

Budget Book 2018-19

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- 9.6 This would help to close the budget gap to a more manageable amount in the future. It is also expected that as the Council gets to these years, the budgets would be firmed up with actual efficiencies and income to balance the budget.

10 Risks

- 10.1 The medium term financial strategy takes a prudent but balanced view of the financial future, but continuing to take further action is also important to also help mitigate the risks that the Council faces over the medium term. These risks are set out in summary below and include:
- late delivery of savings / income
 - lower savings or income as it can't be delivered to the size / scale envisaged
 - income may be affected by external factors such as a recession. A recession is probably due towards the end of the decade
 - economic uncertainty in Europe
 - further or steeper funding cuts / to help government meet their deficit reductions targets.
 - legislation forcing local government to pick up additional responsibilities that we don't yet know about
 - growth, from changing local factors for which we have no control, such as a new cinema coming to Horsham and the impact that this might have on the income at the Capitol for example.

11 Next steps

- 11.1 The Council meeting on 21 February 2018 will set the Council Tax for 2018/19.

12 Views of the Policy Development Advisory Group and outcome of consultations

- 12.1 The proposed budget, medium term financial strategy and assumptions and capital programme were considered by the Finance and Assets Policy Development and Advisory Group at its meeting on 8 January 2018 and the Group was supportive of the proposed strategy.
- 12.2 The Medium Term Financial Strategy was also recently reviewed at Cabinet on 23 November 2017 and approved by Council on 6 December 2017, which has allowed all Members the opportunity to discuss and review the medium term financial strategy proposals in advance of the 2018/19 budget setting process. The Leader, Deputy and Cabinet Members were also briefed on the proposed capital and revenue 2018/19 budgets on 7 December 2017 and 4 January 2018 respectively.
- 12.3 The Chief Executive, Directors and the Head of Finance have been extensively involved in preparing the medium term financial strategy and are fully supportive of its contents. The Monitoring Officer has also been consulted during the preparation of the document and is supportive of its contents.

13 Other courses of action considered but rejected

- 13.1 Not taking actions set out in this report would put at risk the ability of the Council to balance the budgets in 2018/19, 2019/20 or to reduce the budget deficits projected for 2020/21 and 2021/22. Therefore, not taking any action has been rejected.

14 Resource consequences

- 14.1 The Future Horsham changes will lead to a small reduction in the size of the workforce over the next two years. In September 2017, Horsham District Council employed 427 staff in total (462 in September 2016). This constituted 380 (413) full time equivalent (FTE) employees. The precise figure of further reductions, currently estimated at between 10 and 15 posts, will be firmed up as detailed plans for the individual elements are finalised.
- 14.2 In accordance with the Organisational Change Policy the Council will take steps to avoid compulsory redundancies as far as possible through a combination of vacancy control, redeployment and, in appropriate cases, voluntary redundancy.

15 Legal consequences

- 15.1 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their precepts, and authorities are required to take the Chief Financial Officer's report into account when setting the Council Tax.
- 15.2 The Council Tax in England and Wales is provided for and governed by the provisions of the Local Government Finance Act 1992. Within this Act, the Council is designated as a "Billing Authority", responsible for the billing, collection and enforcement of Council Tax.

16 Risk assessment

- 16.1 The Council's reliance on central government controlled funding and balancing the Medium Term Financial Strategy is captured on the Corporate Risk Register at CRR01. This is regularly reviewed and updated and is monitored at Audit Committee.

17 Other considerations

- 17.1 The Equality Act 2010 includes a public sector equality duty which requires Councils when exercising functions to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act and to advance equality of opportunity and foster good relations between those who share a "protected characteristic and those who do not share that protected characteristic". When a Budget proposal has implications for people covered by the Equality Act 2010, the Council must take account of the Equality Duty and any particular impact on the protected group. There are no equality implications in regards to this proposed budget.
- 17.2 There are no consequences of any action proposed in respect of Crime & Disorder; Human Rights; Diversity and Sustainability.

Addendum to the 2018/19 budget funding - updated 1 February 2018.

Since the 2018/19 budget papers were compiled for the Cabinet meeting on 21 January 2018, two changes have been made affecting the funding and projected surpluses in 2018/19 and 2019/20. Changes made are highlighted in red below:

Table 1: MTFS	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000
Net expenditure	11,862	10,714	10,535	11,440	12,350
Funding: New homes bonus	700	0	0	0	0
Council Tax	8,661	9,144	9,305	9,470	9,630
Revenue Support Grant	149	0	0	0	0
Transitional / Negative RSG grant additional 'tariff' payment	134	0	(695)	0	0
Baseline Business Rates	1,916	1,899	1,980	400	400
Additional Business Rates	200	200	200	0	50
Payment to parishes	(10)	0	0	0	0
Collection Fund surplus / (deficit)	182	82	-	-	-
Total Funding	11,932	11,325	10,790	9,870	10,080
Net (Surplus) / Deficit	(70)	(611)	(255)	1,570	2,270
<i>Difference to net (surplus) / deficit from Cabinet paper</i>		(58)	40		

The Valuation Office Agency (VoA) released new valuation data mid-January that revises the data used in the provisional finance settlement affecting the top up and tariffs for 2017/18. These drive the 2018/19 and 2019/20 tariffs and top ups, seen as a net amount in the baseline business rates line in the table above.

The impact is a £75k reduction in funding in 2018/19 and £40k reduction in 2019/20.

