and Housing Act 1989 defines "expenditure for capital purposes". Expenditure which does not fall within the definition must be charged to a revenue account.

Capital Grants & Contributions Receipts in Advance - This comprises capital grants and S106s contributions from developers with conditions to repay if not used within a specified time limit. These sums are restricted to being spent only in accordance with the agreement concluded with the developer.

Capital Grants and Unapplied Account - This comprises capital grants and S106s contributions from developers with no conditions to repay.

Capital Programme - an authority's plan for capital projects and spending over future years. Included in this category are the purchase of land and buildings, the erection of new buildings, design fees and the acquisition of vehicles and major items of equipment.

Capital Reserves – comprise Usable Capital Receipts from the sale of assets, and capital grants and S106s contributions from developers with no conditions to repay..

Capital Spending - the acquisition of assets which have a long-term value to the authority in the provision of its services (e.g. land) purchasing existing buildings or erecting new ones, purchasing furniture, equipment, etc.

CenSus ICT – Central Sussex partnership for Information Communication Technology services. The partners are Mid Sussex District Council, Horsham District Council and Adur / Worthing Council.

CenSus Revenues and Benefits (CenSus) – Central Sussex partnership for Revenues and Benefits services. The partners are Mid Sussex District Council, Horsham District Council and Adur District Council.

Central Support (or Administration Charges) - the cost of central administrative departments, e.g. Finance and Legal Business Units apportioned to services.

CIPFA - The Chartered Institute of Public Finance and Accountancy. This is the professional body for accountants working in local government and public bodies and is a Member of the Consultative Committee of Accounting Bodies. The Institute provides financial and statistical information services for local government and advises central government and other bodies on local government and public finance matters.

CLG – Department for Communities and Local Government

Collection Fund - a fund administered by each billing authority (the District Council in shire areas). The council tax, business rate income and the community charge are paid into the fund whilst the net revenue spending of the county, district and parishes are met from the fund.

Commuted Sum - a one-off payment to the Council as a settlement intended for a specific purpose such as the continued maintenance of an open space.

Contingencies - money set aside in the estimates to pay for inflation (and sometimes unforeseen events).

Council Tax – Locally set tax payable on most residential properties in a local authority's area. The council tax is essentially a property tax which is levied on the broad capital value of domestic properties. Properties are valued within eight valuation bands (A-H).

Council Tax base – is equal to the number of band D equivalent properties. One band H property is equivalent to two band D properties, as it pays twice as much tax.

Council Tax Benefit – provided support for groups with low incomes towards the payment of their council tax bills. The benefit was administered by local authorities but funded by central government. From 2013/14, Council Tax Benefit has been abolished, and has been replaced by new localised Council Tax Support Scheme administered by individual local authorities.

Council Tax Freeze Grant 2013/14- where the authority sets its basic amount of council tax for 2013/14 at a level which is no more than its basic amount of council tax for 2012/13, it will be eligible to receive a grant equivalent to a 1% increase in its 2012/13 basic amount of council tax *multiplied* by the authority's tax base for 2013-14 (rounded to the nearest pound)

Council Tax Requirement - sum of money including parish and town council precepts required to be met from local taxpayers, having taken into account any funding from reserves, income it expects to raise and general funding it will receive from the Government.

Council Tax Support Scheme – The Local Government Finance Bill makes provision for the localisation of council tax support by imposing a duty on billing authorities to make a localised council tax reduction scheme, by 31 January 2013. The new scheme takes effect for MSDC on 1st April 2013.

Depreciation - the measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset, whether arising from use, effluxion of time or obsolescence through technological or other changes.

Fees and Charges - income arising from the provision of services, e.g. car park charges, Development Management planning fees, Building Control fees and Green Waste.

Financial Regulations - a formal code of procedures to be followed in the financial management of the Council. Within this Council's constitution these are the Financial Procedure Rules.

Forecast Budget - created by adding variations to existing budgets in order to predict what a budget may be a number of years from now.

General Fund - the main revenue fund of a billing authority. Day-to-day spending on services is met from the fund.

General Grant – a grant to local authorities which has no restrictions on how it may be spent. It is divided into formula grants such as Revenue Support Grant, as well as some targeted grants.

General Reserve - referred to under Usable Reserves and other Balances section of this report. This Reserve includes amounts earmarked for the Capital Programme. It also includes the non-earmarked element.

Gross Expenditure - the cost of providing the Council's services before deduction of government grants or other income.

Housing Benefit - an allowance to persons on low income (or none) to meet in whole or part their rent. Benefit is allowed or paid by local authorities but central government refunds part of the cost of the benefits and of the running costs of the service to local authorities. Benefit paid to the authority's own tenants is known as "rent rebate" and that paid to private sector tenants as "rent allowance".

Local Government Finance Settlement 2013/14- the Local Government Finance Settlement sets out the annual Start-Up Funding Assessment as made by the Government and debated by Parliament. It includes:

- the totals of **Revenue Support Grant** and **Baseline Funding Level** (made up of Formula Funding; 2011/12 Council Tax Freeze grant; Council Tax Support funding and Homelessness Prevention funding)
- how that grant will be distributed between local authorities;

MSDC – Mid Sussex District Council

National Non-Domestic Rates (NNDR) - nationally set tax charged on the rateable value of non-domestic properties (also known as business rates). The rate is set by the Chancellor of the Exchequer. Up to 2012/13, the proceeds were pooled nationally and redistributed as a fixed amount per head of resident population. However, from 2013/14 this pooling and redistribution arrangement has been abolished and replaced by the Rates Retention Scheme

Net Expenditure (gross expenditure less income) - the term used by MSDC to describe net revenue expenditure for all Services less Depreciation and Specific Items and excluding Benefits.

