

# Mid Sussex Corporate Plan and Budget 2010 - 2011





# THE CORPORATE PLAN AND BUDGET REPORT 2010/11

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## FINANCIAL BACKGROUND

### 1.0 REVENUE BUDGET

#### 1.1 Introduction

- 1.1.1 This section of the report describes the calculation of the budget to support day to day spending and Cabinet's recommendation for council tax for 2010/11, together with an outline of the key issues in constructing the budget for 2010/11.

#### 1.2 Draft Budget

- 1.2.1 A Service and Financial Planning Guidelines for 2010/11 report was presented to Cabinet in September 2009. This established the principles to be adopted when constructing the draft budget. The draft setting out the forecast budget position for 2010/11 was then published for consultation during December 2009. The key features of the draft are as described in the following paragraphs.

#### 1.3 Net General Inflation

- 1.3.1 Inflation is the extent to which the base budget should be increased to account for normal price increases in both expenditure and income. A detailed examination of the inflation requirement estimated the net total to amount to £125,000. Details of the inflation rate to be applied to each element of the budget is set out in Section 5 of this report.

#### 1.4 Pensions

- 1.4.1 This area is unchanged from last year in that the employers' contribution rate is set at 22.6% of salary, with the employee contributing between 5.5% and 7.2%, depending on salary.
- 1.4.2 There is one particular issue to note in respect of the council's pension position for 2010/11. This is the introduction of the Census Joint Committee that has assumed responsibility for the Census ICT and Revenues and Benefits services. Since the Joint Committee can be considered a separate body for pension purposes, a new uniform rate has been set for all the staff involved in providing those services, and that rate is 19.4%. This does not include the existing deficits on any of the host authorities' funds and is comparable to the 14% rate presently contributed without deficit. This indicates that at the next revaluation of the fund in 2010, the 'true' contributions will rise markedly, although this might be allowed to be phased in over a number of years.
- 1.4.3 The next revaluation on the overall fund in 2010, will impact upon the budget position in 2011/12. Although it is not an issue for this year, it is widely expected that the deficit position on the fund will have worsened which means that employers' pension contributions will have to increase again.
- 1.4.4 Members wishing to know more about the authority's pension fund arrangements are invited to seek further information from the Head of Finance.

## 1.5 Efficiency Savings

- 1.5.1 The authority's record for efficiency savings is extremely good and it has generally achieved the targets set each year whilst greatly exceeding the mandatory targets set by the Government. Mid Sussex is in the top ten most efficient councils in the country.
- 1.5.2 It is expected that 2010/11 will be no exception and the target to be reached to achieve a balanced budget totals £784k across a range of services. These are set out in the individual service pages in Section 2 but can be summarised in table 1 below.
- 1.5.3 Members should note that these are efficiency savings as categorised by the official return to central government. They do not include items such as volume and price rises that would apply to the Council's green waste service; which accounts for the disparity with our overall savings figure.

<i>Description</i>	<i>£'000</i>	<i>Original Estimate 2010/11 £'000</i>
Step 1 2008/09 ongoing savings		(131)
Step 2 Central support savings - printing		(20)
Step 3 Permanent deletion of vacant posts	(269)	
Step 3 Reduction in car allowance bands	(58)	
Step 3 Two days additional unpaid leave	(20)	
Step 3 Voluntary severance/retirement	(220)	(567)
Step 4 Income generation – green waste volume increase.		(36)
Step 5 Adjustments to service levels – council access	(10)	
Step 5 Adjustments to service levels – tax payments	(12)	
Step 5 Adjustments to service levels – paddling pools	(8)	(54)
		<u>(784)</u>

## 1.6 Procurement

Achieving value for money in our procurement has been a priority for some years now and is greatly aided by the collaborative working enjoyed between Horsham, Crawley and ourselves and overseen by a Joint Procurement Advisor. Whilst this is no longer reported on separately within the revenue budget, adequate records of our successes in this area are maintained and the financial effects are built in to the Business Unit budgets.

## **1.7 'Better Mid Sussex' Project**

- 1.7.1 The budget includes the capitalisation of Officer salaries in the amount of £150,000 arising from the Town Centre revitalisation project. The effect of this is to reduce the revenue budget and move the cost to the Capital Programme. This is consistent with the accounting practice of the last three years and will continue whilst the project itself continues.
- 1.7.2 Members should note that this is subject to review upon the future of the BMS project with Thornfield Properties being determined.

## **1.8 Other Items**

### **1.8.1 *Balance Unallocated***

This is the amount, which acts as a contingency sum in managing the budget during the year. For 2010/11 a modest amount of £31k can be retained for this purpose. Use of the budget is monitored via the regular Budget Monitoring reports.

### **1.8.2 *Benefits***

This is the net balance arising from delivering the Benefits service on behalf of the Government. The forecast for 2010/11 is that the surplus, which arises partly from the collection of overpayments, is £150k.

### **1.8.3 *Housing and Planning Delivery Grant (HPDG)***

This grant replaces Planning Delivery Grant and is awarded on various planning-based criteria. Forecasting the amount to be received is difficult and the budget does not therefore anticipate the receipt, or use, of any sums under this heading. In the event that grants are made, their receipt into the general reserve will be reported by the usual quarterly Budget Management reports.

### **1.8.4 *Local Authority Business Growth Incentive Scheme***

The future of this scheme is uncertain and it has been some years since its receipt was forecast, and used, as part of the revenue budget. On receipt it would be treated as set out in the paragraph above.

## **1.9 Local Authority Finance Settlement 2010/11**

- 1.9.1 The Final Settlement was published on 20<sup>th</sup> January 2010 and resulted in a 0.5% or £32k increase in Formula Grant in cash terms. This confirmed the figures originally published with the 2008/09 settlement in January 2008. This was at the 'floor' as expected and is the third of three years' pre-notified grant allocations. It is not expected that this level of grant support will be maintained in the future and the MTFP allows for a 2% decrease in real terms for 2011/12 onwards.

## **1.10 Budget Requirement and Council Tax**

- 1.10.1 Cabinet considered the overall position for 2010/11 on 8<sup>th</sup> February 2010 and recommended a council tax increase of 2.5%, a band D of £149.58.

## 2.0 OVERVIEW OF THE REVENUE BUDGET 2010/11

2.1 An overall view of the budget for 2010/11 is shown in table 2 below, and detailed in Section 2.

	<i>£'000</i>
<b>Service Net Expenditure</b> (excl Capital Charges and Specific Items*)	14,780
Balance Unallocated	31
	<hr/>
Council net expenditure	14,811
Capital schemes to be financed from revenue	50
Better Mid Sussex Capitalised salaries	(150)
Step 3: Cost control voluntary severance savings	(212)
Contribution to Disabled facility Grants	425
Step 5: Adjustments to service levels	(20)
Payback to reserves for voluntary severances	64
	<hr/>
<b>Revenue Spending / Budget Requirement</b>	14,968
Formula Grant :	
Business Rates (from the Pool)	(5,648)
Revenue Support Grant	(820)
Collection Fund deficit	51
	<hr/>
<b>Income from council tax</b>	<b>(8,551)</b>
	<hr/> <hr/>

\* Refer to glossary for definitions

NB. Figures shown to nearest £'000 therefore subject rounding variations

## 3.0 CAPITAL SPENDING

3.1 A list of projects proposed for 2010/11 which will contribute to achieving the Corporate Plan are detailed in Section 3 of this report. In summary, the main allocations are set out below:

	<i>£'000</i>	<i>£'000</i>
Non-Housing Projects		
Allocated for major Capital Renewals	400	
Other new projects	418	
	<hr/>	
Housing		818
Disabled Facility Grants	730	
Unallocated Funding – Affordable Housing	532	
	<hr/>	
		1,262
		<hr/>
Total programme for 2009/10		<b>2,080</b>
		<hr/> <hr/>

3.2 Table 4 below shows how the proposed programme will be financed.

	<i>£'000</i>
Capital Grants (re. Disabled Facility Grants - 50% financed from central govt)	325
S106 Agreements	56
Section 106 monies for Affordable Housing	532
Playbuilder funding	90
Met from Revenue Contributions	841
Use of General Reserves	236
<b>Total Capital Spending 2010/11</b>	<b>2,080</b>

3.3 The current Capital Programme is shown in Section 3 and includes the items above.

#### **4.0 INDICATORS UNDER THE PRUDENTIAL CODE**

4.1 A fundamental principle of the Prudential Regime is that it is for the Council itself to decide the best means for undertaking capital investment and the investment of its cash assets. To assist local authorities in this and to ensure transparency and accountability to the wider community, the Code requires the calculation and publication of indicators. These indicators show that the Council has remained within its own boundaries of prudence in undertaking capital investment and its treasury management. The indicators are not for comparison between local authorities.

4.2 The code requires a calculation of the indicators for the next financial year and at least the two following years, based on reasonable estimates. After the year-end, the actual figures need to be shown. All indicators are to be monitored throughout the year.

4.3 The categories for indicators are:

a) Capital Expenditure

The Council, when preparing its future capital investment plans, is required to consider how the expenditure is to be financed, and whether that finance is sustainable and affordable.

b) Treasury Management

The Council has adopted the key recommendations of CIPFA's Treasury Management in the Public Services. In accordance with the Treasury Management Policy document, the Council's authorised overall borrowing limit is £5m, and applies to periods of less than one year. This is to cover temporary cash flow shortages arising from day to day operations. The authorised borrowing limit is reviewed each year.

The Prudential Code indicators for Treasury Management relate to the key risk areas in respect of changes to fixed and variable rates. The Treasury Management Practice (TMP1) - Treasury Risk Management refers to 'Interest rate risk management', and states that 'where considered appropriate, deposits will be placed on the basis of a fixed interest rate throughout the term. Interest earnings on such deposits will, therefore, not be subject to fluctuations in interest rates.' It is proposed that the indicator is set so that a maximum of 95% of lending is at fixed rates and a maximum of 25% is at variable rates.

The Council has also opted to invest for terms in excess of 364 days. Again, this is in accordance with existing practice. At any one time, the maximum level of this investment is not expected to exceed 20% of the average sum available in any year.

4.4 The indicators are shown in Section 3.

## 5.0 RESERVES & OTHER BALANCES AND TREASURY MANAGEMENT

5.1 Estimated reserves and other balances for the current year (2009/10) and 2010/11 are summarised in table 5 below and are detailed more fully in Section 4.

	2009/10		2010/11	
	Revenue/ Unapplied grants £'000	Capital £'000	Revenue/ Unapplied grants £'000	Capital £'000
Balances at 1st April	11,096	777	9,475	783
Additions during the year	2,664	6	1,465	8
Less proposed utilisation	(4,285)	-	(2,716)	-
Estimated balances at 31 <sup>st</sup> March	9,475	783	8,224	791

- 5.2 The management of the Council's cash balances (which include the effect of cash flow and Collection Fund transactions) is carried out within the framework of the Treasury Management Policy, which adheres to the CIPFA Code of Practice. This Code requires the Head of Finance to report on the strategy for the coming year. The proposed strategy will be detailed in a separate report to Members, which also covers the borrowing limits required to be approved by the Prudential Code under the Local Government Act 2003.

## **6.0 MEDIUM TERM FINANCIAL PLAN**

- 6.1 The Medium Term Financial Plan supports the Financial Strategy and projects spending and income for the period to 2013/14 based on current assumptions. The Plan also indicates the Council's cash balances at the end of each year. A summary is shown at Section 5. The plan is important in understanding the future effects of current decisions and included in the statement are projected council tax levels. Whilst it has been the practice for a number of years to include projected council tax increases, this practice now also enables compliance with the Prudential Regime.
- 6.2 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.
- 6.3 Similarly the council tax figures are purely indications of increases for each year. 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.

## **7.0 COUNCIL TAX AND COLLECTION FUND**

- 7.1 The Council, as billing authority, collects council tax and business rates in the district, accounting for these transactions through the Collection Fund. The estimated balance on the Collection Fund for the year 2009/10 which must be taken into account in calculating council taxes for the district for 2010/11 is £373,000 (deficit), which is shared between Mid Sussex and the other precepting authorities. The Mid Sussex share is £50,670 and this amount has been taken into account in the recommendation to Council to increase council tax by 2.5%.
- 7.2 Notification has now been received of the increases by the other precepting authorities and the average band D council tax for Mid Sussex is shown in table 6 below.

Table 6: **Average Council Tax**

	£	Change from 2009/10
<b>Mid Sussex District Council</b>	<b>149.58</b>	<b>+2.5%</b>
Parish/Town Councils	54.89	+2.6%
	<hr/> 204.47	+2.5%
West Sussex County Council	1,161.99	+2.5%
Sussex Police Authority	138.42	+2.74%
	<hr/> <b>1,504.88</b>	+2.5%

7.3 The actual band D council taxes range from £1,541.51 to £1,559.92 depending on the parish, which translate into increases between 2.3% and 3.9%.

7.4 The Collection Fund estimate and details of the council tax calculations are contained in sections 6 and 7.

## **8.0 S25 LOCAL GOVERNMENT ACT 2003 AND RISK ANALYSIS**

### **8.1 S25 Local Government Act 2003**

8.1.1 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."*

8.1.2 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 2010/11 ensure that the net budget can be financed from council tax income and Formula Grant. This budget has been compiled in close consultation and agreement with the Chief Executive, the Deputy 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 Services 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.

8.1.3 There are risks associated with any estimate and the main risks are explained below. 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 2009/10 where Budget Management reports have continually adjusted the budget to ensure spending remains broadly on target.

- 8.1.4 The total of the council's reserves and cash balances at 1<sup>st</sup> April 2010 are estimated to be £10,258,000 and at 1<sup>st</sup> April 2011 £9,015,000. 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 maintained. 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 but it does not allow the council the scope to invest substantially in new capital projects over the forecast period.

## 8.2 Risk Analysis

- 8.2.1 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 high-level risks that need to be acknowledged.

### *Inflation*

- 8.2.2 It is necessary to reflect in a budget 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 negligible but inflation is increasing by both 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, although the Unions have asked for 2.5% and the employers have offered 0%. This represents a risk to the budget in the event that it is too low an increase but will need managing in the event of a higher pay settlement.

### *Service Savings*

- 8.2.3 These are net savings arising from the budget preparation process. Some are budget reductions whilst some relate to increased 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.

### *Efficiency Savings – the 'Five Steps'*

- 8.2.4 A significant proportion of the savings within the 2010/11 budget relate to these items. As would be expected, these have been tested for their robustness and remain our best estimates of the savings to be derived from each step. However, it would be useful to go over these and assess each risk separately and these are set out below:
- 8.2.5 Step 1: in year savings have been identified and can be made permanent without risk.

- 8.2.6 Step 2: Reducing central support and procurement costs. Again these are straightforward and can be achieved without risk.
- 8.2.7 Step 3: 'Tough Choices' savings. This can itself be subdivided into four areas

- Permanent deletion of some vacant posts;
- The removal of the enhanced car allowance scheme;
- A number of voluntary severances;
- The offer of 2 days unpaid leave for all staff;

and are evaluated below.

- 8.2.8 The deletion of some of the currently vacant posts is straightforward and without financial risk
- 8.2.9 The removal of the enhanced car allowance scheme is not entirely risk free, but is within the capacity of Management to deal with. There are two aspects to consider however; the willingness of Management to deal with a determined resistance to the introduction of the new scheme and the issue of possible costs arising from any challenge to its introduction. The latter risk has been mitigated by taking legal opinion and the former is not only within the remit of Management to manage but can also be dealt with by cash-limiting budgets such that the saving is made regardless of individual or collective resistance. Such an approach also allows for some individual negotiation to occur but puts the onus on the Head of Service to contain those costs within his or her adjusted revenue budget. In that way, the savings stated earlier in this report can be assured.
- 8.2.10 The savings derived from voluntary severances presents a risk that cannot be entirely mitigated in that individuals that have yet to formalise their position are at liberty to change their mind. This would of course lead to a reduction in the saving that could be achieved in this category. Presently, there are no indications that this might happen, and since it is more likely that this might happen in a minority of cases, it can therefore be considered that the risk is only low.
- 8.2.11 The savings from the taking of 2 days unpaid leave amounts to £20k. This has been allocated to each business unit and the salary budget adjusted. It therefore has become a cash-limit and must be contained within existing budgets in the event of a shortfall. The financial risk is easily containable and therefore low.
- 8.2.12 Step 4: is income raising and this has been considered in the paragraph below.
- 8.2.13 Step 5: adjustments to service levels. This consists of reduced budgets to a number of service areas with a minor increase in two areas. These proposals have been worked up over a number of months and have had significant Member exposure and debate. It is not therefore considered that they form a risk of any significance to the overall budget package.

*Better Mid Sussex Project*

- 8.2.14 This is an area which may potentially change course but its financial effect on the revenue budget is not significant. As Members know, we are presently awaiting the outcome of a review by Thornfield Properties' administrators on the future of our town centre schemes and it is possible that none of these go forward with our development partner. Therefore, the greatest risk remains that of over-estimating the Officer time to be spent on the project and thereby under-capitalising the costs from revenue to capital. In the event that actual employee costs incurred in the year do not amount to budgeted capitalisation, the difference will need to be met from elsewhere in the revenue budget or by a transfer from the General Reserve. This will be reviewed in depth in the first quarter of the new financial year when more will be known regarding the future of the BMS project.

*Other Expenditure Budgets*

- 8.2.15 Most expenditure budgets can be effectively controlled by management. The experience of controlling the 2009/10 budget is that it is most effective when the budget is considered as a whole, rather than a series of independent service budgets, where the Chief Executive, the Deputy Chief Executive and the Heads of Service as a group own the need to aim for a nil overspend. This approach will be used and further developed in 2010/11, in which a proactive and robust finance function can be expected to ensure delivery of financial targets.
- 8.2.16 The more difficult areas are those that are demand led and an on-going concern is Housing Benefits – especially in the current financial climate. There can be no certainty as to the level of take up in the year. However, the risk of an adverse variation is minimised by basing projections on trends, and in that regard, it is not felt that there are any significant risks to the authority inherent in the budget forecast and the budget has been prepared to show a neutral effect; i.e. no significant variation from the 2008/09 estimates. The Department of Work and Pensions has also recognised the potential for an increasing number of claimants and has awarded additional grant to every authority. We have placed these sums into Specific Reserve and thereby earmarked them for just such an eventuality. In this way, the risk has been mitigated.

*Income Budgets*

- 8.2.17 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 2010/11 prudent assumptions have been made, particularly around areas such as land charges income. The budget monitoring process during the year aims to continuously track variations to ensure compensatory adjustments are made elsewhere. In addition, the risk of major variations has been reduced by amending base budgets in the light of the experience in previous years.
- 8.2.18 There is one area that merits further attention and risk analysis. This is income derived from the Green Waste service.

- 8.2.19 The fee for the Green Waste collection service is set to rise from £45 to £55 per annum. Whilst this is a significant percentage increase (on top of the increase last year), the overall fee compares very favourably to other districts in Sussex. When the fee was last increased to £40 to £45 per annum there was a negligible cancellation rate; which supports the view that demand for the service is not particularly price dependent; i.e. it is inelastic. Given that the increase is £10 this time, Officers have factored in an 8% fall off in customers to be set against the increased revenue to be derived. We are therefore basing our projections of increased income on the net figures, which is prudent, and relatively risk averse. In the event that attrition is worse than forecast, other savings will have to be made within that Business Unit.

#### *Capital Programme*

- 8.2.20 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.

## **9. LEGAL IMPLICATIONS**

The Local Government Finance Act 1992 provides that for each financial year a local authority should set the amount of Council Tax before 11<sup>th</sup> March in the financial year preceding that for which it is set. The Act makes provisions regarding the calculations necessary in setting the council tax and the budget requirement. This report is instrumental in achieving this requirement.

## **10.0 LOCAL AUTHORITY FINANCE SETTLEMENT 2010/11**

- 10.1 As mentioned in section 1.9 above, the Final Settlement was published on 20<sup>th</sup> January 2010, which gave an increase of 0.5%, the minimum guaranteed increase over the formula grant for 2009/10.

<b>Settlement 2010/11</b>		
	Original 2009/10 £'000	Final 2010/11 £'000
Formula Grant:		
Business Rates	5,228	5,648
Revenue Support Grant	1,207	820
<b>Total Formula Grant</b>	<b>6,435</b>	<b>6,468</b>

- 10.2 Under the current system which was introduced by the government in 2006/07, the distribution of Formula Grant is determined wholly by the result of four blocks: a Relative Needs Formulae, a Relative Resource Amount, a Central Allocation and a Scheme for Floor Damping.