The completion of the NDR1 business rates return at 31 January 2018 using the latest data available resulted in a slightly lower NDR deficit being brought forward into the collection fund surplus / deficit calculation from 2017/18 into 2018/19.

The Council tax element of the collection fund position remains unchanged as a surplus. Overall, the effect from the NDR1 return has changed the estimated collection fund deficit of £49k into a £82k surplus.

The net effect of these changes is to improve the budget surplus in 2018/19 by £58k and reduce the 2019/20 forecast budget surplus by £40k.

Report to Council

Date of meeting 21 February 2018

By the Cabinet Member for Finance and Assets



DECISION REQUIRED

Not exempt

COUNCIL TAX RESOLUTION 2018/19

Executive Summary

This report seeks approval to the formal 2018/19 Council Tax resolution, setting out the Council Tax to be levied in each parish and for each property band. It is proposed to increase the District-wide Council Tax by £5 from £140.60 to £145.60 and to set the Special Charge in the unparished area at £24.60. Precepts from the County Council, Police and Crime Commissioner and parishes have been received and form part of the overall Council Tax.

Recommendations

The Council is recommended to resolve:

1. The Council Tax Base 2018/19 be noted
 - a. for the whole Council area as 60,846.5 (Item T in the formula in section 31B of the Local Government Finance Act 1992, as amended (the "Act") and
 - b. for dwellings in those parts of its area to which as Parish Precept or Special Expenses relates as shown below:

Parish	2018/19 tax base
Amberley	317.7
Ashington	1,125.6
Ashurst	147.2
Billingshurst	3,904.2
Bramber	418.0
Broadbridge Heath	2,123.4
Coldwaltham	464.7
Colgate	1,240.9
Cowfold	829.0
Henfield	2,611.4
Itchingfield	744.1
Lower Beeding	535.6
North Horsham	8,658.8
Nuthurst	1,033.1
Parham	122.9
Pulborough	2,520.7
Rudgwick	1,365.3
Rusper	813.6
Shermanbury	287.5
Shipley	665.8
Slinfold	880.3
Southwater	4,351.3
Steyning	2,573.4
Storrington & Sullington	3,219.2
Thakeham	949.3
Upper Beeding	1,424.5
Warnham	980.1
Washington	1,082.3
West Chiltington	2,194.1
West Grinstead	1,309.6
Wiston	101.9
Woodmancote	276.0
Horsham Town	11,575.1
Total	60,846.5

2. That the Council Tax requirement for the Council's own purposes for 2018/19 (excluding Special Expenses and Parish precepts) is £145.60.
3. That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:

- (a) £89,989,603 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- (b) £77,621,875 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £12,367,728 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (d) £203.26 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £3,508,776 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
- (f) £145.60 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

(g)					
Parish	Precept Amount £	Council Tax at Band D			
		Parish Precept / Special charge for Unparished Area		Basic Amount of District Council Tax	Total
		£		£	£
Amberley	19,150.00	60.28		145.60	205.88
Ashington	99,852.00	88.71		145.60	234.31
Ashurst	11,100.00	75.43		145.60	221.03
Billingshurst	335,932.00	86.04		145.60	231.64
Bramber	21,500.00	51.44		145.60	197.04
Broadbridge Heath	107,339.00	50.55		145.60	196.15
Coldwaltham	15,552.00	33.47		145.60	179.07
Colgate	19,320.00	15.57		145.60	161.17
Cowfold	61,900.00	74.67		145.60	220.27
Henfield	222,696.00	85.28		145.60	230.88
Itchingfield	62,000.00	83.32		145.60	228.92
Lower Beeding	34,240.00	63.93		145.60	209.53
North Horsham	319,943.00	36.95		145.60	182.55
Nuthurst	40,500.00	39.20		145.60	184.80
Parham	3,860.00	31.42		145.60	177.02
Pulborough	203,334.00	80.67		145.60	226.27
Rudgwick	73,040.00	53.50		145.60	199.10
Rusper	28,309.00	34.80		145.60	180.40
Shermanbury	20,800.00	72.35		145.60	217.95
Shipley	31,220.96	46.89		145.60	192.49
Slinfold	54,000.00	61.34		145.60	206.94
Southwater	509,107.00	117.00		145.60	262.60
Steyning	248,489.00	96.56		145.60	242.16
Storrington & Sullington	175,577.00	54.54		145.60	200.14
Thakeham	48,610.00	51.21		145.60	196.81
Upper Beeding	137,500.00	96.53		145.60	242.13
Warnham	63,667.00	64.96		145.60	210.56
Washington	40,370.00	37.30		145.60	182.90
West Chiltington	134,525.00	61.31		145.60	206.91
West Grinstead	67,750.00	51.73		145.60	197.33
Wiston	4,156.00	40.78		145.60	186.38
Woodmancote	8,675.00	31.43		145.60	177.03
Horsham Town - Special charge	284,762.00	24.60		145.60	170.20

being the amounts given by adding to the amount at (f) above the amounts of the special items relating to the dwellings in those parts of the Council's area mentioned above, calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

4. To note that the County Council have proposed precepts and the Sussex Police and Crime Commissioner has notified precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below:

Band Authority	A	B	C	D	E	F	G	H
West Sussex County Council	878.52	1,024.94	1,171.36	1,317.78	1,610.62	1,903.46	2,196.30	2,635.56

