

WEST SUSSEX COUNTY COUNCIL

BUDGET PACK 2016/17

The enclosed budget pack is as was presented and approved at the meeting of Full Council on 19 February 2016. The pack was subject to some late amendments as a result of the late finalisation of the local government finance settlement, and also the late notification of a reduction in the Public Health Grant. These amendments are summarised in a paper attached at the rear of this pack, which was also presented and approved at the County Council meeting on 19 February 2016.

TABLE 1

SUMMARY OF REVENUE BUDGET AND PRECEPT 2016/17

Total Net Expenditure 2015/16 ¹		SERVICE	Total Net Expenditure 2016/17	
Amount	Amount per Council Taxpayer (Band D equivalent)		Amount	Amount per Council Taxpayer (Band D equivalent)
£000	£		£000	£
167,387	539.11	Adult Social Care and Health	178,333	563.50
77,327	249.05	Children - Start of Life	86,162	272.25
1,450	4.67	Community Wellbeing	1,629	5.15
44,237	142.47	Corporate Relations	43,809	138.43
15,983	51.48	Education and Skills	16,259	51.37
17,069	54.97	Finance	18,231	57.61
40,664	130.97	Highways and Transport	38,227	120.79
1,506	4.85	Leader	2,260	7.14
99,088	319.13	Residents' Services	98,033	309.77
464,711	1,496.70	SERVICE TOTALS	482,943	1,526.01
16,718	53.85	Capital Financing - Repayment of Borrowing	16,891	53.37
18,596	59.89	Capital Financing - Interest on Borrowing	18,664	58.98
21,210	68.31	Revenue Contribution to Capital Outlay	13,308	42.05
-1,864	-6.00	Investment Income	-1,864	-5.89
4,723	15.21	General Contingency	3,204	10.13
9,443	30.41	LGPS Lump Sum Pension Contribution	9,470	29.92
500	1.61	Be the Business	0	0.00
500	1.61	Business Rate Pool	0	0.00
60	0.19	Worthing Hardship Fund	60	0.19
1,378	4.44	Transfers to/from (-) Earmarked Reserves	-13,892	-43.90
-3,142	-10.12	2015/16 Thematics Requiring Allocation	0	0.00
-3,947	-12.71	Council Tax Freeze Subsidy Grant	0	0.00
64,175	206.69	NON-SERVICE TOTALS	45,841	144.85
528,886	1,703.39	NET EXPENDITURE	528,784	1,670.86
-148,354	-477.81	Settlement Funding Assessment	-125,614	-396.92
-1,156	-3.72	Business Rates Local Growth	-1,949	-6.16
-2,342	-7.54	Business Rate Cap Grant (Section 31)	-1,949	-6.16
-8,649	-27.86	Education Services Grant	-7,438	-23.50
-239	-0.77	Government Returned Top Slice	0	0.00
-677	-2.18	Local Services Support Grant	-521	-1.64
-3,810	-12.27	New Homes Bonus Grant	-5,362	-16.94
-3,356	-10.81	Council Tax Collection Fund Surplus (-) / Deficit	-3,860	-12.20
483	1.56	Business Rate Collection Fund Surplus (-) / Deficit	175	0.55
360,786	1,161.99	PRECEPT	382,266	1,207.89
	0.00%	Increase in Council Tax Band D on Previous Year		3.95%
310,490.10		Council Tax Band D Equivalents	316,473.80	

¹ The 2015/16 budgets have been restated from the 2015/16 budget book to reflect the permanent allocation to portfolios of Thematic savings previously held in Non Portfolio.

TABLE 2

ANALYSIS OF CHANGES

PORTFOLIO	Budget 2015/16	Effective Change in Spending ¹					Change in Central Government Funding Arrangements	Transfers between Portfolios	Overall Change in Spending col 6+7+8	Budget 2016/17 col 1 + col 9
		Pay and Prices	Committed & Service Changes	Balancing the Budget (Table 3)		Total col 2 + 3 + 4 + 5				
				Spending Changes	Additional Income					
column 1	column 2	column 3	column 4	column 5	column 6	column 7	column 8	column 9	column 10	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care and Health	167,387	2,421	14,871	-4,653	-1,850	10,789	2,528	-2,371	10,946	178,333
Children - Start of Life	77,327	1,861	7,805	-1,789		7,877		958	8,835	86,162
Community Wellbeing	1,450	107	-94	-2,347		-2,334		2,513	179	1,629
Corporate Relations	44,237	1,095	800	-2,229		-334		-94	-428	43,809
Education and Skills	15,983	365	55	-125	-100	195		81	276	16,259
Finance	17,069	264	1,808	-504	-525	1,043		119	1,162	18,231
Highways and Transport	40,664	917	126	-3,256	-127	-2,340		-97	-2,437	38,227
Leader	1,506	31	885	-7		909		-155	754	2,260
Residents' Services	99,088	1,674	105	-761	-182	836		-1,891	-1,055	98,033
SERVICE TOTALS	464,711	8,735	26,361	-15,671	-2,784	16,641	2,528	-937	18,232	482,943
Capital Financing - Repayment of Borrowing	16,718		-728	-155		-883		1,056	173	16,891
Capital Financing - Interest on Borrowing	18,596		68			68			68	18,664
Revenue Contribution to Capital Outlay	21,210		-7,902			-7,902			-7,902	13,308
Investment Income	-1,864					0			0	-1,864
General Contingency	4,723		-1,400			-1,400		-119	-1,519	3,204
LGPS Lump Sum Pension Contribution	9,443		27			27			27	9,470
Be the Business	500		-500			-500			-500	0
Business Rate Pool	500		-500			-500			-500	0
Worthing Hardship Fund	60					0			0	60
Transfers to/from (-) Earmarked Reserves	1,378		-17,554			-17,554	2,284		-15,270	-13,892
2015/16 Thematics Requiring Allocation	-3,142		3,142			3,142			3,142	0
Council Tax Freeze Subsidy Grant	-3,947					0	3,947		3,947	0
NON-SERVICE TOTALS	64,175	0	-25,347	-155	0	-25,502	6,231	937	-18,334	45,841
NET EXPENDITURE	528,886	8,735	1,014	-15,826	-2,784	-8,861	8,759	0	-102	528,784

¹ The effective change in spending is shown in greater detail in each portfolio section. This represents changes that will either be borne directly by the council taxpayer or via general financing grants from central government.

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
Adult Social Care and Health				
<i>Changes to Spending:</i>				
Review options for directly provided services	250	250	500	The rise in the number of people with personal budgets is leading to people being able to make choices about how they receive the care and support they need. As a consequence people are able to choose from a wide range of day care provision. The Council will undertake a service redesign (working with service users) to maximise the range of opportunities available to people at an affordable price and based on best practice. The Council will also evaluate the use of the older people's resource centres to ensure they are meeting service user needs in line with best value.
Shaw contract - efficiencies	765		765	There is scope to utilise day activities and nursing beds purchased under the Shaw contract more effectively: (1) As people use personal budgets the demand for day care has changed so there is an opportunity to deliver day care at fewer sites and open up those sites to people who are self-funders, thus offsetting expenditure. (2) On occasions nursing beds are being used by people who do not have nursing needs - by ensuring these beds are used more appropriately, i.e. only for those with nursing needs, the County Council will be able to share costs of these placements with Health. (3) There are 10 beds that were previously used for people with low level needs and who do not meet the new national eligibility criteria - Shaw could market these beds to private customers and so reduce the overall contract price.
Assessment and review of care packages	675	675	1,350	The Council needs to continue to ensure that it supports good professional assessment and decision making both in terms of initial assessments and then annual reviews. This will, in turn, deliver a judgement about a care package that provides support and care where appropriate but does not encourage people to be dependent when they are capable of doing things for themselves – thus supporting one of the Council's strategic priorities about encouraging independent living. A system of enhanced checks and balances will be introduced for 'high' cost packages but front line team managers will still have delegated authority to enable them to quickly respond to lower levels of need within the community.
Physical and sensory impairment - service redesign	300		300	The current assessment and commissioning process for people with physical and sensory impairment will be redesigned to ensure that services are delivered which maximise independence and choice. This will include greater rigour and expertise when buying specialist packages and managing the service as a single unit (rather than being split on an historic basis) to yield greater efficiency.
Housing support - limit to core service	950	1,300	2,250	The County Council manages a 'legacy' budget associated with the previous 'Supporting People' programme. In 2010 this funding stream was merged into overall Council funding by central government. A number of services delivered through this former funding stream are now reaching an end so it is timely to review operational arrangements and deliver greater efficiencies in the way in which the funding is used. District and Borough Councils and the voluntary sector will be engaged in reviewing existing provision. It is important not to 'shunt' costs from one housing provider to another or between different housing budgets e.g. support for homeless people and general needs housing. Savings will be achieved through the following service redesigns: 1. Move away from a 'one size' fits all service in sheltered housing schemes and target resources at those in greatest need. This will promote and sustain independent living for those who do not have support needs. 2. Work closely with District and Borough Councils and develop locality based advice services with a preventative focus. This means the services will be better able to respond to local needs and remove on costs from some large County wide contracts that are due to expire. 3. Streamline commissioning of more specialist services to achieve better value for money. 4. A focus on a generic housing service that seeks to prevent homelessness and helps people to sustain tenancies will mean that less needs to be spent on some specific groups of people who currently 'revolve' around the housing system e.g. rough sleepers.
Local Assistance Network - reduce provision (subject to review)	50		50	Responsibility for local welfare assistance transferred to local authorities in 2013/14, for which funding was provided through a specific Government Grant. In practice those resources were withdrawn with effect from 2015/16; in his statement at the time the Minister said "local authorities will continue to be able to offer local welfare assistance from existing budgets.....if they judge it a priority in their area". The current budget is forecast to underspend by up to £0.050m in 2015/16.

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
Telecare - potential working with districts and boroughs	150		150	Under the current delivery model, there is overlap between the Telecare provision made by the County Council and services offered by the districts and boroughs in West Sussex. Alternative service delivery arrangements would allow synergies to be achieved and discussions with the districts and boroughs are now progressing on the basis that there could be potential for them to take on all new referrals at no cost to the County Council. If agreed, this would generate potential savings of £0.150m per year.
Other contract efficiencies	20	15	35	For largely historical reasons, the County Council has multiple contracts with providers for activities such as advocacy support and employment services. In the main this is because separate contracts have been let in different specialist areas. A change in approach to commission what are fundamentally the same services in consistent manner through, e.g. greater pooling of resources, should enable efficiencies to be made as and when existing contracts reach their end.
Learning Disabilities	285	268	553	These savings relate to more effective commissioning of support packages for people with learning disabilities. This will be achieved by seeking to have a consistent price paid for services of a similar nature and by combining packages within the provider base so that better value for money is achieved. Approximately £0.200m of the 2016/17 saving represents the full-year effect of plans that were approved and implemented as part of the 2015/16 budget. (NB The learning disability service is managed as a pooled budget and therefore the savings quoted on this template relate to the County Council's share of the budget (81%).)
Double-handed care		400	400	Around 200 people receive a 'double handed' package of care. Using improved technology supported by training/risk assessment a number of these packages could be delivered by one care worker. The determination as to whether a person receives a service from one care worker or two care workers will be based on a professional assessment to ensure the safety of the individual.
Direct payments - surplus balances	200		200	Where the customer chooses to manage their social care funding independently, personal budgets are paid into a customer's bank account on a weekly basis through a "direct payment", . The bank account is opened specifically for this purpose, which enables the County Council to monitor the level of any surplus that may be accruing. At the moment money is recovered if the account balance reaches a sum equivalent to eight weeks' worth of direct payments. This proposal is based on reducing the period to six weeks in order to reduce the cash value sat in clients accounts and to help customers manage their budgets more effectively. If an individual is saving for a specific purpose, e.g. to take a holiday, then (provided the County Council is notified) the six week period can be extended. There will also be more active reviews of customers who regularly build up surpluses to ensure that the amount of the direct payment remains appropriate.
Life pathways for disabilities (joint saving with Children Start of Life)	0	250	250	This proposal involves bringing together the management and commissioning across Children's and Adult's disability services. Single management arrangements and a single budget will enable an improved pathway for people throughout their lives. The commissioning and management of in-house as well as external services will be included. The approach will support planning from pre-school age children through to their late adulthood and will be designed to maximise independence at all stages. The approach needs further development and working up but is likely to involve a specialist planning service in-reaching from children's services into adults' services. Part of this should arise from restructuring of services, but the more significant savings potential is in the medium to longer term through maximising independence of individuals (preparing young people for work, travelling more independently etc.) and creating realistic expectations of the adult service offer. Savings potential over the next 4 years is estimated at £6m across children and adults services, of which savings of £0.250m are anticipated within adults services in 2017/18.
Customer Experience - cross cutting	98		98	As part of a Council-wide commitment to review areas of potential savings this proposal forms part of the programme to transform the customer experience by focusing on a dedicated function to enhance the customer experience. It is estimated that savings of £0.098m will be achieved within Adult Social Care & Health.
Focus on Prevention - cross cutting	910	4,700	5,610	It is intended that the savings will be secured by maximising opportunities to prevent and delay the complex care and support needs of West Sussex residents. This will be achieved through a range of schemes including: <ul style="list-style-type: none"> - preventing falls and fractures; increased support to carers; - increased redirection of adult social care referrals to occupational therapy; - making better use of assistive technology; <p>These savings should be achievable and the Care Wellbeing and Education transformation programme will closely monitor whether these are being realised.</p>

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
<i>Income Generating Measures:</i>				
Customer contributions towards social care	1,000	700	1,700	<p>Additional income is expected to be available from three sources:</p> <ol style="list-style-type: none"> 1. Customers with eligible social care needs pay a means-tested contribution towards the cost of their care. Over the recent past, the level of those contributions has been rising in real terms. Older people now have more certainty over their fixed incomes as state pensioners and this trend is likely to continue and, as a result, produce an additional £0.5m of income in both 2016/17 and 2017/18. This income is collected following a financial assessment and does not require the County Council to change its approach or do anything more than apply the statutory schemes. 2. Under the Government's so-called triple lock, pensioners receive an increase in their state pensions of the greater of inflation, earnings growth or 2.5%. The uplift is based on relevant indices in September with the outcome that an increase of 2.9% will be applied in 2016/17. This is greater than the inflation assumption on which the County Council's budget strategy is based (0.8%) and so an additional £0.3m is expected to be received in 2016/17. This will be collected automatically as part of the financial reassessment of customers. 3. Process changes. There is scope for improvement in the timeliness with which income is collected and a number of practice/process changes are being progressed. Customer contributions towards social care generate over £40m per annum. Assuming a 1% increase over two years, additional income of £0.2m will arise both in 2016/17 and 2017/18.
Disability-related expenditure	850	1,100	1,950	Customers who are eligible to receive funded social care are required to pay a means-tested contribution towards the cost of those services. For people in the community with support, the financial assessment permits the Local Authority to make allowance for Disability Related Expenses on a discretionary basis against this contribution. There are currently approximately 2,500 customers receiving a Disability Related Expense allowance against their financial contribution. The amounts vary across customers and services with the average being £27 per week. It is proposed that a simple process will be introduced for financial assessment staff to follow, in line with statutory guidance in the Care Act, to ensure that the policy is applied consistently according to individual need. This process will have professional oversight and agreement from Senior Managers in Adult Services.
Sub-Total	6,503	9,658	16,161	
Children - Start of Life				
<i>Changes to Spending:</i>				
Placement cost reduction for Children Looked After	585	285	870	It should be possible to achieve significant savings against the annual £11.7m spend on agency fostering and residential placements through engagement and negotiation with providers. This proposal is based on negotiating a cost reduction of up to 10% in care agency placements over two years.
Early Childhood Services - service review	250	500	750	Review of the network of Children's and Families Centres. This will be undertaken in tandem with a wider review of other property usage by the County such as library buildings with a view to ensuring optimum use of assets
Young People's Service - targeted service, no open access		400	400	Review of the Young People's Service by targeting resources at priority needs and no longer providing open access services.
Special Education Needs - short breaks	50		50	Reduction in the cost of short break placements as a result of contracting efficiencies.
Savings accounts for children looked after	130		130	The 2015/16 budget included provision of £0.130m in order to save £5.00 per week for any of our CLA who have been in care for a year. There is no statutory requirement to do this and as the scheme has yet to be implemented, it is proposed that we no longer proceed.

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
Life pathways for disabilities (joint saving with Adults)	500	250	750	<p>This proposal involves bringing together the management and commissioning across Children's and Adult's disability services. Single management arrangements and a single budget will enable an improved pathway for people throughout their lives. The commissioning and management of in-house as well as external services will be included. The approach will support planning from pre-school age children through to their late adulthood and will be designed to maximise independence at all stages.</p> <p>The approach needs further development and working up but is likely to involve a specialist planning service in-reaching from children's services into adults' services. Part of this should arise from restructuring of services, but the more significant savings potential is in the medium to longer term through maximising independence of individuals (preparing young people for work, travelling more independently etc.) and creating realistic expectations of the adult service offer. Savings potential over the next 4 years is estimated at £6m across children and adults services, of which initial savings of £0.500m are anticipated within children's services in 2016/17, with a further £0.250m expected in 2017/18.</p>
Customer Experience - cross cutting	274		274	As part of a Council-wide commitment to review areas of potential savings this proposal forms part of the programme to transform the customer experience by focusing on a dedicated function to enhance the customer experience. It is estimated that savings of £0.274m will be achieved within Children - Start of Life.
Sub-Total	1,789	1,435	3,224	
Community Wellbeing				
<i>Changes to Spending:</i>				
Reprocure school nursing/family health visitors	270	500	770	Responsibility for health visiting transferred to the County Council in October 2015. This service is provided externally through a contract, which is due to expire on 31st March 2017. That is the same end date as for the County Council's contract for school nursing. Due to the synergies between these areas it is planned to let a single contract with effect from 1st April 2017. Given that the existing services cost in the region of £13m per year, this has the scope to deliver some significant savings, both in terms of efficiency and output specification. That opportunity is estimated at £0.500m in 2017/18, rising to £0.73m by 2018/19, in addition to which savings of £0.27m are expected to be available from 2016/17 by discontinuing the performance-based payment arrangement in the current health visitors contract.
Sexual Health contract	650		650	Sexual health is a demand-led service and so the County Council is charged under its contract according to the throughput of people. The budget is currently underspending, mainly as actual levels of demand have proved lower than the cautious estimates on which it was set. As such there is a savings opportunity by funding the budget based on typical demand rather than high demand.
Staff restructure	500		500	Proposals for a restructuring of Public Health are being consulted upon with staff. Assuming that these are implemented as planned, there will be on-going annual savings of £0.5m from a net reduction of 10 full-time equivalent posts.
WORTH Services	50		50	WORTH is a multi-agency service which supports people affected by domestic abuse. Although it is acknowledged as providing benefits for a number of public bodies, e.g. the Police, partnerships contributions are limited. Out of total expenditure of £1m, only around £0.1m is funded externally. Of the County Council's contribution, £0.37m is met by the Public Health Grant, which it is proposed to reduce by £0.050m to generate a wider debate about future funding arrangements for WORTH.
Healthwatch	50		50	The County Council's Healthwatch contract is due to expire on 31st March 2016. The budgeted cost of the existing service is £0.584m, from which efficiencies of £0.050m will be sought as part of the reprocurement.
NHS Health Checks	100		100	Under the current service model, people between the ages of 40 and 74 are offered the opportunity to receive an NHS Health Check via GP invitations supplemented by specific targeting of those seen as hard-to-reach. The evidence of the effectiveness of the latter is mixed and in cost/benefit terms is now difficult to justify. As a result it is proposed that promotion of the service be limited to GP invitations, which will save £0.100m per year.
Adults obesity - charging for services		50	50	Currently a number of services, e.g. around weight management, are provided at no cost to the public. For many of these there are paid-for alternatives available in the market, so it is proposed that charging is introduced, potentially after an introductory period. Savings are not being assumed until 2017/18 to allow sufficient time for the consideration of alternatives and the development of detailed proposals.