- 10.3 The first element, Relative Needs formula, takes into account the population, social structure and other characteristics of each authority. The formulae are designed to reflect the relative needs of individual authorities and the factors that affect local costs, for example, deprivation and area costs. This is not intended to measure the actual amount needed to provide local services.
- 10.4 The second part – Relative Resource Amount, takes account of the ability to raise income locally through the tax-base in the council's area. Councils that can raise more income require less support from the Government.
- 10.5 The third part – a Central Allocation, is shared out on a per head basis.
- 10.6 The final element – is a scheme for Floor Damping. The guaranteed "Floor" means that the Government ensures that each council has a reasonable grant increase year-on-year. For 2010/11 shire districts were guaranteed an increase of 0.50%, (the same as in 2009/10).
- 10.7 When these elements are added together, they are compared against the population of a group of councils who provide similar services. A minimum amount is agreed for these councils, and then the amount over the minimum is shared out in proportion to the total amount that the Secretary of State has agreed to distribute.
- 10.8 The Formula Grant for the Council for 2010/11 is £6,467,650. An analysis of how the Formula Grant is determined is included in the annex at the end of this section of the report.
- 10.9 Non-Domestic Rates
- The proposed Non-Domestic rate poundage is:
- Small properties: 40.7p in 2010/11 (a decrease of 15% from 48.1p in 2009/10)
- Standard properties: 41.4p in 2010/11 (a decrease of 15% from 48.5p in 2009/10)

**Note: More detailed information is available on the Communities & Local Government website:**  
**<http://www.local.communities.gov.uk/finance/1011/grant.htm>**

Mid Sussex District Council									Annex
Calculation of Formula Grant 2010/11									
	Amount/Formula	Factor/ Value	Value or Top-Up	Population	Base	ACA	Sub total	Scaling adjustment	Total
Resident Population	128,185	£12.3769	£1,586,533	128,185	1,586,533	1	1,586,534	1.00	1,586,524
Population Density	3.2540	£0.9389	£3,055,143,044	128,185	391,624	1	391,625	1.00	391,626
Population Sparsity	0.2145	£6.7031	£1,437,814,95	128,185	184,306	1	184,307	1.00	184,308
					2,162,463	3	2,162,466	3	2,162,458
Net In-Commuters	0	£4.99	£0.0000						
Day Visitors	4,630.136986	£4.24	£19,626.2247		19,626	1	19,627	1.00	19,628
<u>Deprivation -</u>									
Incapacity Benefits & Severe Disablement	2,722	£40.13	£109,234.6766						
Income Support/Income-based Job Seeker's Allowance Claimants	4,709	£27.13	£127,753.7573						
Elderly on Income Support/Income-based Job Seeker's Allowance	2,510	£40.13	£100,727.0530						
Unemployment Related Benefit Claimants	647	£27.13	£17,552.9159						
Country of Birth residents	4,917	£3.66	£17,986.1214		373,255		373,254		373,254
<b>Total Basic EPCS</b>					<b>2,555,343</b>	<b>5</b>	<b>2,555,347</b>	<b>4</b>	<b>2,555,340</b>
<b>Fixed Costs</b>					<b>325,000</b>		<b>325,000</b>	<b>0.149</b>	<b>50,769</b>
<b>Flood defence</b>	<b>121,100</b>				<b>0</b>		<b>0</b>	<b>0</b>	<b>18,821</b>
<b>Total EPCS</b>					<b>2,880,343</b>	<b>5</b>	<b>2,880,347</b>	<b>4</b>	<b>2,624,930</b>
<u>Capital Financing</u>									
<u>Debt Charges</u>									
Debt I	7,641,879				681,680		681,680	0.16	110,293
<b>Total Capital Financing</b>					<b>681,680</b>		<b>681,680</b>	<b>0</b>	<b>110,293</b>
<b>Total</b>					<b>3,562,023</b>	<b>5</b>	<b>3,562,027</b>	<b>4</b>	<b>2,735,223</b>
<b>Reduction</b>									<b>-1,267,379</b>
<b>MSDC Share of total DCLG Formula Grant correlated to the measure of relative need</b>									<b>1,467,844</b>
<b>Relative Resource Amount</b>									<b>-5,302,019</b>
Based on the ability to raise income, as reflected by the taxbase and population.									
<b>Central Allocation</b>									<b>9,141,141</b>
<b>Floor Damping</b>									<b>1,160,684</b>
<b>Total Formula Grant for 2010/11</b>									<b>6,467,650</b>
<b>RSG for 2010/11</b>									<b>820,080</b>
<b>NNDR for 2010/11</b>									<b>5,647,570</b>

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## SERVICE BUDGETS

1. Budgets for 2010/11 for each Division are shown on the next pages. There is a section for each Division containing an introduction by the Head of Service, their summary service plan for 2010/11 and a budget summary including analyses by type of spending. The summary shows data for 2008/09 outturn, original budget 2009/10 and budget 2010/11. Also included are figures to show the amount and percentage change between 2009/10 and 2010/11. (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
- Discretionary non-domestic rate relief
- Housing benefits

**Support Services**

Service support recharges are directorate costs recharged to services within that directorate.

Central support recharges

- Chief Executive support
- Finance support
- Legal and Admin support
- Organisational Development support
- Corporate Services support

Office accommodation recharges  
Computer recharges

**Income**

- Fees and charges
- Rents
- Specific government grants
- Other grants/reimbursements and contributions
- Recharges to other directorates and services.

**REVENUE BUDGET 2010/11  
SUMMARY**

Actual 2008/09 £'000		Budget 2010/11 £'000	Budget 2009/10 £'000	Change From 2009/10	
				£'000	%
1,192	Member Support & Partnerships	1,295	1,282	13	1%
669	Development Control	1,039	881	158	18%
801	Planning Policy	981	932	49	5%
31	Finance Accountancy	(29)	(29)	0	
742	Finance Corporate	551	503	48	10%
(334)	ICT	(206)	(217)	11	(5%)
1,225	Revenues & Benefits	1,510	1,502	8	1%
667	Housing	795	805	(10)	(1%)
1,017	Environmental Health	1,099	1,063	36	3%
199	Building Control	310	114	196	173%
23	Land Charges	64	(36)	100	(276%)
12	Legal Services	0	0	0	
(1,133)	Property	(1,021)	(982)	(39)	4%
(258)	Building & Asset Maintenance	(244)	(313)	69	(22%)
2,483	Cleansing Services	2,755	3,130	(375)	(12%)
1,330	Community Services & Culture	1,585	1,711	(126)	(7%)
1,965	Facility Mgmt & Streetscene	2,285	2,317	(32)	(1%)
2,437	Leisure Operations	0	2,307	(2,307)	(100%)
0	Leisure Operations Client	1,172	0	1,172	
(949)	Parking Services	(848)	(1,515)	667	(44%)
171	Customer Services & Comms	0	0	0	
(207)	Personnel & Payroll	(5)	(19)	14	(72%)
162	Corporate Organisational Devel	47	40	7	18%
(100)	Better Mid Sussex	139	116	23	20%
1,486	Strategic Core	1,643	1,716	(73)	(4%)
(125)	Benefits	(150)	(224)	74	(33%)
13	Drainage Levies	13	13	(0)	
0	Balance Unallocated	31	31	0	
<b>13,519</b>	<b>Council Net Expenditure</b>	<b>14,811</b>	<b>15,128</b>	<b>(317)</b>	
	Efficiency savings through new Alternative Leisure management		(500)	500	
	Balance of efficiency savings in support services		(42)	42	
	Provision for pay award 08/09 settlement at 2.75% (only 2.45% built in)		45	(45)	
	Payback to reserves for Alternative Leisure Management procurement		100	(100)	
	Capital schemes financed from revenue	50	100	(50)	(50%)
	Better Mid Sussex capitalised salaries	(150)	(150)	0	
	Step 3 Cost control voluntary severance savings	(212)		(212)	
	Contribution to Disabled Facility Grants	425		425	
	Step 5: Adjustments to service levels - Renovation Grants	(20)		(20)	
	Payback to reserves for voluntary severances	64		64	
<b>13,519</b>	<b>Total Revenue Spending</b>	<b>14,968</b>	<b>14,681</b>	<b>287</b>	
<b>13,519</b>	<b>Budget Requirement after use of interest</b>	<b>14,968</b>	<b>14,681</b>	<b>287</b>	

## SUMMARY REVENUE BUDGET 2010/11

Actual 2008/09 £'000		Budget 2010/11 £'000	Budget 2009/10 £'000	Change From 2009/10	
				£'000	%
<b>Gross Expenditure</b>					
15,566	Employees	13,398	16,582	(3,184)	(19%)
5,168	Premises Related Expenditure	2,980	5,489	(2,509)	(46%)
477	Transport Related Expenditure	421	478	(57)	(12%)
5,600	Supplies and Services	4,576	4,493	83	2%
4,105	Third Party Payments	4,754	4,660	94	2%
28,208	Transfer Payments	33,608	26,554	7,054	27%
5,943	Support Services	6,501	7,232	(731)	(10%)
<u>65,067</u>		<u>66,238</u>	<u>65,488</u>	<u>750</u>	<u>1%</u>
<b>Gross Income</b>					
(11,644)	Fees and Charges	(4,957)	(12,948)	7,991	(62%)
(1,559)	Rents	(1,403)	(1,448)	45	(3%)
(31,226)	Grant Income	(37,888)	(28,550)	(9,338)	33%
(7,119)	Recharges	(7,022)	(7,861)	839	(11%)
<u>(51,548)</u>		<u>(51,270)</u>	<u>(50,807)</u>	<u>(463)</u>	<u>1%</u>
<b><u>13,519</u></b>	<b>Total Revenue Spending</b>	<b><u>14,968</u></b>	<b><u>14,681</u></b>	<b>287</b>	

<b>Details of Specific Items per Service Area</b>	<b>Budget 2010/11 £'000</b>	<b>Original Budget 2009/10 £'000</b>
Member Support & Partnerships	10	0
Development Control	30	47
Planning Policy	75	85
Finance Corporate	0	10
Revenues and Benefits	45	0
Housing	0	4
Leisure Operations	0	20
Leisure Operations - Clients	98	0
Corporate Organisational Development	9	12
	<b>267</b>	<b>178</b>

NB Total does not include utilisation from the Benefits Equalisation reserve of £40,000 as this is included in service net expenditure.

<b>Details of Capital Charges per Service Area</b>	<b>Budget 2010/11 £'000</b>	<b>Original Estimate 2009/10 £'000</b>
Development Control	24	33
Planning Policy	36	22
Finance Accountancy	29	0
Information Communications Technology	206	272
Revenues and Benefits	5	0
Land Charges	23	0
Property	65	102
Building & Asset Maintenance	244	313
Cleansing Services	368	179
Facility Mgmt & Streetscene	153	182
Leisure Operations	0	1,550
Leisure Operations Client	1,412	0
Parking Services	87	83
Personnel and Payroll	5	0
	<b>2,657</b>	<b>2,736</b>



## Corporate Improvement

(Member Services, Performance, Scrutiny and Partnerships)

Over the coming year the Corporate Improvement Division will seek to provide a high standard of support to Members and officers in administering the democratic process and elections; encouraging further service performance and effective strategic risk management; and facilitating key strategic partnerships, such as the Mid Sussex Partnership and the Crime and Disorder Reduction Partnership. The team will continue to work very closely with the Finance Business Unit in undertaking council-wide service and financial planning and meeting the council's obligations under the Comprehensive Area Assessment.

In addition to these usual work activities, in the coming year we will plan and deliver the General Election and prepare and plan for the 2011 district election and subsequent Member induction programme. We will also be concluding the Community Governance review of Haywards Heath and introducing an 'individual registration' pilot in electoral registration. We will respond to the new duty to promote democracy but we expect to do this within existing budgets.

The team will lead on the Council's contribution to the work of the Mid Sussex Partnership to deliver the Sustainable Community Strategy. Additional external resources have been secured through various funding sources to assist with some of this work, including:

- Developing, with our partners, a more effective approach to consultation and engagement activities with the public
- Working with minority communities to improve inter-community understanding
- Mid Sussex Partnership 'innovation days' to take a problem solving approach to addressing particular local community issues requiring an integrated solution.

Through our work with the police and other partners, crime rates are very low compared to other areas. However, in line with the SIMALTO research findings, we will invest further in our Anti-social behaviour work to ensure local residents are fully aware of options that are available to them should they experience problems with anti-social behaviour. We will also do more proactive, educational work in the community, particularly with young people, to try to reduce the levels of anti-social behaviour occurring in the district.

Finally, the Audit Commission has confirmed that the Council's performance management, service planning and strategic risk management arrangements are good, so these will continue to be supported. However, following our successful partnership with Crawley Borough Council on performance management we are now able to reduce our staffing levels by half a post in this area. This team will also continue to support the Council's scrutiny work by undertaking reviews and investigations as Members require.

### MEMBER SUPPORT & PARTNERSHIPS VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Step 5 - Adjustments to service levels - anti-social behaviour	10
Inflation	1
Recharges	29
Total	<u>40</u>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(3)
Reduction in members mileage rate to 40p	(4)
Step 2 - Central support savings - printing	(4)
Step 3 - Cost control - permanent deletion of vacant posts	(13)
Payback to reserve - fully repaid	(3)
Total	<u>(27)</u>
<b>Total Variation for Member Support &amp; Partnerships</b>	<u><u>13</u></u>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>MEMBER SUPPORT &amp; PARTNERSHIPS BUDGET 2010/11</b>		<b>Community Services</b>	<b>Partnership Funding</b>	<b>Elections and Registration</b>	<b>Members Services</b>	<b>Corporate Improvement</b>
	<b>Budget 2010/11</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Gross Expenditure</b>						
Employees	449	121	0	64	19	245
Premises Related Expenditure	22	19	0	0	2	1
Transport Related Expenditure	19	3	0	0	14	2
Supplies and Services	612	8	0	88	473	43
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	406	65	0	108	42	191
	<b>1,508</b>	<b>216</b>	<b>0</b>	<b>260</b>	<b>550</b>	<b>482</b>
<b>Gross Income</b>						
Fees and Charges	(14)	0	0	(2)	(12)	0
Rents	0	0	0	0	0	0
Grant Income	(1)	(1)	0	0	0	0
Recharges	(198)	0	0	0	0	(198)
	<b>(213)</b>	<b>(1)</b>	<b>0</b>	<b>(2)</b>	<b>(12)</b>	<b>(198)</b>
<b>Net Expenditure</b>	<b>1,295</b>	<b>215</b>	<b>0</b>	<b>258</b>	<b>538</b>	<b>284</b>
<b>Budget 2009/10</b>	1,282	216	0	219	538	309
<b>Change from 2009/10</b>						
£'000 Change	13	(1)	0	39	0	(25)
% Change	1%					
<b>Other Items 2010/11</b>						
Capital Financing Costs	0	0	0	0	0	0
Capital Financing Income	0	0	0	0	0	0
Specific Items	10	0	0	10	0	0



## **Economic Promotion and Planning**

(Development Control, Planning Policy and Economic Development)

The Development Control business unit will focus on the achievement of sustainable development in the District. Through the 'brilliant basics' campaign it will provide good quality customer service, and will continue to achieve top percentile performance on processing planning applications.

The 'development management' concept will continue to be implemented, with better integration with the Planning Policy business unit, and early involvement of partners and stakeholders in pre-application discussions to resolve any delivery problems.

The relationship between officers and Members is key to the success of the business unit, and this will be improved through the rolling out of 'ward walks' and increased Member engagement in pre-application discussions with developers on major applications. Officer reports to Members will be improved to make recommendations clearer and to be more transparent about the balance between social, economic and environmental considerations.

The impact of the economic conditions on the income and workload of the business unit has been marked, and is likely to continue to be a challenge in 2010/11. The projected income of the unit has decreased as a result, as has the cost base reflecting the decrease in staffing levels to reflect these conditions. These adjustments include the deletion of three vacant posts (one Senior Planning Officer and two Planning Officers) during 2009/10. The economic conditions will be closely monitored to ensure that the business unit can respond to and facilitate economic recovery.

The Planning Policy business unit will focus on preparing a sound policy framework that will shape the future of Mid Sussex and create sustainable communities.

The main task in 2010/11 will be to progress the Core Strategy, and submit it to Government for examination, following appropriate Member consideration and approval. Detailed work on development sites to support the Core Strategy will feed into the Townwide Plans. Work will also commence on supplementary planning documents that will expand on the policies of the Core Strategy, setting out the Council's stance on infrastructure, sustainability and open space. Efficiencies made during 2009/10 (including the deletion of two vacant posts – one Planning Officer and a Project Officer) will be continued in 2010/11 by focusing on partnership working, particularly with adjacent authorities and Town and Parish Councils. Expenditure on outside consultants (i.e. supplies and services) will be minimised, with technical work being carried out in-house where practicable.

A healthy and vibrant local economy is vital for the well being of all who live and work in Mid Sussex. An Economic Development Strategy was adopted in 2010, and will be one of the key mechanisms through which the Council will be able to contribute to securing that vision. The implementation of this strategy will be led by a dedicated Economic Development Officer, working alongside the Planning Policy team, and liaising with partners within and outside the Council.

**DEVELOPMENT CONTROL VARIATION TABLE**

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Economic downturn in income	215
Inflation	9
Recharges	53
Pension changes	6
	<hr/>
Total	<b>283</b>
	<hr/>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(9)
Step 2 - Central support savings - printing	(1)
Step 3 - Cost control -permanent deletion of vacant posts	(98)
Step 3 - Reduction in car allowance	(16)
Realignment of car allowance budgets	(1)
	<hr/>
Total	<b>(125)</b>
	<hr/>
<b>Total Variation for Development Control</b>	<b>158</b>
	<hr/> <hr/>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>DEVELOPMENT CONTROL BUDGET 2010/11</b>			
	<b>Budget 2010/11 £'000</b>	<b>Development Control £'000</b>	<b>Development Control Staff Cont £'000</b>
<b>Gross Expenditure</b>			
Employees	928	928	0
Premises Related Expenditure	1	1	0
Transport Related Expenditure	54	54	0
Supplies and Services	185	185	0
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	387	387	0
	<b>1,555</b>	<b>1,555</b>	<b>0</b>
<b>Gross Income</b>			
Fees and Charges	(516)	(516)	0
Rents	0	0	0
Grant Income	0	0	0
Recharges	0	0	0
	<b>(516)</b>	<b>(516)</b>	<b>0</b>
<b>Net Expenditure</b>	<b>1,039</b>	<b>1,039</b>	<b>0</b>
<b>Budget 2009/10</b>	881	881	0
<b>Change from 2009/10</b>			
£'000 Change	158	158	0
% Change	18%		
<b>Other Items 2010/11</b>			
Capital Financing Costs	24	24	0
Capital Financing Income	0	0	0
Specific Items	30	30	0

**PLANNING POLICY (INCL ECONOMIC DEVELOPMENT) VARIATION TABLE**

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Inflation	1
Recharges	131
Increase to post CPLP008 Sept RBM	4
Total	<u>136</u>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(21)
Minor savings - software maintenance	(5)
Step 1 - 2008/09 ongoing savings - supplies and services	(30)
Step 2 - Central support savings - printing	(7)
Step 3 - Cost control - permanent deletion of vacant posts	(21)
Step 3 - Reduction in car allowance	(3)
Total	<u>(87)</u>
<b>Total Variation for Planning Policy</b>	<u><u>49</u></u>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>PLANNING POLICY BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Planning Policy £'000</b>	<b>Economic Development Promotion £'000</b>
<b>Gross Expenditure</b>			
Employees	368	322	46
Premises Related Expenditure	1	1	0
Transport Related Expenditure	14	12	2
Supplies and Services	180	149	31
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	418	351	67
	<b>981</b>	<b>835</b>	<b>146</b>
<b>Gross Income</b>			
Fees and Charges	(0)	(0)	0
Rents	0	0	0
Grant Income	0	0	0
Recharges	0	0	0
	<b>(0)</b>	<b>(0)</b>	<b>0</b>
<b>Net Expenditure</b>	<b>981</b>	<b>835</b>	<b>146</b>
<b>Budget 2009/10</b>	932	838	94
<b>Change from 2009/10</b>			
£'000 Change	49	(3)	52
% Change	5%		
<b>Other Items 2010/11</b>			
Capital Financing Costs	36	36	0
Capital Financing Income	0	0	0
Specific Items	75	75	0



## **Finance (and CenSus Services)**

(Finance, ICT and Revenues and Benefits incl CenSus)

The sudden onset of the recession has led to a change in the priorities of this part of the Council. Increased demand for financial information for BULS and more frequent budget monitoring and forward projections has meant that accounting staff are more engaged with corporate finance more than ever before. This looks set to continue for as long as the downturn continues.

We will continue to improve our processes to retain our '3' score in Use of Resources. In addition, we are taking on the role of accounting for the enlarged CenSus revenues and benefits service and providing financial guidance to the new CenSus Joint Committee, as well as introducing the International Financial Reporting Standards to our financial accounts.

By the start of 2010, some 80 staff will have transferred over to Mid Sussex from our partners in Horsham and Adur and the CenSus Revenues and Benefits shared service will be truly in place. Using a new document management and workflow system it will be improving service performance at a reduced cost and will be looking to integrate with another partner in 2011. More details of the service improvements for the users can be found within the Service Plan.

The position is similar for ICT. Our partner, Horsham District Council, will now lead this service and prepare the service plan and the monitoring reports for its performance. The task this year is to consolidate the infrastructure, review the telephony arrangements and improve the disaster recovery arrangements. Work is being done to bring in Worthing Borough Council as an additional partner without increasing costs.

Other variations include the reduction in the Icon hosted e-payments cost which reflects the increased start-up costs for 2009/10 now reducing to maintenance only for 2010/11. The saving in the corporate equipment budget is part of the 'Step 1' savings from 2008/09. The administration subsidy grant reduction, reflects the Department of Work and Pensions passing on their efficiency savings target to us, through lower grant, rather than reducing their own costs. This is similar to the situation in 2009/10.

The transfer of staff from payroll to finance is commensurate with the reduction in workload in running the Mid Sussex payroll arising from the transfer of Leisure staff to Freedom Leisure.

Finally, the implementation of Paperless Direct Debits for Revenues will reduce the human resource needed to administer the direct debit payment system, which around 80% of taxpayers use. The budget reflects the expectation that the cost of tax collection will reduce by this figure; the general principle of which was supported by the SIMALTO exercise.