Band Authority	A	B	C	D	E	F	G	H
Sussex Police and Crime Commissioner	110.61	129.04	147.48	165.91	202.78	239.65	276.52	331.82

The Horsham District Figures are shown below:-

Band Authority	A	B	C	D	E	F	G	H
Horsham District Council	97.07	113.24	129.42	145.60	177.96	210.31	242.67	291.20

5. That, having calculated the aggregate in each case of the amounts at 3 and 4 above the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2018/19 for each part of its area and for each of the categories of dwellings:

BAND	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Amberley	1,126.38	1,314.10	1,501.84	1,689.57	2,065.03	2,440.49	2,815.95	3,379.13
Ashington	1,145.34	1,336.22	1,527.11	1,718.00	2,099.78	2,481.55	2,863.34	3,436.00
Ashurst	1,136.49	1,325.89	1,515.31	1,704.72	2,083.55	2,462.37	2,841.20	3,409.44
Billingshurst	1,143.56	1,334.14	1,524.74	1,715.33	2,096.53	2,477.71	2,858.90	3,430.67
Bramber	1,120.49	1,307.23	1,493.98	1,680.73	2,054.23	2,427.72	2,801.22	3,361.46
Broadbridge Heath	1,119.90	1,306.54	1,493.19	1,679.84	2,053.14	2,426.44	2,799.74	3,359.68
Coldwaltham	1,108.51	1,293.25	1,478.01	1,662.76	2,032.27	2,401.76	2,771.27	3,325.52
Colgate	1,096.58	1,279.33	1,462.10	1,644.86	2,010.39	2,375.91	2,741.44	3,289.72
Cowfold	1,135.98	1,325.29	1,514.63	1,703.96	2,082.62	2,461.27	2,839.94	3,407.92
Henfield	1,143.05	1,333.55	1,524.06	1,714.57	2,095.59	2,476.60	2,857.62	3,429.14
Itchingfield	1,141.75	1,332.03	1,522.33	1,712.61	2,093.20	2,473.78	2,854.36	3,425.23
Lower Beeding	1,128.82	1,316.95	1,505.09	1,693.22	2,069.50	2,445.77	2,822.04	3,386.45
North Horsham	1,110.83	1,295.96	1,481.10	1,666.24	2,036.52	2,406.79	2,777.07	3,332.48
Nuthurst	1,112.33	1,297.71	1,483.11	1,668.49	2,039.27	2,410.04	2,780.83	3,336.98
Parham	1,107.15	1,291.66	1,476.19	1,660.71	2,029.76	2,398.80	2,767.85	3,321.42
Pulborough	1,139.98	1,329.96	1,519.96	1,709.96	2,089.95	2,469.94	2,849.93	3,419.91
Rudgwick	1,121.86	1,308.83	1,495.81	1,682.79	2,056.75	2,430.69	2,804.65	3,365.57
Rusper	1,109.40	1,294.28	1,479.19	1,664.09	2,033.89	2,403.68	2,773.48	3,328.17
Shermanbury	1,134.43	1,323.49	1,512.57	1,701.64	2,079.79	2,457.93	2,836.07	3,403.28
Shipley	1,117.46	1,303.69	1,489.94	1,676.18	2,048.67	2,421.15	2,793.65	3,352.37
Slinfold	1,127.09	1,314.93	1,502.79	1,690.63	2,066.33	2,442.03	2,817.73	3,381.26
Southwater	1,164.20	1,358.22	1,552.26	1,746.29	2,134.36	2,522.42	2,910.49	3,492.58
Steyning	1,150.57	1,342.32	1,534.09	1,725.85	2,109.38	2,492.89	2,876.42	3,451.70
Storrington & Sullington	1,122.56	1,309.64	1,496.74	1,683.83	2,058.02	2,432.20	2,806.39	3,367.66
Thakeham	1,120.34	1,307.05	1,493.78	1,680.50	2,053.94	2,427.38	2,800.83	3,360.99
Upper Beeding	1,150.55	1,342.30	1,534.06	1,725.82	2,109.34	2,492.85	2,876.37	3,451.63
Warnham	1,129.51	1,317.74	1,506.00	1,694.25	2,070.75	2,447.25	2,823.76	3,388.50
Washington	1,111.07	1,296.23	1,481.41	1,666.59	2,036.95	2,407.30	2,777.65	3,333.18
West Chiltington	1,127.08	1,314.91	1,502.76	1,690.60	2,066.30	2,441.98	2,817.68	3,381.21
West Grinstead	1,120.69	1,307.46	1,494.25	1,681.02	2,054.59	2,428.15	2,801.71	3,362.05
Wiston	1,113.38	1,298.94	1,484.51	1,670.07	2,041.20	2,412.32	2,783.45	3,340.13
Woodmancote	1,107.15	1,291.66	1,476.20	1,660.72	2,029.77	2,398.82	2,767.87	3,321.44
Horsham Town - Special charge	1,102.60	1,286.35	1,470.13	1,653.89	2,021.43	2,388.95	2,756.49	3,307.78

6. To note that the Council 's basic amount of Council Tax for 2018/19 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

Horsham District Council Tax Band D

2017/18	2018/19	Council Tax increase
£145.28	£150.28	£5

As the billing Authority the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2018/19 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 522K Local Government Act 1992.

7. There are no changes to the Council Tax discount policies.

Reasons for Recommendations

To meet the Council's statutory requirement to set a Council Tax.