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
Wellbeing hubs	90	90	180	Much of the service provision available through the Wellbeing Hubs is offered on a universal basis. Reviews of that offer have concluded that greater effectiveness would be achieved by targeting services at specific customer groups and through increased joint working with communities and the third sector. By 2017/18 this is seen as having the potential to save an on-going £0.180m per year from the existing Hubs budget of £2.2m.
Prevention and Wellbeing Commissioning	85	85	170	As a service, Prevention and Wellbeing Commissioning has been in place for around five years. Although there is good evidence of the effectiveness of some activities, it is not clear that this applies to all. Therefore it is proposed to undertake a review of the outcomes being delivered by the entire programme and, as part of this, to seek recurring efficiency savings by 2017/18 of £0.170m, which represents approximately 7% of the current budget (£2.35m).
CLC prevention and wellbeing grants	100		100	This proposal is for a 50% reduction in the amount available to CLCs for distributing to community and voluntary groups. Evidence of the effectiveness with which grants have been spent is limited. However, rather than proposing to withdraw funding in full, the suggestion is that half the budget be retained in recognition of the benefits that the involvement of community/voluntary groups can bring.
Public health champions	75		75	There is currently budget provision of £0.075m for Public Health Champions, which were envisaged as a means of embedding Public Health at the heart of the County Council because of the enabling benefits that the service is able to deliver. For operational reasons, this work has yet to begin and it is now seen as having a lower priority. Consequently the proposal is that it be postponed indefinitely.
Public Health - other	77		77	Across the Public Health budget, there are a mix of small-scale opportunities to reduce expenditure, e.g. in the funding of the Joint Strategic Needs Assessment and in the amount spent on the production of paper-based information leaflets. Cumulatively these offer savings potential of £0.077m.
Alcohol services	300		300	The County Council will have a new substance misuse contract in place from May 2016. For alcohol services, the specification is seeking uniform provision countywide, which it is expected will be affordable within the overall funding envelope for the reprocurement. Since £0.300m is currently budgeted to be spent on alcohol services outside the contract, this amount is expected to be saved on an on-going basis.
Sub-Total	2,347	725	3,072	
Corporate Relations				
<i>Changes to Spending:</i>				
Workforce, OD & Delivery Support	45		45	Redesign, streamlining and alternative sourcing of activities including HR, training services, benchmarking and other support functions in the Workforce, OD & Delivery Support Directorate.
Redesign of Facilities Management Services	335		335	A redesign of the County Council's facilities management services. Following the removal of vacant posts in 2015/16 the service will be reshaped ahead of the exploration of future delivery models. It is anticipated that this will develop to encompass a "zero based" review of the wider property function.
Support Service activities (Capita Contract)	30		30	This saving will be delivered through a further team restructure and the reduction in posts (filled and vacant) within the team as the main contract becomes business as usual.
Boundary Review		15	15	The Local Government Boundary Commission is undertaking a boundary review of the County Council in 2015/16. It is expected that this will result in a Council of 70 members, which is one fewer than at present. The Commission will publish its final recommendations in May 2016 and, assuming these are not challenged in Parliament, they will come into effect for the County Council elections in May 2017. Allowing for the impact on member allowances and associated costs such as travel, this will generate savings of around £0.015m.
WODDs Restructure - Consolidation of IT and Analysts	150		150	It is anticipated that savings can be achieved by bringing activity together into one place by consolidating activity in IT and bringing together our analytical functions (in Economy, Insight, Public Health Research) to achieve a better critical mass whilst streamlining activity. This should also identify opportunities for removal of duplication across both these important areas.
Democratic Services - Member Meetings	50	50	100	To remove the support by Democratic Services to a range of non critical meetings - either those which will continue but with support from other services (e.g. Treasury Management, Health and Wellbeing Board, Propco and Pensions Panels) or those which arise on an ad hoc basis (largely Task and Finish Groups). These would mean a removal of management, DSO and ADSO roles.
Legal Services - external legal costs management		100	100	To put in place new controls in relation to the Council's corporate spend on external legal costs (estimated at around £2.5m per annum) in order to achieve greater value for money and constraint on spend.

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
SSO contract support restructure	30	30	60	Following the implementation of a more structured forecast / demand/ control system (VEGAS) a review of the roles of both Service Assurance Management (SAM) and embedded Intelligent Client (IC) will be undertaken. Along with previous declared saving it is anticipated a further 1 fte (0.5 SAM and 0.5 IC) will be achieved.
IT Hardware Refresh Interval increase	50		50	The optimal hardware refresh period for desk top computers is 5 years and for laptops is 3-4 years. This proposal increases the refresh cycle time to 6 and 5 years respectively. This would reduce the refresh budget element within the Capita finance model equating to approximately £0.050m annualised savings.
Democratic Services - Reduce Select Committees and scrutiny function		125	125	To review the support by Democratic Services to one Select Committee (by merger of two current committees or full restructure of Selects). These would mean reviewing the DSO and ADSO roles and the manager role that manages the resource and team. This could not be achieved until after the 2017 CC election. Member-led task and finish group will be set up to review options.
Democratic Services - - Review County Local Committee provision		153	153	To review all of the arrangements for maintaining and supporting 14 County Local Committees. The functions could be returned to Cabinet Members or to senior officers to discharge in consultation with local members but without any formal meeting structure. These would mean reviewing the DSO and ADSO roles and the manager role that manages the resource and team. This could not be achieved until after the 2017 CC election. Member-led task and finish group will be set up to review options.
Legal Services - shared service/ABS with SCC and ESCC		150	150	To transfer the legal services function to a new entity for joint operation with ESCC and SCC in an arrangement that should provide both immediate and longer term savings on staffing and operational costs and in external legal costs but should also provide significantly greater opportunities for income generation. There would be initial set up costs. The entity would operate as an Alternative Business Structure to provide services to public and charitable organisations on a commercial basis.
Service redesign of business improvement	1,089		1,089	This is a review and redesign of the Business Improvement Team. The team provides general business support along with targeted Programme, Project and Change Management and some frontline financial assessment services. The new service design is likely to be a combination of a reduction and rationalisation of some support and different sourcing options for some functions to allow the Council to reduce its permanent staff overheads and 'buy in' according to demand.
Corporate Resources and Services - additional opportunities (joint saving with Finance)	400		400	There are a number of areas of opportunity within the overall Corporate Resources and Services budget to deliver an additional £0.500m of savings during 2016/17, £0.400m of which relates to Corporate Relations. These are seen as arising across the directorate, such as from: 1. The benefit of good housekeeping. 2. Rebate income earned by Corporate Procurement, which is not fully reflected in the base. 3. Conveyancing income linked to the Pension Fund and reduced spend on external specialists in Legal Services. 4. Residual opportunities within Workforce, Organisational Development and Delivery Support.
Creation of Commercial Directorate	50	50	100	During 2016/17 it is intended to create a Commercial Services Directorate using an assembly of existing resources within Commercial Services, Procurement and Contracts Management, Finance and potentially other areas that have a strong commercial bias. It is envisaged that efficiencies in the structure can be delivered in this way, although it must be emphasised that the purpose of the function is to enable other services to operate more effectively. This latter aspect is where greater benefit will lie.
Sub-Total	2,229	673	2,902	
Education and Skills				
<i>Changes to Spending:</i>				
Transport Review - cross cutting	125		125	As part of a cross cutting review of Transport service, savings are expected be achieved through the following programmes: Staff travel costs; restructuring fleet management; reviewing the contracted bus network and wider concessionary travel (separate from the £0.7m English National Concessionary Travel Scheme saving included under Highways & Transport); replanning and reprocurring Special Educational Needs school transport via a new Dynamic Purchasing System contracting arrangement with other local authorities; and a revised delivery model for WSCC minibus service. It is estimated savings of £0.125m will be achieved within Education and Skills in 2016/17.
<i>Income Generating Measures:</i>				

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
Income generation - sale of services to schools	100		100	Expected additional income generation for Newly Qualified Teachers & Outdoor Education.
Trading Income		50	50	Generate trading income in relation to added value Educational Psychology and Other Support services.
Sub-Total	225	50	275	
Finance				
<i>Changes to Spending:</i>				
Finance savings		219	219	Savings of £0.219m are proposed from 2017/18 in expectation that a small County Council will require less specialist finance support from Corporate/Service Finance.
Insurance Fund	284		284	Procurement saving re insurance premium.
Capital & Infrastructure Management Savings	45		45	This proposal relates to management savings of £45k already achieved following the deletion of a Senior Procurement Officer position.
Pension Fund recharge	15		15	A review has been carried out on the time allocation underpinning the Finance recharge to the West Sussex Pension Fund. This reflects the additional time required to deal with ongoing pressures including the establishment of the new Pensions Board, client management of the Capita SSO contract and national developments such as fund pooling/merger. This additional time is reflected in an increase to the base budget recharge. This saving is available from 1 April 2016.
Corporate Resources and Services - additional opportunities (joint saving with Corporate Relations)	100		100	There are a number of areas of opportunity within the overall Corporate Resources and Services budget to deliver an additional £0.500m of savings during 2016/17, £0.100m of which relates to Finance. These are seen as arising across the directorate, such as from: 1. The benefit of good housekeeping. 2. Rebate income earned by Corporate Procurement, which is not fully reflected in the base. 3. Conveyancing income linked to the Pension Fund and reduced spend on external specialists in Legal Services. 4. Residual opportunities within Workforce, Organisational Development and Delivery Support.
Disposal of estate	60		60	Rationalisation of estates in order to free up the revenue costs connected with operating property - such as premises costs for heat, light, business rates etc.
<i>Income Generating Measures:</i>				
Share public sector buildings and staff	485		485	Rationalisation of public sector buildings in the community to maximise use. The £0.485m saving is income/saving from HDC sharing County Hall North. Further revenue savings are expected from 2018/19 dependent upon a capital investment in a smaller hub building in Worthing, leading to the redevelopment of the Centenary House Durrington site with significant future savings potential.
Schools Supplies trading	40		40	Maintaining the current level of trading will generate an additional £0.040m per annum over the current budgeted target with economies achieved through bulk purchasing of equipment for schools.
Sub-Total	1,029	219	1,248	
Highways and Transport				
<i>Changes to Spending:</i>				
Redesign of highways team activities	200		200	These savings will be delivered through a change to the Highways Maintenance Contract. Savings are expected to be a combination of changes to some services e.g. procuring a single source of traffic management or the transfer of services to the current contract with BBLP (Balfour Beatty Living Places), which enables more straightforward projects to fast-track the lengthy design phase.
Change to street lighting	144		144	Adoption of part night lighting policy in residential areas (£0.120m) and reduction to consultancy budget (£0.024m).

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
Reduction in requirement for ongoing highways maintenance on unclassified roads	400		400	The upgrading carried out as part of the £30m investment for 'Better Roads' permits a reduction in highways base budget expenditure on the unclassified road network due to the reduced need for maintenance.
Reduce Highways Structures maintenance	125	125	250	Prioritising and reducing the number of repairs to highways structures maintenance - e.g. brickwork repairs to structures, concrete repairs, painting.
Reduce investment in Intelligent Transport System	50	25	75	A reduction in the level of investment in maintaining existing Intelligent Transport Systems, e.g. RTPI displays, Vehicle Activated Signs, traffic monitoring.
Highway contract efficiencies	475	30	505	These savings have been delivered through negotiation on the Highways Maintenance Contract.
Highway operations efficiencies		800	800	Review of frontline highway operations to identify efficiencies in services such as grass cutting, weed spraying, gully emptying, hedge cutting, Rights of Way following a benchmarking exercise with other authorities to compare service levels.
H & T re-structure		200	200	Further review of the highways and transport function. This is likely to include exploring alternative operating models including the sharing of services with other authorities.
Transport and Countryside re-structure	35	35	70	Redesign of the Transport and Countryside Team in tandem with the H & T re-structure (as above).
English National Concessionary Travel Scheme (ENCTS)	700		700	Reduction to base budget in line with current journey numbers and associated operator reimbursement costs.
Strategic Planning - Service Redesign	44	50	94	Cessation of some and a 'do minimum' approach to other, non-statutory services including: enabling self-serve by other services; withdrawing from some activities such as behavioural change; ceasing provision of non-statutory advice; and stopping involvement in non-essential/priority work. Reduced expend on specialist external support (following completion of technical work on the Minerals Local Plan).
Customer Experience - cross cutting	158		158	As part of a Council-wide commitment to review areas of potential savings this proposal forms part of the programme to transform the customer experience by focusing on a dedicated function to enhance the customer experience. It is estimated that savings of £0.158m will be achieved within Highways & Transport.
Transport Review - cross cutting	925		925	As part of a cross cutting review of Transport service, savings are expected be achieved through the following programmes: Staff travel costs; restructuring fleet management; reviewing the contracted bus network and wider concessionary travel (separate from the £0.7m English National Concessionary Travel Scheme saving included under Highways & Transport); replanning and reprocurring Special Educational Needs school transport via a new Dynamic Purchasing System contracting arrangement with other local authorities; and a revised delivery model for WSCC minibus service.
<i>Changes to income:</i>				
Strategic Planning - Income Generation	127	33	160	Programme of income generation including recovering full cost for some environment and heritage work and other work partially undertaken on behalf of District & Boroughs, and additional income from highway agreements with developers.
Sub-Total	3,383	1,298	4,681	
Leader				
<i>Changes to Spending:</i>				
Policy and Communications' restructure	7	116	123	A reorganisation of staff within the Policy and Comms Team.
Sub-Total	7	116	123	
Residents' Services				
<i>Changes to Spending:</i>				

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
Future Fire & Rescue arrangements	278	311	589	Implementation of the new agreed fire service model of operation which includes new management and crewing systems, greater integration with partners and improved co-location of services. The proposals were developed and underwent a twelve week public consultation which was completed on 23rd August 2014. Following the public consultation and Cabinet Member approval WSFRS has undertaken a staff consultation programme and implemented the new operating model on 1st April 2015. The 2016/17 savings reflect management restructures following the move to a Communities and Public Protection Directorate and further collaboration with other fire and rescue and blue-light services.
Realignment of charging and other activities in waste	500	500	1,000	The review of potential savings areas in waste has resulted in several themes. (1.) Reduction in services (frequency and availability) (2.) Review of the PFI financial arrangements, (3.) Restructuring of staff will result in significant management reductions (4.) Introduction of charging to some services. Revenue investment requested is for additional resource in team to deliver savings options and legal/finance expert costs for PFI work. Capital investment requested is for on site signage at Household waste sites and infrastructure costs to separate new revenue waste stream.
Reprocure Waste	0	4,250	4,250	It is anticipated that the savings from the MRM contract could be achieved via negotiation.
Through vacancy management reduce shift Numbers in Tier 1, 2 and 3 Libraries	81		81	Replan shift arrangements to remove equivalent of 4 Grade 5 positions.
Reduce media fund for physical and digital stock	25	25	50	Reduction to the number of titles purchased. The impact will be mitigated through careful evidence based central buying making full use of new CBC (Central Buying Consortium) contract.
Director of Customer Services Post	60	70	130	Removal of position half way through 2016 once the new Customer Services structure is established and future operating model confirmed.
Additional Waste Savings (Waste Management Restructure)	0	50	50	An increase in total savings of £0.050m to the original £1.8m already planned within the Viridor contract, customer facing services and team roles and responsibilities.
Allow Materials Recycling Facility (MRF) to accept 3rd party recylant	50	50	100	The MRF at Ford recycles the waste collected by West Sussex Districts and Boroughs and generates a revenue stream. The facility currently has surplus capacity and this proposal would allow Viridor seek a more medium term source of acceptable waste to put through the MRF from another LA. The planning conditions would need to be relaxed slightly to enable the facility to accept other LA recylant for processing for which WSCC will receive income.
<i>Changes to income:</i>				
Charge for Libraries Activities	45		45	The introduction of fees for specialist talks, events and activities in libraries and the record office would be charged at a rate appropriate to the size and nature of the topic. Similar principles will apply to film shows or other organised events where the activity is discretionary and not in direct support of the 3 key priority areas. The service will continue to offer many activities where there will be no fee, such as Knit and Natter and Rhyme Time, as these support the key council objectives. However, in line with a number of local authorities we will be asking if the public wish to make a donation in appreciation of these events. This will be entirely voluntary and in an unobtrusive manner.
Income generation programme at the Registration Service	137	68	205	Proposals include: increasing ceremony charges above the inflationary rate; increasing venues available and delivering more ceremonies; increasing charges for nationality checking and marriage certificate replacement; charging for postage on copy certificate applications, and introducing a new passport checking service.
Sub-Total	1,176	5,324	6,500	
Non-portfolio				
<i>Changes to Spending:</i>				
Shaw capital financing savings	155	155	310	Reduction in borrowing costs relating to the building works undertaken as part of the Shaw care homes contract as debt decreases over time. This is a continuation of the saving that has been included in recent budgets.
Sub-Total	155	155	310	
Thematic Savings/Cross Cutting				
<i>Changes to Spending:</i>				
Customer Experience		1,002	1,002	As part of a Council-wide commitment to review areas of potential savings this proposal forms part of the programme to transform the customer experience by focusing on a dedicated function to enhance the customer experience. It is estimated that total savings of £1.002m will be achieved in 2017/18.

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
Transport Review		1,050	1,050	As part of a cross cutting review of Transport service, savings are expected be achieved through the following programmes: Staff travel costs; restructuring fleet management; reviewing the contracted bus network and wider concessionary travel (separate from the £0.7m English National Concessionary Travel Scheme saving included under Highways & Transport); replanning and reprocurring Special Educational Needs school transport via a new Dynamic Purchasing System contracting arrangement with other local authorities; and a revised delivery model for WSCC minibus service.
Flexible Working		125	125	Flexible working allows staff to use time productively by avoiding unnecessary travel and commuting. It also supports managers who can deploy staff resources more effectively. It is a major enabler of fewer buildings/estates rationalisation as staff do not need to spend as much time in offices or using paper records.
<i>Enabling others to save:</i>				
Scheduling system for Social Workers undertaking assessments and customer visits		300	300	The proposed systems will use post code date, travel updates, staff availability and customer requirements to schedule the most appropriate social working using pre-set configurable parameters such as location, skill set , availability etc. to assign visits (assessments, initial meetings etc) rather than this be undertaken manually / individually. This will increase productivity of social work assessments. Estimated savings are based on circa 8,000 annual assessments and at least 1 social work visit per year, with each visit taking circa 2 hours (including travel time).
Scheduling system for Domiciliary Care workers/providers		200	200	The proposed systems will use post code date, travel updates, staff availability and customer requirements to schedule the most appropriate domiciliary care worker using pre-set configurable parameters such as location, skill set, availability etc. to assign visits rather than this be undertaken manually/individually. This will increase productivity of domiciliary care resources. Based on circa 900,000 visits per year provided by 25-30 providers across WSCC the potential savings to the contractors could be in the region of £0.900m of which it is estimated that £0.200m will be achieved in 2017/18.
Work Flow Measurement - Implement 'VEGAS' into selected WSCC functional areas		500	500	Implementation of the Capita VEGAS System to deliver operational efficiencies in areas not transferred to Capita. Capita are currently implementing this system in the majority of their area's of responsibilities. A logical extension to this work would be to carry this work into WSCC areas. Capita are expecting circa 20% efficiency savings and as such this should also be available in the area not transferred over to them. The actual savings will be dependent on the scope and breadth of the implementation but are estimated to be approximately £0.500m in 2017/18.
Schools increased revenue (placeholder)		100	100	If a decision was made to increase potential revenue possible from schools then this would help to define our medium term commercial engagement with the schools community. WSCC can not make profit on services 'sold' to schools within the current commercial structure (but it can recover overheads) A Local Authority trading company can both deliver a profit and if necessary 'sell' its services to other LA's or to private schools / academies and this may be a delivery model to consider. If further services were traded within the current SLA arrangement it is estimated that approximately £0.100m could be recovered to support the current overheads based on assumed increased revenue of £1m.
Joint Working with Surrey & East Sussex County Councils		200	200	This proposal is based on the creation of a shared procurement service with both Surrey and East Sussex County Council, both of which already share a single procurement service. This would create even greater benefits and efficiencies if the proposed shared Legal Service with the same authorities goes ahead. This would create a joint procurement service with substantial capacity and capability (potentially 50-60 procurement professionals) across 3 SE7 county councils. Surrey & East Sussex already have a joint service; all 3 authorities already utilise a joint electronic sourcing platform (InTend), and already undertake a number of strategic procurement projects together (e.g. home to school and related transport services, and p-cards). Further integration with Orbis would enable immediate access to 4 inflight transformation opportunities: (i) Best practice contract management capability development; (ii) Strategic tail spend management (low value purchasing) project; (iii) Supplier relationship management capacity development, and (iv) Strategic category management. These opportunities are not presently within affordable reach for WSCC, but are essential for enabling and delivering the superior spend efficiencies required for the Council to meet its medium-long term financial challenges. Following centralisation of all WSCC procurement resources (including the Capita-SSO Operations Team), the corporate procurement service will consist of 15.5 FTE (min). It is anticipated that joining the shared service would result in a net reduction of at least 3 FTE WSCC procurement posts (i.e. Head of Service post plus 2 others at various lower levels), giving estimated savings of £200k savings (with on costs).