### FINANCE ACCOUNTANCY VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Transfer of staff from Payroll to Finance	26
Inflation	5
Total	<b>31</b>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(9)
Icon hosted e-payments	(6)
Recharges	(16)
Total	<b>(31)</b>
<b>Total Variation for Finance Accountancy</b>	<b>0</b>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>FINANCE ACCOUNTANCY BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Accountancy Support £'000</b>
<b>Gross Expenditure</b>		
Employees	611	611
Premises Related Expenditure	0	0
Transport Related Expenditure	0	0
Supplies and Services	83	83
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	107	107
	<u>801</u>	<u>801</u>
<b>Gross Income</b>		
Fees and Charges	0	0
Rents	0	0
Grant Income	0	0
Recharges	(830)	(830)
	<u>(830)</u>	<u>(830)</u>
<b>Net Expenditure</b>	<u><u>(29)</u></u>	<u><u>(29)</u></u>
<b>Budget 2009/10</b>	(29)	(29)
<b>Change from 2009/10</b>		
£'000 Change	0	0
% Change	(0%)	
<b>Other Items 2010/11</b>		
Capital Financing Costs	29	29
Capital Financing Income	0	0
Specific Items	0	0

### FINANCE CORPORATE VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Pensions increase to pre 1974 pensions	35
Recharges	174
	<b>209</b>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(1)
Payback to reserves - fully repaid	(47)
Step 1 -2008/09 ongoing savings - corporate equipment budget	(4)
Insurance savings - alternative leisure management project	(82)
Inflation	(27)
	<b>(161)</b>
	<b>48</b>
	<b>48</b>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

**FINANCE CORPORATE  
BUDGET 2010/11**

	<b>Budget 2010/11</b> £'000	<b>Other Corp and Democratic Core</b> £'000	<b>Non Distributed Costs</b> £'000	<b>Insurance</b> £'000	<b>Finance Control Support</b> £'000
<b>Gross Expenditure</b>					
Employees	390	0	241	98	51
Premises Related Expenditure	144	0	0	144	0
Transport Related Expenditure	3	0	0	3	0
Supplies and Services	327	231	0	2	94
Third Party Payments	0	0	0	0	0
Transfer Payments	0	0	0	0	0
Support Services	153	79	0	27	47
	<b>1,017</b>	<b>310</b>	<b>241</b>	<b>274</b>	<b>192</b>
<b>Gross Income</b>					
Fees and Charges	0	0	0	0	0
Rents	0	0	0	0	0
Grant Income	0	0	0	0	0
Recharges	(466)	0	0	(274)	(192)
	<b>(466)</b>	<b>0</b>	<b>0</b>	<b>(274)</b>	<b>(192)</b>
<b>Net Expenditure</b>	<b>551</b>	<b>310</b>	<b>241</b>	<b>0</b>	<b>0</b>
<b>Budget 2009/10</b>	503	250	253	0	0
<b>Change from 2009/10</b>					
£'000 Change	48	60	(12)	0	0
% Change	10%				
<b>Other Items 2010/11</b>					
Capital Financing Costs	0	0	0	0	0
Capital Financing Income	0	0	0	0	0
Specific Items	0	0	0	0	0

**INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT) VARIATION TABLE**

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Pressure -CENSUS hardware and software	21
Inflation	8
Total	<u><b>29</b></u>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(5)
Recharges	(13)
Total	<u><b>(18)</b></u>
<b>Total Variation for ICT</b>	<u><u><b>11</b></u></u>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>ICT BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Central Computer Costs £'000</b>	<b>Census ICT £'000</b>	<b>Corporate System Accounts £'000</b>
<b>Gross Expenditure</b>				
Employees	445	33	412	0
Premises Related Expenditure	0	0	0	0
Transport Related Expenditure	2	0	2	0
Supplies and Services	424	(43)	370	97
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	236	231	0	5
	<b>1,107</b>	<b>221</b>	<b>784</b>	<b>102</b>
<b>Gross Income</b>				
Fees and Charges	0	0	0	0
Rents	0	0	0	0
Grant Income	(24)	0	(24)	0
Recharges	(1,289)	(427)	(760)	(102)
	<b>(1,313)</b>	<b>(427)</b>	<b>(784)</b>	<b>(102)</b>
<b>Net Expenditure</b>	<b>(206)</b>	<b>(206)</b>	<b>0</b>	<b>0</b>
<b>Budget 2009/10</b>	(217)	(493)	276	0
<b>Change from 2009/10</b>				
£'000 Change	11	287	(276)	0
% Change	(5%)			
<b>Other Items 2010/11</b>				
Capital Financing Costs	206	206	0	0
Capital Financing Income	0	0	0	0
Specific Items	0	0	0	0

### REVENUES & BENEFITS (INCL CENSUS) VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Salary adjustments *	2
Reduction of 5% p.a.in admin subsidy grant	32
Inflation	17
Recharges	35
<b>Total</b>	<b>86</b>
<b>Budget Changes - Decreasing</b>	
Step 1 - 2008/09 ongoing savings - CENSUS Revenues and Benefits	(50)
Step 3 - Reduction in car allowance	(8)
Step 5 - Adjustments to service levels – tax payments	(12)
Payback to reserves - fully repaid	(3)
Software maintenance budget (see contra in Customer Services)	(5)
<b>Total</b>	<b>(78)</b>
<b>Total Variation for Revenues &amp; Benefits (incl CenSus)</b>	<b>8</b>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>REVENUES &amp; BENEFITS ( INCL CENSUS) BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Census Efficiency £'000</b>	<b>Census Benefits Administration £'000</b>	<b>Census Revenue Collection £'000</b>	<b>Benefits Administration £'000</b>	<b>Revenue Collection £'000</b>
<b>Gross Expenditure</b>						
Employees	3,767	0	2,184	1,525	36	22
Premises Related Expenditure	0	0	0	0	0	0
Transport Related Expenditure	61	0	46	15	0	0
Supplies and Services	280	(450)	326	363	4	37
Third Party Payments	93	0	0	0	0	93
Transfer Payments	71	0	0	0	0	71
Support Services	680	0	0	0	372	308
	<b>4,952</b>	<b>(450)</b>	<b>2,556</b>	<b>1,903</b>	<b>412</b>	<b>531</b>
<b>Gross Income</b>						
Fees and Charges	(507)	0	(15)	(492)	0	0
Rents	0	0	0	0	0	0
Grant Income	(2,935)	0	(1,469)	(738)	(557)	(171)
Recharges	0	0	0	0	0	0
	<b>(3,442)</b>	<b>0</b>	<b>(1,484)</b>	<b>(1,230)</b>	<b>(557)</b>	<b>(171)</b>
<b>Net Expenditure</b>	<b>1,510</b>	<b>(450)</b>	<b>1,072</b>	<b>673</b>	<b>(145)</b>	<b>360</b>
<b>Budget 2009/10</b>	1,502	0	438	292	391	381
<b>Change from 2009/10</b>						
£'000 Change	8	(450)	634	381	(536)	(21)
% Change	1%					
<b>Other Items 2010/11</b>						
Capital Financing Costs	5	0	0	0	0	5
Capital Financing Income	0	0	0	0	0	0
Specific Items	45	0	0	0	45	0



## **Housing, Environmental Health and Building Control**

The downturn in the housing market is expected to continue to affect income in Building Control. As a result the budgeted income for 2010-11 has been reduced. The team will focus on trying to maintain their market share of work, and on meeting their performance targets.

Housing Services are also affected by the downturn, with an increased demand for housing advice and assistance. Choice-Based Lettings will be introduced from April, which will greatly enhance customer choice. The cost of the scheme is being met by contributions from a number of partners, together with savings elsewhere in the housing budget. With respect to affordable housing, we expect to exceed our 3-year Local Area Agreement target of 324 homes. However, fewer completions will be achieved in 2010-11, the last year of the LAA, due to the reduction in developments starting on site in 2009. We will be launching a "Does your home fit you?" campaign to encourage and support those under occupying their homes to move to somewhere they can better manage, freeing up family housing for others who need it. The part-time vacant post of Housing Enabling Officer has been deleted, resulting in a reduction to the salary budget. Much of the work of this post is being managed in another way, so that the impact on service users should be minimal.

Environmental Health has responded to the EU Services Directive, so that from April businesses will be able to apply and pay for a variety of licences on-line. Following a request from the Food Standards Agency, we have delayed introducing the Scores on the Doors project until they have confirmed their preferred national scheme. This will allow Councils across Sussex to launch the national scheme at the same time. In the last year the Food and Safety Team have seen a 15% increase in the number of food businesses opening across the district and have worked hard to provide additional support to these new and existing businesses through improved website information, targeted advice and training courses.

There are a number of changes to the budget for Environmental Health:

- Given the increasing community concern about noise nuisance, we will invest to enhance our capacity to respond to noise complaints, especially in the summer period.
- Income from taxi licensing exceeded the budgeted amount in 2008-09 and is expected to remain at a similar level in 2010-11. The budget has been adjusted accordingly.

### HOUSING VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Salary adjustments*	8
Inflation	8
Total	<u>16</u>
<b>Budget Changes - Decreasing</b>	
Step 2 - Central support savings - printing	(1)
Step 3 - Cost control - permanent deletion of vacant posts	(16)
Step 3 - Reduction in car allowance	(1)
Recharges	(8)
Total	<u>(26)</u>
<b>Total Variation for Housing</b>	<u><u>(10)</u></u>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>HOUSING BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Housing Needs £'000</b>	<b>Housing Enabling £'000</b>
<b>Gross Expenditure</b>			
Employees	373	265	108
Premises Related Expenditure	0	0	0
Transport Related Expenditure	16	11	5
Supplies and Services	219	207	12
Third Party Payments	0	0	0
Transfer Payments	166	166	0
Support Services	201	105	96
	<b>975</b>	<b>754</b>	<b>221</b>
<b>Gross Income</b>			
Fees and Charges	0	0	0
Rents	0	0	0
Grant Income	(180)	(180)	0
Recharges	0	0	0
	<b>(180)</b>	<b>(180)</b>	<b>0</b>
<b>Net Expenditure</b>	<b>795</b>	<b>574</b>	<b>221</b>
<b>Budget 2009/10</b>	805	555	250
<b>Change from 2009/10</b>			
£'000 Change	(10)	19	(29)
% Change	(1%)		
<b>Other Items 2010/11</b>			
Capital Financing Costs	0	0	0
Capital Financing Income	0	0	0
Specific Items	0	0	0

### ENVIRONMENTAL HEALTH VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Salary adjustments *	6
Step 5 - Adjustments to service levels – Noise complaints	10
Inflation	7
Recharges	56
Total	<u>79</u>
<b>Budget Changes - Decreasing</b>	
Reduction in equipment budget as increase in 2009/10 only	(11)
Step 1 - 2008/09 ongoing savings - taxi licencing income	(20)
Step 3 - Reduction in car allowance	(12)
Total	<u>(43)</u>
<b>Total Variation for Environmental Health</b>	<u><u>36</u></u>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>ENVIRONMENTAL HEALTH BUDGET 2010/11</b>		<b>Contaminated Land</b>	<b>Housing Standards</b>	<b>Safety and Licensing</b>	<b>Environmental Protection</b>
	<b>Budget 2010/11</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>£'000</b>				
<b>Gross Expenditure</b>					
Employees	859	38	146	417	258
Premises Related Expenditure	3	0	0	0	3
Transport Related Expenditure	67	2	8	22	35
Supplies and Services	79	3	3	30	43
Third Party Payments	31	0	28	0	3
Transfer Payments	3	0	0	0	3
Support Services	386	9	35	160	182
	<b>1,428</b>	<b>52</b>	<b>220</b>	<b>629</b>	<b>527</b>
<b>Gross Income</b>					
Fees and Charges	(329)	(1)	(1)	(247)	(80)
Rents	0	0	0	0	0
Grant Income	0	0	0	0	0
Recharges	0	0	0	0	0
	<b>(329)</b>	<b>(1)</b>	<b>(1)</b>	<b>(247)</b>	<b>(80)</b>
<b>Net Expenditure</b>	<b>1,099</b>	<b>51</b>	<b>219</b>	<b>382</b>	<b>447</b>
<b>Budget 2009/10</b>	1,063	55	190	383	435
<b>Change from 2009/10</b>					
£'000 Change	36	(4)	29	(1)	12
% Change	3%				
<b>Other Items 2010/11</b>					
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 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Salary adjustments *	3
Economic downturn in income	84
Pressure - Insufficient turnover of staff to meet targeted cost savings	100
Inflation	4
Recharges	4
Realignment of car allowance budgets	1
 Total	 <hr/> <b>196</b> <hr/>
 <b>Total Variation for Building Control</b>	 <hr/> <b>196</b> <hr/> <hr/>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>BUILDING CONTROL BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Building Control £'000</b>
<b>Gross Expenditure</b>		
Employees	559	559
Premises Related Expenditure	0	0
Transport Related Expenditure	31	31
Supplies and Services	29	29
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	120	120
	<u>739</u>	<u>739</u>
<b>Gross Income</b>		
Fees and Charges	(429)	(429)
Rents	0	0
Grant Income	0	0
Recharges	0	0
	<u>(429)</u>	<u>(429)</u>
<b>Net Expenditure</b>	<u><u>310</u></u>	<u><u>310</u></u>
<b>Budget 2009/10</b>	114	114
<b>Change from 2009/10</b>		
£'000 Change	196	196
% Change	172%	
<b>Other Items 2010/11</b>		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	0	0



### **Legal, Property and Land Charges**

The legal section has retained its Lexcel accreditation following a full re-inspection in October 2009 and it will continue to work to these performance standards. Additional work is expected in 2010/11 in connection with planning obligations with the upturn in the housing market, which should help with meeting income targets. The increase in licensing hearings evidenced at the end of 2009 is likely to continue as people become more familiar with the system. Legal input into the delivery of community projects continues to be an important element of the work of the section. This workload will be delivered within existing resources.

The property team have maintained a high level of rental receipts and a high level of property occupancy and therefore income in difficult times. The use of directly employed staff to work on projects previously performed by consultants has saved money. While the market is not conducive to any large property disposals at the present time there are particular purchasers willing to pay acceptable sums to buy the freehold of their property or extend their lease period to enable them to finance further investment in their business. Any receipts received will help support the essential capital programme for repairs and improvements to Council property. The Council does not have funds for any general property investments but could consider borrowing to finance the acquisition of property assets in the District to enable other investments in the District to proceed.

Government regulations mean that the land charges service cannot be run at a profit. In the last two years the service has made a loss with the rapid downturn in activity in the property market from September 2007 onwards. However since the middle of 2009 the level of activity has picked up and the section has managed to maintain its share of the market for full searches at about 50%, the highest level in West Sussex. The Department of Justice have authorised an increase in fees from January 2010 for personal searches from £11.00 to £22.00. This still does not cover the cost of such searches to the authority but will help to improve the receipts to the section to enable the income budget to be achieved in 2010/11 provided the increased activity in the property market is maintained. There is however the possibility of a requirement that certain information provided as part of the land charges service has to be provided free of charge which may hit this income projection. A vacant post has been deleted from the service in the light of further computerisation of the data.

### LAND CHARGES VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Economic downturn in income	80
Recharges	35
	<hr/>
Total	<b>115</b>
	<hr/>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(1)
Minor saving - copy plan additional income	(1)
Step 3 - Cost control - permanent deletion of vacant posts	(13)
	<hr/>
Total	<b>(15)</b>
	<hr/>
<b>Total Variation for Land Charges</b>	<b>100</b>
	<hr/> <hr/>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>LAND CHARGES BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Local Land Charges £'000</b>
<b>Gross Expenditure</b>		
Employees	133	133
Premises Related Expenditure	0	0
Transport Related Expenditure	1	1
Supplies and Services	3	3
Third Party Payments	15	15
Transfer Payments	0	0
Support Services	87	87
	<u>239</u>	<u>239</u>
<b>Gross Income</b>		
Fees and Charges	(175)	(175)
Rents	0	0
Grant Income	0	0
Recharges	0	0
	<u>(175)</u>	<u>(175)</u>
<b>Net Expenditure</b>	<u><u>64</u></u>	<u><u>64</u></u>
<b>Budget 2009/10</b>	(36)	(36)
<b>Change from 2009/10</b>		
£'000 Change	100	100
% Change	(276%)	
<b>Other Items 2010/11</b>		
Capital Financing Costs	22	22
Capital Financing Income	0	0
Specific Items	0	0

**LEGAL SERVICES VARIATION TABLE**

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Inflation	2
Total	<u>2</u>
<b>Budget Changes - Decreasing</b>	
Recharges	(2)
Total	<u>(2)</u>
<b>Total Variation for Legal Services</b>	<u><u>0</u></u>

<b>LEGAL SERVICES BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Legal Support Costs £'000</b>
<b>Gross Expenditure</b>		
Employees	261	261
Premises Related Expenditure	0	0
Transport Related Expenditure	1	1
Supplies and Services	34	34
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	117	117
	<b>413</b>	<b>413</b>
<b>Gross Income</b>		
Fees and Charges	(46)	(46)
Rents	0	0
Grant Income	0	0
Recharges	(367)	(367)
	<b>(413)</b>	<b>(413)</b>
<b>Net Expenditure</b>	<b>0</b>	<b>(0)</b>
<b>Budget 2009/10</b>	0	0
<b>Change from 2009/10</b>		
£'000 Change	0	(0)
% Change		
<b>Other Items 2010/11</b>		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	0	0

**PROPERTY VARIATION TABLE**

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Minor pressure - Revised deed of variation for Market Place B Hill Car Park	10
Inflation	2
Recharges	17
Realignment of car allowance budgets	1
Repairs and renewals	8
	<hr/>
Total	<b>38</b>
	<hr/>
<b>Budget Changes - Decreasing</b>	
Step 1 - 2008/09 ongoing savings - Property consultants fees	(5)
Step 1 - 2008/09 ongoing savings - Salary savings	(10)
Step 3 - Cost control - Permanent deletion of vacant posts	(17)
Consultants for Property valuations (once every five years)	(15)
Minor saving - CDA rents income	(30)
	<hr/>
Total	<b>(77)</b>
	<hr/>
<b>Total Variation for Property</b>	<b>(39)</b>
	<hr/> <hr/>

<b>PROPERTY BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Property £'000</b>
<b>Gross Expenditure</b>		
Employees	120	120
Premises Related Expenditure	31	31
Transport Related Expenditure	4	4
Supplies and Services	22	22
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	147	147
	<u>324</u>	<u>324</u>
<b>Gross Income</b>		
Fees and Charges	(89)	(89)
Rents	(1,256)	(1,256)
Grant Income	0	0
Recharges	0	0
	<u>(1,345)</u>	<u>(1,345)</u>
<b>Net Expenditure</b>	<u><u>(1,021)</u></u>	<u><u>(1,021)</u></u>
<b>Budget 2009/10</b>	(982)	(982)
<b>Change from 2009/10</b>		
£'000 Change	(39)	(39)
% Change	4%	
<b>Other Items 2010/11</b>		
Capital Financing Costs	65	65
Capital Financing Income	0	0
Specific Items	0	0



## Leisure & Sustainability

(Building and Asset Maintenance, Cleansing and Recycling, Community Services and Culture, Facility Management, Street Scene and Landscapes, Leisure Operations Client, and Parking)

In 2010/11 there are several major initiatives for facilitating a sustainable environment for the future. The Building Asset and Maintenance Team working with the Community Services and Culture Team will introduce an Environmental Management System to provide a focus to reduce CO<sub>2</sub> emissions by 2%, improving the energy efficiency of Council buildings. By implementing the Climate Change and Affordable Warmth action plans they will provide an educational programme for our communities on sustainable lifestyles to enable the reduction of carbon emissions.

The Waste and Recycling Team will ensure that increased recycling and composting rates to 46%, alongside a reduction in waste to landfill at 32.5% are delivered with our partners SERCO. These higher recycling rates have resulted in an increase in recycling credits received by the Council. Additional income will also be generated from an increase in the green waste collection fee of £10 per annum (from £45 to £55) alongside an increase in subscribers from 12,000 to 12,800. The current low inflation index has benefited the Council by a reduction in the delivery of the waste and recycling contract. In order to continue these service improvements a review of the waste depot facilities will be undertaken to ensure that it is 'fit for purpose'.

To enhance our environment the Outdoor Team will be implementing new environmental enforcement powers. Parking Services will work to maintain current parking income levels similar to those achieved in 2009/2010, being mindful of current economic conditions. The 10 year Parking Strategy will be implemented to deliver the provision of affordable, secure and supportive parking for the communities within the District. Finally, the Landscapes Team will designate at least one new local nature reserve (LNR) in the District and will encourage local communities to get involved in the management of their local green spaces.

For the leisure and 'healthy lifestyles' agenda this year the Community Services and Culture Team are to continue to target health inequalities in the District. They will launch the 'Mid Sussex Well Being' campaign, which will help in enabling the continued high levels in adult participation in sport and recreation throughout the District at 28.3%. Greenwich Leisure Ltd/Freedom Leisure (GLL/FL) will deliver indoor leisure in partnership with the District Council and a key theme for both the centres and the civic halls will be the 'Participate Mid Sussex' initiative, which aims to encourage residents to be more active and participate in their communities.

In the current economic climate all the teams will be reviewing their services against tightening budgets. In particular, following the assimilation of the waste and recycling and outdoor business teams has resulted in staff costs being reduced to assist with step 3. The consolidation of all facility management resources into the Building and Asset Maintenance Team will be completed with the internal transfer of a member of staff. Following consultation with residents the Landscapes Team will alter some aspects of the grounds maintenance services provided with regards to pitch maintenance and the replacement of the current paddling pools with a new water jet facility, which will lead to cost efficiencies in line with the SIMALTO research.