Background Papers

Report to Cabinet 25 January 2018

Consultation

None

Wards Affected

All

Contact

Dominic Bradley, Head of Finance, 01403 215302

Background Information

1 Introduction

- 1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2018/19.

Background / actions taken to date

- 1.2 The Cabinet met on 25 January 2018 and received a report from the Director of Corporate Resources on the 2018/19 Budget and the Medium Term Financial Strategy. The report was accepted and recommendations made to Council to agree the revenue and capital budgets for 2018/19 and the Special Expenses for the unparished area. The recommendation was to increase the District-wide Council Tax by £5 from £140.60 to £145.60 and set the Special Charge on the unparished area at £24.60.

2 Statutory and Policy Background

- 2.1 The statutory requirements for the Council Tax resolution are contained in the Local Government Finance Act 1992 as amended by the Localism Act 2011. The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 came into force on 25 February 2014 and require that immediately after any vote is taken at a budget decision meeting of an authority there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

3 Details

- 3.1 Precept requirements have been received from all the parishes within the district and from West Sussex County Council and the Sussex Police and Crime Commissioner. These figures, together with the proposed District tax and Special Charge are incorporated in the detailed tables included in the Council Tax resolution.
- 3.2 The Council Tax discount policies remain unchanged as summarised below:
- Horsham District Council will not award any discount period on empty and unfurnished homes; 100% council tax will be payable.
 - Horsham District Council will not award any discretionary discount for vacant property; 100% council tax will be payable.
 - Horsham District Council has determined that Council Tax payable in respect of long-term empty properties (over 2 years) will be 100% of Council Tax due plus an additional premium of 50% of Council Tax due.
 - Horsham District Council will not award a Council Tax discount on second homes; 100% council tax will be payable.

4 Other courses of action considered but rejected

- 4.1 The Council is required to set a Council Tax. No other course of action has been considered.

5 Resource consequences

- 5.1 The financial consequences of the proposed budget have been included in the report to Cabinet. The staffing consequences of the proposed budget have been included in the report to Cabinet.

6 Legal consequences

- 6.1 The Council Tax in England and Wales is provided for and governed by the provisions of the Local Government Finance Act 1992. Within this Act, the Council is designated as a “Billing Authority”, responsible for the billing, collection and enforcement of Council Tax.

7 Risk assessment

- 7.1 The Council’s reliance on central government controlled funding and balancing the Medium Term Financial Strategy is captured on the Corporate Risk Register at CRR01. This is regularly reviewed and updated and is monitored at every Audit Committee meeting.

8 Other considerations

- 8.1 The Equality Act 2010 includes a public sector equality duty which requires Councils when exercising functions to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act and to advance equality of opportunity and foster good relations between those who share a “protected characteristic and those who do not share that protected characteristic”. When a Budget proposal has implications for people covered by the Equality Act 2010, the Council must take account of the Equality Duty and any particular impact on the protected group. There are no equality implications in regards to this proposed budget.
- 8.2 There are no consequences of any action proposed in respect of Crime & Disorder; Human Rights; Diversity and Sustainability.

Capital Expenditure Plans

The Council is asked to approve the capital expenditure projections below. The estimate of capital expenditure is based on the capital programme in this report and estimates of capital spend that may become necessary during the period of the medium term financial strategy.

	2017/18 Revised £000	2018/19 Revised £000	2019/20 Revised £000	2020/21 Estimate £000
Projected Capital Expenditure	31,389	24,296	8,989	5,808
Financed by:				
Capital receipts and third party contributions	7,958	6,496	2,776	2,095
Capital grants	513	713	713	713
Revenue reserves*	7,112	7,201	4,442	3,000
Total Financing	15,583	14,410	7,931	5,808
Net financing need	15,806	9,886	1,058	0

* Includes use of New Homes Bonus

The Council's borrowing need, the Capital Financing Requirement.

The Council is asked to approve the projections below.

Capital Financing Requirement	2017/18 Revised £000	2018/19 Revised £000	2019/20 Revised £000	2020/21 Estimate £000
Opening balance	15,989	30,871	39,877	39,925
Net financing need	15,806	9,886	1,058	0
Less MRP	(924)	(880)	(1,010)	(1,035)
Closing balance	30,871	39,877	39,925	38,890
Net increase / (decrease)	14,882	9,006	48	(1,035)

The CFR is forecast to rise significantly next year as capital expenditure financed by debt outweighs resources put aside for debt repayment. In the subsequent two years it stabilises. The current longer term projection shows 2019/20 as the peak level.

Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence. Total debt is expected to remain below the CFR during the forecast period as indicated below.

	2017/18 Revised £000	2018/19 Revised £000	2019/20 Revised £000	2020/21 Estimate £000
Gross Borrowing	4,000	9,000	5,000	5,000
Capital Fin. Req.	30,871	39,877	39,925	38,890

Limits to debt

There are two indicators that seek to put a limit on debt. The first limiting indicator is the 'operational boundary' which represents the expected maximum debt position during each year but is not an absolute limit. The other debt prudential indicator is the 'authorised limit' for external debt which represents the limit beyond which external borrowing is prohibited, and needs to be set and revised by Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The table below shows the estimates that the Council are asked to approve.