**TABLE 3
BALANCING THE BUDGET**

Title	2016/17 £000	2017/18 £000	Total £000	Description
Market symposium/return on capital investment		500	500	Through the capital programme, the County Council is planning to borrow £34.5m to invest in the social care market between 2016/17 and 2018/19. The cumulative additional revenue costs of this will be around £3.500m per year of which £0.500m will arise in 2017/18. To ensure that the investment delivers good value for money savings of at least that amount need to be delivered as a knock-on benefit within the Adults budget. The potential to achieve this exists because the County Council is planning to allocate additional resources through its medium term financial strategy for the impact on social care of demand growth. The key aims of the capital investment will be to stabilise, strengthen and grow the care sector to manage current and future demand, cost & risk. Any investment must be able to clearly demonstrate a return that addresses the following issues: the capacity (supply), capability (workforce) and quality. There will also be a requirement to show that capital investment has secured tangible cost reductions compared to what would otherwise would have been spent. Any capital invested will be used as a leverage to stimulate inward investment which can demonstrates improvement or expansion of the supply base of the care industry as a whole. It will compliment the existing corporate asset mapping work underway through the CAMG and build on the growing commercial approach to securing services that are affordable and of good quality. Following the market symposium we are now in discussion with a wide range of investors to explore the full appetite of the market to invest in the county. This includes discussing different investment models.
<i>Income Generating Measures:</i>				
Prop Co/Economy	0	80	80	PropCo is a vehicle to use assets to generate a level of capital receipts and income generation and potentially to support wider outcomes, such as economic growth. This proposal reflects the anticipated return on revenue and capital investment already identified within PropCo Project.
Sub Total	0	4,057	4,057	

	2016/17 £000	2017/18 £000	Total £000
Changes to Spending	16,059	21,679	37,738
Income Generating Measures	2,784	2,031	4,815
Total	18,843	23,710	42,553

Summary	2016/17 £000	2017/18 £000	Total £000
Adult Social Care and Health	6,503	9,658	16,161
Children - Start of Life	1,789	1,435	3,224
Community Wellbeing	2,347	725	3,072
Corporate Relations	2,229	673	2,902
Education and Skills	225	50	275
Finance	1,029	219	1,248
Highways and Transport	3,383	1,298	4,681
Leader	7	116	123
Residents' Services ¹	1,176	5,324	6,500
Non-portfolio Savings	155	155	310
Yet to be allocated	0	4,057	4,057
Total	18,843	23,710	42,553

¹ Residents' Services is shown gross of increased staffing requirements relating to the Customer Experience saving which requires additional funding of £233k resulting in a net saving of £943k (as per table 2 and Residents' Services portfolio page).

TABLE 4
GRANTS TOWARDS SPECIFIC SERVICES

Portfolio and Grant	2015/16 Budget	2016/17 Budget	Change from 2015/16 Budget	
Specific Government Grant ¹	£000	£000	£000	%
Adult Social Care and Health				
Care Act	5,668	0	-5,668	-100.0
Independent Living Fund	0	4,477	4,477	N/A
Local Reform and Community Voices	107	107	0	0.0
NHS Social Care Funding	86	0	-86	-100.0
	5,861	4,584	-1,277	-21.8
Children - Start of Life				
Dedicated Schools Grant	91,751	93,828	2,077	2.3
16-19 Sixth Form Grant	1,840	2,436	596	32.4
Public Health Grant - D&A	251	251	0	0.0
Child Asylum Seekers	655	655	0	0.0
Asylum - Leaving Care	275	275	0	0.0
Think Family Grant	1,200	2,033	833	69.4
SEN Pathfinders	150	0	-150	-100.0
Social Worker Intake Team Grant	304	304	0	0.0
Staying Put Grant	75	75	0	0.0
New Burdens Grant	422	422	0	0.0
Choice - Innovation Grant	100	0	-100	-100.0
Children's Social Care Innovation Programme	297	0	-297	-100.0
Youth Justice Good Practice Grant	0	634	634	N/A
	97,320	100,913	3,356	3.4
Community Wellbeing				
Public Health Grant	32,776	38,358	5,582	17.0
Local Reform Community Voices	338	338	0	0.0
	33,114	38,696	5,582	16.9
Education and Skills				
Dedicated Schools Grant	434,331	439,930	5,599	1.3
16-19 Sixth Form Grant	15,362	12,063	-3,299	-21.5
Pupil Premium Grant	19,073	14,837	-4,236	-22.2
Crawley Schools PFI Grant	4,532	4,532	0	0.0
Golden Hellos	100	100	0	0.0
Higher Education Funding Council for England	120	120	0	0.0
PE & Sports	1,843	1,844	1	0.1
Summer Schools	63	63	0	0.0
PE & Phonics	61	0	-61	-100.0
Universal Free School Meals	7,900	7,900	0	0.0
Skills Funding Agency	3,059	2,870	-189	-6.2
Schools Direct Funding	0	103	103	N/A
Moderation and Phonics KS2	0	60	60	N/A
	486,444	484,422	-2,022	-0.4
Highways and Transport				
Street Lighting PFI	6,069	6,069	0	0.0
Bus Service Operators Grant	436	436	0	0.0
Sustainable Drainage Systems Capacity Building Grant	134	0	-134	-100.0
	6,639	6,505	0	0.0
Leader				
Local Enterprise Partnership Core Funding Grant	502	502	0	0.0
	502	502	0	0.0
Residents' Services				
Waste PFI	2,124	2,124	0	0.0
Fire Revenue Grant	781	776	-5	-0.6
	2,905	2,900	-5	-0.2
TOTAL SPECIFIC GOVERNMENT GRANTS	632,785	638,522	5,634	0.9

¹ Where final grant confirmations are outstanding, provisional 2016/17 allocations have been budgeted

TABLE 4
GRANTS TOWARDS SPECIFIC SERVICES

Memo: Local Services Support Grant	2015/16 Budget	2016/17 Budget	Change from 2015/16 Budget	
	£000	£000	£000	%
Extended Rights to Free Travel	373	373	0	0.0
Lead Local Flood	156	0	-156	-100.0
Inshore Fisheries Conservation	148	148	0	0.0
TOTAL LOCAL SERVICES SUPPORT GRANT	677	521	-156	-23.0

Memo: Other Non-Service and Financing Grants	2015/16 Budget	2016/17 Budget	Change from 2015/16 Budget	
	£000	£000	£000	%
Council Tax Freeze Subsidy Grant	3,947	0	-3,947	-100.0
Settlement Funding Assessment	148,354	125,614	-22,740	-15.3
Business Rate Local Growth	1,156	1,949	793	68.6
Business Rate Cap Grant (Section 31)	2,342	1,949	-393	-16.8
Education Services Grant	8,649	7,438	-1,211	-14.0
New Homes Bonus Grant	3,810	5,362	1,552	40.7
Government Returned Top Slice	239	0	-239	-100.0
TOTAL OTHER NON-SERVICE AND FINANCING GRANTS	168,497	142,312	-26,185	-15.5

TABLE 5

RESERVES

Reserve	Balance at 1 April 2015 £000	Projected balance at 31 March 2016 £000	Projected balance at 31 March 2017 £000	Description
Adult Social Care & Health Demand Pressures	0	-2,700	-2,700	A £3m reserve, of which £0.5m is expected to be applied in 2015/16, was created during 2015/16 budget preparation. This is intended to support the Adult Social Care and Health portfolio in managing its demand pressures, particularly through a focus on prevention.
Audit Improvements	-39	-39	0	Financed by savings arising from reduced external audit fees, which will be invested to improve the accounts preparation process and mitigate the risk of additional costs arising from increased audit work.
Budget Management Reserve (previously Volatility Reserve)	-14,754	-12,604	-18,931	Held to guard against uncertainty and volatility over future Local Government finance settlements, business rate income and localisation of Council Tax benefits, as well as guarding against the risk of non delivery of savings.
Business Infrastructure Reserve	-4,001	-3,375	-2,642	Used to fund internal infrastructure and to pump-prime local economic developments, and to have flexibility to respond to initiatives in line with importance to support the local economy under the new Government funding arrangements.
Capital Expenditure	-14,827	-8,448	0	Established to finance expenditure within the capital programme as part of the capital financing strategy. The projected movement in 2015/16 reflects a £14.4m transfer to finance the 2015/16 capital programme, and a one-off allocation of £8.0m revenue funding to assist the forecast longer term shortfall on capital financing.
Capital Infrastructure Reserve	0	-12,000	-11,000	To support capital plans over the longer term, such as the A27 work (if it proceeds), thus avoiding the need to borrow and incurring the associated long term capital financing costs.
Care and Clinical Governance Team	-600	-300	0	Holds funding to support the provision of a multi disciplinary care and governance team designed to proactively quality assure the residential care and nursing market across West Sussex.
Care Act Reserve	0	-3,000	0	The County Council set aside reserve funding of £3m as part of the 2015/16 budget to mitigate its most pessimistic assessment of risk following the changes introduced by the Care Act. In the event it has not been necessary to draw on that cash, while the level of risk has also fallen because of Government's decision to delay implementation of the cap on care costs from April 2016 until April 2020. Given those circumstances, the case for maintaining the reserve no longer exists and so the resources will be transferred into the Service Transformation Reserve.
Care, Wellbeing & Education Risk	0	0	-2,284	Provides funding to mitigate the financial risks that the Care, Wellbeing and Education Directorate faces from demand pressures and from uncertainties about Government funding, e.g. in relation to the Public Health Grant.
Contract Settlement	-977	-977	-893	Provides for potential claims arising from the settlement of contractual arrangements.
Debtor Contingency	-641	-441	-441	To supplement the debtor write-off provision, which is held for specific debts where write off is considered probable. The reserve is intended to mitigate the impact on service budgets where further specific write-offs are identified as part of the on-going review of debt.
Early Intervention	-12,483	-9,333	-7,209	Reserve to support the Council's programme of Early Intervention, including ensuring the Troubled Families Initiative is fully funded. Projections are dependent upon identifying suitable families in accordance with project plan, and include assumptions on profiling and unit costs which are subject to review.

TABLE 5

RESERVES

Reserve	Balance at 1 April 2015 £000	Projected balance at 31 March 2016 £000	Projected balance at 31 March 2017 £000	Description
Elections	-200	-400	-600	To hold annual contributions built into the base revenue budget, used to finance administrative costs in an election year.
Fire & Rescue Service Operating Model	-90	0	0	To support the transition of the new Fire & Rescue operating model.
Highways & Education Buildings	-1,175	-420	-420	Held to cover any outstanding shortfall within the Education Basic Need programme as a result of the DfE grant shortfall, along with providing improvements on the highway.
Infrastructure Fund	-8,033	-385	-233	Will be used to support new projects, many of which will be delivered in conjunction with district and borough councils, to give the economy of the county a major boost.
Insurance	-8,207	-6,207	-4,207	Held in respect of the authority's self-funding insurance scheme, to provide for the risk of unknown future claims. A review completed in Autumn 2012 by our specialist insurance brokers, having regard to recent claims experience and potential risks, concluded to reduce the Insurance Fund further would put additional pressure on the premiums required.
Interest Smoothing Account	-3,576	-3,576	-976	Held to meet temporary shortfalls arising from fluctuations in interest rates, such as a reduction in investment returns or increased costs of borrowing. In line with the prudence principle in the financial strategy over matters over which the Council has little control.
Misc. Carry Forwards from 2014/15	-1,064	0	0	Holds a number of individually minor service carry forwards which were agreed in the outturn Total Performance Monitor.
On Street Parking	-65	-65	-65	Represents the surplus of charges over enforcement and associated costs, and is used to finance future on street parking projects.
Operation Watershed Reserve	-915	0	0	Held to meet the cost of the works identified in the Flood Report, and other drainage and highways works relating to extreme weather conditions. This will include drainage and emergency works following extreme flooding.
Crawley Schools Private Finance Initiative (PFI)	-6,409	-6,538	-6,538	The PFI reserves hold the surplus of government credits and other sources of finance over unitary charge payments and other expenditure in the early years of the respective contracts, to meet future expenditure over the life of the PFI arrangements. This equalises the costs to the taxpayer of building and maintaining the facilities over the duration of the contracts. This is underpinned by detailed financial models to ensure that the schemes remain solvent throughout their durations.
PFI Street Lighting	-17,374	-17,849	-18,303	
PFI Waste	-12,403	-12,375	-12,347	
Planning Inquiries	-118	-68	-68	Held to fund public planning enquiries into Structure, Waste & Mineral plans.
Records Office WWI	-60	-60	-60	The reserve supported the World War I centenary and related projects.
Retained Fire Fighters Training	-200	-200	-200	To support the training of retained firefighters.
Schools Sickness & Maternity Insurance	-1,776	-1,776	-1,776	Holds the accumulated surplus on the Sickness and Maternity Insurance Scheme operated by the authority for its maintained schools.
Service Transformation	-22,752	-10,389	-11,628	The Service Transformation reserve is held to meet the costs of major organisational transformation. It is used to fund short-term costs in order to deliver on-going savings, and as a source of investment to finance improvements to services so that they become more efficient and provide better outcomes.
Strategic Economic Plan (SEP)	0	-2,142	-1,992	Contribution to support the progression of the economic priorities within the SEP.

TABLE 5

RESERVES

Reserve	Balance at 1 April 2015 £000	Projected balance at 31 March 2016 £000	Projected balance at 31 March 2017 £000	Description
Strategic Planning Major Projects	-439	-149	-149	Holds fees received from developers in relation to large scale Highways projects, which subsequently fund site inspections and various works associated with those projects until completion.
Tangmere Solar Farm	-2,000	-900	-900	A contribution towards the development of a solar farm at Tangmere Airfield site as part of Your Energy Sussex energy programme.
Tax Liabilities	-51	-51	-51	Established to finance any tax liabilities arising from HMRC audits, which can be backdated by up to four years.
Unapplied Revenue Grant Reserve	-1,559	-3,000	-3,000	The Unapplied Revenue Grant reserve represents the unspent balance on revenue grants which are received for specific purposes but where there are no outstanding conditions on the grant which could require its repayment. The grant has therefore been recognised in full on the Comprehensive Income and Expenditure Statement in accordance with accounting standards, but the unapplied balance is held in a reserve to fund future expenditure plans relevant to the purpose of the grant.
Urgent Schools Maintenance	-1,590	0	0	Funding to undertake urgent capital maintenance works at school sites across West Sussex.
Waste Management MRMC	-33,365	-31,640	-27,902	An investment fund to meet the 25-year Materials Resource Management Contract (MRMC) with Biffa Waste Services Ltd for the treatment and disposal of waste, including the development of appropriate facilities.
Waste Recyclates	-607	0	0	Holds surplus income from the sale of recyclable materials by Waste Collection Authorities.
WORTH Project	-92	0	0	Funds applied in 2015/16 for on-going costs of the Ways of Responding Through Health (WORTH) service, an Independent Domestic Violence Advisory service that identifies, assesses and assists people affected by domestic abuse.
TOTAL EARMARKED RESERVES (NON SCHOOLS)	-172,442	-151,407	-137,515	
Dedicated Schools Grant (DSG)	-9,688	-3,791	-3,791	DSG is ring-fenced and can only be applied to finance expenditure on schools. This includes individual school budgets and an element of central expenditure on educational services provided on an authority-wide basis.
School Balances	-22,192	-20,505	-20,505	The School Balances reserve holds net underspending on locally managed budgets.
TOTAL EARMARKED RESERVES (SCHOOLS & NON SCHOOLS)	-204,322	-175,703	-161,811	
General Fund	-17,840	-17,840	-17,840	The general fund balance is not earmarked for a specific purpose, but is an appropriate source of financing for one-off costs, and acts a buffer against the significant financial pressures affecting public sector organisations. The balance is approximately 3.4% of net revenue expenditure. A recent Audit Commission study found the average amount held as unallocated reserves as 5%, with 85% of councils holding less than 10% (based upon 2011/12 data).
Capital Receipts Reserve	-7,938	0	0	Holds the balance of capital receipts which have not yet been applied to finance capital expenditure.
Capital Grants Unapplied Account	-2,221	-3,147	-3,147	Holds the unspent balance on capital grants which are received for specific purposes where there are no outstanding conditions on the grant which could require its repayment.
TOTAL USABLE RESERVES	-232,321	-196,690	-182,798	

TABLE 6

WEST SUSSEX COUNTY COUNCIL

MEDIUM TERM FINANCIAL STRATEGY: 2016/17 – 2019/20

OBJECTIVES

1. The purpose of the County Council's financial planning is to enable the achievement of the priorities and objectives set out in the Future West Sussex Plan. Resources are allocated to both the achievement of those priorities and supporting activity that is necessary for the day to day operation of the council.
2. There is a legal requirement to prepare an annual budget and set the council tax that supports that budget. However, the achievement of the County's long-term priorities benefits from service and financial planning over a longer timescale. The Medium Term Financial Strategy (MTFS) therefore seeks to take into account the longer term implications of the following:
 - the economy, including inflation
 - demographic factors
 - new legislation
 - policy initiatives, both at the local and at the national level
3. The aim of the MTFS is not to set detailed budget figures for future years, but to outline the basic framework for longer term service and financial planning. It sets out key budget pressures and risks as well as funding beyond the immediate year being budgeted for in detail. The MTFS should allow the County Council to take a longer term view, ensuring that early decisions are made in the context of the medium term, and that resources align to priorities and provide maximum value for money. The MTFS should also support the new, external audit, value for money test that the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
4. It is recognised that the Council needs to vary its budgeting techniques, away from incremental towards outcomes based budgeted in line with the development of the Future West Sussex Plan and the supporting directorate plans. It is no longer good enough to assume that the bulk of prior years' allocations are sound and that incremental changes are adequate. Fundamental reviews of resource requirements are needed to promote understanding of our desired outcomes and the resource impacts of delivering them. A pilot exercise is underway, with future work planned throughout 2016.

Context of the Medium Term Financial Strategy

5. As financial and, by implication, other resources become increasingly constrained, it is essential that remaining resources are focused closely on delivering the Council's priorities, whilst ensuring that its "business as usual" is also well managed.
6. The Council vision and priorities this strategy must support are set out in the Future West Sussex Plan, which was agreed at County Council in February 2015. That remit is to:
 - Giving Children the Best Start in Life
 - Championing the Economy

TABLE 6

- Independence for longer in later life
7. The updated Future West Sussex Plan will be part of the agenda for the County Council's budget meeting. It is important that the revenue budget aligns to support the above three main objectives. All objectives are also supported by the capital programme, but the aim of championing the economy in particular will be dependent on capital investment work as well as work with partners such as the Local Enterprise Partnership to support economic growth both directly and indirectly.
8. The aim of the MTFS is to help us to:
- Estimate the potential savings required in future years and to plan how these can be achieved whilst delivering on council objectives.
 - Identify the key financial influences on our medium term financial planning and the assumptions made in developing the plan;
 - Consider the challenges and likely risks associated with the plan and how we will deal with them;
 - Promote financial sustainability for County Council services over the longer term and provide the basis for future service planning and priorities, thereby enabling the Chief Finance Officer to confirm the robustness of the budget to reassure the Cabinet and Council.

National Context – The Spending Review

9. Until recently financial planning for 2016/17 and beyond has taken place in the absence of any framework from Central Government on their specific future plans for public finance and the particular national allocations to local government as a whole, nor any allocations at local authority level. Whilst it was clear that austerity with public finances would continue, the details around exactly how quickly central funding would be reduced are crucial to underpinning budget and service planning.
10. That began to change when the Chancellor of the Exchequer presented his 2015 Autumn Statement to the House of Commons on 25 November 2015, and at the same time delivered his Spending Review 2015. The statement set out public expenditure plans for 2016/17 to 2019/20. Alongside were published key economic data such as future projections for inflation, which is used to help build up the picture around the budgetary pressures the County Council will face in the period up to 2019/20.
11. The Government agreed to protect a number of core priorities from the spending reductions and these include:
- Spending 2% of Gross Domestic Product (GDP) on defence for the rest of this decade,
 - Spending 0.7% of Gross National Income on overseas aid,
 - Providing the NHS in England with £10 billion per year more in real terms by 2020/21 than in 2014/15,
 - Protecting schools' funding in England in real terms over the Spending Review period, and
 - Protecting overall police spending in real terms over the Spending Review period.