### BUILDING & ASSET MAINTENANCE VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Salary adjustments *	5
Post transferred (see contra Customer Services & Communications)	27
Realignment of car allowance budgets	1
Inflation	10
Recharges	88
<b>Total</b>	<b>131</b>
<b>Budget Changes - Decreasing</b>	
Step 1 - 2008/09 ongoing savings - WSCC recharge	(5)
Step 5 - Adjustments to service levels – Council access	(10)
Repairs and renewals	(5)
2009/10 central support saving identified	(42)
<b>Total</b>	<b>(62)</b>
<b>Total Variation for Building &amp; Asset Maintenance</b>	<b>69</b>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

**BUILDING & ASSET MAINTENANCE  
BUDGET 2010/11**

	<b>Budget 2010/11 £'000</b>	<b>Contracts £'000</b>	<b>Oaklands £'000</b>
<b>Gross Expenditure</b>			
Employees	143	0	143
Premises Related Expenditure	410	0	410
Transport Related Expenditure	19	12	7
Supplies and Services	190	18	172
Third Party Payments	12	0	12
Transfer Payments	0	0	0
Support Services	138	79	59
	<b>912</b>	<b>109</b>	<b>803</b>
<b>Gross Income</b>			
Fees and Charges	(1)	0	(1)
Rents	(14)	0	(14)
Grant Income	(12)	0	(12)
Recharges	(1,129)	(109)	(1,020)
	<b>(1,156)</b>	<b>(109)</b>	<b>(1,047)</b>
<b>Net Expenditure</b>	<b>(244)</b>	<b>0</b>	<b>(244)</b>
<b>Budget 2009/10</b>	(313)	0	(313)
<b>Change from 2009/10</b>			
£'000 Change	69	0	69
% Change	(22%)		
<b>Other Items 2010/11</b>			
Capital Financing Costs	244	0	244
Capital Financing Income	0	0	0
Specific Items	0	0	0

### CLEANSING SERVICES VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Refuse collection – additional properties	12
Inflation	37
	<b>49</b>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(4)
Step 1 - 2008/09 ongoing savings – Recycling credits	(51)
Step 1 - 2008/09 ongoing savings – Bottle bank repairs	(15)
Step 1 - 2008/09 ongoing savings – Recycling supplies and services	(8)
Step 3 - Cost control - permanent deletion of vacant posts	(53)
Step 3 - Reduction in car allowance	(6)
Step 4 - Income generation - Green waste fees	(75)
Savings - Increase in recycling credit income	(38)
Savings - Waste collection contract Inflation	(100)
Savings - Streams and Watercourses - alternative methods of working	(2)
Realignment of car allowance budgets	(1)
Repairs and renewals	(15)
Recharges	(56)
	<b>(424)</b>
<b>Total</b>	<b>(375)</b>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>CLEANSING SERVICES BUDGET 2010/11</b>		<b>Budget 2010/11</b>	<b>District Drainage</b>	<b>Refuse Collection</b>	<b>Recycling Bring Sites</b>	<b>Highway Cleansing</b>	<b>Highway Maintenance</b>
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Gross Expenditure</b>							
Employees	280	45	98	64	50	23	
Premises Related Expenditure	33	9	0	11	0	13	
Transport Related Expenditure	18	2	5	5	4	2	
Supplies and Services	44	3	23	15	3	0	
Third Party Payments	3,464	0	2,459	5	1,000	0	
Transfer Payments	0	0	0	0	0	0	
Support Services	248	20	68	88	68	4	
	<b>4,087</b>	<b>79</b>	<b>2,653</b>	<b>188</b>	<b>1,125</b>	<b>42</b>	
<b>Gross Income</b>							
Fees and Charges	(638)	0	(638)	0	0	0	
Rents	0	0	0	0	0	0	
Grant Income	(694)	0	(11)	(670)	(13)	0	
Recharges	0	0	0	0	0	0	
	<b>(1,332)</b>	<b>0</b>	<b>(649)</b>	<b>(670)</b>	<b>(13)</b>	<b>0</b>	
<b>Net Expenditure</b>	<b>2,755</b>	<b>79</b>	<b>2,004</b>	<b>(482)</b>	<b>1,112</b>	<b>42</b>	
<b>Budget 2009/10</b>	3,130	84	2,164	(353)	1,194	41	
<b>Change from 2009/10</b>							
£'000 Change	(375)	(5)	(160)	(129)	(82)	1	
% Change	(12%)						
<b>Other Items 2010/11</b>							
Capital Financing Costs	368	195	173	0	0	0	
Capital Financing Income	0	0	0	0	0	0	
Specific Items	0	0	0	0	0	0	

**COMMUNITY SERVICES & CULTURE VARIATION TABLE**

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Concessionary fares - pressure on national scheme	8
Inflation	16
	<hr/>
Total	<b>24</b>
	<hr/>
<b>Budget Changes - Decreasing</b>	
Step 1 - 2008/09 ongoing savings - Concessionary fares	(80)
Step 2 - Central support savings - Printing	(1)
Step 3 - Reduction in car allowance	(1)
Salary adjustments *	(3)
Concessionary fares grant for national scheme	(8)
Recharges	(57)
	<hr/>
Total	<b>(150)</b>
	<hr/>
<b>Total Variation for Community Services &amp; Culture</b>	<b>(126)</b>
	<hr/> <hr/>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

**COMMUNITY SERVICES &  
CULTURE  
BUDGET 2010/11**

	<b>Budget 2010/11</b> £'000	<b>Grants to Organisations</b> £'000	<b>Concessionary Fares</b> £'000	<b>Sustainability Climate Change</b> £'000	<b>Community Leisure and Developmnt</b> £'000
<b>Gross Expenditure</b>					
Employees	366	39	32	40	255
Premises Related Expenditure	1	0	0	0	1
Transport Related Expenditure	18	2	1	2	13
Supplies and Services	457	311	22	17	107
Third Party Payments	943	0	943	0	0
Transfer Payments	3	0	0	0	3
Support Services	238	32	47	44	115
	<b>2,026</b>	<b>384</b>	<b>1,045</b>	<b>103</b>	<b>494</b>
<b>Gross Income</b>					
Fees and Charges	(70)	0	0	0	(70)
Rents	0	0	0	0	0
Grant Income	(371)	0	(359)	0	(12)
Recharges	0	0	0	0	0
	<b>(441)</b>	<b>0</b>	<b>(359)</b>	<b>0</b>	<b>(82)</b>
<b>Net Expenditure</b>	<b>1,585</b>	<b>384</b>	<b>686</b>	<b>103</b>	<b>412</b>
<b>Budget 2009/10</b>	1,711	406	745	114	446
<b>Change from 2009/10</b>					
£'000 Change	(126)	(22)	(59)	(11)	(34)
% Change	(7%)				
<b>Other Items 2010/11</b>					
Capital Financing Costs	0	0	0	0	0
Capital Financing Income	0	0	0	0	0
Specific Items	0	0	0	0	0

### FACILITY MANAGEMENT, STREET SCENE & LANDSCAPES VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Salary adjustments *	5
Repairs and renewals	1
Realignment of budget for Beech Hurst and Mount Noddy (see contra Indoor Operations)	10
Inflation	9
Recharges	37
<b>Total</b>	<b>62</b>
<b>Budget Changes - Decreasing</b>	
Step 1 - 2008/09 ongoing savings - Facilities income	(20)
Step 1 - 2008/09 ongoing savings - Booking agency commission	(9)
Step 1 - 2008/09 ongoing savings - Landscapes projects	(15)
Step 2 - Central support savings - Printing	(2)
Step 3 - Reduction in car allowance	(8)
Step 5 - Adjustments to service levels - Playing fields / pitches	(24)
Step 5 - Adjustments to service levels - Paddling pools	(8)
Realignment of car allowance budgets	(1)
Realignment of health insurance budget (see contra Strategic Core)	(1)
Savings - Reduced demand for conservation initiatives	(6)
<b>Total</b>	<b>(94)</b>
<b>Total Variation for Facility Management, Street Scene &amp; Landscapes</b>	<b>(32)</b>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>FACILITY MGMT, STREET SCENE &amp; LANDSCAPES BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Outdoor Facilities £'000</b>	<b>Trust Fund Accounts £'000</b>	<b>Public Conveniences £'000</b>
<b>Gross Expenditure</b>				
Employees	446	394	6	46
Premises Related Expenditure	1,634	1,401	164	69
Transport Related Expenditure	30	28	0	2
Supplies and Services	141	136	2	3
Third Party Payments	92	6	0	86
Transfer Payments	0	0	0	0
Support Services	260	221	0	39
	<b>2,603</b>	<b>2,186</b>	<b>172</b>	<b>245</b>
<b>Gross Income</b>				
Fees and Charges	(211)	(164)	(47)	0
Rents	(106)	(31)	(75)	0
Grant Income	(1)	(1)	0	0
Recharges	0	0	0	0
	<b>(318)</b>	<b>(196)</b>	<b>(122)</b>	<b>0</b>
<b>Net Expenditure</b>	<b>2,285</b>	<b>1,990</b>	<b>50</b>	<b>245</b>
<b>Budget 2009/10</b>	2,317	2,009	66	242
<b>Change from 2009/10</b>				
£'000 Change	(32)	(19)	(16)	3
% Change	(1%)			
<b>Other Items 2010/11</b>				
Capital Financing Costs	153	133	0	20
Capital Financing Income	0	0	0	0
Specific Items	0	0	0	0

### LEISURE OPERATIONS VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(46)
Alternative leisure management project savings	(500)
Further contract savings from alternative leisure management project	(450)
Shared Procurement officer costs (see contra Strategic Core)	(22)
Realignment of budget for Beech Hurst and Mount Noddy (see contra Facilities Management)	(10)
Realignment of budget (see contra Leisure Operations Client)	(1,279)
 Total	 <u><b>(2,307)</b></u>
 <b>Total Variation for Leisure Operations</b>	 <u><u><b>(2,307)</b></u></u>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>LEISURE OPERATIONS BUDGET 2010/11</b>			
	<b>Budget 2010/11</b>	<b>Leisure Centres</b>	<b>Civic Halls</b>
	£'000	£'000	£'000
<b>Gross Expenditure</b>			
Employees	0	0	0
Premises Related Expenditure	0	0	0
Transport Related Expenditure	0	0	0
Supplies and Services	0	0	0
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Income</b>			
Fees and Charges	0	0	0
Rents	0	0	0
Grant Income	0	0	0
Recharges	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Budget 2009/10</b>	2,307	1,859	448
<b>Change from 2009/10</b>			
£'000 Change	(2,307)	(1,859)	(448)
% Change	(100%)		
<b>Other Items 2010/11</b>			
Capital Financing Costs	0	0	0
Capital Financing Income	0	0	0
Specific Items	0	0	0

**LEISURE OPERATIONS CLIENT VARIATION TABLE**

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Realignment of budget ( see contra Leisure Operations)	1279
Transfer to General Reserve	450
Inflation	1
Repairs and renewals	41
	<hr/>
Total	<b>1771</b>
	<hr/>
<b>Budget Changes - Decreasing</b>	
Recharges	(599)
	<hr/>
Total	<b>(599)</b>
	<hr/>
<b>Total Variation for Leisure Operations Client</b>	<b>1,172</b>
	<hr/> <hr/>

<b>Leisure Operations Client Budget 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Leisure Centres £'000</b>
<b>Gross Expenditure</b>		
Employees	140	140
Premises Related Expenditure	331	331
Transport Related Expenditure	4	4
Supplies and Services	568	568
Third Party Payments	92	92
Transfer Payments	0	0
Support Services	57	57
	<u>1,192</u>	<u>1,192</u>
<b>Gross Income</b>		
Fees and Charges	0	0
Rents	(20)	(20)
Grant Income	0	0
Recharges	0	0
	<u>(20)</u>	<u>(20)</u>
<b>Net Expenditure</b>	<u>1,172</u>	<u>1,172</u>
<b>Budget 2009/10</b>	0	0
<b>Change from 2009/10</b>		
£'000 Change	1,172	1,172
% Change		
<b>Other Items 2010/11</b>		
Capital Financing Costs	1,412	1,412
Capital Financing Income	0	0
Specific Items	98	98

**PARKING SERVICES VARIATION TABLE**

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
2009/10 savings in car park services one year only	47
VAT reduction of 2.5% (9 months) one year only	36
Economic downturn in pay and display income	520
Recharges	47
Repairs and Renewals	26
	<hr/>
Total	<b>676</b>
	<hr/>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(2)
Inflation	(7)
	<hr/>
Total	<b>(9)</b>
	<hr/>
	<hr/>
<b>Total Variation for Parking Services</b>	<b>667</b>
	<hr/> <hr/>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>PARKING SERVICES BUDGET 2010/11</b>			
	<b>Budget 2010/11 £'000</b>	<b>Car Parks £'000</b>	<b>Parking Enforcement £'000</b>
<b>Gross Expenditure</b>			
Employees	567	50	517
Premises Related Expenditure	370	370	0
Transport Related Expenditure	33	11	22
Supplies and Services	89	51	38
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	167	167	0
	<b>1,226</b>	<b>649</b>	<b>577</b>
<b>Gross Income</b>			
Fees and Charges	(1,933)	(1,497)	(436)
Rents	0	0	0
Grant Income	(141)	0	(141)
Recharges	0	0	0
	<b>(2,074)</b>	<b>(1,497)</b>	<b>(577)</b>
<b>Net Expenditure</b>	<b>(848)</b>	<b>(848)</b>	<b>0</b>
<b>Budget 2009/10</b>	(1,515)	(1,515)	0
<b>Change from 2009/10</b>			
£'000 Change	667	667	0
% Change	(44%)		
<b>Other Items 2010/11</b>			
Capital Financing Costs	87	87	0
Capital Financing Income	0	0	0
Specific Items	0	0	0



## Organisational Development

(Customer Service and Communications Personnel, Learning and Development, Payroll, Corporate Health and Public Safety,)

The Organisational Development division will continue to support the Council's business and ambitious change agenda through its people-focused practices and initiatives and the way it communicates and connects with the community of Mid Sussex. Understanding what our customers need will shape our future service delivery and enable them to access our services in a timely and efficient manner

The role of HR as business partner proactively responding to the challenges of the recession will be an important focus of our professional contribution in 2010/11. On system development the implementation of the self-serve module of our integrated HR and Payroll database (Resource Link) means that staff will have access to some of their own personal data, and reduce administration for the Business Unit. We will be delivering more training workshops on people management 'basics' both internally for the purposes of personal and professional development, and external parties so that income can be generated for the Council. We will also continue our successful learning and development partnership work within the Sussex Training Consortium. A realignment of our payroll resource will maximise operational cost efficiency.

Completion of the job evaluation project, being conducted in partnership with UNISON, will provide absolute certainty that all staff are paid fairly and equally in terms of the roles they carry out. Staff recruitment is likely to continue to be minimal, as labour turnover remains low, but workforce numbers will increase with the integration of CenSus Revenues & Benefits staff from Horsham and Adur Authorities. Opportunities to facilitate other shared service initiatives will be fully supported.

The focus of Corporate Health & Public Safety in 2010/11 will be our ongoing partnership work across Sussex to provide a sharing of expertise and strengthen business resilience. Joint working in areas such as emergency planning exercises and business contingency will continue. More joined up training and system development are also priorities, all of which will minimise costs and enhance our preparation to respond effectively to civil emergencies.

As well as reinforcing the required quality of customer service and embedding the new business standards throughout the organisation, greater emphasis will be given to the way in which residents want to receive their access to our services. Continued focus will increase electronic transactional activity on the web whilst ensuring that accessibility in all forms including face to face optimises choice for the District's residents. Additional services such as drainage, engineering and benefits are being programmed for integration into the Customer Contact Centre, whilst a reconfiguration of staffing resources within the customer service team will deliver savings as part of the response to the SIMALTO results.

Associated closely with customer access is community engagement and further work to enhance our customer profiling across the District will facilitate a more targeted and relevant service provision for the Council. We will use the Place Survey results to inform decision-making and ensure residents continue to be well informed about how their council tax is spent and how they can access our services.

### CUSTOMER SERVICES & COMMUNICATIONS VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Software maintenance (see contra Revenues & Benefits)	5
Recharges	106
Inflation	6
Total	<b>117</b>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(18)
Transfer post (see contra Building and Asset Maintenance)	(27)
Step 2 - Central support savings - Printing	(4)
Step 3 - Cost control - Permanent deletion of vacant posts	(38)
Step 3 - Reduction in car allowance	(2)
Step 5 - Adjustments to service levels - Council access	(25)
Payback to reserve - fully repaid	(3)
Total	<b>(117)</b>
<b>Total Variation for Customer Services &amp; Communications</b>	<b>0</b>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

**CUSTOMER SERVICES & COMMS  
BUDGET 2010/11**

	<b>Budget 2010/11 £'000</b>	<b>Customer Service and Comms £'000</b>
<b>Gross Expenditure</b>		
Employees	464	464
Premises Related Expenditure	0	0
Transport Related Expenditure	4	4
Supplies and Services	159	159
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	193	193
	<b>820</b>	<b>820</b>
<b>Gross Income</b>		
Fees and Charges	(2)	(2)
Rents	(8)	(8)
Grant Income	0	0
Recharges	(810)	(810)
	<b>(820)</b>	<b>(820)</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>
<b>Budget 2009/10</b>	0	0
<b>Change from 2009/10</b>		
£'000 Change	0	0
% Change		
<b>Other Items 2010/11</b>		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	0	0

### PERSONNEL & PAYROLL VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Recharges	42
Inflation	2
Total	<u>44</u>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(4)
Step 3 - Cost control - Reduction in Payroll	(26)
Total	<u>(30)</u>
<b>Total Variation for Personnel &amp; Payroll</b>	<u><u>14</u></u>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>PERSONNEL &amp; PAYROLL BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Personnel and Payroll £'000</b>
<b>Gross Expenditure</b>		
Employees	216	216
Premises Related Expenditure	0	0
Transport Related Expenditure	3	3
Supplies and Services	46	46
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	108	108
	<u><b>373</b></u>	<u><b>373</b></u>
<b>Gross Income</b>		
Fees and Charges	0	0
Rents	0	0
Grant Income	(13)	(13)
Recharges	(365)	(365)
	<u><b>(378)</b></u>	<u><b>(378)</b></u>
<b>Net Expenditure</b>	<u><u><b>(5)</b></u></u>	<u><u><b>(5)</b></u></u>
<b>Budget 2009/10</b>	(19)	(19)
<b>Change from 2009/10</b>		
£'000 Change	14	14
% Change	(72%)	
<b>Other Items 2010/11</b>		
Capital Financing Costs	5	5
Capital Financing Income	0	0
Specific Items	0	0

**CORPORATE ORGANISATIONAL DEVELOPMENT VARIATION TABLE**

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Inflation	2
Recharges	6
Total	<u>8</u>
<b>Budget Changes - Decreasing</b>	
Step 3 - Reduction in car allowance	(1)
Total	<u>(1)</u>
<b>Total Variation for Corporate Organisational Development</b>	<u><u>7</u></u>

<b>CORPORATE ORGANISATIONAL DEVELOPMENT BUDGET 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Corporate Org Development £'000</b>	<b>Emergency Planning £'000</b>
<b>Gross Expenditure</b>			
Employees	208	203	5
Premises Related Expenditure	0	0	0
Transport Related Expenditure	2	2	0
Supplies and Services	21	4	17
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	41	16	25
	<u>272</u>	<u>225</u>	<u>47</u>
<b>Gross Income</b>			
Fees and Charges	0	0	0
Rents	0	0	0
Grant Income	0	0	0
Recharges	(225)	(225)	0
	<u>(225)</u>	<u>(225)</u>	<u>0</u>
<b>Net Expenditure</b>	<u>47</u>	<u>0</u>	<u>47</u>
<b>Budget 2009/10</b>	40	0	40
<b>Change from 2009/10</b>			
£'000 Change	7	0	7
% Change	18%		
<b>Other Items 2010/11</b>			
Capital Financing Costs	0	0	0
Capital Financing Income	0	0	0
Specific Items	9	9	0



## Better Mid Sussex

In the coming year, the partnership will continue to progress activities in all three towns. In Haywards Heath, we will progress the concept scheme for the town centre, and if acceptable, negotiate a development agreement with our partner. We will also consider Thornfield's further submission for Haywards Heath Station Quarter, and if acceptable negotiate a development agreement.

In East Grinstead revisions to the approved concept scheme for the town centre will be considered and, if acceptable, we will revise the existing development agreement. Given its acceptability, our development partner will then prepare and submit a planning application for the revised scheme.

We will review the situation at, and around, Burgess Hill station and consider the preparation of a new landowner brief for the site. Our development partner will prepare and submit a planning application for Burgess Hill town centre on completion of the development agreement.

The BMS budget has no identified pressures and savings for 2010/2011 and therefore remains unchanged.

The following tables detail the proposed budget for 2010/11 excluding internal recharges for the Better Mid Sussex project.