	2018/19	2019/20	2020/21
Operational boundary - borrowing	£9m	£5m	£5m
Operational boundary – other long term liabilities	£0m	£0m	£0m
Operational boundary - Total	£9m	£5m	£5m
Authorised limit – borrowing	£17m	£17m	£17m
Authorised limit – other long-term liabilities	£1m	£1m	£1m
Authorised limit – Total	£18m	£18m	£18m

The projection assumes the current single debt is repaid and £5m is borrowed. The authorised limit is increased from last year to take into account the expected increased borrowing.

Affordability Prudential Indicators

Estimates of the ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing costs net of investment income) against the net revenue stream. It therefore measures how much of the Council's overall income is used to finance capital. The increase is due to the capital expenditure which is not financed from capital and revenue resources.

2017/18	2018/19	2019/20	2020/21
2%	3%	4%	4%

Estimates of the incremental impact of capital investment decisions on the Council Tax

This indicator identifies the revenue costs associated with the proposed changes to the capital programme recommended in the budget report. The costs are shown per Band D property and have been included in all the budget projections brought before the Council. The small cost reflects that the growth in capital spend is overwhelmingly externally funded or provides a financial return.

2018/19	2019/20	2020/21
£0.05	£0.10	£0.11

Adoption of the CIPFA Treasury Management Code

The Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition in February 2012. It fully complies with the Codes recommendations.

New Homes Bonus (NHB) – January 2018

Appendix H

Dec 2017 settlement for NHB		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
5 years in 2017/18	2011/12	379	379	379	379	379	379				
4 years from 2018/19	2012/13		390	390	390	390	390				
	2013/14			397	397	397	397	397			
	2014/15				776	776	776	776			
	2015/16					994	994	994	994		
	2016/17						1,462	1,462	1,462	1,462	
0.4% baseline	2017/18							1,186	1,186	1,186	1,186
0.4% baseline	2018/19								1,185	1,185	1,185
0.7% baseline	2019/20									911	911
0.7% baseline	2020/21										911
		379	769	1,166	1,942	2,936	4,398	4,815	4,827	4,744	4,193
	Used to fund revenue	0	0	1,166	1,166	1,166	1,166	700	0	0	0
	Used for BBH leisure centre	0	0	0	0	0	2,000	5,000	4,500	2,500	
	Used for investment property									2,500	3,000
	One-off neighbourhood warden grant								150		
	Added to / (drawn from) Reserves	379	769	0	776	1,770	1,232	-885	177	-256	1,193
	<u>Total Reserve figure</u>	379	1,148	1,148	1,924	3,694	4,926	4,041	4,218	3,962	5,155

Notes:

The Provisional Settlement has confirmed the mechanism of NHB has reduced to 4 years in 2018/19. The 0.4% baseline was retained, the amount which needs to be exceeded before any NHB payments are made. For 2018/19, measured against the total band D equivalents in the district, 0.4% equates to approximately 240 additional houses a year before we receive anything. The projected figures in *red italics* are subject to the announcement being made in future settlements on the baseline. At this point too, no figures beyond 2020/21 are included on the assumption that payments may not continue into the 2020s. No decision has been made by central government and has not yet been confirmed.

Reliance on NHB to support revenue has tapered down to nil in 2018/19. We have taken measures to increase income and phase in additional spending reductions to balance the budget as new homes bonus cannot be considered a permanent source of income, especially if it is included in 100% localisation of business rates. The table also assumes that NHB reserve is used to fully fund the capital project at Broadbridge Heath (BBH) leisure centre (and running track) in addition to the £4m allocated in 2016/17 and in 2017/18 as previously approved by Cabinet. It also assumes that the £3m of commercial property investment each year starts to be funded from NHB once the BBH leisure centre is paid for, thus financing the purchases and reducing the MRP charge of an unfinanced asset.

The government has retained the option of making adjustments to the baseline in future years. An increase in the baseline of 0.1% is equivalent to approximately 60 band D dwellings, which at the standard payment of around £1,530 per dwelling would reduce NHB by £90k. The table models NHB in 2019/20 with a 0.7% baseline which is more akin to the national average increase. The latter year scenarios assume house building continues at the same rate which may not be the case if the economy slows down.

BUDGET SUMMARY

2018-2019

Original Budget 2017-2018	Cost Centre	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2018-2019
<u>CHIEF EXECUTIVE OFFICE</u>										
260,335	Chief Executive Office	277,395			1,990				279,385	279,385
127,850	Democratic Rep	8,910			114,600				123,510	123,510
388,185	CHIEF EXECUTIVE OFFICE	286,305			116,590				402,895	402,895
<u>COMMUNICATIONS</u>										
406,785	COMMUNICATIONS	368,425		150	112,300			-15,000	480,875	465,875
<u>794,970</u>	<u>CHIEF EXECUTIVE</u>	<u>654,730</u>		<u>150</u>	<u>228,890</u>			<u>-15,000</u>	<u>883,770</u>	<u>868,770</u>