TABLE 6

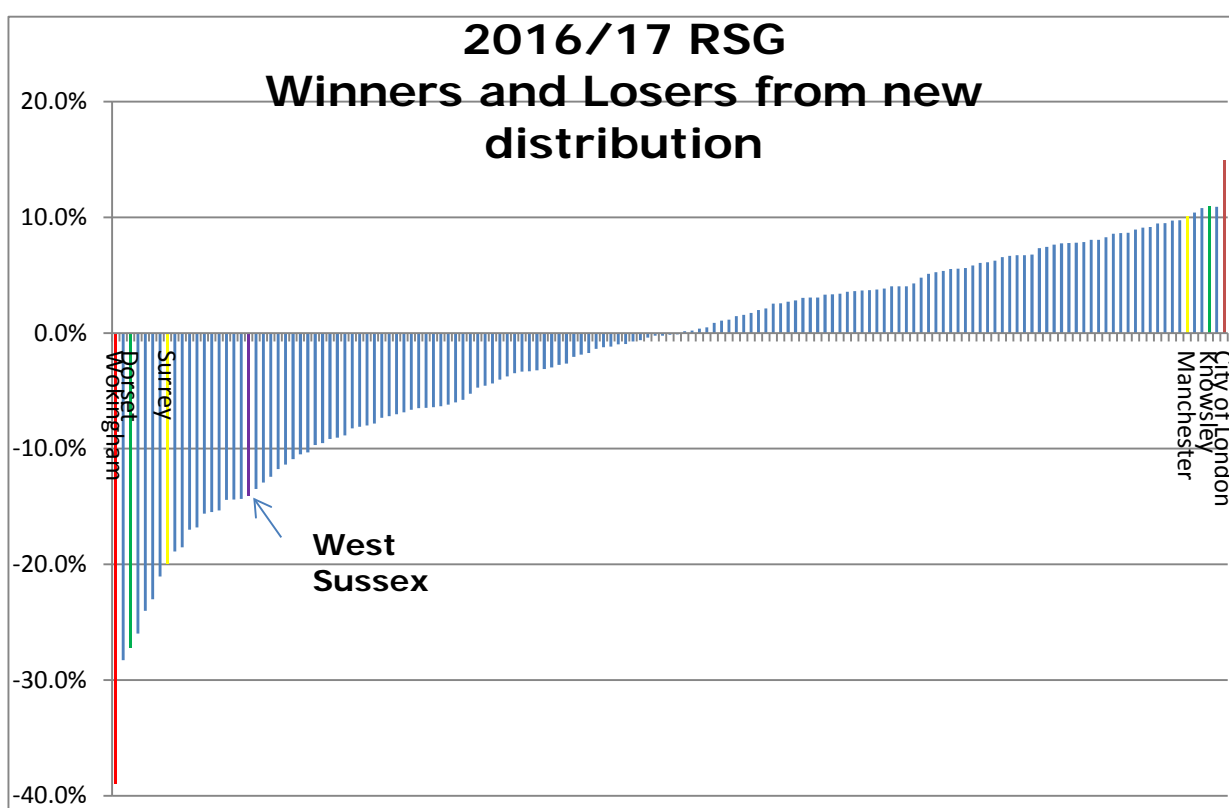
12. Although it was clear austerity would continue to apply to funding for local authorities, who are not 'protected', there was some better news.
- The Government made available an additional £1.5bn, which will be included in the Better Care Fund, though this is in part funded via redirecting resources from the New Homes Bonus (£800m).
 - Government provided flexibility for social care authorities to raise an extra 2% on their council tax provided the extra funding was directed to Adults social care.
13. The reduction in funding for the local government national control total over the period was £6.1bn. This equates to a 53% reduction in funding. The projections for Department Expenditure Limits (DEL) had improved with each major announcement, starting from the Autumn Statement of 2014. There was an improvement in the March 2015 Budget, although most of this improvement was in 2019/20. Most independent commentators thought that the 'rollercoaster' effect on public finances was unrealistic, and that the profile would in practice be flattened out. This is what happened in the Summer Budget in July 2015. There was then a further improvement in the November 2015 Spending Review announcement.
14. The Institute for Fiscal Studies (IFS) comment on the 2015 Spending Review was that "July's fiscal arithmetic implied average cuts of 27% to the resource spending of "unprotected" departmental spending – that is, for day-to-day spending other than that on health, schools, ODA and defence which was explicitly protected. The comparable figure after yesterday's [25 November 2015] announcements is "just" 18%, one third less than implied in July." Also that "there is no question that the cuts will be less severe than implied in July" (when the summer budget was announced).
15. The initial expectation arising from the Spending Review was therefore that the better news than expected would help to bridge the budget shortfall of £141m for the County Council identified earlier in the autumn. The important caveat was that this assumed no new method of redistribution of funding would take place, so the improvement would be shared by all. However, this improved position was not borne out by the subsequent local government finance settlement.

Local Government Finance Settlement 2016/17 onwards

16. The local government finance settlement was announced on 17 December 2015. The finance settlement signalled some important shifts in the Government's approach. In particular, no further council tax freeze grants are on offer and implicit in the settlement figures is an assumption around a rise in council tax levels.
17. A new methodology for determining authorities' RSG allocations has been proposed within the provisional settlement. Rather than applying the same percentage cut to all authorities, the new approach takes into account individual authorities' council tax raising ability. This produces a much higher reduction in RSG for higher tax base authorities (such as West Sussex) and reducing the reduction for those authorities with lower than average tax bases, compared with the approach previously applied between 2013/14 and 2015/16. Government is seeking for the settlement to have a 'flat cash' impact on local authorities, taking full account of all their available sources of funding including council tax. In other words, it has factored in that some councils are better placed to cope with a higher level of RSG reductions by raising their council tax charge and generating income to compensate.

TABLE 6

18. The new method when compared to the method used before of evenly applied reductions in RSG, produces a larger funding cut for the County Council by around £8.7m (i.e. £61.8m compared to £53.1m). This change took place without the usual early consultation by Government.
19. All authorities are currently having their RSG reduced, but some councils gain under Government's new approach compared with the amount they would have expected to lose under the previous system for distributing funding. A chart showing the winners and losers in 2015/16 from this change of approach is shown below. Any authority shown above the 0% line is a gainer, and those below are losing more RSG compared with the previous approach. West Sussex is shown as a clear loser from this new approach and ranks 19th worst from 151 upper tier authorities. It is a good illustration of some of the strange consequences of this approach that the City of London, with few residents and hence demand plus little council tax, benefits in terms of RSG distribution.



Four-year allocations

20. The finance settlement provided funding allocations for the next four financial years i.e. until 2019/20 and the end of the Parliament. A table showing the allocations to West Sussex is given below.

TABLE 6

	West Sussex SFA				
Year	RSG £m	Business Rates (growing at RPI) £m	Settlement Funding Assessment Total £m	% Change	National % Change
	Column 1	Column 2	Column 3 (1+2)	Column 4	Column 5
2015/16 adjusted	85.4	71.9	157.3		
2016/17	53.1	72.5	125.6	-20.2%	-12.5%
2017/18	27.7	74.0	101.7	-19.1%	-10.6%
2018/19	12.1	76.1	88.3	-13.2%	-6.5%
2019/20	0.0	78.6*	78.6	-11.0%	-5.8%

*includes a reduction component of £2.6m (see para 22)

21. The Settlement Funding Assessment (SFA – column 3) comprises the total of the RSG (column 1) and business rate allocation made by Government (column 2). The table shows West Sussex fares worse than the national average over each of the four years. As stated above this is due to the new approach to allocating RSG, which ensures a higher funding cut for authorities deemed able to generate above average funding from their own resources i.e. from council tax.
22. The County loses all of its RSG support by 2019/20, and in addition forfeits £2.6m of its business rate ‘top-up’ support. In order to achieve the reductions in funding it wishes to apply, Government is going beyond removing all RSG and applying a reduction to a share of the funding the County receives via the business rate system. A number of authorities are in this position – one of effectively receiving a negative RSG allocation.
23. By losing all of its RSG funding by year 4, the County is effectively left without any funding compensation the majority of the council tax freeze grants it has accepted in the four financial years of 2011/12, 2013/14, 2014/15 and 2015/16, which totals around £17.3m. The freeze grant for 2012/13 was clearly labelled as one-off only, so isn’t included here. Furthermore, the £4.8m transferred into RSG from Care Act specific grant funding is also lost by 2019/20.
24. The settlement figures for 2016/17 are being consulted on by Government and for the following three years are indicative allocations. The longer run of funding figures is very helpful for financial and service planning. Government has, in the provisional settlement, “offered a guaranteed budget (settlement) to every council which desires one and which can demonstrate efficiency savings – for next year, and for every year of this Parliament’. We await further details of what the requirement to demonstrate efficiency savings means in practice.
25. The County receives an estimated £5.1m in 2018/19 and £12.1m in 2019/20 from the £1.5bn Government has set aside for the improved Better Care Fund. This funding is being ‘back loaded’ to years 3 and 4 of the four-year settlement and also takes account of the Council’s council tax raising capability. These are, however, indicative allocations and Government will consult in due course on the method of

TABLE 6

allocation. These sums have been factored into the MTFS projections, but (i) because of the further consultation, which may impact on the distribution of funds, and (ii) as it is not yet clear that the funds will be provided without any new responsibilities, it has been deemed prudent to assume this new funding is fiscally neutral for the moment. In other words, the additional funding rising to £12.1m by 2019/20 may be matched by further duties or obligations.

Future Budget Outlook

Funding

26. As identified above, Government has provided indicative funding allocations up until 2019/20.
27. The assumptions on other key areas of funding are:
 - **Council Tax** – for planning purposes only, a rise of 3.95% per annum has been assumed each year until 2019/20. As stated above, the Government has assumed additional council tax can make good the extra funding cuts made in areas with a high tax base (such as West Sussex). The aim would be that longer term transformation work, such as the devolution proposals, will help contribute to efficiencies, extra income growth and new ways to explore savings to help alleviate pressure on services and on council tax.

The County has delivered a council tax freeze for the last five years to 2015/16. This has produced a saving of £523 (cumulatively) for the typical Band D council tax payer compared with a rise at the limit before a referendum would be needed.

- **Tax base** – a rise of 1.7% is assumed per annum after 2016/17. This is marginally less than seen in 2015/16 and 2016/17.
- **Collection Fund** – this is assumed to be in surplus by £1m per annum for 2017/18, 2018/19 and 2019/20.
- **Business rates** – real growth of 2% in the County's share has been assumed. This is above the average growth experienced so far under the business rate retention scheme, but the County's share of this income is relatively modest so this is not a high risk assumption.
- **Budget management reserve** – a safety net is maintained in this reserve (expected to be £19m by the end of 2016/17) that underpins some of the stretched assumptions above and will mitigate any savings not delivered according to plan.

Spending

28. Key pressures include:
 - **National Living Wage** – this is estimated to cost an additional £30m over the next four years, primarily via the costs experienced through higher contract prices.
 - **Demographic pressure** – this is assumed to continue with Adults Social Care at £5.3m per annum after 2016/17 (required to keep pace with growing demand) and £0.5m for Children Social Care.

TABLE 6

- **Pension Fund** - £1.2m extra per annum has been assumed (in-line with recent years), though it is hoped this may be lower in practice following the fund valuation in 2016
- **Inflation** – an allowance of £26.8m has been included for inflation over the next four years.

Summary Position

29. The table below sets out the core projection of the funding gap for the County Council.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Core Funding	125.6	101.7	88.3	78.6
Other Funding:				
Council Tax - current level	367.7	374.0	380.3	386.8
Business Rates Growth - above RPI	1.9	2.6	3.4	1.6
Specific Grants	15.3	14.6	16.8	23.1
Collection Fund	3.7	1.0	1.0	1.0
Total Funding Estimate	514.3	493.8	489.8	491.1
Budget with all known pressures	558.4	538.2	521.1	524.5
Annual Budget Gap	44.2	44.4	31.3	33.4
Total Budget Gap				153.3
Options to finance the budget Gap:				
Maximum savings available	-18.6	-23.7	-18.6	-12.7
Increase in Council Tax if 3.95% applied	-14.5	-15.6	-16.7	-18.0
Application of £15m early savings	-11.1	-3.9		
Application of Reserves		-1.1	1.1	
Annual Total	-44.2	-44.4	-34.2	-30.6
Total Available to Finance budget Gap				-153.5
Revised GAP surplus (-)/Deficit +				-0.2

30. The table indicates that by using current available savings, starting with the £18.6m in 2016/17, application of the £15m of early savings, very modest use of reserves plus an assumed council tax rises (for planning purposes) of 3.95%, the budget would be balanced over the four-year period.
31. The savings plans for 2016/17 are the most developed while those for the last years of the MTFS are currently in higher level outline form. Over the next few months, in addition to the outcomes based budgeting described above, it is essential that the plans for the delivery of the all savings currently identified are made more robust. Furthermore, there will need to be more savings, and delivered earlier, in order to improve the robustness of the MTFS.
32. As noted in the main budget report, a sum of £11.1m is being used to balance the 2016/17 budget which is available as part of £15m 'banked' from savings made in earlier years but directed to one-off budget purposes.

TABLE 6

33. In addition to the remaining £3.9m available from the £15m early savings, a relatively small drawdown on reserves is used in 2017/18 to balance the budget (£1.1m) but it is hoped that before the budget is approved for that year, further savings or additional income will be identified to make this unnecessary.
34. We await the details of the apprentice levy, as outlined by the Chancellor in his Autumn Statement, which will be introduced from 2017/18. This is a levy of 0.5% of payroll. This has not yet been factored into the costs in above table as we await details of it and how this will be applied to local authorities. Based on the County's payroll total, it may cost around £0.750m. The benefits that the Council may accrue from the levy are also not yet clear.

New Homes Bonus

35. The DCLG has published provisional allocations for 2016/17, the sixth year of the scheme. The provisional total NHB grant for 2016/17 is £1.461bn. An amount of £1.275m has been top-sliced from the amount available to local authorities through the settlement funding assessment (i.e. RSG) by way of contribution to fund the NHB.
36. Government are consulting on changes to the NHB from 2017/18, with a view to reducing the sum available by £800m, which will be redirected to social care authorities via the Better Care Fund. That latter distribution will take account of council tax raising capability.

Capitalisation Flexibility

37. DCLG has published draft guidance framework for flexible use of capital receipts, first announced as part of the Spending Review. Local authorities will be able to use 100% of receipts from selling capital assets (excluding the Right to Buy) to fund 'the revenue costs of reform projects'. The guidance provides a list of the types of projects which would qualify for capitalisation. It states that 'the key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate on-going savings to an authority's...net service expenditure'.
38. The guidance recommends that councils should develop a strategy 'that includes separate disclosure of the individual projects that will be funded or part funded through capital receipts flexibility and that the strategy is approved by full Council'. The final signed directions outlining the approach to be taken will be issued alongside the final settlement in February 2016.
39. This flexibility is welcomed, and will be kept under review for potential use, although the negative impact of using receipts for this purpose rather than supporting the capital programme, hence reducing borrowing, must also be borne in mind.

100% Business Rate Retention

40. The Secretary of State in his statement on the provisional settlement confirmed that by 2020 local government 'will be 100% funded by Council Tax, business rates and other local revenues'. It is important to note that this will not mean extra funding. It is clear this will be done in a fiscally neutral way, with new duties and responsibilities assigned to match any additional allocation.

TABLE 6

Risks

41. It is extremely helpful that Government has published a four-year settlement to provide indicative funding figures and we await the basis on which this will become a 'guaranteed' offer for authorities with efficiency plans. However, experience of the 2010 Spending Review indicated Government can make additional cuts 'in-flight'. Recent indications that public health, a ring-fenced grant, will face additional cuts are a further case in point. The IFS assessment of the Spending Review gave the opinion that it was 50/50 as to whether the underlining economic performance would sustain the public expenditure plans set out.
42. As noted above, the MTFS has made a number of assumptions around the future proceeds from a rising tax base, from business rates and from the council tax collection fund. The Budget Management Reserve (which is estimated to stand at £18.9m by 31/03/2017), will underwrite these assumptions and ensure future financial planning is therefore being made prudently.
43. The move towards 100% funding from business rates is generally a welcomed development that means local authorities will have more influence over their own income. However, there are risks associated with increased reliance on a funding stream that will inevitably vary with the business cycle. County Council spending is therefore more vulnerable to general economic conditions and this issue will need to be factored in when planning for and reviewing the need for reserves.

Conclusion

44. This Strategy outlines the financial outlook at a national level and the impact the local government financial settlement has had. The settlement has presented a new approach to allocating RSG, with an adverse impact on the funding allocation for West Sussex County Council. It has, however, provided a platform for future planning by providing indicative funding figures for the next four years. Plans can therefore be more confidently made around bridging the anticipated £153.5m gap identified over the medium term.
45. The move for 100% business rate retention is something the County has long called for and we welcome this in principle. We await the details, but alongside the benefits of a greater ability to influence our own funding streams and hence being less reliant on Government funding decisions, there are risks from the business cycle that income will dip periodically. Financial planning, especially around reserves, will need to take account of this risk.

TABLE 7
PRUDENTIAL CODE INDICATORS

Council Tax	Base 2015/2016 £	Increase From Base 2016/2017	Increase From Base 2017/2018	Increase From Base 2018/19	Increase From Base 2019/20	Increase From Base 2020/21
Impact of Capital Plans on Council Tax (Band D equivalent)						
Gross Impact of Capital Plans	1,161.99	1.19%	2.05%	3.24%	3.70%	3.96%
less Income Generating Provision		<u>-0.47%</u>	<u>-0.75%</u>	<u>-0.94%</u>	<u>-1.10%</u>	<u>-1.23%</u>
Net Impact on Council Tax		0.72%	1.30%	2.30%	2.60%	2.73%

Financial	Actual 2014/2015 £000	Estimate 2015/2016 £000	Estimate 2016/2017 £000	Estimate 2017/2018 £000	Estimate 2018/19 £000	Estimate 2019/20 £000	Estimate 2020/21 £000
Capital Expenditure	158,171	139,086	158,339	127,350	151,543	90,544	68,565
Capital Financing Requirement	573,309	576,930	615,593	638,009	678,231	682,213	672,726
Actual Debt/Operational Borrowing Limit *	530,303	540,958	575,371	587,871	618,008	608,194	597,484
Gross External Borrowing **	530,303	539,235	568,355	580,855	610,992	601,178	590,468
Net Borrowing ***	277,935	336,774	432,041	484,019	569,249	578,485	571,098
Authorised Borrowing Limit		580,958	615,371	627,871	658,008	648,194	637,484
Capital Financing/Net Revenue Stream	6.98%	6.88%	6.72%	7.35%	7.62%	7.65%	7.75%

* Represents the CFR (inclusive of notional borrowing under PFI as required by IFRS) less an assumed level of internal borrowing

** This is actual/planned debt (including notional debt for PFI liabilities) net of planned repayments

*** This is the net figure after taking into account investments held by the County Council

Treasury Management	Actual 2014/2015	Estimate 2015/2016	Estimate 2016/2017	Estimate 2017/2018	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Compliance with CIPFA Code of Practice	YES	YES	YES	YES	YES	YES	YES
Debt Maturity: *							
Over 30 Years	6%	10%	10%	10%	10%	10%	10%
Over 25 to 30 Years	3%	10%	10%	10%	10%	10%	10%
Over 20 to 25 Years	0%	10%	10%	10%	10%	15%	20%
Over 15 to 20 Years	48%	55%	50%	40%	30%	25%	20%
Over 10 to 15 Years	29%	45%	60%	60%	65%	65%	60%
Over 5 to 10 Years	5%	20%	20%	40%	45%	45%	50%
Over 1 to 5 Years	7%	15%	20%	35%	35%	35%	35%
Under 12 months	2%	15%	15%	25%	25%	25%	35%
Max Actual Debt at Fixed Rates as a % of Net Borrowing	221%	195%	171%	136%	128%	107%	103%
Max Actual Debt at Variable Rates as a % Net Borrowing	55%	49%	43%	34%	32%	27%	26%
Maximum % Gross Borrowing at Fixed Rates	99%	100%	100%	100%	100%	100%	100%
Maximum % Investments at Fixed Rates	63%	100%	100%	100%	100%	100%	100%
Maximum % Gross Borrowing at Variable Rates	1%	25%	25%	25%	25%	25%	25%
Maximum % Investments at Variable Rates	37%	85%	85%	85%	85%	85%	85%
Maximum Invested for a year or longer	£25.2m	£75m	£100m	£100m	£85m	£75m	£75m

* These percentages reflect maximum values to allow for debt restructuring. They do not reflect actual maturity values.