<b>BETTER MID SUSSEX VARIATION TABLE</b>	
Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget	
Description	<i>Variation £'000</i>
<b>Budget Changes - Increasing</b>	
Recharges	24
Inflation	1
Total	<b>25</b>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(2)
Total	<b>(2)</b>
<b>Total Variation for Better Mid Sussex</b>	<b>23</b>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>BETTER MID SUSSEX BUDGET 2010/11</b>		<b>Budget 2010/11 £'000</b>	<b>Better Mid Sussex £'000</b>
<b>Gross Expenditure</b>			
Employees		87	87
Premises Related Expenditure		0	0
Transport Related Expenditure		2	2
Supplies and Services		1	1
Third Party Payments		0	0
Transfer Payments		0	0
Support Services		49	49
		<b>139</b>	<b>139</b>
<b>Gross Income</b>			
Fees and Charges		0	0
Rents		0	0
Grant Income		0	0
Recharges		0	0
		<b>0</b>	<b>0</b>
<b>Net Expenditure</b>		<b>139</b>	<b>139</b>
<b>Budget 2009/10</b>		116	116
<b>Change from 2009/10</b>			
£'000 Change		23	23
% Change		20%	
<b>Other Items 2010/11</b>			
Capital Financing Costs		0	0
Capital Financing Income		0	0
Specific Items		0	0

### Strategic Core

This part of the Corporate Plan is for those costs that are related to the strategic management of the authority. It includes a great variety of expenditure including the costs of the Chief Executive and his Deputy and their secretarial and administrative support, allocations of senior management's costs where the cost driver is the management of the authority (rather than the allocation to services), and our share of the joint 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. Where possible, costs are attributed to service areas in order to show the true cost of services.

#### STRATEGIC CORE VARIATION TABLE

Analysis of changes in budget between 2009/10 original budget, and 2010/11 budget

Description	Variation £'000
<b>Budget Changes - Increasing</b>	
Realignment of Health Insurance budget (see contra Facility Management )	1
Shared Procurement Officer costs (see contra Leisure Operations)	22
Inflation	11
Total	<u>34</u>
<b>Budget Changes - Decreasing</b>	
Salary adjustments *	(4)
Minor saving - Strategic Management salaries	(14)
Recharges	(89)
Total	<u>(107)</u>
<b>Total Variation for Strategic Core</b>	<u><u>(73)</u></u>

\*Includes salary increments and adjustments to both 2008/09 and 2009/10 National Pay Awards and Step 3 - two days unpaid leave provision.

<b>Strategic Core Budget 2010/11</b>	<b>Budget 2010/11 £'000</b>	<b>Strategic Core £'000</b>
<b>Gross Expenditure</b>		
Employees	1,372	1,372
Premises Related Expenditure	1	1
Transport Related Expenditure	14	14
Supplies and Services	43	43
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	1,555	1,555
	<b>2,985</b>	<b>2,985</b>
<b>Gross Income</b>		
Fees and Charges	0	0
Rents	0	0
Grant Income	0	0
Recharges	(1,342)	(1,342)
	<b>(1,342)</b>	<b>(1,342)</b>
<b>Net Expenditure</b>	<b>1,643</b>	<b>1,643</b>
<b>Budget 2009/10</b>	1,716	1,716
<b>Change from 2009/10</b>		
£'000 Change	(73)	(73)
% Change	(4%)	
<b>Other Items 2010/11</b>		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	0	0

## Forecast of Benefits Costs 2010/11

	2008/09 Accounts	2009/10 Budget	2009/10 Current	2010/11 Forecast	
<b>Non HRA Rent Rebates</b>					
	£'000	£'000	£'000	£'000	
gross expenditure	83	89	94	94	
net expenditure at standard subsidy					
effect of reduced subsidy	3	4	2	2	
effect of overpayments	(4)	(5)	(3)	(3)	
Total Rent Rebates	(1)	(1)	(1)	(1)	
<b>Rent Allowances</b>					
	£'000	£'000	£'000	£'000	
gross expenditure	21,933	20,374	26,346	26,346	
net expenditure at standard subsidy	0	0	0	0	
effect of reduced subsidy	352	314	572	572	
effect of overpayments	(406)	(367)	(639)	(603)	1
Total Rent Allowances	(54)	(53)	(67)	(31)	
<b>Council Tax Benefit</b>					
	£'000	£'000	£'000	£'000	
gross expenditure	5,951	5,848	6,925	6,925	
net expenditure at standard subsidy	0	0	0	0	
effect of reduced subsidy	0	0	0	0	
effect of overpayments	(75)	(85)	(109)	(109)	
Total Council Tax Benefit	(75)	(85)	(109)	(109)	
<b>Discretionary Local Scheme</b>					
Council Tax Benefit					
Rent Allowances	59	76	50	50	
Subsidy 75%	(44)	(57)	(37)	(37)	
Total Discretionary scheme	15	19	13	13	
<b>Total Support</b>	<b>(115)</b>	<b>(120)</b>	<b>(164)</b>	<b>(128)</b>	
Add : Previous Year Adjustment					
Less : LA Error subsidy	(34)	(30)	(62)	(62)	2
Adjustment for 2007/08 claim	24	0	0	0	
Adjustment for 2008/09 claim			(17)		
Transfer to Benefits Equalisation Reserve	0	0	0	0	
(Less)/Add : Funding (from)/to Benefits Equalisation Reserve	0	(74)	19	40	3
<b>Cost to MSDC</b>	<b>(125)</b>	<b>(224)</b>	<b>(224)</b>	<b>(150)</b>	

(1) The introduction of Local Housing Allowance in 2008/2009 was forecast to reduce collection rates. This was due to payment of Housing Benefits directly to Benefit recipients rather than the previous system of payments to Landlords. This is a gradual process with approximately 20% of payments forecast to transfer to tenants each year. The forecast therefore includes a further reduction of £36,000 to allow for lower collection rates in 2010/11 as more benefits payments are made to tenants.

(2) LA error volumes for 09/10 are higher than expected. This is due to the higher than budgeted overpayment volumes, resulting in a higher volume of LA error. As volumes are still below the lower threshold, full subsidy can be claimed.

(3) The amount budgeted to be drawn from or transferred to the Benefits Equalisation Reserve is calculated to bring the final figure back to the required budget. The Benefits Equalisation reserve was set up from the previous years surplus.



## **CAPITAL PROGRAMME 2009/13**

### **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. Members should note that 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 1 and 2, 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 2009/10;
  - A detailed list of the proposed projects for 2010/11 together with financing;

### **2.0 Capital Strategy: General Principles**

- 2.1 The current strategy for capital spending is detailed within the Financial Strategy presented to Members as part of last year's Corporate Plan and budget report. The general principles of the Capital Strategy are outlined below for Members:
- 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 financed from S106s and there is no use of capital or revenue reserves for this purpose.
  - 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.
  - Unearmarked revenue reserves are kept above minimum of £1.5m.
  - All capital projects should be subject to the Council's priority scoring mechanism, which is aligned to its corporate priorities.
  - Capitalised salaries to be permitted where appropriate but kept to a minimum to ease pressure on capital reserves.
  - Council must approve the Capital Programme as part of the Corporate Plan and Budget exercise.
- 2.2 The adoption of the foregoing results in a modest capital programme for 2010/11, as detailed further in the paragraphs below.

### **3.0 Financial Position: Current and Medium Term**

- 3.1 Members will recall that the prognosis for the capital programme this time last year was described as 'bleak'. Since then, work has continued to stabilise the position and protect the level of reserves, and attempt to reverse the situation and increase the level of reserves.
- 3.2 As the report describes in an earlier section, the financing of capital expenditure from the revenue account (Disabled Facilities Grants and Major Capital Renewals) relieves the pressure on reserves albeit at the expense of increasing it in revenue. This has then necessitated making efficiencies in revenue in order to increase council tax by only 2.5%.
- 3.3 As previously reported, the VAT windfall brought about by the 'Fleming case' retrospective claim has boosted reserves by some £1m after costs and this has contributed to a more positive outlook for our reserves position in the future.
- 3.4 However, whilst the reserves table in Section 4 shows that the Council will have some £3m in unearmarked monies for the duration of the medium term, this is only by adopting a capital programme that achieves the bare minimum in asset maintenance and contains no major new leisure, housing or ICT projects. The Council will therefore have to look to alternative sources of funding if aspirational projects are to come about.

### **4.0 Proposed Projects for 2010/11**

- 4.1 In light of the comments above, the capital projects that have come forward for 2010/11 are as follows:
- i) Major Capital Renewals**  
This is the cost of maintaining our assets and is detailed 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.
  - iii) ICT**  
There are now just two schemes identified here – a minimal PC replacement programme at £25k and the contribution towards the Census infrastructure at £39k. This latter scheme will drive savings in 2010/11 of 10% of the overall Census ICT revenue budget.
  - iv) Housing Renewal Assistance Grants**  
As Members know, this is a mandatory scheme and is funded 60% from Government grant and 40% from our own reserves.
  - v) Playground Improvements**  
These are funded wholly from S106s and a successful application to the Big Lottery Fund.

The proposed capital projects to be included in the 2010/11 Capital Programme are set out below.

<i>Description</i>	<i>Project Cost £'000</i>	<i>Project Cost £'000</i>	<i>Revenue Implications £'000</i>
<b>Service Projects</b>			
<i>ICT:</i>			
CenSus ICT Strategy	39		
PC Replacement Programme	25		
Total ICT:		64	
<i>S106 Fully Funded Schemes:</i>			
Improvement works London Rd playgr. Hassocks	11		
Improvement works Kings Centre playground E G			
Improvement works to playground at Lingfield Rd recreation ground E G	33		
Imps works to paddling pool Victoria Park H H	12		
Total S106 Schemes		56	
<i>Other Schemes:</i>			
CenSus Revs & Bens EDRMS Project	36		
Intelligent Scanning	22		
Improvement works to playground at Lingfield Rd recreation ground E G*	45		
Imps works to paddling pool Victoria Park H H *	45		
Capitalised Salaries (BMS)	150		
Total other schemes		298	
<b>Additional Funding</b>			
<i>Major Capital Renewals (MCR):</i>			
Clair Hall	113		
Olympos, Haywards Heath	48		
Olympos, Burgess Hill	85		
Olympos, East Grinstead	89		
Oaklands campus	35		
Streams & Watercourses	15		
Energy efficiency	tbd		
Imps works to paddling pool Victoria Park H H	15		
Total Major Capital Renewals (MCR)		400	
Housing			
Disabled Facility Grants	730		
Affordable Housing	532		
		1,262	
<b>Total proposed capital projects for 2010/11</b>		<b>2,080</b>	

- 4.3 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.
- 4.4 It is proposed that the capital projects set out in 4.2 above are financed by a variety of means as follows:

	£'000	£'000
Capital Grants (re. Disabled Facilities Grants 60% financed from central government)		325
S106 Agreements		56
S106s Housing		532
Third Party contributions – Play Builder funding		90
Revenue Contributions		841
General Reserve		236
<b>Total Capital Spending 2010/11</b>		<b>2,080</b>

### **Background Papers**

Report to Performance and Scrutiny Committee on 12<sup>th</sup> January 2010.

Budget Report and Council Tax 2010/11

Budget working papers

### Capital Programme 2009/10 - 2013/14 Programming Summary

Total Costs £'000	Scheme Description	Payments* to 31/3/2009 £'000					
			2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
	<b>Service Programme</b>						
4,793	Schemes in Progress	2,416	2,377	0	0	0	0
1,573	Starts List	0	0	818	389	191	175
6,366		2,416	2,377	818	389	191	175
	<b>Additional Funding</b>						
1,206	Unallocated Funding - Future Projects	0	6	0	400	400	400
1,206		0	6	0	400	400	400
7,572	<b>Total Service Programme</b>	2,416	2,383	818	789	591	575
			←----- £5,156,000 -----→				
	<b>Housing Services Programme</b>						
6,900	Housing Renewal Assistance	3,360	650	730	730	730	730
2,167	Affordable Housing	1,065	570	532	0	0	0
9,067	<b>Total Housing Services Programme</b>	4,425	1,220	1,262	730	730	730
			←----- £4,672,000 -----→				
16,639	<b>Total Programme</b>	6,841	3,603	2,080	1,519	1,321	1,305
			←----- £9,828,000 -----→				

### Capital Programme 2009/10 - 2013/14 Financing Schedule

Description	Notes					
		2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Capital Grants - Housing Renewal Assistance Grants	1	348	325	325	325	325
S106s Housing	2	570	532	0	0	0
S106s/ Capital Receipts	3	305	58	63	18	0
Contribution from Third Party	4	164	90	0	0	0
Use of General Reserves / Revenue Contributions	5	2,216	1,077	1,131	980	980
<b>Total Programme</b>		3,603	2,080	1,519	1,321	1,305

Notes:

1. Government grant received for Disabled Facility Grants.
2. S106 monies, which may be used for Affordable Housing capital expenditure.
3. Capital contributions from partners / capital receipts from asset disposals.
4. Capital element of Housing and Planning Delivery Grant (i.e. 25% of total grant awarded), Big Lottery Fund award for Playgrounds Strategy and West Sussex County Council Playbuilder funding.
5. Financing from General Reserve including the use of revenue contributions.

## Capital Programme 2009/10 - 2013/14

<i>Scheme Description</i>	<i>Total £'000</i>	<i>Pre 1/4/2009 £'000</i>	<i>2009/2010 £'000</i>	<i>2010/2011 £'000</i>	<i>2011/2012 £'000</i>	<i>2012/2013 £'000</i>	<i>2013/2014 £'000</i>
<b><i>Housing, Env Health &amp; Building Control</i></b>							
Choice based lettings	23	0	23				
<i>Total Housing, Env Health &amp; Building Control</i>	23	0	23	0	0	0	0
<b><i>Economic Promotion and Planning</i></b>							
Unallocated PDG funding	6	0	6				
Purchase of Local View software	20	14	6				
Upgrade to DC public access	16	0	16				
<i>Total Economic Promotion and Planning</i>	42	14	28	0	0	0	0
<b><i>Leisure &amp; Sustainability</i></b>							
Informal youth facility, Lingfield Rd rec ground, E Grinstead	30	1	29				
Replacement of parking machines E Grinstead	48	47	1				
Hollands Way playground	67	59	8				
Sidney West	698	681	17				
Mobile working solution	31	28	3				
Ashplatts Wood adventure playground	50	0	50				
Bolnore woodland S106	23	0	23				
Imps to Victoria Park skatepark	32	0	32				
Imps to Haywards Heath rec ground playground	75	0	75				
Bolnore Leisure Site	50	0	50				
Imps to Burners Close playground B Hill	56	0	56				
Imps to Denham Road playground B Hill	15	0	15				
Further path & access works on the Green Crescent	30	0	30				
Improvement to path network at Beech Hurst gardens	13	0	13				
Imps to playground at London Road Hassocks	11	0		11			
Imps to playground at Lingfield Rd rec ground E Grinstead	78	0		78			

## Capital Programme 2009/10 - 2013/14

<i>Scheme Description</i>	<i>Total</i> £'000	<i>Pre 1/4/2009</i> £'000	<i>2009/2010</i> £'000	<i>2010/2011</i> £'000	<i>2011/2012</i> £'000	<i>2012/2013</i> £'000	<i>2013/2014</i> £'000
<b><i>Leisure &amp; Sustainability Contd</i></b>							
Imps to paddling pool at Victoria Park H Heath	57	0		<b>57</b>			
Imps to playground at King Georges Field E Grinstead	51	0			51		
Imps to playground at Court Bushes Hurstpierpoint	12	0			12		
Imps to playground at Forest Fields H Heath	16	0				16	
<b><i>Total Leisure &amp; Sustainability</i></b>	<b>1,443</b>	<b>816</b>	<b>402</b>	<b>146</b>	<b>63</b>	<b>16</b>	<b>0</b>
<b><i>Finance (and CenSus Services)</i></b>							
Town centre revitalisation	2,096	1,187	909				
Town centre revitalisation	150	0	150				
Town centre revitalisation	600	0		<b>150</b>	150	150	150
Intelligent scanning	22	0		<b>22</b>			
EDRMS (CenSus Revs & Bens)	63	0	63				
EDRMS (CenSus Revs & Bens)	72	0		<b>36</b>	36		
PC replacement programme	25	0	25				
PC replacement programme	100	0		<b>25</b>	25	25	25
CenSus ICT strategy	120	20	100				
CenSus ICT strategy	75	0	75				
CenSus ICT strategy	154	0		<b>39</b>	115		
<b><i>Total Finance (and CenSus Services)</i></b>	<b>3,477</b>	<b>1,207</b>	<b>1,322</b>	<b>272</b>	<b>326</b>	<b>175</b>	<b>175</b>

## Capital Programme 2009/10 - 2013/14

<i>Scheme Description</i>	<i>Total £'000</i>	<i>Pre 1/4/2009 £'000</i>	<i>2009/2010 £'000</i>	<i>2010/2011 £'000</i>	<i>2011/2012 £'000</i>	<i>2012/2013 £'000</i>	<i>2013/2014 £'000</i>
<b><i>Legal, Property and Land Charges</i></b>							
Computerisation of Land Charges	108	66	42				
Replacement of corporate geographical information system	51	43	8				
<b><i>Total Legal, Property and Land Charges</i></b>	<b>159</b>	<b>109</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Organisational Development</i></b>							
Sussex e-recruitment portal	5	0	5				
Oaklands office accommodation phase 2	132	66	66				
<b><i>Total Organisational Development</i></b>	<b>137</b>	<b>66</b>	<b>71</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Total schemes</i></b>	<b>5,281</b>	<b>2,212</b>	<b>1,896</b>	<b>418</b>	<b>389</b>	<b>191</b>	<b>175</b>
<b><i>Major Capital Renewals(MCR)</i></b>							
Car park ticket machines	43	2	41				
Olympos - E Grinstead	5	(1)	6				
Olympos - B Hill	182	159	23				
Oaklands campus - roof works & boilers	26	14	12				
Streams & watercourses culvert Hurstpierpoint	15	11	4				
Moat pond E Grinstead	25	19	6				
Olympos - H Heath	82	0	82				

## Capital Programme 2009/10 - 20013/14

<i>Scheme Description</i>	<i>Total</i> £'000	<i>Pre 1/4/2009</i> £'000	<i>2009/2010</i> £'000	<i>2010/2011</i> £'000	<i>2011/2012</i> £'000	<i>2012/2013</i> £'000	<i>2013/2014</i> £'000
<b>Major Capital Renewals(MCR) Contd</b>							
Olympos - B Hill	130	0	130				
Oaklands campus - roof works & boilers	50	0	50				
Whitemans Green pavilion	38	0	38				
Streams & watercourses	32	0	32				
Car parks resurfacing	35	0	35				
East Court pavilion E Grinstead	28	0	28				
Olympos - H Heath	48	0		48			
Olympos - B Hill	85	0		85			
Olympos - E Grinstead	89	0		89			
Clair Hall	113	0		113			
Oaklands campus - roof works	35	0		35			
Streams & watercourses	15	0		15			
Imps to paddling pool at Victoria Park H Heath	15	0		15			
Energy efficiency	0	0		tbd			
Major Capital Renewals - unallocated funding	1,200	0	0		400	400	400
<b>Total Major Capital Renewals ( MCR)</b>	<b>2,291</b>	<b>204</b>	<b>487</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>
<b>Total Service Programme</b>	<b>7,572</b>	<b>2,416</b>	<b>2,383</b>	<b>818</b>	<b>789</b>	<b>591</b>	<b>575</b>
<b>Housing Services</b>							
Disabled facility grants (D F G )	6,920	3,350	650	730	730	730	730
Affordable housing	2,167	1,065	570	532			
<b>Total Housing Services Programme</b>	<b>9,087</b>	<b>4,415</b>	<b>1,220</b>	<b>1,262</b>	<b>730</b>	<b>730</b>	<b>730</b>
<b>Grand Total</b>	<b>16,659</b>	<b>6,831</b>	<b>3,603</b>	<b>2,080</b>	<b>1,519</b>	<b>1,321</b>	<b>1,305</b>

## Project justification details

### CenSus ICT Strategy

#### Purpose of project :

As part of the ongoing delivery of CenSus ICT services and its infrastructure, a 5 year strategy document was drawn up and accepted by the CenSus Joint Steering group (now the Joint Committee). This strategy document outlined estimated costings for both capital investment and revenue expenditure during its lifetime. Due to the past and future partnership member changes a revised 5 year ICT strategy will be produced during 2010 to take those changes into account.

This bid is for the capital investment identified as being required in 2010/11 and follows on from the past investment made. Without the capital investment in the CenSus ICT infrastructure the long term efficiencies cannot be fully realised across the CenSus partnership.

**Total Amount: £39,500**

*Capitalised Salaries included in the project total:* None

*Other sources of funding* None

*Revenue Implications :* :£0

#### Value For Money Assessment :

One of the cornerstones of the CenSus partnership is to deliver long term value for money.

a) *Current practice / doing nothing:*

This bid represents the continuation of the Capital investments already made during the past years. To progress the CenSus partnership and to realise the long term efficiencies it is necessary to invest in the ICT infrastructure.

b) *Other alternative approaches*

To deliver the same services outside of CenSus would not deliver the long term efficiencies and may lead to increased costs.

**Business Unit/Service:** CenSus ICT

**Head of Service :** Peter Stuart

**Project Manager:** Graham Crossingham – CenSus ICT Operations Manager

Graham is trained in PRINCE Lite.

CenSus ICT operates projects under PRINCE Lite methodology.

Over all CenSus ICT Strategy is managed by the CenSus Programme Management Board.

**Cabinet Members :** Cllr Jonathon Ash-Edwards

**Ward Members :** Not applicable

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

- The CenSus ICT infrastructure forms the basis upon which long term efficiencies may be gained across the partnership.
- Consolidation on to common systems allows for more efficient support and better customer service.

- Investing in shared, newer and more power efficient, technologies will help towards reducing the partnerships carbon footprint by maximising the usage of resources.
- Joint procurement will deliver economy of scale efficiencies when compared to unilateral procurement.