New Homes Bonus – The New Homes Bonus, introduced from 2011/12, is designed as an incentive to encourage local authorities to facilitate housing growth. The scheme provides local authorities with a New Homes Bonus, equal to the national average for the council tax band on each additional property and paid for the following six years as an unring-fenced grant.

NJC - National Joint Council for Local Government Services.

NLIS - National Land Information Service.

NNDR - see National Non-Domestic Rates.

Overspending/Underspending - extent to which the actual net expenditure for the year varies from the latest budget for the same period.

Pension Fund - an employees' pension fund maintained by an authority, or group of authorities, in order to make pension payments on retirement of participants; it is financed from contributions from the employing authority, the employee and investment income. This Council contributes to the West Sussex Pension Fund.

Precept - the levy made by the county, the Police and Crime Commissioner, parish and town councils on the Collection Fund for their net expenditure requirements.

Precepting Authorities - those authorities which are not billing authorities, i.e. do not collect the council tax and non-domestic rate. County councils and joint authorities are "major precepting authorities" and parish, community and town councils are "local precepting authorities".

Provision for Bad and Doubtful Debts - the amount set aside in the Council's accounts to cover debts which may be uncollectable and written off.

Provisions and Reserves - amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain. Reserves are amounts set aside which do not fall within the definition of provisions and include general reserves (or "balances") which every authority must maintain as a matter of prudence.

Prudential Code - The Prudential Code, which came into force on 1st April 2004, replaced the complex regulatory frameworks that have governed local authority capital expenditure. The Prudential Code is based largely on self-regulation by local authorities themselves. The basic principles of the code are that authorities are free to invest so long as their capital spending plans are affordable, prudent and sustainable.

Rates Retention Scheme – Authorities have previously made payments to CLG on the basis of their estimates of NDR during the year, but their income from business rates has been entirely dependent on the allocation received as part of the Local Government Finance Settlement. Under the new system, which takes effect from 2013/14, billing authorities' estimates of the business rate base will determine the resources available to both themselves and their major preceptors, in line with the arrangements for council tax.

Recharges - the cost of support services that are added to the front line service to show the full cost of that service.

Reserves - these are created for specific or general purposes to meet future expenditure.

Revenue Budget - the estimate of annual income and expenditure requirements for all services, which sets out the financial implications of the Council's policies and provides the basis of the calculation of the annual requirement from the Collection Fund.

Revenue Expenditure - this is expenditure on day-to-day running costs and consists principally of salaries and wages and general running expenses.

Revenue Spending - term used by MSDC to refer to Council Net Expenditure plus expenditure/savings on items not at this time specifically allocated to an individual service.

Revenue Support Grant (RSG) - a grant paid by central government in aid of local authority services in general as opposed to specific grants, which may only be used for a specific purpose.

RRS – see Rates Retention Scheme

RSG – see Revenue Support Grant

Section 106s (S106s) - contributions under Section 106 Agreements whereby Developers make payments to the Council in lieu of provision of e.g. recreational facilities, playspaces, car parking spaces. The Council utilise these moneys to provide the facilities subject to S106 agreements within certain time limits. S106s are classed as either a Capital Grants and Contributions Reserve or as Capital Grants and Contributions Receipts in Advance. Further detail is set out under these headings in this glossary.

Settlement – see Local Government Finance Settlement.

Slippage - where a revenue or, more typically, a capital scheme, does not progress at the rate of physical progress or spending originally forecast.

Specific Grants - government grants to local authorities in aid of particular project or services, e.g. housing benefits.

Specific Item - the term used by MSDC to denote an item of expenditure to be financed from the Specific Reserve.

Specific Reserve - a reserve maintained by MSDC containing sums which are mostly identified for specific purposes.

Specified Capital Grants - certain government grants towards capital spending e.g. Disabled Facility Grants. Local authorities must apply a special accounting treatment to these grants.

Support Services (or Administration Charges) - the cost of central administrative departments, e.g. Finance and Legal Business Units apportioned to services, as well as office accommodation and computer recharges.

Tariff- This is determined by comparing each individual authority's baseline funding level with individual authority business rates baseline. A tariff is applied if the business rates baseline is greater than funding level.

Tax-base -The tax base is the divisor used to convert the total net amount required for local authority spending in the area to a level of council tax due for a band D property.

The Police and Crime Commissioner for Sussex– On 22 November 2012 legislation came into force whereby the Sussex Police Authority was abolished and replaced by a single, directly elected individual called the Police and Crime Commissioner.

Top-up- This is determined by comparing each individual authority's baseline funding level with individual authority business rates baseline. A top-up is applied if funding level is greater than the business rates baseline.

Unallocated Funding - The term used by MSDC to denote a part of the Capital Programme which is not identified to specific projects.

Underspending/Overspending - see Overspending/Underspending.

Usable Capital Receipts - income received from the sale of land or assets, which is available to finance other items of capital (but not revenue) spending, or to repay debt on assets originally financed from loan.

Usable Reserves - these include General Fund Balance, Earmarked Specific Reserve, Usable Capital Receipts Reserve and the Capital Grants Unapplied Account.

WSSC - West Sussex County Council