Service	SUMMARY OF CAPITAL PAYMENTS							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care and Health	695	16,914	12,700	11,500	0	0	0	41,809
Community Wellbeing	1,160	1,000	0	0	0	0	0	2,160
Education and Skills / Children - Start of Life	56,969	51,238	36,841	29,512	7,464	6,887	0	188,911
Finance	10,048	11,258	3,201	3,201	3,201	3,201	0	34,110
Highways and Transport	35,886	40,171	34,998	42,742	37,035	49,538	35,017	275,387
Leader	1,339	5,213	18,545	53,943	30,610	610	0	110,260
Residents' Services	8,856	9,177	6,934	105	630	700	0	26,402
TOTAL PROGRAMME	114,953	134,971	113,219	141,003	78,940	60,936	35,017	679,039

Financing	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Ringfenced Government Grant	34,274	37,991	45,448	51,327	35,119	26,539	3,850	234,548
Non-Ringfenced Government Grant	33,955	31,993	30,106	27,097	24,387	22,553	0	170,091
Capital Receipts	10,135	8,520	2,750	1,000	1,000	1,000	0	24,405
Revenue Contributions to Capital Outlay	33,343	13,308	2,615	8,532	532	532	0	58,862
External Contributions including S106	2,718	7,823	2,594	1,692	1,692	3,142	0	19,661
Core Borrowing	0	35,336	29,706	34,749	0	0	0	99,791
Additional Borrowing	528	0	0	16,606	16,210	7,170	31,167	71,681
TOTAL PROGRAMME	114,953	134,971	113,219	141,003	78,940	60,936	35,017	679,039

Income Generating Initiatives	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Finance	500	2,546	4,266	3,920	2,203	644	0	14,079
Leader	3,573	20,822	9,700	6,300	6,300	6,300	30,493	83,488
TOTAL PROGRAMME	4,073	23,368	13,966	10,220	8,503	6,944	30,493	97,567

Financing	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Ringfenced Government Grant	0	0	350	0	0	0	0	350
Income Generating Borrowing	4,073	23,368	13,616	10,220	8,503	6,944	30,493	97,217
TOTAL PROGRAMME	4,073	23,368	13,966	10,220	8,503	6,944	30,493	97,567

FINANCED FROM			
	£000	£000	%
External Sources and Service Portfolio Direct Funding			
Government Grants			
- Adult Social Care and Health	2,466		
- Community Wellbeing	1,000		
- Education and Skills / Children - Start of Life	22,281		
- Highways and Transport	6,890		
- Leader	3,920		
- Residents' Services	1,434		
		37,991	28.15
External Contributions			
- Education and Skills / Children - Start of Life	1,191		
- Highways and Transport	6,509		
- Residents' Services	123		
		7,823	5.80
Total		45,814	33.94
Corporate Funding			
- Capital Receipts		6,900	5.11
- Capital Receipts - Operational Leasing		1,620	1.20
- Government Grant		31,993	23.70
- RCCO		13,308	9.86
- Borrowing - Corporate		35,336	26.18
		134,971	100.00
TOTAL CAPITAL PAYMENTS		134,971	100.00

TABLE 9

GLOSSARY

1. BUSINESS RATES RETENTION – AN OVERVIEW

Background: How the System works

The Business Rates Retention system of funding is described in detail below. Upon its introduction there was a whole new language of terms, these are defined below:

Baseline Need – The element of funding that authorities are expected to receive through the business rates retention scheme (NB only indicative from Government in the provisional settlement – the actual amount received will be dependent on actual local NDR income for 2016/17).

Central share - The percentage share of locally collected business rates that will be paid to central government by billing authorities. This will be set at 50%. The central share will be re-distributed to local government through grants including the Revenue Support Grant.

Damping – ‘Damping’ is used to describe the way limits are applied to the effect on grant funding of changes to the distribution between authorities.

Levy - Mechanism to limit disproportionate benefit. This will be set on a proportionate basis so that an authority never sees more than a 1% increase in its baseline funding level for each 1% increase in its individual authority business rates baseline. Currently Government has set an upper limit on the Levy of 50 pence in the pound.

Local government spending control total - The total amount of expenditure allocated to the local government sector by HM Treasury for each year of a Spending Review.

NDR Baseline – The expected level of NDR income that an authority should be able to raise (this amount is only a proportion of the total NDR income of an authority). This is based on Government’s estimate using recent trends in the local yield from business rates.

Reset - New baseline funding levels, new individual authority business rates baselines (and therefore new tariffs or top-ups) are set for each authority to take account of changes in relative need and resource. No reset is expected before 2020.

Revaluation - Business properties are re-valued every five years to reflect relative changes in rental valuations. There will be no change to the current revaluation process or timing as a result of the business rates retention scheme.

Revenue Support Grant – The element of funding for authorities that is guaranteed. It is core general funding to support all revenue spending.

Safety net - Mechanism to protect any authority which sees its retained rates income drop, in any year, by more than a set percentage (currently set at 7.5%) below their baseline funding level (with baseline funding levels being uprated by RPI for the purposes of assessing eligibility for support).

TABLE 9

GLOSSARY

Settlement funding assessment – The funding assessment of the authority from Government, combining Revenue Support Grant, the share of local business rates and the ‘top-up’ payment in the case of the County Council.

Tariffs and top-ups – Calculated by comparing an individual authority business rates baseline against its baseline funding level. Tariffs and top-ups will be self-funding, fixed at the start of the scheme and index linked to RPI in future years.

The System: Local Business Rates

Business Rates Retention was included for the first time within the local government finance settlement in 2013/14.

Under the Business Rates Retention element of local government funding, the provisional settlement figures will no longer provide guaranteed funding levels, but rather the starting point for authorities within the scheme. Ultimately, the level of business rates collected by authorities in 2016/17 will determine the funding received for this element of their funding. The key funding principles are explained below.

Under the system, a **settlement funding assessment (SFA)** is determined for each local authority. This was determined in 2013/14 in the same way as Formula Grant was determined previously i.e. using the four block model to determine a level of need and then take into account changes in responsibility. For 2016/17 Government has amended the allocation basis to take into account each authority’s ability to raise council tax. It also states its wish to ensure that councils delivering the same set of services receive the same percentage change in core funding (assuming a level of council tax rise).

The **settlement funding assessment** is then split between **Revenue Support Grant (RSG)** and Business Rates Retention (expressed as **Baseline Need**). The level of RSG is guaranteed throughout the year, whilst the Baseline Need element is not, i.e.

Settlement funding assessment = RSG plus Baseline Need

To fund the **Baseline Need** element, local authorities each have an expected level of NDR that is to be collected (NDR Baseline). The methodology for these figures was based on the actual business rates collected by authorities in 2010/11 and 2011/12. Due to differences between **Baseline Need** and the level of business rates collected by individual authorities, there is a further adjustment required.

For authorities with a **Baseline Need** that is higher than their **NDR Baseline**, a **Top Up** grant is required (this is also guaranteed). Whereas, for authorities with a baseline need that is lower than their **NDR Baseline**, a **Tariff** is paid to central government i.e.

Baseline Need = NDR Baseline plus Top Up OR less Tariff

TABLE 9 GLOSSARY

The County Council receives a 'top-up sum'. Our local Districts and Boroughs are all tariff authorities. The NDR Baseline, Baseline Need, Tariff and Top up have all increased by RPI for 2016/17.

Those authorities that see a higher level of NDR income, compared to their **NDR Baseline**, should be rewarded through the scheme, as they will be able to retain an element of the extra revenue. However, authorities that have a lower level of NDR income will see a decline in their business rates taxbase and relative reductions in their funding. The new scheme also has a damping mechanism (or safety net) in place to limit individual losses. It is called damping as it 'dampens' the impact to lower volatility of any change in funding from year to year.

If authorities were to collect business rates at their NDR Baseline amount, the level of resources that they would receive (through NDR income and RSG) will be at their **settlement funding assessment** (i.e. they have neither lost nor gained from the business rates retention scheme). The figures published within the provisional settlement (announced on 17 December 2015) provide the County Council with the following funding allocations at SFA:

Settlement Funding Allocations	2016/17 £m	2017/18 £m	Change £m	Change %
WEST SUSSEX:				
1. Revenue Support Grant	53.1	27.7	-25.4	-47.8%
2. Business Rate Allocation	72.5	74.0	1.5	2.1%
Settlement Funding Assessment (1 + 2)	125.6	101.7	-23.9	-19.0%
ENGLAND - Total Settlement Funding Assessment	18,601.5	16,623.9	-1,977.6	-10.6%

Levy and Safety Net

The Levy

This will limit the amount that an individual authority can gain in cash terms for any given level of NDR growth. This has been set at 1:1, meaning that a 1% increase in NDR growth will translate into up to a 1% increase in retained business rates. The actual rate of the levy for individual authorities will therefore be set at a level that limits the growth in cash resources to a set percentage of their respective Baseline Funding Level. However, Government set an upper limit on the Levy of 50 pence in the pound (i.e. a 50% Levy rate as the maximum).

TABLE 9

GLOSSARY

All top up authorities, which includes the County Council, do not have to pay a levy. This is because the NDR Baseline is lower than the Baseline Funding Level for all top-up authorities. Only Tariff authorities (all District/Boroughs) must pay a levy if they have higher than a set amount of growth in their business rates.

Safety Net

The Safety Net within the Business Rates Retention system means no authority sees income fall by more than a set percentage of their baseline funding level (and this level is increased by RPI every year. The 2016/17 Safety Net percentage of -7.5% is the same percentage as in previous years.

Business Rates Income – how it is split

The Central Share

The business rates retention scheme operates within the Spending Review 2015 (SR15) control totals. In order to achieve this, the government “sets aside” a share of forecast national business rate income. This set aside amount is known as the central share and is set at 50%. This percentage will be fixed until any reset of the system i.e. re-assessing individual authorities’ baseline funding levels, potentially on the basis of a different assessment of need.

As this share is less than the spending totals for local authorities, the government provides the remaining Spending Review allocation for local government through Revenue Support Grant (RSG).

Under the business rates retention scheme, local government (as a sector) will retain 50% of any NDR growth (or decline) achieved locally.

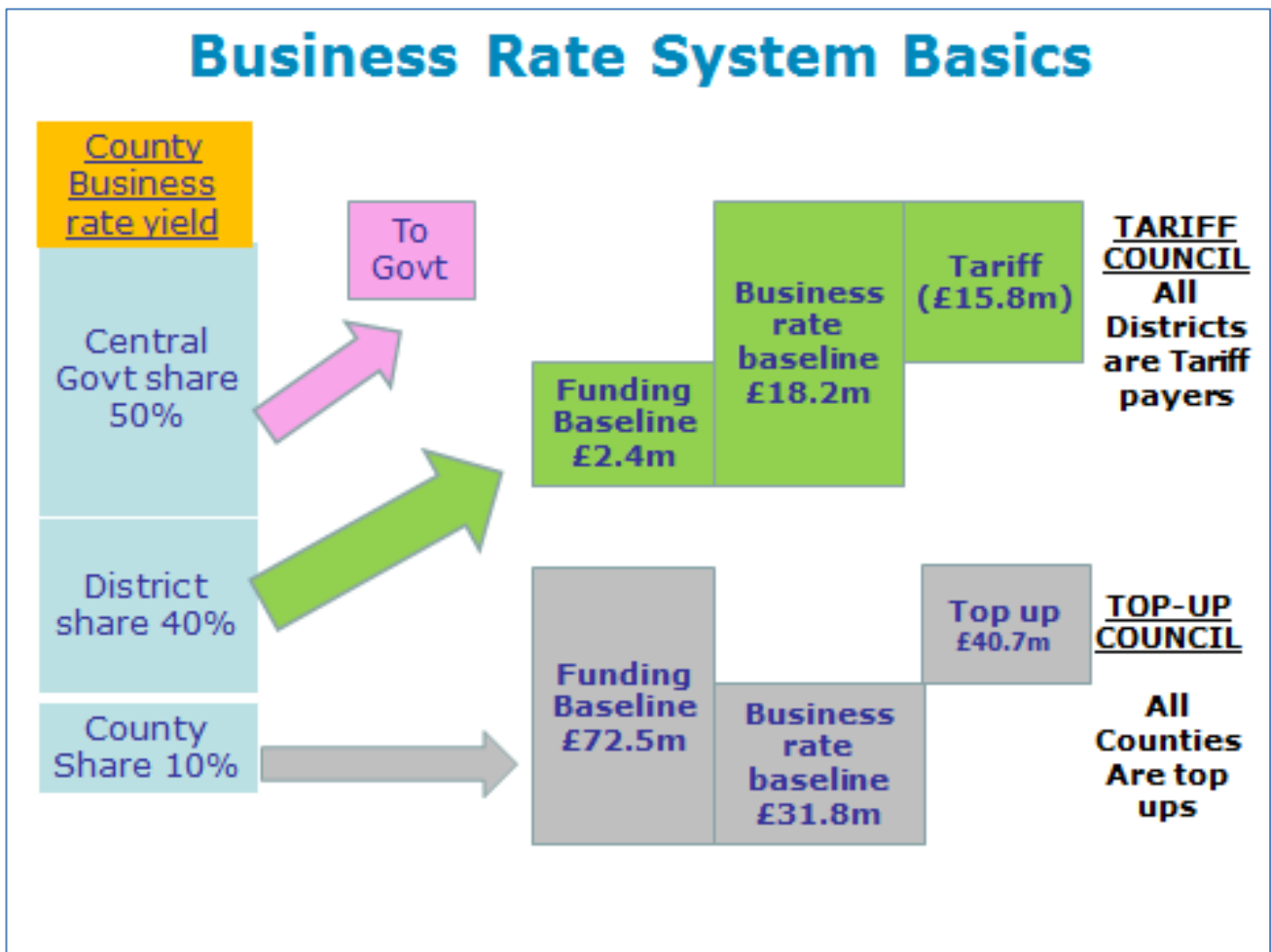
TABLE 9 GLOSSARY

Major precepting authorities

Each billing authority's business rates is split further between the billing authority and any relevant major precepting authorities in its area, in order to produce, for every authority, an individual authority business rates baseline. The split will be undertaken on the basis of the proposed major precepting authority shares: In two-tier areas – shire counties with fire – a district receives 80% and 20% goes to the county.

How the system works is shown below in chart form.

ILLUSTRATION: BUSINESS RATE SYSTEM BASICS



NB District average figures for West Sussex are used for illustration

TABLE 9

GLOSSARY

2. OTHER FINANCIAL TERMS

Reserves, Balances And Provisions

We use the term **earmarked reserve** to describe funding which is held for a particular purpose, for instance financing future capital spending or claims paid from our self-insurance arrangements. Reserves are voluntary arrangements on our part: we choose to set money aside for future spending now, rather than find it all at once when we need to pay it. This is particularly the case with our Private Finance Initiative or **PFI reserves**, where we are putting money away now to fund the costs of 25-30 year projects such as renewing our street lighting and rebuilding and refurbishing Crawley schools.

A **provision** is similar to a reserve in that it is setting money aside for future spending. Provisions differ in that they relate to liabilities we already know about and can estimate with reasonable accuracy. When we talk about the level of balances and reserves held by the County, we exclude provisions because they are already committed to settling existing liabilities.

The term **balance** is often used interchangeably with "reserve". More precisely a balance is a sum held on the balance sheet which is not earmarked or committed. For the County Council that means the **General Fund**. The balance on the General Fund increases at the year-end if the budget is underspent, and reduces if it is overspent. The General Fund would normally be used to pay for sudden and large cost pressures which could not be met from elsewhere, for instance damage caused by severe flooding.

The County Council also maintains a general **contingency**. It is designed to meet cost pressures which arise during the year, but which were not anticipated when the budget was set. Any unspent contingency at the year-end goes to the General Fund. The contingency is part of the budget and replenished each year—unlike reserves, which are one-off funding. The 2016/17 budget has a contingency of around £3.2m.

ADULT SOCIAL CARE AND HEALTH

REVENUE BUDGET 2016/17

Net Expenditure 2015/16 £000		Gross Expenditure 2016/17 £000	Sales, Fees and Charges 2016/17 £000	Other Income 2016/17 £000	Specific Government Grants 2016/17 £000	Net Expenditure 2016/17 £000	Net Expenditure Change from 2015/16 %
Older People							
<i>Commissioned costs</i>							
15,839	Nursing care (OP)	29,260	-11,347	0	0	17,913	13.1%
26,694	Residential care (OP)	50,911	-20,808	-10	-318	29,775	11.5%
10,644	Personal budgets - council managed (OP)	15,586	-3,815	-597	0	11,174	5.0%
4,555	Personal budgets - direct payments (OP)	6,286	-605	0	-173	5,508	20.9%
<i>Other costs</i>							
2,560	In-house day and residential care	11,846	-172	-9,279	0	2,395	-6.4%
7,774	Social care activities (OP)	14,431	0	-4,659	0	9,772	25.7%
68,066		128,320	-36,747	-14,545	-491	76,537	12.4%
Physical and Sensory Impairment							
<i>Commissioned costs</i>							
1,007	Nursing care (PSI)	1,338	-258	0	0	1,080	7.2%
3,263	Residential care (PSI)	3,697	-410	0	0	3,287	0.7%
2,657	Personal budgets - council managed (PSI)	3,193	-381	0	-46	2,766	4.1%
7,151	Personal budgets - direct payments (PSI)	9,139	-401	0	-1,076	7,662	7.1%
14,078		17,367	-1,450	0	-1,122	14,795	5.1%
Learning Disabilities							
1,387	Nursing care (LD)	1,694	0	0	0	1,694	22.1%
32,401	Residential care (LD)	37,118	-2,864	0	0	34,254	5.7%
23,726	Personal budgets - council managed (LD)	28,363	-1,974	0	-1,791	24,598	3.7%
5,529	Personal budgets - direct payments (LD)	7,002	-334	0	-1,022	5,646	2.1%
659	Preventative services (LD)	1,262	0	-593	0	669	1.5%
8,987	In-house day and residential care recharges (LD)	9,523	0	0	0	9,523	6.0%
3,525	Health services (LD)	3,863	0	-366	0	3,497	-0.8%
<i>Other costs</i>							
2,632	Social care activities (LD)	2,893	0	0	0	2,893	9.9%
-14,871	CCG contribution to pooled budget	0	0	-15,546	0	-15,546	4.5%
63,975		91,718	-5,172	-16,505	-2,813	67,228	5.1%

ADULT SOCIAL CARE AND HEALTH

REVENUE BUDGET 2016/17

Net Expenditure 2015/16		Gross Expenditure 2016/17	Sales, Fees and Charges 2016/17	Other Income 2016/17	Specific Government Grants 2016/17	Net Expenditure 2016/17	Net Expenditure Change from 2015/16
£000		£000	£000	£000	£000	£000	%
Working Age Mental Health							
<i>Commissioned costs</i>							
652	Nursing care (MH)	780	-92	0	0	688	5.5%
5,356	Residential care (MH)	6,241	-592	0	0	5,649	5.5%
1,950	Personal budgets - council managed (MH)	2,156	-124	0	-20	2,012	3.2%
951	Personal budgets - direct payments (MH)	1,022	-57	0	-31	934	-1.8%
-8,909	Recharges to Health	0	0	-9,283	0	-9,283	4.2%
<i>Other costs</i>							
0	Social care activities (MH)	2,514	0	-2,514	0	0	N/A
8,296	County Council contribution to pooled budget	8,362	0	0	0	8,362	0.8%
8,296		21,075	-865	-11,797	-51	8,362	0.8%
Assistive Equipment and Technology							
0	Community Equipment	6,013	0	-6,010	0	3	N/A
0	Telecare	383	0	-161	0	222	N/A
0		6,396	0	-6,171	0	225	N/A
Universal Services							
0	Regaining Independence Support Service	2,572	0	-2,572	0	0	N/A
0	Occupational Therapy & Sensory Services	4,318	0	-4,187	0	131	N/A
0	Meals on Wheels	600	-600	0	0	0	N/A
0	Support for Carers	4,216	0	-3,941	0	275	N/A
0	Information and Early Intervention	731	0	-731	0	0	N/A
0		12,437	-600	-11,431	0	406	N/A
Other Responsibilities							
<i>Independent Mental Capacity</i>							
820	Act/Deprivation of Liberty Safeguarding	934	0	0	-107	827	0.9%
926	Local Assistance Network	878	0	0	0	878	-5.2%
7,201	Housing Support & Supporting People	8,349	0	-2,615	0	5,734	-20.4%
1,612	Safeguarding ¹	520	0	-107	0	413	-74.4%
0	Care Act	2,017	0	-2,017	0	0	N/A
2,413	Commissioning and Service Delivery	3,428	0	-500	0	2,928	21.3%
12,972		16,126	0	-5,239	-107	10,780	-16.9%
167,387	PORTFOLIO TOTAL	293,439	-44,834	-65,688	-4,584	178,333	6.5%