**Summary of discussions with Cabinet Member :**

The Cabinet Member supported this project at the Census Joint Committee and looks forward to greater efficiency in the services as a result of implementation.

**Risk Analysis :**

The main risks for this project are :

- a) One or more of the CenSus Partners withdrawing from the partnership
- b) Sufficient budget not being made available by all partners.
- c) Sufficient resources not being made available by all partners

The likelihood, severity, financial impact (rated low, medium, high)

- a) Medium, high, high
- b) Medium, high, low
- c) Medium, medium, low

Mitigation actions:

- a) A 2 year notice period and financial penalties apply to any partner wishing to withdraw.
- b) Slip programme completion in to next FY or reorder \ prioritise programme list in conjunction with relevant business unit(s).
- c) Slip programme completion in to next FY or reorder \ prioritise programme list in conjunction with relevant business unit(s).

## 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 ongoing PC replacement programme and represents the monies required to replace approximately 5% of the PC fleet (which have been deemed to have reached the end of their useful life).

**Total Amount : £25,000**

*Capitalised Salaries included in the project total :£0*

*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, purchases will be made via either the CBC or OGC contract routes.

*a) 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.

*b) 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

**Project Manager :** Graham Crossingham

Graham is trained in PRINCE Lite.

CenSus ICT operates projects under PRINCE Lite methodology.

Over all CenSus ICT Strategy is managed by the CenSus Programme Management Board.

**Cabinet Members :** Cllr Jonathan Ash-Edwards

**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 are have sufficient processing power to enable business units to work efficiently and provide an effective service to customers.

**Summary of discussions with Cabinet Member :**

The Cabinet Member supported this project at the Census Joint Committee and looks forward to greater efficiency in the services as a result of implementation.

**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)

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

Mitigation actions:

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

## Project justification details

### Improvement Works to playground at London Road, Hassocks

**Purpose of project :**

To upgrade the equipped playground in London Road, Hassocks so as to make the play area a more enjoyable, challenging, yet safe place to visit.

**Amount : £10,501**

S106 available:

P35/318	£7,040
P35/590	£3,461
<i>Total</i>	<i>£10,501</i>

*Capitalised Salaries included in the project total :: None included*

*Revenue Implications : expect reduction in revenue costs of c.£200 pa for first 3 years)*

**Value For Money Assessment :**

This will reduce future maintenance costs and provide a safer and more exciting play experience for children. It could also save on potential accident claims

**Business Unit/Service :** Leisure and Sustainability

**Head of Service :** Mark Fisher

**Project Manager :** Rupert Browning

Attended MSDC one day project management course

**Cabinet Member :** Cllr P Moore

**Ward Members :** Cll. Sue Hatton, Cll. Gordon Marples, Cll Peter Martin

**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 :**

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

## Project justification details

### Improvement Works to Playground at Lingfield Road Recreation Ground East Grinstead

**Purpose of project :**

To upgrade the equipped playground in Lingfield Road Recreation Ground East Grinstead so as to make the play area a more enjoyable, challenging, yet safe place to visit.

**Amount : £77,766**

West Sussex County Council Playbuilder Funding £45,000

S106 available:

P35/557 £3,628

P35/606 £11,916

P35/608 £2,662

P35/336 £14,560

*Capitalised Salaries included in the project total :: None included*

*Revenue Implications : expect reduction in revenue costs of c.£200 pa for first 3 years)*

**Value For Money Assessment :**

This will reduce future maintenance costs and provide a safer and more exciting play experience for children. It could also save on potential accident claims

**Business Unit/Service :** Leisure and Sustainability

**Head of Service :** Mark Fisher

**Project Manager :** Rupert Browning

Attended MSDC one day project management course

**Cabinet Member :** Cllr Mrs P Moore

**Ward Members :** Cll. Bernhard Gillbard, Cll Andrew Brock

**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 :** Cll. 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 :**

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

## Project justification details

### Improvement Works to Paddling Pool at Victoria Park Haywards Heath

**Purpose of project :**

To upgrade the Paddling Pool in Victoria Park Play Area with an innovative Splashpad system so as to make the pool area a more enjoyable, challenging, safer and DDA compliant place to undertake water based play activities.

**Amount : £72,324**

West Sussex County Council Playbuilder Funding	£45,000
S106 ( P35/277)	£12,324
MCR Capital Funding	£15,000

*Capitalised Salaries included in the project total :: None included*

*Revenue Implications : expect reduction in revenue costs of around £2000 pa)*

**Value For Money Assessment :**

This project will reduce future maintenance costs due to the filtration system being changed, essential upgrade of the current structure paddling pool and provide new equipment. This will offer a safer and more exciting play experience for children. It will also reduce the potential for accident claims

**Business Unit/Service :** Leisure and Sustainability

**Head of Service :** Mark Fisher

**Project Manager :** Tim Honess

**Advisors :** Steven Trice, Andy Mighall, Rupert Browning, Mark Hayler, David Harper

**Cabinet Member :** Cllr P Moore

**Ward Members :** Cll. Ash-Edwards, Cll Baker

**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 :** Cll. Pru Moore is supportive of the need to enhance this paddling pool so as to provide a better play experience for the local residents and visitors to this recreation ground. Cllr Wall agreed to the submission of an application for funding from West Sussex County Council's Playbuilder scheme.

**Risk Analysis :**

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

## Project Justification Details

### Intelligent Scanning

#### **Purpose of project:**

The Council processes in the region of 8,000 invoices per year, details of which are manually keyed into the Council's financial management system by a number of administrative staff across the authority.

Intelligent Scanning is a system that captures that invoice data at source, matching the invoice to purchase orders and (where the goods receipt note has been actioned) the invoice is electronically passed for payment.

#### Current = Manual Processing

#### Future = Intelligent Scanning

#### **Revenue Savings**

We pay an external company to scan our invoices at a budgeted annual cost of £2,770.	The annual licence fee for Intelligent Scanning is £1,750 - an annual saving of £1,020.
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#### **Efficiencies**

Administrative staff across the Council manually key invoice details into our creditors system.	All invoice processing would be carried out by the creditors team, saving resources across the Council of at least one full time equivalent.
Non-experts processing invoices governed by complex rules result in a number of errors	The creditors team will spend less time correcting errors and training these non-experts.
It takes up to six weeks for the paper invoices to be scanned and therefore available for system users to view electronically.	The scanned image will appear in our creditors system immediately after it has been scanned.
Staff have to access a separate system to view invoice details.	All scanned images will be linked to the creditor record within our creditors system, thereby allowing instant access to the images.
This separate system does not have any user security, making it problematic to administer.	Our creditor system has existing user security, making data protection management straightforward.
Once an invoice has been entered into the system, authorisation has to be sought from a manager.	As authorisation is dealt with at the ordering and goods received stages, staff do not need to spend time chasing managers for authorisation.
All invoices need to have an authorisation slip attached to them, this is subsequently filled out by administrative staff.	These slips will no longer be required as the Intelligent Scanning process will match the invoices to existing orders. Any unmatched invoices will be electronically routed to budget holders for coding and authorisation.

#### **Service Improvements**

At the time of writing the Council's Performance Indicator to pay invoices within 30 days is 96.24% (the target is 97.3%).	All invoices will be delivered to the creditors team and processed within one to two working days; as a result the Council's PI could potentially be 100%.
As a result of the current economic climate, a 10 day processing target has been discussed. This would not be achievable with manual processing.	It would possible for the Council to pay customers within seven days of receipt of invoice.
As improvements in processing times prove to be difficult, we are unable to take advantage of any prompt payment discounts.	Processing times would vastly improve, allowing the Council to negotiate prompt payment discounts, thereby saving the Council money.

<b>Service Improvements Cont'd</b>	
Not always able to answer customer enquiries as invoices may still be with the service department. Customers are either forwarded or asked to call again.	Invoice will be on the creditors system once it is scanned and customers can have an immediate answer resulting in improved customer satisfaction.

**Total Amount: £22,000**

Gross cost of the capital scheme:

<b>Expenditure</b>	<b>£</b>	
Capitalised Salaries	0	
Software	8,750	
Services	11,820	installation, set up and consultancy.
Hardware	1,430	existing servers will be used to store the images, but an appropriate scanner will need to be purchased.
<b>Total</b>	<b>22,000</b>	

**Value For Money Assessment:**

If we do not implement Intelligent Scanning and continue with our current processes...

- We will still need a revenue budget of £2,770 to pay an external company to scan the invoices for us. These invoices are not linked to our creditors system, so staff still need to access another system in order to see the scanned image...
  - *"Having instant access to copies of invoices, will improve timescales for resolving queries." Sue Rees, Parking Services Manager.*
- We would miss an opportunity to improve our procurement...
  - *"Centralised registration of supplier invoices will also be quicker so may also allow the council to take advantage of more prompt payment discounts (e.g. 7 days) should it wish to do so." Roger Dennis, Joint Procurement Adviser.*
- A number of invoices will continue to be paid outside of our 30 day target...
  - *"It will prevent any payments going over the 30 day limit." Rupert Browning, Principal Landscape Manager.*
- Staff equating to at least one full time equivalent, will still be required to manually enter invoice data...
  - *"This will allow time to be spent on other work, which could save the Council money." Sue Rees, Parking Services Manager.*

NB: the quotation provided by our software supplier is only valid until 30th March 2010.

**Business Unit/Service:** Finance Accountancy**Head of Service:** Peter Stuart**Project Manager:** David Chalk (attended project management training course in January 2007)**Cabinet Member:** Cllr Ash-Edwards**This project contributes to achieving the Corporate Plan in the following ways:** This project contributes to the following Finance Success Criteria for 2010/11...

- Excellent Customer Services and Satisfaction: Complete implementation of Intelligent Scanning by March 2011.
- Excellent Reputation: Pay 97.3% of Finance Accountancy invoices within 30 days.

**Summary of discussions with Cabinet Member**

Cllr Ash Edwards quoted that he is “very supportive of this project and looks forward to the efficiency savings that I am sure it will bring”.

**Risk Analysis:** There is a possibility that existing staff resources may be stretched during the implementation process. A project plan will be drawn up in order to mitigate this risk as far as practically possible and if necessary the FMS revenue budget will be used to engage additional staff resources. No financial risks are anticipated.

## Project justification details

EDRMS for CenSus Revenues & Benefits		
<b>Purpose of project</b>		
<p>The purpose of this project is to procure and implement the Electronic Document Management System 'Information@Work' (formerly known as 'Anite@Work') in to CenSus Revenues and Benefits. The key for the proposed CenSus Revenues &amp; Benefits business model is effective information sharing between the CenSus R&amp;B services at each of the three Councils to allow them to work as a joined up service.</p> <p>The present system in place is not 'fit for purpose'.</p> <p>An alternative system is not only cheaper in the longer term but has the required functionality.</p> <p>A Business Case, a 'decision' document (detailing why the specific alternative product was chosen) and a PID have all been completed.</p> <p><b>Total Amount : £135,000 (£45k per authority) split over three years as follows :</b>  <b>2009/10 £63,000 ( £21k per authority)</b>  <b>2010/11 £36,000 ( £12k per authority)</b>  <b>2011/12 £36,000 ( £12k per authority)</b></p> <p><b>Revenue Implications Total £45,000 (£15k per authority) split over three years as follows</b>  2009/10 £9,000 (£3k per authority)  2010/11 £18,000 (£6k per authority)  2011/12 £18,000 ongoing (£6k per authority)</p> <p>Annual payments required for support and maintenance of the Northgate software plus licensing etc of the technical infrastructure will cost each partner £5,918.00 per annum from year two onwards.</p>		
<b>Breakdown (per authority) :</b>		
Technical Infrastructure	Hardware & software required to host and deploy the system to users, plus backups and year 1 maintenance. This must be paid upfront to enable the project to commence. This total cost is £29,034 therefore £9,678 per Council	£9,678
Northgate Software	Supply and implementation of 'Information@Work' system (Year 1 payment only @ £11,633 per Council	£11,633.
<b>Total capital cost (per Council) Year 1</b>		<b>£21,311</b>
Northgate Software	Supply and implementation of 'Information@Work' system (Year 2 payment only @ £11,633 per Council	£11,633
<b>Total capital cost (per Council) Year 2</b>		<b>£11,633</b>
Northgate Software	Supply and implementation of 'Information@Work' system (Year 3 payment only @ £11,633 per Council	£11,633
<b>Total capital cost (per Council) Year 3</b>		<b>£11,633</b>
<i>Overall Total Capital Cost per CenSus Partner</i>		<b>£44,577</b>

**Value For Money Assessment:**

Detail is given in the Business case but –

- The current system requires between £60k and £70K of development work just to enable it to be used across all 3 Authorities.
- The architecture of the new system will allow changes to be made 'in house'. The present system requires the supplier to write the changes at a cost of £1k per day and may take up to 5 days to complete. A rough assessment of changes that will be required over the next two years to develop the service is a minimum of 40.
- Functionality that is built into the new system would have to be developed from scratch for the current system. Given the cost of developing basic functionality in the current system as set out above it is reasonable to assume that costs running to £200k plus could be expected.

A detailed comparison between the current system and the two market leaders has been carried out.

**Business Unit/Service** CenSus Revenues & Benefits

**Head of Service** Tim Delany

**Project Manager** : David Bowles has been selected as Project Manager. David is an external contractor with formal project management training who was used to implement an EDRM system at Adur District Council. This role then led him to taking on the overall lead of EDRMS Project Manager at Adur, Horsham and Mid Sussex District Councils and implemented systems in to the Planning & Building Control services at all three Councils. David will manage the project using the PRINCE2 methodology.

**Cabinet Member** : Cllr Jonathan Ash-Edwards

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

- Efficient and effective Services

**Summary of discussions with Cabinet Member :**

This scheme has been discussed with Cllr Ash-Edwards who is content for these proposals to be put forward.

**Risk Analysis :**

There are minimal risks associated with this project.

1. The cost is to be met from Revenues and Benefits savings (exceeded target in 08/09)
2. The new product is well established and provided by one of the 2 major players in the field
3. The project will be run by an experienced project manager using prince 2 methodology
4. The project is supported by the Census Joint Steering group
5. There are no legal implications in withdrawing from our contract with our present suppliers.

### PRUDENTIAL CODE INDICATORS

	<b>Actual 2008/09 £000</b>	<b>Estimate 2009/10 £000</b>	<b>Estimate 2010/11 £000</b>	<b>Estimate 2011/12 £000</b>	<b>Estimate 2012/13 £000</b>
Capital Expenditure	2,675	3,603	2,080	1,519	1,321
Capital Financing Requirement	1,700	1,619	1,739	1,611	1,478
Effect on council tax band D	2.4%	2.6%	2.8%	2.4%	1.9%
Capital financing to Revenue Stream	1.0%	1.1%	1.2%	1.2%	1.2%
Authorised Borrowing limit	5,000	5,000	5,000	5,000	5,000
Maximum % Lending at Fixed Rates	95%	95%	95%	95%	95%
Maximum % Lending at Variable Rates	25%	25%	25%	25%	25%
Maximum Invested for a year or longer	20%	20%	20%	20%	20%
Compliance with CIPFA Code of Practice	YES	YES	YES	YES	YES

The capital finance regulations 2008, which came into force in March 2008, state that 'a local authority shall calculate for the current financial year an amount of minimum revenue provision which it considers to be prudent'.

Local authorities are required by Regulation to have regard to the Prudential Code under Part 1 of the Local Government Act 2003. The key objectives of the code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. The Prudential Code also has the objectives of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal.

To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. The above table shows the indicators relating to Mid Sussex District Council.



## RESERVES AND OTHER BALANCES

1. This part of the report considers the Council's 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 2009 were £11.873m and, with the estimated changes, the current expectation is that some £9.929m will be held at 31st March 2014. 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 2.02% for 2009/10 but only 1% for the period 2010/11; 1.25% in 2011/12 and 2012/13, and 1.5% in 2013/14. Members will appreciate that, as was the case last year, these rates will result in relatively low levels of interest receipts compared to previous years, which continues to limit our ability to finance anything other than a modest capital programme in future years.
4. This year, further details relating to the management of the Council's daily cash balances and the borrowing limits is set out in a separate report to Members, and is no longer incorporated in the Corporate Plan and Budget report. This is in line with key recommendations from the revised CIPFA code, which has been incorporated into the new MSDC Treasury Management Policy document, to Cabinet on 11th January 2010, and explained that the Treasury Management Strategy should be a stand-alone report.
5. This Council classifies its reserves as follows:

### **Revenue reserves** comprise:

- The **General reserve** which includes amounts earmarked for the Capital Programme. It also includes the non-earmarked element.
- The **Specific Reserve** which contains amounts for particular purposes and for which Member authorisation has been obtained as to how these may be applied.

### **Capital reserves** comprise:

- **Usable capital receipts** from the sale of assets

### **Unapplied grants and contributions** comprise:

- **S106s Contributions from developers** which may be used for capital expenditure purposes.
- **Capital Grants** e.g. unapplied Housing and Planning Delivery Grant and Big Lottery Fund Grant.

		Balance	Balance	Balance	Balance	Balance	Balance
		01/04/2009	31/03/2010	31/03/2011	31/03/2012	31/03/2013	31/03/2014
	Note	£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue Reserves</b>							
Balance including interest		3,838	3,115	3,044	3,148	3,369	3,579
<b>Non-Earmarked General Reserve</b>	1	3,838	3,115	3,044	3,148	3,369	3,579
<b>Total Earmarked Reserves</b>	2	27	27	27	27	27	27
<b>General Reserve Total</b>		3,865	3,142	3,071	3,175	3,396	3,606
<b>Specific Reserve :</b>							
Member support and Partnerships		3	40	70	0	0	0
Development Control		125	75	45	15	0	0
Planning Policy		249	289	264	314	364	414
Finance Corporate		87	19	19	19	19	19
Revenues & Benefits		238	302	389	389	389	389
Housing		1	(0)	(0)	(0)	(0)	(0)
Environmental Health		1	(0)	(0)	(0)	(0)	(0)
Community Health and Culture		193	165	165	165	165	165
Leisure Operations		154	0	0	0	0	0
Personnel & Payroll		6	0	0	0	0	0
Corporate Organisational Development		3	0	0	0	0	0
Better Mid Sussex		82	129	129	129	129	129
<b>Specific Reserve Total</b>	3	1,141	1,017	1,079	1,029	1,065	1,115
<b>Total Revenue Reserves</b>		5,006	4,159	4,150	4,204	4,460	4,720
<b>Capital Reserves</b>							
Usable Capital Receipts	4	777	783	791	800	808	814
<b>Total Capital Reserves</b>		777	783	791	800	808	814
<b>Total Reserves Exc. Unapplied Grant &amp; Cont Section 106s</b>		5,783	4,943	4,942	5,004	5,267	5,534
<b>Total Unapplied Grant &amp; Contributions Section 106s / Gov grants / Capital HPDG</b>	5	6,090	5,315	4,073	4,110	4,194	4,394
<b>Total Reserves inc. Unapplied Grant &amp; Cont. / Section 106s</b>		11,873	10,258	9,015	9,114	9,463	9,929
NB. Figures to nearest £'000 therefore totals subject to rounding variations							

## Notes:

1. Total available to provide additional finance for day-to-day services and/or capital expenditure. Included in this total are planned paybacks to reserves from revenue, windfall income received in 2009/10, amounts received from developers in respect of land adoptions in lieu of maintenance (e.g. culvert commuted sums) and interest receipts forecast for the period.
2. This includes an amount set aside to lend to owners of historic buildings to assist in keeping properties in good repair. £7k also relates to 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 and from the repayment of long term loans.
5. S106 contributions received from developers for which there are agreements defining the purpose for which the sums are to be applied, and which may only be used for capital expenditure. Also included in unapplied grants and contributions are grants received from Central Government such as the Housing and Planning Delivery Grants (capital element only).



## FINANCIAL STRATEGY, MEDIUM TERM FINANCIAL PLAN AND INFLATION

### 1.0 Introduction

- 1.1 This section sets out the current position with regard to the revenue position within the plan 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 4<sup>th</sup> March 2009 as part of the Corporate Plan. A feature of that position is that efficiency savings were to be made each year and for the foreseeable future. That would necessitate difficult decisions to be made to change the outlook.
- 1.3 The ongoing recession has made setting a strategy a difficult task but there does seem to be some stability returning to the economy – albeit it has settled at a depressed state. Income projections have been made with this in mind.
- 1.4 Officers have therefore been working throughout 2009 to update the four-year financial plan. Enquiries concentrated on the major factors that influence the Council's financial position such as inflation, pensions, the financial settlement etc but also examined the outcome of the Leisure Management Contract and the effect that diminishing reserves has on the day to day running of the council. The outcome of this was a budget 'guidelines' report that set a direction of travel for the Council, which simply put, attempted to preserve services, protect reserves, sought efficiency savings and kept Council tax increases within the government imposed capping limit. It also allowed for modest increases in income in line with the slow recovery of the economy; although these also contained some increase in cost in areas where there was a direct correlation between income and the resource necessary to earn that income.
- 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. The theme running through this year's Corporate Plan is that the proposed action necessary in the short term will stabilise the financial standing of the Council in 2010/11 and set it up to be a more financially independent Council over the next decade. It is felt that the forthcoming election in May 2010 will set in train a series of public sector funding cuts that will make that a desirable target for both the Council and the community.

## **2.0 FINANCIAL STRATEGY 2010/11 – 2013/14**

### **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 Budget Requirement which will, in the main be financed by the council tax 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. Every effort will be made to explore sources of alternative financing with the aim of releasing existing resources to be applied to other priorities.