Original Budget 2017-2018	Cost Centre	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2018-2019
<u>COMMUNITY & CULTURE</u>										
283,018	Capitol	575,450	285,480	1,500	910,680			-1,467,070	1,773,110	306,040
214,705	Community & Culture	154,245		200	119,040				273,485	273,485
495,642	Community Development	174,035	2,900	1,420	370,813			-64,596	549,168	484,572
271,780	Community Safety	383,960	1,780	20,150	76,690	25,000		-233,900	507,580	273,680
-30,000	Health and Wellbeing	236,000	7,050	4,300	29,350			-306,700	276,700	-30,000
-93,865	Leisure Services	216,240	105,590	4,990	178,250	197,660		-858,625	702,730	-155,895
234,490	Museums	151,020	79,600	100	52,960			-42,250	283,680	241,430
1,004,580	Parks & countryside services	695,691	399,520	2,960	149,150	203,720		-432,150	1,451,041	1,018,891
2,380,350	COMMUNITY & CULTURE	2,586,641	881,920	35,620	1,886,933	426,380		-3,405,291	5,817,494	2,412,203
<u>DIRECTOR OF COMMUNITY SERVICES</u>										
126,530	DIR OF COMMUNITY SERVICES	124,200		200	1,120				125,520	125,520
<u>ENVIRONMENTAL HEALTH/LICENSING</u>										
676,280	ENVIRONMENTAL HEALTH/LICENSING	1,045,965	430	15,500	187,230			-591,125	1,249,125	658,000
<u>COMMUNITY SERVICES</u>										

Original Budget 2017-2018	Cost Centre	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2018-2019
<u>HOUSING</u>										
5,000	Housing				5,000				5,000	5,000
553,300	Housing Needs	460,670	5,000	5,500	226,780			-134,500	697,950	563,450
-598,430	Housing Services	11,090	132,460		19,610			-743,000	163,160	-579,840
-40,130	HOUSING	471,760	137,460	5,500	251,390			-877,500	866,110	-11,390
<u>STREET SCENE & FLEET</u>										
1,036,166	Litter & Cleansing	838,608	3,200	8,500	264,919			-35,500	1,115,227	1,079,727
117,182	Refuse depots		99,000		12,540				111,540	111,540
1,868,250	Vehicle & Plant	265,910		962,735	43,050			-12,000	1,271,695	1,259,695
3,021,598	STREET SCENE & FLEET	1,104,518	102,200	971,235	320,509			-47,500	2,498,462	2,450,962
<u>WASTE & RECYLING</u>										
254,629	Operations	2,656,616	4,000	7,400	171,580	30,000		-2,656,900	2,869,596	212,696
-397,250	Trade Waste & Recycling	280,036		1,000	733,890			-1,110,013	1,014,926	-95,087
-142,621	WASTE & RECYLING	2,936,652	4,000	8,400	905,470	30,000		-3,766,913	3,884,522	117,609
<u>6,022,007</u>	<u>COMMUNITY SERVICES</u>	<u>8,269,736</u>	<u>1,126,010</u>	<u>1,036,455</u>	<u>3,552,652</u>	<u>456,380</u>		<u>-8,688,329</u>	<u>14,441,233</u>	<u>5,752,904</u>

Original Budget 2017-2018	Cost Centre	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2018-2019
AUDIT						<u>CORPORATE RESOURCES</u>				
196,150	AUDIT	0		0	0	152,340			152,340	152,340
<u>CUSTOMER SERVICES</u>						<u>CORPORATE RESOURCES</u>				
338,865	CUSTOMER SERVICES	362,800			17,820		-5,375	380,620		375,245
<u>PERFORMANCE</u>						<u>CORPORATE RESOURCES</u>				
262,010	POLICY AND PERFORMANCE	214,630			3,850			218,480		218,480
<u>PROCUREMENT</u>						<u>CORPORATE RESOURCES</u>				
68,220	PROCUREMENT	79,515		260	5,540		-19,300	85,315		66,015
<u>DIRECTOR OF RESOURCES</u>						<u>CORPORATE RESOURCES</u>				
210,000	Benefit Payments				250,000	31,490,000	-31,530,000	31,740,000		210,000
1,065,420	Census Revs & Bens				1,375,420		-310,000	1,375,420		1,065,420
126,590	Director of Resources	128,090			540			128,630		128,630
-511,366	HDC Revs & Bens				70,170		-581,536	70,170		-511,366
890,644	DIRECTOR OF RESOURCES	128,090			1,696,130	31,490,000	-32,421,536	33,314,220		892,684

Original Budget 2017-2018	Cost Centre	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2018-2019
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FINANCE

CORPORATE RESOURCES

<i>Section:</i>	<i>FINANCE ACCOUNTANCY</i>									
826,110	Finance Accountancy	634,640		480	133,120	18,000		0	786,240	786,240
1,342,746	Finance Corporate	496,176			316,370		1,035,100	-689,500	1,847,646	1,158,146
2,168,856	FINANCE	1,130,816		480	449,490	18,000	1,035,100	-689,500	2,633,886	1,944,386

Technology Services

CORPORATE RESOURCES

740,817	CENSUS ICT				233,000			-155,333	233,000	77,667
13,000	CENSUS PROJECTS				13,000				13,000	13,000
856,145	HDC ICT	770,880		1,500	732,950				1,505,330	1,505,330
156,250	HDC PROJECTS				156,250				156,250	156,250
1,766,212	TECHNOLOGY SERVICES	770,880		1,500	1,135,200			-155,333	1,907,580	1,752,247

HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT

CORPORATE RESOURCES

33,110	Equalities	0		0	0			0	0	0
504,300	Human Resources	428,030		500	68,910				497,440	497,440
537,410	HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT	428,030		500	68,910			0	497,440	497,440