¹ Responsibility for Children's Safeguarding consolidated into Children - Start of Life portfolio (2015/16 net expenditure budget £1.216m)

ADULT SOCIAL CARE AND HEALTH

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £10.946m or 6.5%

	£000	£000	%
Allowance for Pay and Price Increases			
Price rise allowance	1,642		
National Insurance employer contribution uplift	544		
Local Government Pension Scheme employer contribution uplift	<u>235</u>		
		2,421	1.4
Committed and Service Changes			
Transfer from reserve: Care and Clinical Governance Team reserve	300		
Contribution towards graduate positions	-29		
Adults demand pressure	5,300		
Underlying pressure in Residential and Community Care budgets	3,000		
National Living Wage	<u>6,300</u>		
		14,871	8.9
Balancing the Budget - detail provided in Table 3			
Spending changes	-4,653		
Additional income	<u>-1,850</u>		
		-6,503	-3.9
Funding from Central Government			
Care Act Funding transfer to Revenue Support Grant	2,528		
Independent Living Fund - transfer of expenditure responsibility	-4,477		
Independent Living Fund - transfer of expenditure responsibility	<u>4,477</u>		
		2,528	1.5
Transfers between Portfolios			
Capital Financing budget re: Shaw Homes consolidated into Non-Portfolio	-1,056		
Henfield Day Centre utilities funding transfer from Finance	4		
Increase to holiday pay entitlement - transfer from contingency	39		
Changes to Corporate Leadership Team from Children - Start of Life	24		
Changes to Corporate Leadership Team from Education & Skills	24		
Substance Misuse Housing Contracts transfer to Community Wellbeing	-217		
Contribution towards Executive Office Manager from Children - Start of Life	15		
Contribution towards Executive Office Manager from Education & Skills	15		
Realignment of Safeguarding budget to Children - Start of Life	-1,216		
Staff TUPE pension costs for Henfield Day Centre transfer to Community Wellbeing	<u>-3</u>		
		-2,371	-1.4
TOTAL CHANGE IN SPENDING		<u><u>10,946</u></u>	<u><u>6.5</u></u>

ADULT SOCIAL CARE AND HEALTH

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled								
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent	
			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Projects in Progress												
APTL Alinora Redevelopment	Worthing	BN12 4HZ	531	0	531	0	0	0	0	0	0	0
Improvements to NHS transferred facilities	Rustington	BN16 3SP	443	349	94	0	0	0	0	0	0	0
NHS Capital Grant	Various	Various	2,595	0	70	1,325	1,200	0	0	0	0	0
Total Projects in Progress			3,569	349	695	1,325	1,200	0	0	0	0	0
Starts List (2016/17 Starts)												
Adult Social Care and Health Social Care	Various	Various	34,500	0	0	11,500	11,500	11,500	0	0	0	0
Care Home Intervention Strategy	Various	Various	250	0	0	250	0	0	0	0	0	0
Marjorie Cobby House	Chichester	PO20 0NA	2,000	0	0	2,000	0	0	0	0	0	0
Social Care Grant Block	Various	Various	1,839	0	0	1,839	0	0	0	0	0	0
Total Starts List (2016/17 Starts)			38,589	0	0	15,589	11,500	11,500	0	0	0	0
Design List (2017/18 Starts)												
Total Design List (2017/18 Starts)			0	0	0	0	0	0	0	0	0	0
Design List (2018/19 Starts)												
Total Design List (2018/19 Starts)			0	0	0	0	0	0	0	0	0	0
Design List (2019/20 Starts)												
Total Design List (2019/20 Starts)			0	0	0	0	0	0	0	0	0	0
Design List (2020/21 Starts)												
Total Design List (2020/21 Starts)			0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAMME			42,158	349	695	16,914	12,700	11,500	0	0	0	0
Financing												
Sources of Funding												
Government Grant					£000	£000	£000	£000	£000	£000	£000	£000
Corporate Resources					601	2,466	443	0	0	0	0	0
External Contributions					94	14,448	12,257	11,500	0	0	0	0
					0	0	0	0	0	0	0	0
Total Funding					695	16,914	12,700	11,500	0	0	0	0

CHILDREN - START OF LIFE

REVENUE BUDGET 2016/17

Net Expenditure 2015/16 £000		Gross Expenditure 2016/17 £000	Sales, Fees and Charges 2016/17 £000	Other Income 2016/17 £000	Specific Government Grants 2016/17 £000	Net Expenditure 2016/17 £000	Net Expenditure Change from 2015/16 %
<u>Local Authority Funding</u>							
Children's Social Care							
7,637	Residential Care	11,994	-1,437	-77	0	10,480	37.2%
16,559	Foster Care & Adoption	19,703	0	-94	0	19,609	18.4%
12,499	Child Disability Service	13,436	-670	-375	0	12,391	-0.9%
13,420	Care Management	15,288	0	-1,610	0	13,678	1.9%
7,183	Other Childcare Services	8,586	0	-60	-1,309	7,217	0.5%
3,865	Think Family	4,294	0	0	-2,033	2,261	-41.5%
1,336	Special Educational Needs & Inclusion	3,323	0	-1,540	-422	1,361	1.9%
9,338	Early Childhood Services	10,155	-55	-665	0	9,435	1.0%
3,961	Young People's Services	6,454	0	-1,683	-634	4,137	4.4%
0	Children's Safeguarding ¹	1,446	0	-102	0	1,344	N/A
Children's Joint Commissioning							
1,383	CAMHS	1,792	0	-396	0	1,396	0.9%
146	Other Joint Commissioning	404	0	0	-251	153	4.8%
0	National Living Wage	2,700	0	0	0	2,700	N/A
77,327	Local Authority Funding	99,575	-2,162	-6,602	-4,649	86,162	11.4%

¹ Responsibility for Children's Safeguarding transferred from Adult Social Care and Health portfolio (2015/16 net expenditure budget £1.216m)

CHILDREN - START OF LIFE

REVENUE BUDGET 2016/17

Net Expenditure 2015/16 £000		Gross Expenditure 2016/17 £000	Sales, Fees and Charges 2016/17 £000	Other Income 2016/17 £000	Specific Government Grants 2016/17 £000	Net Expenditure 2016/17 £000	Net Expenditure Change from 2015/16 %
<u>Dedicated Schools Grant Funding</u>							
Children's Support							
354	Residential Care	354	0	0	0	354	0.0%
267	Child Disability Service	267	0	0	0	267	0.0%
Children's Operations							
1,519	Care Management	1,519	0	0	0	1,519	0.0%
30,737	Early Childhood Services	31,408	0	0	0	31,408	2.2%
Special Educational Needs							
29,938	Individual Schools Budgets	33,287	0	0	-2,436	30,851	3.0%
15,354	Independent & Non-Maintained Schools	15,788	0	0	0	15,788	2.8%
13,582	SEN & Inclusion	13,641	0	0	0	13,641	0.4%
Government Grant							
-91,751	Dedicated Schools Grant	0	0	0	-93,828	-93,828	2.3%
0	Dedicated Schools Grant and Other Schools Funding	96,264	0	0	-96,264	0	N/A
77,327	PORTFOLIO TOTAL	195,839	-2,162	-6,602	-100,913	86,162	11.4%

CHILDREN - START OF LIFE

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £8.835m or 11.4%

	£000	£000	%
Allowance for Pay and Price Increases			
Price rise allowance	650		
National Insurance employer contribution uplift	447		
Local Government Pension Scheme employer contribution uplift	<u>764</u>		
		1,861	2.4
Committed and Service Changes			
Increase in Children Looked After numbers and costs	4,300		
Child Disability Service demographic pressures	510		
Increase in safeguarding provision for children at risk of sexual exploitation	190		
Contribution towards graduate positions	-14		
Commissioning and contract monitoring	165		
Operational Social Worker turnover allowance removal	800		
Funding towards the Multi Agency Safeguarding Hub	150		
Investment in Social Work Academy	310		
Children and Families Partnership Plan implementation	120		
Think Family funding drawn from reserves (net)	-1,676		
Investment in Social Work Academy - drawn from reserves	218		
Safeguarding Development Manager - drawn from reserves	32		
National Living Wage	<u>2,700</u>		
		7,805	10.1
Balancing the Budget - detail provided in Table 3			
Spending changes		-1,789	-2.3
Funding from Central Government (provisional)			
Dedicated Schools Grant - change in funding (expenditure)	2,077		
Dedicated Schools Grant - change in funding (income)	-2,077		
16-19 Sixth Form Grant - change in funding for maintained schools (expenditure)	596		
16-19 Sixth Form Grant - change in funding for maintained schools (income)	<u>-596</u>		
		0	0.0
Transfers between Portfolios			
Realignment of Safeguarding budget from Adult Social Care & Health	1,216		
Changes to Corporate Leadership Team to Adult Social Care & Health	-24		
Transfer of Data Access Officer to Corporate Relations	-41		
Increase to holiday pay entitlement - transfer from contingency	61		
Transfer of Advocacy Service positions to Corporate Relations	-78		
Transfer of Information & Advice Youth Worker position to Corporate Relations	-34		
Property costs relating to Children's and Family Centres to Corporate Relations	-41		
Learning and Development Professional Practice from Corporate Relations	74		
Contribution towards Executive Office Manager to Adult Social Care & Health	-15		
Transfer of Independent Visitor Scheme Co-ordinator to Corporate Relations	-41		
Transfer of Senior Advisor position to Education & Skills	-75		
Transfer of SEN Finance Assistant positions to Education & Skills	<u>-44</u>		
		958	1.2
TOTAL CHANGE IN SPENDING		<u>8,835</u>	<u>11.4</u>

COMMUNITY WELLBEING

REVENUE BUDGET 2016/17

Net Expenditure 2015/16		Gross Expenditure 2016/17	Sales, Fees and Charges 2016/17	Other Income 2016/17	Specific Government Grants 2016/17	Net Expenditure 2016/17	Net Expenditure Change from 2015/16
£000		£000	£000	£000	£000	£000	%
Public Health and Health & Social Care Commissioning							
Public Health							
4,278	Staffing & Strategic Initiatives	4,063	0	0	-338	3,725	-12.9%
6,343	Healthy Life Styles	5,873	0	0	0	5,873	-7.4%
14,124	Children & Families	19,197	0	0	0	19,197	35.9%
185	Public Health Research	113	0	0	0	113	-38.9%
2,709	Later Life & Mental Health	3,147	0	0	0	3,147	16.2%
-27,027	Public Health Grant	0	0	0	-32,055	-32,055	18.6%
612		32,393	0	0	-32,393	0	-100.0%
Health & Social Care Commissioning							
5,811	Drugs and Alcohol Action Team	6,432	-25	-104	0	6,303	8.5%
-5,749	Public Health Grant	0	0	0	-6,303	-6,303	9.6%
500	Domestic Abuse	953	0	-634	0	319	-36.2%
562		7,385	-25	-738	-6,303	319	-43.2%
Communities							
276	Community Safety	625	0	-350	0	275	-0.4%
Customer Services							
0	Coroner Services ¹	1,036	0	-1	0	1,035	N/A
1,450	PORTFOLIO TOTAL	41,439	-25	-1,089	-38,696	1,629	12.3%

¹ Responsibility for Coroner Services transferred from Residents' Services portfolio (2015/16 net expenditure budget £1.010m)

COMMUNITY WELLBEING

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £0.179m or 12.3%

	£000	£000	%
Allowance for Pay and Price Increases			
Price rise allowance	11		
National Insurance employer contribution uplift	77		
Local Government Pension Scheme employer contribution uplift	19		
		107	7.4
Committed and Service Changes			
Reversal of 2015/16 transfer from WORTH - Domestic Abuse reserve	-92		
Contribution towards graduate positions	-2		
		-94	-6.5
Balancing the Budget - detail provided in Table 3			
Spending changes		-2,347	-161.9
Funding from Central Government			
Increase in Public Health Grant for 0-5 Children's Public Health Commissioning responsibility transferred from NHS on 1st October 2015	-5,582		
0-5 Children's Public Health Commissioning responsibility transferred from NHS to Children's & Families on 1st October 2015	5,582		
		0	0.0
Transfers between Portfolios			
Transfer of Support Assistant from Residents' Services	18		
Activity chargeable to Public Health Grant - transfer from Highways & Transport	100		
Activity chargeable to Public Health Grant - transfer from Residents' Services	1,165		
Transfer of Coroners and Mortuaries Service from Residents' Services	1,010		
Substance Misuse Housing Contracts transfer from Adult Social Care & Health	217		
Staff TUPE pension costs for Henfield Day Centre transfer from Adult Social Care & Health	3		
		2,513	173.3
TOTAL CHANGE IN SPENDING		179	12.3

COMMUNITY WELLBEING

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled							
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Projects in Progress											
Ravenscourt	Bognor Regis	PO21	285	0	285	0	0	0	0	0	0
Worthing Church Homeless Project	Worthing	BN11	200	0	200	0	0	0	0	0	0
ANA Works	Horsham	RH10	675	0	675	0	0	0	0	0	0
Total Projects in Progress			1,160	0	1,160	0	0	0	0	0	0
Starts List (2016/17 Starts)											
DAAT Grant	Various	Various	1,000	0	0	1,000	0	0	0	0	0
Total Starts List (2016/17 Starts)			1,000	0	0	1,000	0	0	0	0	0
Design List (2017/18 Starts)											
Total Design List (2017/18 Starts)			0	0	0	0	0	0	0	0	0
Design List (2018/19 Starts)											
Total Design List (2018/19 Starts)			0	0	0	0	0	0	0	0	0
Design List (2019/20 Starts)											
Total Design List (2019/20 Starts)			0	0	0	0	0	0	0	0	0
Design List (2020/21 Starts)											
Total Design List (2020/21 Starts)			0	0	0	0	0	0	0	0	0
TOTAL PROGRAMME			2,160	0	1,160	1,000	0	0	0	0	0
Financing					2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
Sources of Funding					£000	£000	£000	£000	£000	£000	£000
Government Grant					1,160	1,000	0	0	0	0	0
Corporate Resources					0	0	0	0	0	0	0
External Contributions					0	0	0	0	0	0	0
Total Funding					1,160	1,000	0	0	0	0	0

CORPORATE RELATIONS

REVENUE BUDGET 2016/17

Net Expenditure 2015/16		Gross Expenditure 2016/17	Sales, Fees and Charges 2016/17	Other Income 2016/17	Specific Government Grants 2016/17	Net Expenditure 2016/17	Net Expenditure Change from 2015/16
£000		£000	£000	£000	£000	£000	%
Corporate Resources and Services							
Workforce, Organisational Development & Delivery Support (WODDS)							
9,139	WODDS Staffing	8,646	0	-201	0	8,445	-7.6%
1,616	Human Resources	1,478	-3	-100	0	1,375	-14.9%
97	Information Technology Strategic Client	87	0	0	0	87	-10.3%
60	Customer Insight	112	0	0	0	112	86.7%
10,912		10,323	-3	-301	0	10,019	-8.2%
Law, Assurance & Strategy							
5,248	Law, Assurance & Strategy Staffing	5,506	0	0	0	5,506	4.9%
443	Legal Services	925	-600	-125	0	200	-54.9%
15	Democratic Services	115	0	-101	0	14	-6.7%
26	Elections	26	0	0	0	26	0.0%
426	County Local Committees	426	0	0	0	426	0.0%
1,423	Members Allowances & Expenses	1,436	0	0	0	1,436	0.9%
7,581		8,434	-600	-226	0	7,608	0.4%
Finance							
-97	Finance Staffing	0	-199	0	0	-199	105.2%
69	Strategic Procurement	69	0	0	0	69	0.0%
-28		69	-199	0	0	-130	364.3%
Commercial Services							
19,547	Commercial Services	26,491	-902	-5,507	0	20,082	2.7%
38,012	Total Corporate Resources and Services	45,317	-1,704	-6,034	0	37,579	-1.1%
Residents' Services							
6,002	Strategic Planning & Place (Facilities Management)	7,133	-335	-999	0	5,799	-3.4%
Customer Services							
223	Complaints Team	431	0	0	0	431	93.3%
44,237	PORTFOLIO TOTAL	52,881	-2,039	-7,033	0	43,809	-1.0%

CORPORATE RELATIONS

CHANGE IN SPENDING

As analysed in the table below, the decrease in spending is £0.428m or 1%

	£000	£000	%
Allowance for Pay and Price Increases			
Price rise allowance	629		
National Insurance employer contribution uplift	320		
Local Government Pension Scheme employer contribution uplift	146		
		1,095	2.5
Committed and Service Changes			
Funding for graduate positions	158		
Funding for Disclosure Barring Service (DBS) checks for external transport staff	34		
Funding for Commercial Director	132		
Transfer from reserve: Contract Settlement reserve - Funding for additional Microsoft licensing	84		
Transfer from reserve: Strategic Economic Plan reserve - Fund Local Economic Partnership Accountable Body support	35		
Transfer from reserve: Service Transformation reserve - Workforce, Organisational Development & Delivery Support (WODDS)	357		
		800	1.8
Balancing the Budget - detail provided in Table 3			
Spending changes		-2,229	-5.0
Transfers between Portfolios			
Transfer of Commercial Marketing Manager to Finance	-56		
IT contract centralisation - transfer from Highways and Transport	23		
Consolidation of Workforce, Organisational Development & Delivery Support (WODDS) income budgets to Finance	-175		
Increase to holiday pay entitlement - transfer from contingency	3		
Transfer of Data Access Officer from Children - Start of Life	41		
Transfer of Advocacy Service positions from Children - Start of Life	78		
Transfer of two Market Intelligence Analyst staff from Finance	68		
Property costs relating to Children and Family Centres from Children - Start of Life	41		
Transfer of Information & Advice Youth Worker position from Children - Start of Life	34		
Transfer of Executive Development Officer and Manager from Leader	97		
Transfer of Independent Visitor Scheme Co-ordinator from Children - Start of Life	41		
Transfer of Senior Project Advisor to Residents' Services	-44		
Contribution towards Executive Office Manager from Leader	18		
IT licence centralisation - transfer from Leader	40		
Learning and Development Professional Practice to Children - Start of Life	-74		
Transfer of Procurement resources to Finance	-16		
Transfer of Customer Experience Programme staff to Residents' Services	-213		
		-94	-0.2
TOTAL CHANGE IN SPENDING		-428	-1.0

EDUCATION AND SKILLS

REVENUE BUDGET 2016/17

Net Expenditure 2015/16		Gross Expenditure 2016/17	Sales, Fees and Charges 2016/17	Other Income 2016/17	Specific Government Grants 2016/17	Net Expenditure 2016/17	Net Expenditure Change from 2015/16
£000		£000	£000	£000	£000	£000	%
<u>Local Authority Funding</u>							
Learning Service							
788	Support & Intervention	2,243	0	-1,198	0	1,045	32.6%
1,366	Statutory & Strategic Compliance	2,031	0	-700	0	1,331	-2.6%
250	Business Operations	344	0	-137	0	207	-17.2%
Support to Schools							
12,586	Transport	13,000	-178	-269	0	12,553	-0.3%
	School Meals and Private Finance Initiative						
1,505	Contracts	20,390	-520	-5,855	-12,432	1,583	5.2%
1,948	Other Support to Schools	19,906	0	-778	-17,128	2,000	2.7%
21 Adult Skills and Learning							
2,943		2,943	0	0	-2,922	21	0.0%
18,464	Local Authority Funding	60,857	-698	-8,937	-32,482	18,740	1.5%
<u>Dedicated Schools Grant Funding</u>							
Schools							
412,636	Individual Schools Budgets	431,559	0	-1,835	-12,010	417,714	1.2%
Learning Service							
6,541	Alternative Provision	6,997	0	-700	0	6,297	-3.7%
2,457	Support & Intervention	1,585	0	-21	0	1,564	-36.3%
1,291	Statutory & Strategic Compliance	862	0	0	0	862	-33.2%
646	Business Operations	646	0	0	0	646	0.0%
Support to Schools							
648	Transport	648	0	0	0	648	0.0%
7,631	School Support	9,718	0	0	0	9,718	27.3%
Government Grant							
-434,331	Dedicated Schools Grant	0	0	0	-439,930	-439,930	1.3%
-2,481	Dedicated Schools Grant and Other Schools Funding	452,015	0	-2,556	-451,940	-2,481	0.0%
15,983	PORTFOLIO TOTAL	512,872	-698	-11,493	-484,422	16,259	1.7%