- 2.2.9. 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.
- 2.2.10. The Medium Term Financial Plan will show the difference between projected net spending and income from the council tax and government grant 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. Members should note the limitations in respect of future spending plans.

### **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 10% of the Net Revenue Budget 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 Policy Statement 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 2010/11 to 2013/14. 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 increases in Revenue Spending, but having regard to council tax capping.
- Increases in Formula Grant (AEF) are based on the three-year settlement and a prudent increase in the fourth year.
- Increases in council tax base are a prudent view to reflect the increase in properties in the district.

#### 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 Housing Renewal Assistance Grants is the average 50% grant from government on mandatory awards relating to the expenditure shown in the 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.

#### 3.8 Interest

- Projected interest rates used in estimating interest receipts are a combination of rates; 2.02% for 2009/10 followed by 1% in 2010/11; 1.25% in 2011/12 and 2012/13 with 1.5% after that.

#### 3.9 Cash Balances

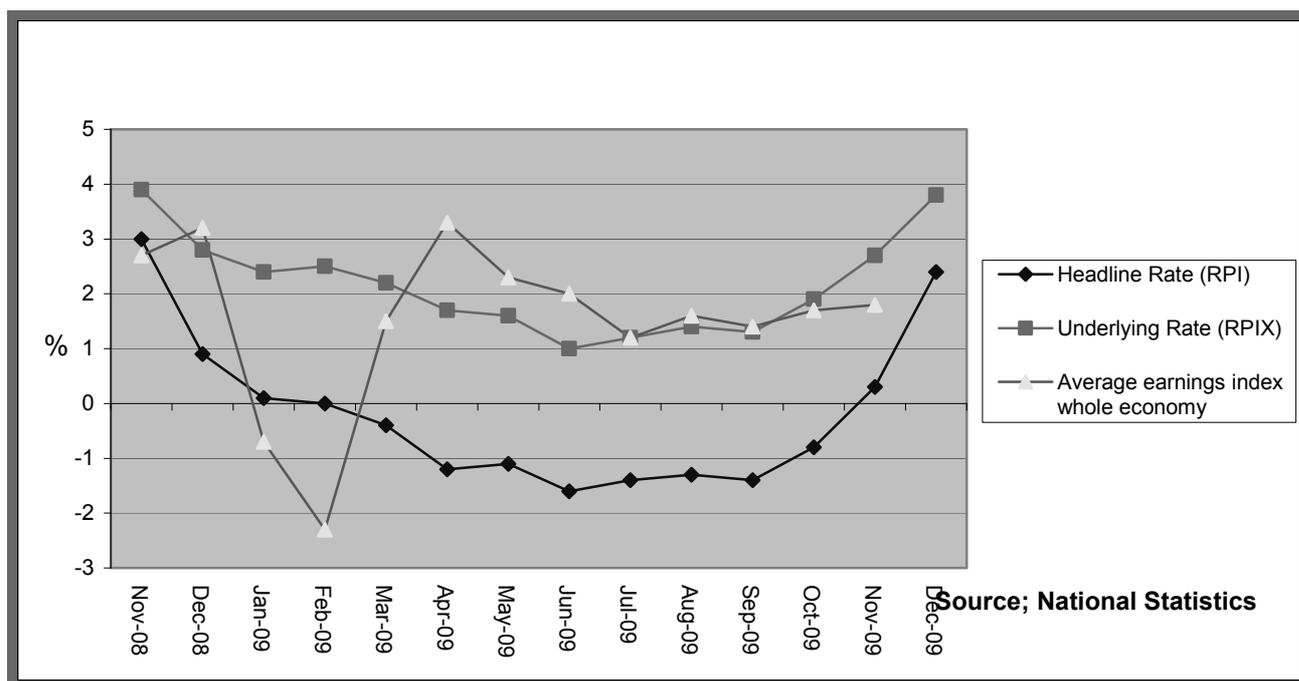
- The total of cash balances is detailed in Section 4. The amount of cash balances is determined by the assumptions made in the rest of the forecast.

<b>Medium Term Financial Plan Council 24th February 2010</b>						
		Year 0	Year 1	Year 2	Year 3	Year 4
		2009/10	2010/11	2011/12	2012/13	2013/14
		£'000	£'000	£'000	£'000	£'000
<b>Revenue Spending</b>						
<b>Base Revenue Spending</b>		14,605	14,780	14,639	14,532	14,403
Balance Unallocated		26	31	31	31	31
<b>Council Net Expenditure</b>		14,631	14,811	14,670	14,563	14,434
Pensions 1% increase 2011/12				90	90	90
Pensions 1% increase 2012/13					90	90
Pensions 1% increase 2013/14						90
Net General Inflation				214	428	642
Payback to reserves for Alternative Leisure Management procurement	100					
Capital schemes to be financed from revenue	100		50	50	50	50
Better Mid Sussex capitalised salaries	(150)		(150)	(150)	(150)	(150)
Step 3: Cost control voluntary severance savings			(212)	(255)	(282)	(282)
Contribution to Disabled Facility Grants			425	425	425	425
Step 5: Adjustments to service levels			(20)	(20)	(20)	(20)
Payback to general reserve for voluntary severances			64	81	81	81
<b>Total Revenue Spending / Budget requirement</b>		14,681	14,968	15,105	15,275	15,450
Formula Grant	(6,435)	(6,468)	(6,339)	(6,212)	(6,088)	
Council tax income @ 2.5% in 2010/11 and future years	(8,295)	(8,551)	(8,802)	(9,060)	(9,335)	
Collection Fund deficit / (surplus)	49	51	-	-	-	
<b>Balance deficit: / (surplus)</b>	<b>0</b>	<b>0</b>	<b>(36)</b>	<b>3</b>	<b>27</b>	
Investment available in 11/12				36		
other savings to be identified in 12/13					(3)	
other savings to be identified in 13/14						(27)
<b>Balance deficit: / (surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financing the Budget Requirement</b>						
		Year 0	Year 1	Year 2	Year 3	Year 4
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Council Taxbase	56,447	56,855	57,165.8	57,394	57,624	57,912
Change in Taxbase		0.72%	0.55%	0.40%	0.40%	0.50%
		£'000	£'000	£'000	£'000	£'000
Budget Requirement		14,681	14,968	15,105	15,275	15,450
% change in Formula Grant		0.5%	0.5%	-2.0%	-2.0%	-2.0%
Formula Grant		(6,435)	(6,468)	(6,339)	(6,212)	(6,088)
Council Tax Income		(8,295)	(8,551)	(8,802)	(9,060)	(9,335)
Collection Fund deficit / (surplus)		49	51	-	-	-
Use of interest						
Total Financing		(14,681)	(14,968)	(15,141)	(15,272)	(15,423)
Balance [(deficit); /surplus]			(0)	(0)	(0)	(0)
		(14,681)	(14,968)	(15,141)	(15,272)	(15,424)
<b>Council Tax at Band D</b>		<b>£ 145.89</b>	<b>£ 149.58</b>	<b>£ 153.36</b>	<b>£ 157.23</b>	<b>£ 161.19</b>
Change from previous year		<b>3.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>

<b>Medium Term Financial Plan as at Council 24th February 2010</b>							
<b>Capital Spending</b>							
	Total	Year 1	Year 2	Year 3	Year 4	Year 5	
	£'000	2009/10	2010/11	2011/12	2012/13	2013/14	£'000
<b>Service projects</b>							
Schemes in Progress	2,377	2,377	-	-	-	-	
New Projects	1,573	-	818	389	191	175	
	3,950	2,377	818	389	191	175	
<b>Additional funding</b>							
Unallocated Funding -future projects	1,206	6	-	400	400	400	
	5,156	2,383	818	789	591	575	
<b>Housing Services</b>							
Housing Renewal Assistance	3,570	650	730	730	730	730	
Affordable Housing	1,102	570	532	-	-	-	
	4,672	1,220	1,262	730	730	730	
<b>Total Programme</b>	<b>9,828</b>	<b>3,603</b>	<b>2,080</b>	<b>1,519</b>	<b>1,321</b>	<b>1,305</b>	
<b>Receipts and Contributions</b>							
	Total	Year 1	Year 2	Year 3	Year 4	Year 5	
	£'000	2009/10	2010/11	2011/12	2012/13	2013/14	£'000
Capital Grants (Disabled Facility Grants)	1,648	348	325	325	325	325	
Capital Receipts	36	6	8	8	8	6	
Contributions	1,000	200	200	200	200	200	
<b>Total</b>	<b>2,684</b>	<b>554</b>	<b>533</b>	<b>533</b>	<b>533</b>	<b>531</b>	
<b>Interest</b>							
	Total	Year 1	Year 2	Year 3	Year 4	Year 5	
	£'000	2009/10	2010/11	2011/12	2012/13	2013/14	£'000
<b>Interest</b>	<b>1,205</b>	<b>322</b>	<b>160</b>	<b>221</b>	<b>240</b>	<b>262</b>	
<b>Reserves &amp; Other Balances</b>							
	Base						
	31.03.09	31.3.10	31.3.11	31.3.12	31.3.13	31.3.14	
	£'000	£'000	£'000	£'000	£'000	£'000	
General Reserve	3,865	3,142	3,071	3,175	3,396	3,606	
Specific Reserve	1,141	1,017	1,079	1,029	1,065	1,115	
Capital (Usable capital receipts)	777	783	791	800	808	814	
Unapplied grants & S106s	6,090	5,316	4,074	4,110	4,194	4,394	
<b>Total</b>	<b>11,873</b>	<b>10,258</b>	<b>9,015</b>	<b>9,114</b>	<b>9,463</b>	<b>9,929</b>	
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 following year. The net inflation allowance set out in the Budget Forecast for 2010/11 in the Medium Term Financial Plan to Council on 4<sup>th</sup> March 2009 was £427,000. It is now proposed that this figure is significantly less in the new financial year.
- 4.2. As background information, inflation for the whole economy for the past year has been running as illustrated in the graph below:



- 4.3 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 at £125,000. The table below shows the suggested inflation rate to be applied to each element of the budget. It is important to note that the largest unavoidable inflation allowances are for employees and contracts.

<b>Inflation calculation for 2010/11 Budget</b>		
<i>Item</i>	<i>Inflation %</i>	<i>£'000 age</i>
<i>Employees</i>		
<b>Pay</b> The employers have offered 0%, whilst the employee side is seeking a 2.5% increase. Prudence dictates that some allowance be made and 1% has been settled upon.	1.0	112
<b>Other employee costs</b> Estimated inflation of 1.0%	1	2
<i>Buildings and Premises</i>		
<b>Maintenance</b> 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.	1.0	10
For other maintenance costs 0.00 % has been used.	0	0
<b>Fuel</b> The majority of our fuel supplies are arranged through the Kent CC administered Laser arrangement. There are a variety of contracts, different contract anniversary dates and prices within this arrangement that depend on site consumption.	2.0	2
<b>NNDR</b> Allowance required for 2010/11, inclusive of the decrease in Rate Poundage reported in the Settlement.	(2.5)	(10)
<b>Water</b>  An estimate of the inflation increase for both metered water and sewerage for 2010/11 is 5.0%.	5	1
<i>Transport</i>		
<b>Car Allowances</b> Increases follow nationally agreed National Joint Council (NJC) figures – a 1% increase has been allowed.	1	2
<i>Supplies and Services</i>		
<b>Postage</b> An estimate of the likely increase for 2010/11	6.5	8
<b>Telephones</b> An estimate of the likely increase for 2010/11	1.0	1

<i>Supplies and Services Contd.</i>	<i>Inflation % age £'000</i>	
<b>Contracts</b>		
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 derv fuel (5%) and National Statistics index 18.3 RPI all items (25%).	1.0	35
<b>Insurance</b>		
An early indication suggests that premiums could decrease by 10.0% in 2010/11 as this is currently out to tender.	(10)	(27)
<b>Grants</b>		
Grants for CAB etc	0	0
<b>Other Supplies and Services</b>		
A 'basket' of items which will increase, remain static or, in some cases, fall in price. Savings are expected on non - contractual expenses (totalling £30,000), this is off-set by expected inflationary increases of £25,000 mainly relating to concessionary fares.		(5)
<i>Fees and Charges</i>		
<b>Discretionary charges</b>		
An allowance for a 1% increase in discretionary charges (car park fees are excluded) has been made.	1	(6)
From 1st April 1999 the Building (Local Authority Charges) Regulations have been in operation. These give LA's the power to set their own charges, within a LGA framework. The fee earning account is expected to break-even in 2010/2011 and there is no need to increase charges.	0	0
<b>Mandatory Charges</b>		
No further increases have been announced.		0
<i>Rents</i>		
Increases in rents are dependent on the review of individual leases.		0
<i>Government Grants</i>		
<b>Subsidies</b>		0
<b>Total</b>		125



## COLLECTION FUND

1. The latest Collection Fund estimates are shown below:

<b>Collection Fund</b>				
	<i>2009/10 Original Estimate £'000</i>	<i>2009/10 Revised Estimate £'000</i>	<i>2010/11 Original Estimate £'000</i>	<i>Note</i>
<b>Income</b>				
Council Taxpayers	(78,067)	(77,615)	(79,578)	
Council Tax Benefit	(5,848)	(5,873)	(6,925)	
	<hr/>	<hr/>	<hr/>	
Total Council Tax	(83,915)	(83,488)	(86,503)	<i>a</i>
Business Ratepayers	(39,249)	(39,249)	(38,569)	<i>b &amp; c</i>
Contribution to estimated CF (deficit)/surplus for previous year	(364)	(364)	(373)	<i>Para 2</i>
	<hr/>	<hr/>	<hr/>	
	(123,528)	(123,101)	(125,445)	
<b>Expenditure</b>				
West Sussex County Council	64,453	64,453	66,426	
Sussex Police Authority	7,660	7,660	7,913	
Mid Sussex District Council	11,336	11,336	11,689	
	<hr/>	<hr/>	<hr/>	
Total "precepts"	83,449	83,449	86,028	
Contribution to NNDR Pool	39,073	39,073	38,398	<i>b</i>
Cost of collection (NNDR)	176	176	171	
Prov. for Bad & Doubtful Debts - Council Tax	466	333	475	
	<hr/>	<hr/>	<hr/>	
	123,164	123,031	125,072	
	<hr/>	<hr/>	<hr/>	
<b>Movement on Fund Balance</b>	(364)	(70)	(373)	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	
<b>Collection Fund Balance</b>				
At the beginning of the year	364	443	373	
Movement on Fund Balance	(364)	(70)	(373)	
	<hr/>	<hr/>	<hr/>	
<b>Deficit/(Surplus) at Year End</b>	0	373	0	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

## Notes:

- a. For 2010/11, total Council Tax, less provision for bad debts of 0.6%, totals £86,028m - the amount required to meet the "precepts" of WSCC, Sussex Police Authority, MSDC and the parish/town councils.
- b. The revised estimate includes changes in income due from ratepayers, resulting in a corresponding change in the amount of the contribution to be paid to the National Non-Domestic Rate Pool.
- c. For 2010/11, the amounts are taken from CLG NNDR1 return. These are derived from the number of hereditaments 3,827, and the total rateable value of £105m as at 31st December 2009. An allowance of 0.6% for losses on collection has been specified by the CLG.

2. In accordance with legislation, the estimated balance as at 31st March 2010 on the Collection Fund is £373,000 deficit and both the County Council and Police Authority have been notified. This deficit is deducted from the contribution from each of these principal authorities in proportion to their Council Tax for the current year.

	%	£
West Sussex CC	77.24	288,090
Sussex Police Authority	9.18	34,240
MSDC	13.58	50,670
	<hr/> 100.00	<hr/> 373,000

## COUNCIL TAX LEVELS

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

Table 1: Council Tax Calculation		
	£	£
Budget Requirement		
Mid Sussex District Council	14,967,840	
Parish/Town Council precepts	3,137,784	
		18,105,624
National Non-Domestic Rates	(5,647,571)	
Revenue Support Grant	(820,080)	
Collection Fund Deficit	50,670	
		(6,416,981)
Collection Fund Requirement		11,688,643
		204.47
	Divided by 57,165.8 (tax base)	

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 Budget 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 2003.
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 2009 (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 2010/11 (i.e. changes from 1st December 2009 to 31st March 2011) 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 2010/11 the rate has been set at 99.4%.
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 2010/11 - Analysed by Chargeable dwellings

	band A	band B	band C	band D	band E	band F	band G	band H	Total
<b>No of dwellings</b>									
Property equivalents*	1,894.00	5,808.00	12,399.00	15,694.00	10,213.00	7,546.00	4,031.00	331.00	57,916.00
Exemptions (various classes)	-165.00	-289.00	-318.00	-269.00	-133.00	-86.00	-64.00	-8.00	-1,332.00
Disabled reductions	12.00	19.00	35.00	-16.00	-12.00	-2.00	-19.00	-17.00	0.00
<b>Chargeable</b>	<b>1,741.00</b>	<b>5,538.00</b>	<b>12,116.00</b>	<b>15,409.00</b>	<b>10,068.00</b>	<b>7,458.00</b>	<b>3,948.00</b>	<b>306.00</b>	<b>56,584.00</b>
Single discounts	1,017.00	3,452.00	4,684.00	4,477.00	2,223.00	1,151.00	493.00	30.00	17,527.00
Two discounts	2.00	4.00	8.00	7.00	4.00	24.00	21.00	5.00	75.00
10% discounts	52.00	45.00	81.00	68.00	55.00	30.00	26.00	9.00	366.00
<b>Net chargeable</b>	<b>1,480.55</b>	<b>4,668.50</b>	<b>10,932.90</b>	<b>14,279.45</b>	<b>9,504.75</b>	<b>7,155.25</b>	<b>3,811.65</b>	<b>295.10</b>	<b>52,128.15</b>
<i>Ratio to Band D</i>	<i>6/9ths</i>	<i>7/9ths</i>	<i>8/9ths</i>	<i>1</i>	<i>11/9ths</i>	<i>13/9ths</i>	<i>15/9ths</i>	<i>18/9ths</i>	
<b>Band D equivalent</b>	<b>987.03</b>	<b>3,631.06</b>	<b>9,718.13</b>	<b>14,279.45</b>	<b>11,616.92</b>	<b>10,335.36</b>	<b>6,352.75</b>	<b>590.20</b>	<b>57,510.9</b>
<b>Total multiplied by Collection Rate of 99.4%</b>									<b>57,165.8</b>

\* Includes estimates of new dwellings and other changes to the valuation list.

7. The 2010/11 tax base so calculated for the whole district is 57,165.8 which represents an increase of 311.0 (+0.55%) on the tax base for the current year. The effect at parish area level ranges from a decrease of 7.2 to an increase of 91.9 and in percentage terms from -2.21% to +3.47%.

Table 3: Mid Sussex Tax Base 2010/11 - Analysed by Parish Area

Parish area	band A	band B	band C	band D	band E	band F	band G	band H	Total
Albourne	3.6	9.9	34.3	72.1	25.2	35.9	92.0	9.4	<b>282.4</b>
Ansty & Staplefield	16.0	15.5	68.8	123.2	134.0	137.4	234.8	47.5	<b>777.2</b>
Ardingly	14.7	30.7	81.1	193.1	145.4	145.4	90.8	19.4	<b>720.6</b>
Ashurst Wood	7.3	21.2	90.6	198.1	149.6	142.9	152.0	2.0	<b>763.7</b>
Balcombe	13.2	47.9	82.2	150.9	118.7	214.2	184.7	19.7	<b>831.5</b>
Bolney	11.9	18.2	19.9	89.1	79.6	142.1	211.9	45.6	<b>618.3</b>
Burgess Hill	150.6	752.6	2,770.3	3,468.3	2,386.3	1,409.5	543.3	14.9	<b>11,495.8</b>
Cuckfield	34.5	55.1	197.2	227.0	361.1	275.3	417.1	31.8	<b>1,599.1</b>
East Grinstead	227.0	603.1	1,941.3	2,424.5	2,441.1	2,205.4	890.2	39.1	<b>10,771.7</b>
Fulking	2.5	6.4	16.2	16.8	29.3	15.1	44.2	12.7	<b>143.2</b>
Hassocks	28.7	238.2	398.5	890.1	947.6	391.1	267.6	17.9	<b>3,179.7</b>
Haywards Heath	170.3	1,134.9	2,403.1	2,839.2	1,453.6	1,970.8	992.0	28.8	<b>10,992.7</b>
Horsted Keynes	4.7	21.1	92.5	122.8	105.6	156.7	178.1	26.3	<b>707.8</b>
Hurstpierpoint and Sayers Common	50.1	138.5	398.8	715.3	742.1	383.7	410.4	35.3	<b>2,874.2</b>
Lindfield	7.8	163.9	213.9	536.4	493.4	746.1	545.8	43.0	<b>2,750.3</b>
Lindfield Rural	12.7	33.2	89.9	223.6	258.0	353.1	176.7	47.7	<b>1,194.9</b>
Newtimber	0.7	6.0	14.4	3.7	4.9	1.1	7.0	2.0	<b>39.8</b>
Poynings	3.8	15.7	31.1	14.2	16.4	17.2	31.9	3.0	<b>133.3</b>
Pyecombe	2.3	4.5	8.4	23.6	15.2	24.1	24.9	0.0	<b>103.0</b>
Slaugham	26.8	123.7	220.8	257.6	157.5	166.4	123.1	43.0	<b>1,118.9</b>
Turners Hill	148.5	38.7	117.3	114.1	72.0	80.0	63.0	9.4	<b>643.0</b>
Twineham	3.6	1.7	9.9	26.6	22.8	17.2	38.8	13.9	<b>134.5</b>
West Hoathly	16.6	21.8	118.0	186.3	223.3	167.8	163.0	37.3	<b>934.1</b>
Worth	23.3	107.0	241.6	1,277.2	1,164.5	1,075.0	430.7	36.8	<b>4,356.1</b>
<b>Total</b>	<b>981.2</b>	<b>3,609.5</b>	<b>9,660.1</b>	<b>14,193.8</b>	<b>11,547.2</b>	<b>10,273.5</b>	<b>6,314.0</b>	<b>586.5</b>	<b>57,165.8</b>

Table 4: Basic Tax

Parish area	Tax base	Precept £	Precept band D £	MSDC band D £	Basic Tax £
Albourne	282.4	14,500	51.35	149.58	200.93
Ansty & Staplefield	777.2	34,810	44.79	149.58	194.37
Ardingly	720.6	79,212	109.93	149.58	259.51
Ashurst Wood	763.7	48,000	62.85	149.58	212.43
Balcombe	831.5	60,000	72.16	149.58	221.74
Bolney	618.3	17,345	28.05	149.58	177.63
Burgess Hill	11,495.8	730,854	63.58	149.58	213.16
Cuckfield	1,599.1	134,820	84.31	149.58	233.89
East Grinstead	10,771.7	687,000	63.78	149.58	213.36
Fulking	143.2	5,983	41.78	149.58	191.36
Hassocks	3,179.7	175,830	55.30	149.58	204.88
Haywards Heath	10,992.7	440,807	40.10	149.58	189.68
Horsted Keynes	707.8	27,155	38.37	149.58	187.95
Hurstpierpoint & Sayers Common	2,874.2	171,425	59.64	149.58	209.22
Lindfield	2,750.3	158,246	57.54	149.58	207.12
Lindfield Rural	1,194.9	50,242	42.05	149.58	191.63
Newtimber	39.8	180	4.52	149.58	154.10
Poynings	133.3	2,965	22.24	149.58	171.82
Pyecombe	103.0	4,485	43.54	149.58	193.12
Slaugham	1,118.9	65,000	58.09	149.58	207.67
Turners Hill	643.0	57,425	89.31	149.58	238.89
Twineham	134.5	3,100	23.05	149.58	172.63
West Hoathly	934.1	35,400	37.90	149.58	187.48
Worth	4,356.1	133,000	30.53	149.58	180.11
	<b>57,165.8</b>	<b>3,137,784</b>	<b>54.89</b>	<b>149.58</b>	<b>204.47</b>

8. 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 8(i).