OriginalDirect Budget 2017-2018	Cost Centre	Employee Expenses	Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2018-2019
<u>LEGAL & DEMOCRATIC</u>										
832,370	Democratic Services	205,090		22,250	549,150			-8,500	776,490	767,990
618,900	Legal	675,990		100	48,510			-102,500	724,600	622,100
1,451,270	LEGAL & DEMOCRATIC	881,080		22,350	597,660			-111,000	1,501,090	1,390,090
<u>7,679,637</u>	CORPORATE RESOURCES	<u>3,995,841</u>		<u>25,090</u>	<u>3,974,600</u>	<u>31,660,340</u>	<u>1,035,100</u>	<u>-33,402,044</u>	<u>40,690,971</u>	<u>7,288,927</u>

Original Budget 2017-2018	Cost Centre	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2018-2019
<u>BUILDING CONTROL</u>									<u>PLANNING , ECON DEV, PROPERTY</u>	
-21,150	BUILDING CONTROL	745,930	4,300	18,330	67,270			-872,560	835,830	-36,730
<u>DEVELOPMENT</u>									<u>PLANNING , ECON DEV, PROPERTY</u>	
355,640	DEVELOPMENT	1,659,030	1,500	7,450	414,190			-1,524,250	2,082,170	557,920
<u>DIRECTOR OF PLANNING, ECON DEV & PROP</u>									<u>PLANNING , ECON DEV, PROPERTY</u>	
125,370	DIR OF PLANNING, ECON DEV & PROP	127,870							127,870	127,870
<u>Department:</u>	<u>ECONOMIC DEVELOPMENT</u>								<u>PLANNING , ECON DEV, PROPERTY</u>	
257,940	Economic Development	198,200	860	1,500	64,275			-7,800	264,835	257,035
129,150	Town Centre Management	87,420	24,650	250	79,670			-42,200	191,990	149,790
22,000	Visitor Economy		22,190		6,000				28,190	28,190
409,090	ECONOMIC DEVELOPMENT	285,620	47,700	1,750	149,945			-50,000	485,015	435,015
<u>PARKING SERVICES</u>									<u>PLANNING , ECON DEV, PROPERTY</u>	
514,290	Parking	406,120			135,940				542,060	542,060
-269,130	Parking services	285,310		2,000	59,970			-524,210	347,280	-176,930
-169,787	Rural car parks		68,563		83,900			-374,240	152,463	-221,777
-2,850,552	Urban Car Parks		664,885		72,720			-3,830,882	737,605	-3,093,277
-2,775,179	PARKING SERVICES	691,430	733,448	2,000	352,530			-4,729,332	1,779,408	-2,949,924

Original Budget 2017-2018	Cost Centre	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2018-2019
<u>PROPERTY & FACILITIES</u>			<u>PLANNING , ECON DEV, PROPERTY</u>							
498,030	Buildings		350,480		142,830				493,310	493,310
-2,584,660	Investment Properties		496,600		126,510	5,000		-4,005,650	628,110	-3,377,540
619,330	Properties & Facilities	555,620		1,720	90,130			-700	647,470	646,770
32,220	Public Realm		87,010		4,860			-62,650	91,870	29,220
-1,435,080	PROPERTY & FACILITIES	555,620	934,090	1,720	364,330	5,000		-4,069,000	1,860,760	-2,208,240
<u>SPATIAL PLANNING</u>			<u>PLANNING , ECON DEV, PROPERTY</u>							
886,975	SPATIAL PLANNING	876,570	7,350	3,420	221,160			-67,800	1,108,500	1,040,700
<u>-2,454,334</u>	<u>PLANNING , ECON DEV, PROPERTY</u>	<u>4,942,070</u>	<u>1,728,388</u>	<u>34,670</u>	<u>1,569,425</u>	<u>5,000</u>		<u>-11,312,942</u>	<u>8,279,553</u>	<u>-3,033,389</u>
<u>12,042,280</u>	Report Totals	<u>17,862,377</u>	<u>2,854,398</u>	<u>1,096,365</u>	<u>9,325,567</u>	<u>32,121,720</u>	<u>1,035,100</u>	<u>-53,418,315</u>	<u>64,295,527</u>	<u>10,877,212</u>
(179,890)	Less capitalised salaries									(162,930)
11,862,390	Total									<u>10,714,282</u>