EDUCATION AND SKILLS

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £0.276m or 1.7%

	£000	£000	%
Allowance for Pay and Price Increases			
Price rise allowance	213		
National Insurance employer contribution uplift	50		
Local Government Pension Scheme employer contribution uplift	<u>102</u>		
		365	2.3
Committed and Service Changes			
Increase in safeguarding provision for children at risk of sexual exploitation	58		
Contribution towards graduate positions	<u>-3</u>		
		55	0.3
Balancing the Budget - detail provided in Table 3			
Spending changes	-125		
Additional income	<u>-100</u>		
		-225	-1.4
Funding from Central Government (provisional)			
Dedicated Schools Grant - change in funding (expenditure)	7,029		
Dedicated Schools Grant - change in funding (income)	-7,029		
16-19 Sixth Form Grant - change in funding for maintained schools (expenditure)	-3,300		
16-19 Sixth Form Grant - change in funding for maintained schools (income)	3,300		
Pupil Premium Grant - change in funding for maintained schools (expenditure)	-4,236		
Pupil Premium Grant - change in funding for maintained schools (income)	<u>4,236</u>		
		0	0.0
Transfers between Portfolios			
Changes to Corporate Leadership Team to Adult Social Care & Health	-24		
Increase in holiday pay entitlement from contingency	1		
Contribution towards Executive Office Manager to Adult Social Care & Health	-15		
Transfer of Senior Advisor position from Children - Start of Life	75		
Transfer of SEN Finance Assistant positions from Children - Start of Life	<u>44</u>		
		81	0.5
TOTAL CHANGE IN SPENDING		<u><u>276</u></u>	<u><u>1.7</u></u>

EDUCATION AND SKILLS / CHILDREN - START OF LIFE

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled							
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Projects in Progress											
Mid Sussex Special Schools Phase 1 & 2	Mid Sussex	Various	16,120	16,082	38	0	0	0	0	0	0
Academies programme											
- Technical implementation support	Various	Various	1,077	555	0	522	0	0	0	0	0
Sir Robert Woodard Academy											
- Youth Centre	Worthing	BN15 9QZ	949	884	2	63	0	0	0	0	0
The Littlehampton Academy											
- Construction	Arun	BN17 6FE	32,611	32,572	1	38	0	0	0	0	0
- Offsite access works	Arun	BN17 6FE	276	188	0	88	0	0	0	0	0
- House Purchase	Arun	BN17 6FE	250	199	0	51	0	0	0	0	0
- All Turf Pitch	Arun	BN17 6FE	300	0	0	300	0	0	0	0	0
- Interim works on Special Support Centre	Arun	BN17 6FE	50	45	0	5	0	0	0	0	0
Shoreham Academy											
- Construction	Adur	BN43 6YT	32,093	31,541	10	542	0	0	0	0	0
- Offsite access works	Adur	BN43 6YT	21	20	0	1	0	0	0	0	0
Midhurst Rother College											
- Construction	Chichester	GU29 9DT	30,785	30,299	15	471	0	0	0	0	0
- Offsite works	Chichester	GU29 9DT	199	40	0	159	0	0	0	0	0
- Midhurst Rother College Youth Centre	Chichester	GU29 9DT	1,006	981	0	25	0	0	0	0	0
Imberhorne Sports Hall	Mid Sussex	RH19 2DT	2,028	2,025	3	0	0	0	0	0	0
Community Schools Access Initiative	Various	PO19 3AG	825	441	384	0	0	0	0	0	0
Primary and Secondary Basic Need 2013/14											
- Edward Bryant	Arun	PO21 1BG	3,950	3,472	478	0	0	0	0	0	0
- St Lawrence	Adur	BN6 9UY	4,450	4,194	256	0	0	0	0	0	0
- Fernhurst Primary	Chichester	GU27 3EA	750	618	132	0	0	0	0	0	0
- Windmills Junior, Hassocks	Adur	BN6 8LS	2,738	1,698	1,040	0	0	0	0	0	0
- St Mary's Primary, Bognor Regis	Arun	PO21 1DJ	1,412	1,397	15	0	0	0	0	0	0
- Heron Way	Horsham	RH13 6DJ	2,327	2,296	31	0	0	0	0	0	0
- Bartons	Arun	PO21 5EJ	4,694	4,656	38	0	0	0	0	0	0
- Downview	Arun	PO22 8ER	3,500	2,186	1,314	0	0	0	0	0	0
- White Meadows	Arun	BN17 7JL	4,016	2,539	1,477	0	0	0	0	0	0
- The Weald	Horsham	RH14 9RY	11,550	855	988	9,707	0	0	0	0	0
Improvements to ICT and FFE	Various	Various	700	507	193	0	0	0	0	0	0
Improvements to Alternative Provision	Mid Sussex	RH10 3HZ	1,172	1,106	66	0	0	0	0	0	0
Millais School Project	Horsham	RH13 5HR	14,100	11,265	2,835	0	0	0	0	0	0
Special Schools Targeted Basic Need											
- Manor Green Primary	Crawley	RH11 0DU	916	171	745	0	0	0	0	0	0
- Manor Green College	Crawley	RH11 0DX	1,313	793	520	0	0	0	0	0	0
- Herons Dale	Adur	BN43 6TN	1,113	130	983	0	0	0	0	0	0
- Littlegreen	Chichester	PO18 9NW	684	49	635	0	0	0	0	0	0
- Fordwater	Chichester	PO19 6PP	826	63	763	0	0	0	0	0	0
Queen Elizabeth II Silver Jubilee School	Horsham	RH13 5NW	388	36	352	0	0	0	0	0	0

EDUCATION AND SKILLS / CHILDREN - START OF LIFE

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled							
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Worthing - Age of Transfer	Worthing	BN11 2DG	93	0	93	0	0	0	0	0	0
Worthing Academy	Worthing	BN14 8HJ	20,278	5,743	11,692	2,843	0	0	0	0	0
Durrington High	Worthing	BN13 1JX	5,200	1,318	3,882	0	0	0	0	0	0
Heene First	Worthing	BN11 4BB	2,515	950	1,565	0	0	0	0	0	0
Downsbrook	Worthing	BN14 8GD	708	688	20	0	0	0	0	0	0
Chesswood Middle	Worthing	BN11 2AA	3,274	1,084	2,190	0	0	0	0	0	0
Goring Aided First School	Worthing	BN12 4NT	1,608	584	1,024	0	0	0	0	0	0
Davison High School	Worthing	BN11 2JX	3,893	933	2,960	0	0	0	0	0	0
Field Place First	Worthing	BN12 6EN	165	6	159	0	0	0	0	0	0
Laurels First	Worthing	BN13 3QH	423	10	413	0	0	0	0	0	0
Hawthorns First	Worthing	BN13 3EZ	252	1	251	0	0	0	0	0	0
St Andrews	Worthing	BN14 8BG	3,075	800	2,275	0	0	0	0	0	0
Community Schools Capital Maintenance Grant 2014/15	Various	Various	3,321	3,304	17	0	0	0	0	0	0
Community Schools Devolved Formula Capital Grant 2014/15	Various	Various	1,245	0	1,245	0	0	0	0	0	0
Shelley Primary	Horsham	RH12 3LU	650	0	6	0	644	0	0	0	0
Universal Free School Meals	Various	Various	2,488	914	1,574	0	0	0	0	0	0
St Pauls	Horsham	RH15 8GA	641	489	152	0	0	0	0	0	0
Community Schools Capital Maintenance Grant 2015/16	Various	Various	7,060	0	5,060	2,000	0	0	0	0	0
Community Schools Devolved Formula Capital Grant 2015/16	Various	Various	1,694	0	0	1,694	0	0	0	0	0
Primary and Secondary Basic Need 2015/16											
St Nicolas and St Mary	Adur	BN43 6PE	400	0	400	0	0	0	0	0	0
Buckingham Park	Adur	BN43 5UD	350	0	350	0	0	0	0	0	0
Glebe	Adur	BN42 4GB	1,950	0	125	1,825	0	0	0	0	0
Nyewood Junior	Arun	PO21 5NW	300	0	300	0	0	0	0	0	0
East Preston Infants	Arun	BN16 1EZ	450	0	450	0	0	0	0	0	0
Rustington Primary	Arun	BN16 3PW	150	0	150	0	0	0	0	0	0
Rose Green Jnr	Arun	PO21 3NA	200	0	200	0	0	0	0	0	0
Parklands	Chichester	PO19 3AG	250	0	250	0	0	0	0	0	0
Desmond Anderson	Crawley	RH10 5EA	1,000	0	520	445	35	0	0	0	0
Gossops Green Phase 2	Crawley	RH11 8HW	400	0	400	0	0	0	0	0	0
Waterfield Phase 2/3	Crawley	RH11 8RA	450	0	450	0	0	0	0	0	0
The Mill	Crawley	RH11 0EL	550	0	550	0	0	0	0	0	0
Our Lady Queen of Heaven	Crawley	RH11 7PZ	1,480	0	630	805	45	0	0	0	0
Northgate	Crawley	RH10 8DX	20	0	20	0	0	0	0	0	0
Tanbridge House	Horsham	RH12 1SR	5,540	0	3,230	2,310	0	0	0	0	0
Warden Park Primary	Mid Sussex	RH17 5DP	100	0	100	0	0	0	0	0	0
Bramber	Worthing	BN14 8QB	250	0	250	0	0	0	0	0	0
Downlands	Mid Sussex	BN6 8LP	200	0	200	0	0	0	0	0	0
Holy Trinity Cuckfield	Crawley	RH17 5BE	450	0	450	0	0	0	0	0	0
Beechfield	Crawley	RH10 3HZ	12,605	0	52	2,553	8,000	2,000	0	0	0
Total Projects in Progress			264,867	170,727	56,969	26,447	8,724	2,000	0	0	0

EDUCATION AND SKILLS / CHILDREN - START OF LIFE

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled							
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Starts List (2016/17 Starts)											
Community Schools Capital Maintenance Grant	Various	Various	7,832	0	0	7,832	0	0	0	0	0
Community Schools Devolved Formula Capital Grant	Various	Various	1,694	0	0	0	1,694	0	0	0	0
Primary and Secondary Basic Need 2016/17	Various	Various	15,810	0	0	15,459	351	0	0	0	0
Age of Transfer - Storrington	Various	Various	2,100	0	0	1,500	600	0	0	0	0
Total Starts List (2016/17 Starts)			27,436	0	0	24,791	2,645	0	0	0	0
Design List (2017/18 Starts)											
Community Schools Capital Maintenance Grant	Various	Various	7,049	0	0	0	7,049	0	0	0	0
Community Schools Devolved Formula Capital Grant	Various	Various	1,694	0	0	0	0	1,694	0	0	0
Primary and Secondary Basic Need 2017/18	Various	Various	18,423	0	0	0	18,423	0	0	0	0
Total Design List (2017/18 Starts)			27,166	0	0	0	25,472	1,694	0	0	0
Design List (2018/19 Starts)											
Community Schools Capital Maintenance Grant	Various	Various	6,411	0	0	0	0	6,411	0	0	0
Community Schools Devolved Formula Capital Grant	Various	Various	1,694	0	0	0	0	0	1,694	0	0
Primary and Secondary Basic Need 2018/19	Various	Various	19,407	0	0	0	0	19,407	0	0	0
Total Design List (2018/19 Starts)			27,512	0	0	0	0	25,818	1,694	0	0
Design List (2019/20 Starts)											
Community Schools Capital Maintenance Grant	Various	Various	5,770	0	0	0	0	0	5,770	0	0
Community Schools Devolved Formula Capital Grant	Various	Various	1,694	0	0	0	0	0	0	1,694	0
Total Design List (2019/20 Starts)			7,464	0	0	0	0	0	5,770	1,694	0
Design List (2020/21 Starts)											
Community Schools Capital Maintenance Grant	Various	Various	5,193	0	0	0	0	0	0	5,193	0
Total Design List (2020/21 Starts)			5,193	0	0	0	0	0	0	5,193	0
TOTAL PROGRAMME			359,638	170,727	56,969	51,238	36,841	29,512	7,464	6,887	0
Financing											
Sources of Funding			£000	£000	£000	£000	£000	£000	£000	£000	£000
Government Grant			27,683	22,281	27,123	3,694	1,694	1,694	0	0	0
Corporate Resources			27,036	27,766	9,074	25,818	5,770	5,193	0	0	0
External Contributions			2,250	1,191	644	0	0	0	0	0	0
Total Funding			56,969	51,238	36,841	29,512	7,464	6,887	0	0	0

FINANCE

REVENUE BUDGET 2016/17

Net Expenditure 2015/16		Gross Expenditure 2016/17	Sales, Fees and Charges 2016/17	Other Income 2016/17	Specific Government Grants 2016/17	Net Expenditure 2016/17	Net Expenditure Change from 2015/16
£000		£000	£000	£000	£000	£000	%
Corporate Resources and Services							
175	Executive Director of CR&S	179	0	0	0	179	2.3%
Workforce, Organisational Development & Delivery Support (WODDS)							
-201	WODDS Staffing	0	0	0	0	0	-100.0%
11	Performance & Operational Support	0	0	0	0	0	-100.0%
1,340	Future West Sussex Programme	1,783	0	0	0	1,783	33.1%
15	Business Change	0	0	0	0	0	-100.0%
1,165		1,783	0	0	0	1,783	53.0%
Finance							
3,090	Finance Staffing	4,509	-578	-650	0	3,281	6.2%
362	Finance	359	0	0	0	359	-0.8%
59	Internal Audit	59	0	0	0	59	0.0%
3,511		4,927	-578	-650	0	3,699	5.4%
Commercial Services							
969	Commercial Services	1,065	-15	-6	0	1,044	7.7%
5,820	Total Corporate Resources and Services	7,954	-593	-656	0	6,705	15.2%
Residents' Services							
9,006	Strategic Planning and Place (Property)	11,396	-1,468	-1,886	0	8,042	-10.7%
Other Responsibilities							
555	Fees and Other Payments	475	0	-44	0	431	-22.3%
54	Insurance	3,600	0	-1,831	0	1,769	3175.9%
380	Big Society Fund	380	0	0	0	380	0.0%
350	Social Enterprise Fund	0	0	0	0	0	-100.0%
278	Flood Defence Levies	279	0	0	0	279	0.4%
333	Inshore Fisheries and Conservation Authority	333	0	0	0	333	0.0%
189	Chichester Harbour Conservancy	189	0	0	0	189	0.0%
104	Littlehampton Harbour Board	103	0	0	0	103	-1.0%
2,243		5,359	0	-1,875	0	3,484	55.3%
17,069	PORTFOLIO TOTAL	24,709	-2,061	-4,417	0	18,231	6.8%

FINANCE

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £1.162m or 6.8%

	£000	£000	%
Allowance for Pay and Price Increases			
Price rise allowance	76		
National Insurance employer contribution uplift	125		
Local Government Pension Scheme employer contribution uplift	<u>63</u>		
		264	1.5
Committed and Service Changes			
Solar Farm income generation	-390		
Closure of the Social Enterprise Fund	-350		
Reversal of 2015/16 reserve transfer: Future West Sussex Programme	-750		
Transfer from reserve: Insurance reserve	2,000		
Transfer from reserve: Service Transformation reserve for transformation projects	1,193		
Transfer from reserve: Strategic Economic Plan reserve to fund Local Economic Partnership Accountable Body support	115		
Contribution towards graduate positions	<u>-10</u>		
		1,808	10.6
Balancing the Budget - detail provided in Table 3			
Spending changes	-504		
Additional income	<u>-525</u>		
		-1,029	-6.0
Transfers between Portfolios			
Transfer of Commercial Marketing Manager from Corporate Relations	56		
Henfield Day Centre utilities transfer to Adult Social Care & Health	-4		
Consolidation of Workforce, Organisational Development & Delivery Support (WODDS) income budgets from Corporate Relations	175		
Premises income budget centralisation - transfer from Highways and Transport	-47		
Premises budget adjustment for reduction in business rates - transfer to Residents' Services	-9		
Transfer of two Market Intelligence Analyst staff to Corporate Relations	-68		
Transfer of Procurement resources from Corporate Relations	<u>16</u>		
		119	0.7
TOTAL CHANGE IN SPENDING		<u><u>1,162</u></u>	<u><u>6.8</u></u>

FINANCE

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled							
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Projects in Progress											
Accommodation Optimisation - County Hall	Chichester	PO19 1RG	1,904	1,461	443	0	0	0	0	0	0
Accommodation Optimisation - Northleigh	Chichester	PO19 1QT	133	103	30	0	0	0	0	0	0
Carbon Reduction Programme	Various	Various	1,108	768	20	320	0	0	0	0	0
Council Chamber PA	Chichester	PO19 1RG	100	0	100	0	0	0	0	0	0
Propco -Tangmere Solar Farm	Tangmere	PO20 2FT	5,050	0	5,050	0	0	0	0	0	0
Sompting Waste Management	Sompting	BN15 0ND	378	62	120	196	0	0	0	0	0
Staff Capitalisation - Property 2015/16	Chichester	PO19 1RG	1,201	0	1,201	0	0	0	0	0	0
Structural Maintenance Previous Years Slippage	Various	Various	6,038	5,636	402	0	0	0	0	0	0
Structural Maintenance 2015/16	Various	Various	2,800	0	2,682	118	0	0	0	0	0
Total Projects in Progress			18,712	8,030	10,048	634	0	0	0	0	0
Starts List (2016/17 Starts)											
Centenary House, Durrington	Worthing	BN13 2QB	7,000	0	0	7,000	0	0	0	0	0
CMIS - Democratic Services	Chichester	PO19 1RG	33	0	0	33	0	0	0	0	0
County Hall Accomodation	Chichester	PO19 1RG	150	0	0	150	0	0	0	0	0
Structural Maintenance	Various	Various	2,000	0	0	2,000	0	0	0	0	0
SAP Optimisation	Chichester	PO19 1RG	240	0	0	240	0	0	0	0	0
Staff Capitalisation - Property	Various	Various	1,201	0	0	1,201	0	0	0	0	0
Total Starts List (2016/17 Starts)			10,624	0	0	10,624	0	0	0	0	0
Design List (2017/18 Starts)											
FM Structural Maintenance	Various	Various	2,000	0	0	0	2,000	0	0	0	0
Staff Capitisation - Property	Various	Various	1,201	0	0	0	1,201	0	0	0	0
Total Design List (2017/18 Starts)			3,201	0	0	0	3,201	0	0	0	0
Design List (2018/19 Starts)											
FM Structural Maintenance	Various	Various	2,000	0	0	0	0	2,000	0	0	0
Staff Capitisation - Property	Various	Various	1,201	0	0	0	0	1,201	0	0	0
Total Design List (2018/19 Starts)			3,201	0	0	0	0	3,201	0	0	0
Design List (2019/20 Starts)											
FM Structural Maintenance	Various	Various	2,000	0	0	0	0	0	2,000	0	0
Staff Capitisation - Property	Various	Various	1,201	0	0	0	0	0	1,201	0	0
Total Design List (2019/20 Starts)			3,201	0	0	0	0	0	3,201	0	0

FINANCE

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled						Subsequent	
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20		2020/21
			£000	£000	£000	£000	£000	£000	£000	£000	
Design List (2020/21 Starts)											
FM Structural Maintenance	Various	Various	2,000	0	0	0	0	0	0	2,000	0
Staff Capitation - Property	Various	Various	1,201	0	0	0	0	0	0	1,201	0
Total Design List (2020/21 Starts)			3,201	0	0	0	0	0	0	3,201	0
TOTAL PROGRAMME			42,140	8,030	10,048	11,258	3,201	3,201	3,201	3,201	0