9. The Council Tax amounts to be set for 2010/11 are determined by adding to the amounts calculated for District, Parish and Town Council requirements, the amounts calculated by West Sussex County Council and Sussex Police Authority in respect of their precepts for the year.
10. For illustrative purposes *average* Council Tax figures for each valuation band are shown below:

	WSSC	SPA	MSDC	Parish/ Town Councils	Total
	£	£	£	£	£
<b>band A</b>	774.66	92.28	99.72	36.59	1,003.25
<b>band B</b>	903.77	107.66	116.34	42.69	1,170.46
<b>band C</b>	1,032.88	123.04	132.96	48.79	1,337.67
<b>band D</b>	1,161.99	138.42	149.58	54.89	1,504.88
<b>band E</b>	1,420.21	169.18	182.82	67.09	1,839.30
<b>band F</b>	1,678.43	199.94	216.06	79.29	2,173.72
<b>band G</b>	1,936.65	230.70	249.30	91.48	2,508.13
<b>band H</b>	2,323.98	276.84	299.16	109.78	3,009.76

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

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

<b>Parish</b>	<b>Council Tax</b> <b>£</b>
Newtimber (minimum)	1,541.51
Ardingly (maximum)	1,559.92

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

<b>Parish</b>	<b>Increase on</b> <b>2008/09</b> <b>%</b>
Ardingly (minimum)	2.3
Bolney (maximum)	3.9

## Analysis of Council Tax set for 2010/11 in each parish area (bands A to D)

Parish area		band A		band B		band C		band D	
		£	£	£	£	£	£	£	£
Albourne	parish	34.23		39.94		45.64		51.35	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,000.89</b>	1,011.43	<b>1,167.71</b>	1,155.92	<b>1,334.52</b>	1,300.41	<b>1,501.34</b>
Ansty & Staplefield	parish	29.86		34.84		39.81		44.79	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>996.52</b>	1,011.43	<b>1,162.61</b>	1,155.92	<b>1,328.69</b>	1,300.41	<b>1,494.78</b>
Ardingly	parish	73.29		85.50		97.72		109.93	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,039.95</b>	1,011.43	<b>1,213.27</b>	1,155.92	<b>1,386.60</b>	1,300.41	<b>1,559.92</b>
Ashurst Wood	parish	41.90		48.88		55.87		62.85	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,008.56</b>	1,011.43	<b>1,176.65</b>	1,155.92	<b>1,344.75</b>	1,300.41	<b>1,512.84</b>
Balcombe	parish	48.11		56.12		64.14		72.16	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,014.77</b>	1,011.43	<b>1,183.89</b>	1,155.92	<b>1,353.02</b>	1,300.41	<b>1,522.15</b>
Bolney	parish	18.70		21.82		24.93		28.05	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>985.36</b>	1,011.43	<b>1,149.59</b>	1,155.92	<b>1,313.81</b>	1,300.41	<b>1,478.04</b>
Burgess Hill	town	42.39		49.45		56.52		63.58	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,009.05</b>	1,011.43	<b>1,177.22</b>	1,155.92	<b>1,345.40</b>	1,300.41	<b>1,513.57</b>
Cuckfield	parish	56.21		65.57		74.94		84.31	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,022.87</b>	1,011.43	<b>1,193.34</b>	1,155.92	<b>1,363.82</b>	1,300.41	<b>1,534.30</b>
East Grinstead	town	42.52		49.61		56.69		63.78	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,009.18</b>	1,011.43	<b>1,177.38</b>	1,155.92	<b>1,345.57</b>	1,300.41	<b>1,513.77</b>
Fulking	parish	27.85		32.50		37.14		41.78	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>994.51</b>	1,011.43	<b>1,160.27</b>	1,155.92	<b>1,326.02</b>	1,300.41	<b>1,491.77</b>
Hassocks	parish	36.87		43.01		49.16		55.30	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,003.53</b>	1,011.43	<b>1,170.78</b>	1,155.92	<b>1,338.04</b>	1,300.41	<b>1,505.29</b>
Haywards Heath	town	26.73		31.19		35.64		40.10	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>993.39</b>	1,011.43	<b>1,158.96</b>	1,155.92	<b>1,324.52</b>	1,300.41	<b>1,490.09</b>
Horsted Keynes	parish	25.58		29.84		34.11		38.37	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>992.24</b>	1,011.43	<b>1,157.61</b>	1,155.92	<b>1,322.99</b>	1,300.41	<b>1,488.36</b>
Hurstpierpoint & Sayers Common	parish	39.76		46.39		53.01		59.64	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,006.42</b>	1,011.43	<b>1,174.16</b>	1,155.92	<b>1,341.89</b>	1,300.41	<b>1,509.63</b>
Lindfield	parish	38.36		44.75		51.15		57.54	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,005.02</b>	1,011.43	<b>1,172.52</b>	1,155.92	<b>1,340.03</b>	1,300.41	<b>1,507.53</b>
Lindfield Rural	parish	28.03		32.71		37.38		42.05	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>994.69</b>	1,011.43	<b>1,160.48</b>	1,155.92	<b>1,326.26</b>	1,300.41	<b>1,492.04</b>
Newtimber	parish	3.01		3.52		4.02		4.52	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>969.67</b>	1,011.43	<b>1,131.29</b>	1,155.92	<b>1,292.90</b>	1,300.41	<b>1,454.51</b>
Poynings	parish	14.83		17.30		19.77		22.24	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>981.49</b>	1,011.43	<b>1,145.07</b>	1,155.92	<b>1,308.65</b>	1,300.41	<b>1,472.23</b>
Pyecombe	parish	29.03		33.86		38.70		43.54	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>995.69</b>	1,011.43	<b>1,161.63</b>	1,155.92	<b>1,327.58</b>	1,300.41	<b>1,493.53</b>
Slaugham	parish	38.73		45.18		51.64		58.09	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,005.39</b>	1,011.43	<b>1,172.95</b>	1,155.92	<b>1,340.52</b>	1,300.41	<b>1,508.08</b>
Turners Hill	parish	59.54		69.46		79.39		89.31	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>1,026.20</b>	1,011.43	<b>1,197.23</b>	1,155.92	<b>1,368.27</b>	1,300.41	<b>1,539.30</b>
Twineham	parish	15.37		17.93		20.49		23.05	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>982.03</b>	1,011.43	<b>1,145.70</b>	1,155.92	<b>1,309.37</b>	1,300.41	<b>1,473.04</b>
West Hoathly	parish	25.27		29.48		33.69		37.90	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>991.93</b>	1,011.43	<b>1,157.25</b>	1,155.92	<b>1,322.57</b>	1,300.41	<b>1,487.89</b>
Worth	parish	20.35		23.75		27.14		30.53	
	district	99.72		116.34		132.96		149.58	
	wsccl/spa	866.94	<b>987.01</b>	1,011.43	<b>1,151.52</b>	1,155.92	<b>1,316.02</b>	1,300.41	<b>1,480.52</b>

## Analysis of Council Tax set for 2010/11 in each parish area (bands E to H)

band E		band F				band G				band H		Parish area
£	£	£	£	£	£	£	£	£	£	£		
62.76		74.17		85.58		102.70		127.16		parish	Albourne	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,834.97</b>	1,878.37	<b>2,168.60</b>	2,167.35	<b>2,502.23</b>	2,600.82	<b>3,002.68</b>	wsccl/spa				
54.74		64.70		74.65		89.58		110.60		parish	Ansty & Staplefield	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,826.95</b>	1,878.37	<b>2,159.13</b>	2,167.35	<b>2,491.30</b>	2,600.82	<b>2,989.56</b>	wsccl/spa				
134.36		158.79		183.22		219.86		219.86		parish	Ardingly	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,906.57</b>	1,878.37	<b>2,253.22</b>	2,167.35	<b>2,599.87</b>	2,600.82	<b>3,119.84</b>	wsccl/spa				
76.82		90.78		104.75		125.70		125.70		parish	Ashurst Wood	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,849.03</b>	1,878.37	<b>2,185.21</b>	2,167.35	<b>2,521.40</b>	2,600.82	<b>3,025.68</b>	wsccl/spa				
88.20		104.23		120.27		144.32		144.32		parish	Balcombe	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,860.41</b>	1,878.37	<b>2,198.66</b>	2,167.35	<b>2,536.92</b>	2,600.82	<b>3,044.30</b>	wsccl/spa				
34.28		40.52		46.75		56.10		56.10		town	Bolney	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,806.49</b>	1,878.37	<b>2,134.95</b>	2,167.35	<b>2,463.40</b>	2,600.82	<b>2,956.08</b>	wsccl/spa				
77.71		91.84		105.97		127.16		127.16		parish	Burgess Hill	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,849.92</b>	1,878.37	<b>2,186.27</b>	2,167.35	<b>2,522.62</b>	2,600.82	<b>3,027.14</b>	wsccl/spa				
103.05		121.78		140.52		168.82		168.82		parish	Cuckfield	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,875.26</b>	1,878.37	<b>2,216.21</b>	2,167.35	<b>2,557.17</b>	2,600.82	<b>3,068.60</b>	wsccl/spa				
77.95		92.13		106.30		127.56		127.56		town	East Grinstead	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,850.16</b>	1,878.37	<b>2,186.56</b>	2,167.35	<b>2,522.95</b>	2,600.82	<b>3,027.54</b>	wsccl/spa				
51.06		60.35		69.63		83.56		83.56		parish	Fulking	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,823.27</b>	1,878.37	<b>2,154.78</b>	2,167.35	<b>2,486.28</b>	2,600.82	<b>2,983.54</b>	wsccl/spa				
67.59		79.88		92.17		110.60		110.60		parish	Hassocks	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,839.80</b>	1,878.37	<b>2,174.31</b>	2,167.35	<b>2,508.82</b>	2,600.82	<b>3,010.58</b>	wsccl/spa				
49.01		57.92		66.83		80.20		80.20		town	Haywards Heath	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,821.22</b>	1,878.37	<b>2,152.35</b>	2,167.35	<b>2,483.48</b>	2,600.82	<b>2,980.18</b>	wsccl/spa				
46.90		55.42		63.95		76.74		76.74		parish	Horsted Keynes	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,819.11</b>	1,878.37	<b>2,149.85</b>	2,167.35	<b>2,480.60</b>	2,600.82	<b>2,976.72</b>	wsccl/spa				
72.89		86.15		99.40		119.28		119.28		parish	Hurstpierpoint & Sayers Common	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,845.10</b>	1,878.37	<b>2,180.58</b>	2,167.35	<b>2,516.05</b>	2,600.82	<b>3,019.26</b>	wsccl/spa				
70.33		83.11		95.90		115.08		115.08		parish	Lindfield	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,842.54</b>	1,878.37	<b>2,177.54</b>	2,167.35	<b>2,512.55</b>	2,600.82	<b>3,015.06</b>	wsccl/spa				
51.39		60.74		70.08		84.10		84.10		parish	Lindfield Rural	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,823.60</b>	1,878.37	<b>2,155.17</b>	2,167.35	<b>2,486.73</b>	2,600.82	<b>2,984.08</b>	wsccl/spa				
5.52		6.53		7.53		9.04		9.04		parish	Newtimber	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,777.73</b>	1,878.37	<b>2,100.96</b>	2,167.35	<b>2,424.18</b>	2,600.82	<b>2,909.02</b>	wsccl/spa				
27.18		32.12		37.07		44.48		44.48		parish	Poynings	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,799.39</b>	1,878.37	<b>2,126.55</b>	2,167.35	<b>2,453.72</b>	2,600.82	<b>2,944.46</b>	wsccl/spa				
53.22		62.89		72.57		87.08		87.08		parish	Pyecombe	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,825.43</b>	1,878.37	<b>2,157.32</b>	2,167.35	<b>2,489.22</b>	2,600.82	<b>2,987.06</b>	wsccl/spa				
71.00		83.91		96.82		116.18		116.18		parish	Slaugham	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,843.21</b>	1,878.37	<b>2,178.34</b>	2,167.35	<b>2,513.47</b>	2,600.82	<b>3,016.16</b>	wsccl/spa				
109.16		129.00		148.85		178.62		178.62		parish	Turners Hill	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,881.37</b>	1,878.37	<b>2,223.43</b>	2,167.35	<b>2,565.50</b>	2,600.82	<b>3,078.60</b>	wsccl/spa				
28.17		33.29		38.42		46.10		46.10		parish	Twineham	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,800.38</b>	1,878.37	<b>2,127.72</b>	2,167.35	<b>2,455.07</b>	2,600.82	<b>2,946.08</b>	wsccl/spa				
46.32		54.74		63.17		75.80		75.80		parish	West Hoathly	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,818.53</b>	1,878.37	<b>2,149.17</b>	2,167.35	<b>2,479.82</b>	2,600.82	<b>2,975.78</b>	wsccl/spa				
37.31		44.10		50.88		61.06		61.06		parish	Worth	
182.82		216.06		249.30		299.16		299.16		district		
1,589.39	<b>1,809.52</b>	1,878.37	<b>2,138.53</b>	2,167.35	<b>2,467.53</b>	2,600.82	<b>2,961.04</b>	wsccl/spa				



## GLOSSARY OF TERMS

**Aggregate External Finance (AEF)** - the total of support for local authorities' revenue spending from government grants and business rates. It includes revenue support grant and certain specific grants. The total is fixed as part of the revenue support grant settlement.

**Area Cost Adjustment (ACA)** - the scaling factor applied to Formula Grant to reflect higher costs – mostly pay – in some council areas.

**Assumed National Council Tax (ANCT)** - the difference between Total Assumed Spending and Aggregate External Finance is approximately the amount that would be raised in Council Tax if local authorities as a whole spent at the level of their Formula Spending Shares. Dividing this total amount by the total Council Tax base produces an assumed national tax rate. This then gives the standard level of Council Tax for a band D property if all authorities spent at the level of their Formula Spending Share. This amount is used to work out how the Revenue Support Grant should be shared between authorities.

**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.

**Benefits** - Council Tax Benefit 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.

**Budget Guideline** - the term used by MSDC to describe the framework within which future years' budgets should be prepared. Budget Guidelines would be set by the Cabinet.

**Budget Requirement** - sum of money including parish and town council precepts required to be met from local taxpayers, revenue support grant, redistributed NNDR and any share of the estimated collection fund balance.

**Business Rates** - see National Non-Domestic Rates.

**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 capital charges.

**Capital Charges** - charges to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

**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 Expenditure Charged To Revenue Account** - the financing of capital expenditure from revenue.

**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 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.

**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.

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

**CERA** - Capital Expenditure Charged To Revenue Account.

**Certificate of Deposit** - is a certificate evidencing title to the placing of a sum of money with a fixed maturity date and rate of interest.

**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. Members of the Institute are entitled to use the letters CPFA after their names, and membership is by examination. CIPFA is an entirely privately funded body.

**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.

**Comprehensive Performance Assessment (CPA)** – a process of inspection carried out by the Audit Commission which brings together evidence from a range of sources to assess the quality of councils' performance.

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

**Contributions / Commuted Sums** - sums received from individuals and developers in lieu of future maintenance costs on land adoptions and 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 will utilise these moneys to maintain assets adopted and provide the facilities subject to S106 agreements within certain time limits.

**Council Tax** - the local tax payable on most residential properties in a local authority's area. 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** - an allowance to persons on low income (or none) to meet in whole or part their Council Tax. 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.

**Damping** – This is a method of ensuring that Councils get a reasonable grant increase every year. Each year the Government sets a minimum increase, this is known as the “floor”. Authorities are grouped with regard to the services they provide, and grant “floors” are calculated for each grouping.

**DEFRA** – Department for Environment, Food and Rural Affairs

**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.

**Distributable Amount** - this is the estimated total amount in the business rate pool that is available to be distributed to local authorities. The business rates are collected by local authorities and paid into a national pool and then redistributed to all authorities.

**EPCS** - Environmental, Protective and Cultural Services. This terminology is derived from the expenditure blocks used in the Formula Spending Share calculation that relates to district council services.

**Fees and Charges** - income arising from the provision of services, e.g. leisure facilities, car parks.

**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.

**Floors and ceilings** - a method by which stability in funding is protected through limiting the effect of wide variations in grant increase. A floor guarantees a fixed level of increase in grant and a ceiling results in no authority getting more than a certain level of increase. The grant increases of authorities who are neither at the floor or the ceiling are scaled back by a fixed proportion to help pay for the floor.

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

**Formula Grant** – comprises Revenue Support Grant and redistributed business rates.

**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, and targeted grant such as the Neighbourhood Renewal Fund.

**General Reserve** - referred to under Provisions and Reserves and further described in the Accounts Report and Statement of Accounts. It is this Council's reserve that is not earmarked for any specific purpose.

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

**Growth** - increases in expenditure from one year to another, excluding the effects of inflation.

**Guideline** - see Budget Guideline

**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".

**ICT** – Information Communication Technology

**Interest on Revenue Balances (or Interest receipts)** - the day-to-day cash flow of the authority is invested when it is in surplus, and borrowing is required when it is in deficit. The interest earned on any net surplus over the year is given one or other of these names.

**LIBOR** - is the rate at which the London Reference Banks will *offer* funds to the London Money Market.

**Local Government Finance Settlement** - the Local Government Finance Settlement is the annual determination of formula grant distribution as made by the Government and debated by Parliament. It includes:

- the totals of formula grant;
- how that grant will be distributed between local authorities; and
- the support given to certain other local government bodies.

**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. The proceeds are pooled nationally and redistributed as a fixed amount per head of resident population.

**Net Expenditure (gross expenditure less income)** - the term used by MSDC to describe net revenue expenditure for all Services less Capital Charges and Specific Items and excluding Benefits and revenue projects in the Programme of Revenue and Capital Projects.

**NNDR** - see National Non-Domestic Rates.

**Out-turn prices** - the actual price levels at the time the money is spent.

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

**PCT** - Primary Care Trust

**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, police authority, 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, replaces the complex regulatory frameworks that have governed local authority capital expenditure. The new system 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.

**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.

**Reverse Yield Curve** - exists where there is a higher rate of interest for short periods as opposed to long term (i.e. the reverse of a positive yield curve).

**RSG** – see Revenue Support Grant

**Section 137 Expenditure** - under Section 137 of the Local Government and Housing Act 1972 local authorities were allowed to spend a limited amount to do things they were not otherwise empowered to do, but which they considered to be in the interests of their area or its inhabitants, and which would produce a benefit commensurate with the expenditure involved. However, the power of a local authority to incur expenditure given by Section 137 of the Local Government Act 1972 has now been repealed. This has been replaced by Part 1, Section 2 of the Local Government Act 2000 which came into force on 18<sup>th</sup> October 2000. The Act creates a new discretionary power for local authorities in England and Wales allowing them to incur expenditure which in their opinion, is in the interests of, and will bring direct benefit to, their area or any part of it or to all or some of its inhabitants without limit.

**Service Support** - the cost of administration sections in the Service Departments apportioned to the services of that department.

**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. house renovation grants. Local authorities must apply a special accounting treatment to these grants.

**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.

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

**Underspending/Overspending** - see Overspending/Underspending.

**Virement** - the permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head, i.e. a switch of resources between budget heads.