Capital Programme

Appendix Ei

Description	Expected full year 17/18	Proposed 2018/19	Proposed 2019/20	Proposed 2020/21	Proposed 2021/22
DISASTER RECOVERY	-	7,389	-	-	-
LAN - HDC	-	4,850	-	-	-
HDC-WINDOWS7+MS OFFICE2010ROLLOUT	-	19,871	-	-	-
ICT PROJECTS	200,000	200,000	200,000	200,000	200,000
BBHLC-NEW BUILD	6,733,131	4,843,008	2,500,000	-	-
RIVERSIDE WALK PROJECT-HORMARE	18,000	7,870	-	-	-
CAR PARK SOUTHWATER (COUNTRY PARK)	3,159	-	-	-	-
HORSHAM PARK POND IMPROVEMENTS	4,000	25,325	-	-	-
BENNETS FIELD IMPROVEMENTS	8,921	-	-	-	-
WARNHAM NATURE RESERVE IMPROVEMENTS	10,500	36,302	-	-	-
SOUTHWATER COUNTRY PARK - TOILETS	6,793	-	-	-	-
NORTH PARADE CAR PARK LANDSCAPING	1,418	-	-	-	-
MANOR FIELDS PLAY AREA	50,000	-	-	-	-
HORSHAM PARK TENNIS COURT IMPROVEMENTS	42,000	-	-	-	-
PIXIES HOLLOW FOOTBALL PITCH IMPROVEMENT	1,500	18,500	-	-	-
SOUTHWATER COUNTRY PARK - PARKING INITIATIVES	80,000	109,000	-	-	-
HORSHAM PARK OUTDOOR GYM	42,500	-	-	-	-
REDKILN PLAY AREA	49,139	-	-	-	-
ROFFEY PLAY AREA	100,000	-	-	-	-
ST MARY'S GARDEN OF REMEMBRANCE	75,000	-	-	-	-
CAPITOL THEATRE - FLY SYSTEM	39,000	-	-	-	-
RIVERSIDE WALK - HILLS FARM LANE	20,890	-	-	-	-
MULTI-STOREY CAR PARK-REPAIRS	-	-	300,000	-	-
SWAN WALK CENTRE	-	300,000	-	-	-
SIGNAGE - TOWN & RURAL CAR PARKS	1,325	-	-	-	-
ANPR EXTENDED - HURST RD	109,418	-	-	-	-
RURAL CAR PARK INFRASTRUCTURE	22,563	-	50,000	50,000	50,000
PAVILIONS HURST ROAD CAR PARK	200,000	-	-	-	-
PIRIES PLACE CARPARK	100,000	7,606,507	-	-	-
PIRIES PLACE CAR PAR LIFT	80,919	-	-	-	-
FORUM CAR PARK LIFT	107,325	-	-	-	-
HILLSIDE PARK,SMALL DOLE,SAFETY WORKS	4,197	-	-	-	-
BISHOPRIC REFURBISHMENT / ENHANCEMENT	-	228,791	-	-	-
COMMERCIAL ESTATES - GENERAL	-	100,000	100,000	100,000	100,000
ENERGY EFFICIENCY IMPROVEMENTS	35,000	-	-	-	-
WICKHURST PUMP STATION	-	200,000	-	-	-
HOP OAST DEPOT REALIGNMENT	2,365,941	-	-	-	-
COMMERCIAL PROPERTY INVESTMENT FUND	15,806,492	3,000,000	3,000,000	3,000,000	3,000,000
OLD BARN PUMP ALLEY	-	200,000	-	-	-
CHESWORTH FARM - NEW STORAGE FACILITY	75,000	25,000	-	-	-
DENNE ROAD LODGE	30,000	5,000	-	-	-
ROWAN DRIVE GARAGES, BILLINGSHURST	20,000	1,530,000	-	-	-
PEARY CLOSE, HORSHAM	80,000	1,370,000	-	-	-
LAND AT OAKHURST BUSINESS PARK - PHASE 4	75,000	-	-	-	-
TEMP ACCOM APARTMENTS (BISHOPRIC)	363,063	-	-	-	-
MYRTLE LANE CAR PARK (BILLINGSHURST)	13,497	-	-	-	-
WEST STREET IMPROVEMENTS	20,000	-	-	-	-
DISABLED ACCESS TO PUBLIC BUILDINGS	5,545	-	-	-	-
CORPORATE PROVISION - ASSET ENHANCEMENT	-	50,000	500,000	500,000	500,000
VEHICLES - NEW	3,300,000	743,000	261,000	120,000	305,000
WASTE/RECYCLING IN CAB SYSTEM	5,900	-	-	-	-
96 ACT-DISABLED FACILITY GRANT	513,000	713,000	713,000	713,000	713,000
ACT-HOME REPAIR ASSIST. GRANT	100,000	125,000	125,000	125,000	125,000
HOUSING ENABLING GRANTS	404,000	1,000,000	1,000,000	1,000,000	1,000,000
<i>Billingshurst Car Park development</i>	-	75,000	-	-	-
<i>Albion Way Connectivity - Worthing Road</i>	-	200,000	-	-	-
<i>Horsham to Southwater - Cycling & Walking Route</i>	-	160,000	-	-	-

Capital Programme

Appendix Ei

Description	Expected full year 17/18	Proposed 2018/19	Proposed 2019/20	Proposed 2020/21	Proposed 2021/22
<i>Pavilions Legacy Maintenance</i>	-	120,000	-	-	-
<i>Warnham Nature Reserve Boardwalk replacement</i>	-	25,000	-	-	-
<i>Horsham Park Play Area Improvements</i>	-	78,428	-	-	-
<i>Parking cctv</i>	-	30,000	-	-	-
<i>Pay and display machines</i>	-	38,000	-	-	-
<i>Capitol Sound Desk replacement</i>	-	35,000	-	-	-
<i>Swan Walk Redevelopment</i>	-	765,000	-	-	-
<i>Roffey Recreation Ground Regeneration Project</i>	-	100,000	-	-	-
<i>Horsham Skate Park</i>	-	10,000	240,000	-	-
<i>West Street Planters</i>	-	30,000	-	-	-
<i>Rural CP - Steyning (Fletchers Croft)</i>	-	88,180	-	-	-
<i>Rural CP - Henfield (Library)</i>	-	73,182	-	-	-
<i>Generator-Hop Oast Depot</i>	65,000				
TOTAL	31,389,136	24,296,203	8,989,000	5,808,000	5,993,000
New projects budgets are shown in lower case italics					