Financing	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
Sources of Funding	£000	£000	£000	£000	£000	£000	£000
Government Grant	0	0	0	0	0	0	0
Corporate Resources	10,048	11,258	3,201	3,201	3,201	3,201	0
External Contributions	0	0	0	0	0	0	0
Total Funding	10,048	11,258	3,201	3,201	3,201	3,201	0

Income Generating Initiatives	Locality	Postcode	Total Estimated Project Budget	Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Propco:											
- Barnham	Arun	PO22 0AY	3,065	0	0	1,090	1,713	262	0	0	0
- Crawley	Crawley	RH11 9BQ	3,631	0	0	116	1,288	1,600	627	0	0
- Littlehampton	Arun	BN17 6FE	2,423	0	0	0	0	203	1,576	644	0
- Petworth	Chichester	GU28 0EE	1,208	0	0	0	357	851	0	0	0
- Southwick	Adur	BN42 4NF	531	0	0	0	156	375	0	0	0
- The Tannery	Chichester	PO19 3RJ	814	0	0	0	505	309	0	0	0
- The Wallis Centre, East Grinstead	Mid Sussex	RH19 3BS	567	0	0	0	247	320	0	0	0
- Orchard Street, Chichester	Chichester	PO19 1DG	1,840	0	500	1,340	0	0	0	0	0
TOTAL PROGRAMME			14,079	0	500	2,546	4,266	3,920	2,203	644	0

HIGHWAYS AND TRANSPORT

REVENUE BUDGET 2016/17

Net Expenditure 2015/16		Gross Expenditure 2016/17	Sales, Fees and Charges 2016/17	Other Income 2016/17	Specific Government Grants 2016/17	Net Expenditure 2016/17	Net Expenditure Change from 2015/16
£000		£000	£000	£000	£000	£000	%
Highways Service							
3,386	Highways Service	6,301	-1,210	-1,972	0	3,119	-7.9%
11,931	Highway Maintenance	10,728	0	-202	0	10,526	-11.8%
0	Operation Watershed	500	0	0	0	500	N/A
0	West Sussex Permit Scheme	1,465	-1,465	0	0	0	N/A
7,280	Street Lighting PFI	13,455	0	0	-6,069	7,386	1.5%
0	Sussex Safer Roads Partnership	2,092	-2,092	0	0	0	N/A
22,597		34,541	-4,767	-2,174	-6,069	21,531	-4.7%
Transport Commissioning							
12,966	National Concessionary Fares Scheme	12,426	0	0	0	12,426	-4.2%
1,184	3in1 Concessionary Fares Scheme	1,342	-150	0	0	1,192	0.7%
1,113	Public Transport Support	2,642	0	-1,146	-374	1,122	0.8%
493	Safe & Sustainable Transport	775	-146	-217	0	412	-16.4%
-173	Transport Bureau	3,516	-317	-3,986	-62	-849	390.8%
-84	Parking Strategy	191	0	-270	0	-79	-6.0%
0	On Street Car Parking	3,532	-3,489	-43	0	0	N/A
352	Blue Badge Scheme	497	-146	0	0	351	-0.3%
15,851		24,921	-4,248	-5,662	-436	14,575	-8.0%
Other Responsibilities							
1,484	Strategic Planning	2,862	-1,453	-155	0	1,254	-15.5%
419	Customer Services	348	0	0	0	348	-16.9%
399	Management	605	0	0	0	605	51.6%
-38	Horsham Town Centre	0	0	-38	0	-38	0.0%
-48	Central Commitment from Reserves	0	0	-48	0	-48	0.0%
2,216		3,815	-1,453	-241	0	2,121	-4.3%
40,664	PORTFOLIO TOTAL	63,277	-10,468	-8,077	-6,505	38,227	-6.0%

HIGHWAYS AND TRANSPORT

CHANGE IN SPENDING

As analysed in the table below, the decrease in spending is £2.437m or 6%

	£000	£000	%
Allowance for Pay and Price Increases			
Price rise allowance	619		
National Insurance employer contribution uplift	204		
Local Government Pension Scheme employer contribution uplift	<u>94</u>		
		917	2.3
Committed and Service Changes			
Operation Watershed	500		
West Sussex Highways Permit Scheme expenditure	1,465		
West Sussex Highways Permit Scheme income	-1,465		
Street Lighting PFI - remove 2015/16 portfolio transfer to reserve	622		
Street Lighting PFI - transfer to reserve 2016/17	-454		
Strategic Planning Inquiry - remove 2015/16 portfolio transfer from reserve	-50		
Strategic Planning Major Projects - remove 2015/16 portfolio transfer from reserve	-90		
Highways Review implementation - remove 2015/16 portfolio transfer from reserve	-323		
Contribution towards graduate positions	-45		
Disclosure Barring Service (DBS) checks for external transport staff	<u>-34</u>		
		126	0.3
Balancing the Budget - detail provided in Table 3			
Spending changes	-3,256		
Additional income	<u>-127</u>		
		-3,383	-8.3
Funding from Central Government			
Removal of Sustainable Drainage Systems Capacity Building Grant (SuDS)	134		
Removal of expenditure funded by the SuDS Grant	<u>-134</u>		
		0	0.0
Transfers between Portfolios			
Increase to holiday pay entitlement - transfer from contingency	8		
Activity chargeable to Public Health Grant - transfer to Community Wellbeing	-100		
IT contract centralisation - transfer to Corporate Relations	-23		
Premises income budget centralisation – transfer to Finance	47		
Changes to Corporate Leadership Team - transfer to Residents' Services	<u>-29</u>		
		-97	-0.2
TOTAL CHANGE IN SPENDING		<u><u>-2,437</u></u>	<u><u>-6.0</u></u>

HIGHWAYS AND TRANSPORT

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled							
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Projects in Progress											
Parking Meters	Various	Various	430	207	223	0	0	0	0	0	0
West Sussex Sustainable Transport	Various	Various	2,494	1,962	532	0	0	0	0	0	0
Shoreham Footbridge Replacement (Connect 2)	Adur	BN43 5ZE	9,927	9,793	134	0	0	0	0	0	0
A284 Lyminster Bypass	Arun	Various	9,343	684	80	4,698	3,881	0	0	0	0
Duncheon Straight	Chichester		46	0	46	0	0	0	0	0	0
A259 Corridor Enhancement Capacity, East Arun	Arun/Worthing	Various	15,288	488	200	1,769	5,993	6,838	0	0	0
Farthings Hill	Horsham	RH12 3NS	152	126	26	0	0	0	0	0	0
Five Oaks Roundabout	Horsham	RH12 3TN	121	112	9	0	0	0	0	0	0
STRUCTURAL MAINTENANCE											
Principal Roads Structural Maintenance											
	Adur	Various	3,138	0	236	0	0	0	0	0	0
	Arun	Various		0	392	0	0	0	0	0	0
	Chichester	Various		0	313	0	0	0	0	0	0
	Crawley	Various		0	858	0	0	0	0	0	0
	Horsham	Various		0	400	0	0	0	0	0	0
	Mid Sussex	Various		0	370	0	0	0	0	0	0
	Worthing Borough	Various		0	569	0	0	0	0	0	0
Local Roads Structural Maintenance											
	Adur	Various	8,875	0	275	24	0	0	0	0	0
	Arun	Various		0	1,707	16	0	0	0	0	0
	Chichester	Various		0	1,929	52	0	0	0	0	0
	Crawley	Various		0	1,274	3	0	0	0	0	0
	Horsham	Various		0	904	18	0	0	0	0	0
	Mid Sussex	Various		0	1,988	119	0	0	0	0	0
	Worthing Borough	Various		0	566	0	0	0	0	0	0
Bridge Structural Maintenance Schemes											
	Adur	Various	1,262	0	50	0	0	0	0	0	0
	Arun	Various		0	80	0	0	0	0	0	0
	Chichester	Various		0	0	270	0	0	0	0	0
	Crawley	Various		0	85	165	0	0	0	0	0
	Horsham	Various		0	137	0	0	0	0	0	0
	Mid Sussex	Various		0	131	0	0	0	0	0	0
	Worthing Borough	Various		0	344	0	0	0	0	0	0
HIGHWAYS IMPROVEMENTS											
Cycle Networks	Various	Various	1,321	1,106	215	0	0	0	0	0	0
Crossings	Various	Various	1,988	1,826	11	151	0	0	0	0	0
Cycling & Walking Safety Enhancements on Routes to School	Various	Various	0	0	0	0	0	0	0	0	0
Traffic Management	Various	Various	2,301	1,872	429	0	0	0	0	0	0
Traffic Signal Imps, Traffic Control & Information Measures	Various	Various	0	0	0	0	0	0	0	0	0
Town Centre & Village Improvements	Various	Various	821	750	71	0	0	0	0	0	0
Infrastructure Plan Community led projects	Various	Various	4,668	1,005	2,685	978	0	0	0	0	0
HIGHWAYS SAFETY											
Accident Investigation & Prevention/ Route Safety Measures	Various	Various	3,219	2,549	670	0	0	0	0	0	0
HIGHWAYS PUBLIC TRANSPORT											
Public Transport Infrastructure	Various	Various	723	613	110	0	0	0	0	0	0
Unclassified Roads											
Keymer Junction	Mid Sussex	RH15 0JZ	557	115	140	302	0	0	0	0	0

HIGHWAYS AND TRANSPORT

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled							
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Staff Capitalisation	Various	Various	1,195	0	1,195	0	0	0	0	0	0
Comet Corner	Arun	PO22 6NF	30	0	30	0	0	0	0	0	0
Vehicle Procurement - Highways and Libraries	Various	Various	1,250	0	1,250	0	0	0	0	0	0
Crawley Transport Package - Phase 1	Crawley	Various	4,270	0	300	3,970	0	0	0	0	0
NCN2	Various	Various	865	0	100	765	0	0	0	0	0
Worthing Sustainable Transport Package - Phase 1	Worthing	Various	880	0	880	0	0	0	0	0	0
Adur Tidal Walls	Adur	Various	400	0	400	0	0	0	0	0	0
Flood & Coastal Erosion Risk Management	Various	Various	1,035	0	0	685	150	200	0	0	0
West of Horsham	Horsham	Various	4,190	0	42	1,540	2,608	0	0	0	0
Total Projects in Progress			110,789	39,708	35,886	15,525	12,632	7,038	0	0	0
Starts List (2016/17 Starts)											
A27	Various	Various	10,000		0	1,000	1,000	8,000	0	0	0
Downslink - Beautiful Outdoors - Transport Package	Various	Various	70		0	70	0	0	0	0	0
WSFRS Replacement Appliances	Crawley	Various	765		0	765	0	0	0	0	0
Intergrated Transport Block			3,734								
	Adur&Worthing	Various		0	0	352	0	0	0	0	0
	Arun	Various		0	0	1,431	0	0	0	0	0
	Chichester	Various		0	0	241	0	0	0	0	0
	Crawley	Various		0	0	463	0	0	0	0	0
	Horsham	Various		0	0	661	0	0	0	0	0
	Mid Sussex	Various		0	0	586	0	0	0	0	0
Intergrated Transport Block - S106 Funded			1,660								
	Adur&Worthing	Various		0	0	156	0	0	0	0	0
	Arun	Various		0	0	636	0	0	0	0	0
	Chichester	Various		0	0	107	0	0	0	0	0
	Crawley	Various		0	0	206	0	0	0	0	0
	Horsham	Various		0	0	294	0	0	0	0	0
	Mid Sussex	Various		0	0	261	0	0	0	0	0
Local Highways Maintenance Block			12,581								
	Adur&Worthing	Various		0	0	1,328	0	0	0	0	0
	Arun	Various		0	0	1,955	0	0	0	0	0
	Chichester	Various		0	0	1,905	0	0	0	0	0
	Crawley	Various		0	0	2,245	0	0	0	0	0
	Horsham	Various		0	0	3,161	0	0	0	0	0
	Mid Sussex	Various		0	0	1,987	0	0	0	0	0

HIGHWAYS AND TRANSPORT

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled						Subsequent	
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20		2020/21
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Local Highways Maintenance Block - Incentive Element	Adur&Worthing	Various	685	0	0	73	0	0	0	0	0
	Arun	Various		0	0	106	0	0	0	0	0
	Chichester	Various		0	0	104	0	0	0	0	0
	Crawley	Various		0	0	122	0	0	0	0	0
	Horsham	Various		0	0	172	0	0	0	0	0
	Mid Sussex	Various		0	0	108	0	0	0	0	0
Staff Capitalisation	Various	Various	1,195	0	0	1,195	0	0	0	0	0
Vehicle Replacement - WSFRS	Various	Various	1,016	0	0	1,016	0	0	0	0	0
Worthing Transport Package - Phase 1 - Montague Street	Worthing	Various	320	0	0	320	0	0	0	0	0
Vehicle Replacement - Highways	Various	Various	1,620	0	0	1,620	0	0	0	0	0
Total Starts List (2016/17 Starts)			33,646	0	0	24,646	1,000	8,000	0	0	0
Design List (2017/18 Starts)											
WSFRS Replacement Appliances	Various	Various	765	0	0	0	765	0	0	0	0
Intergrated Transport Block	Various	Various	3,734	0	0	0	3,734	0	0	0	0
Local Highways Maintenance Block	Various	Various	12,200	0	0	0	12,200	0	0	0	0
Staff Capitalisation	Various	Various	1,195	0	0	0	1,195	0	0	0	0
Vehicle Replacement - WSFRS	Various	Various	3,122	0	0	0	3,122	0	0	0	0
Chichester University	Chichester	Various	350	0	0	0	350	0	0	0	0
Total Design List (2017/18 Starts)			21,366	0	0	0	21,366	0	0	0	0
Design List (2018/19 Starts)											
WSFRS Replacement Appliances	Various	Various	765	0	0	0	0	765	0	0	0
Intergrated Transport Block	Various	Various	3,734	0	0	0	0	3,734	0	0	0
Local Highways Maintenance Block	Various	Various	12,200	0	0	0	0	12,200	0	0	0
Staff Capitalisation	Various	Various	1,195	0	0	0	0	1,195	0	0	0
Vehicle Replacement - WSFRS	Various	Various	780	0	0	0	0	780	0	0	0
Total Design List (2018/19 Starts)			18,674	0	0	0	0	18,674	0	0	0
Design List (2019/20 Starts)											
WSFRS Replacement Appliances	Various	Various	765	0	0	0	0	0	765	0	0
Intergrated Transport Block	Various	Various	3,734	0	0	0	0	0	3,734	0	0
Local Highways Maintenance Block	Various	Various	12,200	0	0	0	0	0	12,200	0	0
Staff Capitalisation	Various	Various	1,195	0	0	0	0	0	1,195	0	0
Vehicle Replacement - WSFRS	Various	Various	2,028	0	0	0	0	0	2,028	0	0
Total Design List (2019/20 Starts)			19,922	0	0	0	0	0	19,922	0	0

HIGHWAYS AND TRANSPORT

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled						Subsequent	
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20		2020/21
			£000	£000	£000	£000	£000	£000	£000	£000	
Design List (2020/21 Starts)											
WSFRS Replacement Appliances	Various	Various	765	0	0	0	0	0	0	765	
Intergrated Transport Block	Various	Various	3,734	0	0	0	0	0	0	3,734	
Local Highways Maintenance Block	Various	Various	12,200	0	0	0	0	0	0	12,200	
Staff Capitalisation	Various	Various	1,195	0	0	0	0	0	0	1,195	
Total Design List (2020/21 Starts)			17,894	0	0	0	0	0	0	17,894	
TOTAL PROGRAMME			222,291	39,708	35,886	40,171	34,998	33,712	19,922	17,894	
Priority schemes to be approved subject to delivery of secured s106 contributions	Locality	Postcode	Total Estimated Project Budget	Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
A2300 Corridor capacity enhancement, Burgess Hill	Mid Sussex	Various	22,580	0	0	0	0	1,030	7,210	8,760	5,580
A29 Re-alignment, Bognor Regis	Arun	Various	35,100	0	0	0	0	700	650	11,250	22,500
Crawley Area Transport Package Phase 2	Crawley	Various	35,124	0	0	0	0	7,300	9,253	11,634	6,937
TOTAL PRIORITY SCHEMES			92,804	0	0	0	0	9,030	17,113	31,644	35,017
TOTAL PROGRAMME			315,095	39,708	35,886	40,171	34,998	42,742	37,035	49,538	35,017
Financing					2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
Sources of Funding			£000	£000	£000	£000	£000	£000	£000	£000	£000
Government Grant			1,752	6,890	4,355	9,690	11,815	24,235	3,850		
Corporate Resources			33,926	26,772	28,693	31,360	23,528	22,161	31,167		
External Contributions			208	6,509	1,950	1,692	1,692	3,142	0		
Total Funding			35,886	40,171	34,998	42,742	37,035	49,538	35,017		

LEADER

REVENUE BUDGET 2016/17

Net Expenditure 2015/16 £000		Gross Expenditure 2016/17 £000	Sales, Fees and Charges 2016/17 £000	Other Income 2016/17 £000	Specific Government Grants 2016/17 £000	Net Expenditure 2016/17 £000	Net Expenditure Change from 2015/16 %
Economic Development							
845	Economic Development	1,048	0	0	0	1,048	24.0%
1	Leader Programme	97	0	-94	0	3	200.0%
0	Supporting Economic Development	502	0	0	-502	0	N/A
0	Kick Start Programme	557	0	0	0	557	N/A
846		2,204	0	-94	-502	1,608	90.1%
Other Responsibilities							
613	Chief Operating Officer	613	0	0	0	613	0.0%
47	Policy and Communications	135	-96	0	0	39	-17.0%
660		748	-96	0	0	652	-1.2%
1,506	PORTFOLIO TOTAL	2,952	-96	-94	-502	2,260	50.1%

LEADER

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £0.754m or 50.1%

	£000	£000	%
Allowance for Pay and Price Increases			
Price rise allowance	6		
National Insurance employer contribution uplift	16		
Local Government Pension Scheme employer contribution uplift	<u>9</u>		
		31	2.1
Committed and Service Changes			
West Sussex Economy - Novartis Site (Horsham)	328		
Kick Start Programme - Transfer from reserve 2016/17	<u>557</u>		
		885	58.8
Balancing the Budget - detail provided in Table 3			
Spending changes		-7	-0.5
Transfers between Portfolios			
Transfer of Executive Development Officer and Manager to Corporate Relations	-97		
Contribution towards Executive Office Manager to Corporate Relations	-18		
IT licence centralisation - transfer to Corporate Relations	<u>-40</u>		
		-155	-10.3
TOTAL CHANGE IN SPENDING		<u><u>754</u></u>	<u><u>50.1</u></u>

LEADER

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled							
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Projects in Progress											
5 Bold Ideas - ASEAN Gateway Gatwick	Crawley	Various	3,660	0	0	1,220	610	610	610	610	0
Broadband (Growth is Digital)	Various	Various	450	0	0	450	0	0	0	0	0
Business Finance	Various	Various	4,750	0	1,250	2,250	1,250	0	0	0	0
Crawley Town Centre	Crawley	RH10 1HA	1,500	100	89	1,293	18	0	0	0	0
Total Projects in Progress			10,360	100	1,339	5,213	1,878	610	610	610	0
Starts List (2016/17 Starts)											
Total Starts List (2016/17 Starts)			0	0	0	0	0	0	0	0	0
Design List (2017/18 Starts)											
LEP Growth Deal 3	Various	Various	100,000	0	0	0	16,667	53,333	30,000	0	0
Total Design List (2017/18 Starts)			100,000	0	0	0	16,667	53,333	30,000	0	0
Design List (2018/19 Starts)											
Total Design List (2018/19 Starts)			0	0	0	0	0	0	0	0	0
Design List (2019/20 Starts)											
Total Design List (2019/20 Starts)			0	0	0	0	0	0	0	0	0
Design List (2020/21 Starts)											
Total Design List (2020/21 Starts)			0	0	0	0	0	0	0	0	0
TOTAL PROGRAMME			110,360	100	1,339	5,213	18,545	53,943	30,610	610	0

Financing					2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
Sources of Funding					£000	£000	£000	£000	£000	£000	£000
Government Grant					1,250	3,920	13,527	37,943	21,610	610	0
Corporate Resources					89	1,293	5,018	16,000	9,000	0	0
External Contributions					0	0	0	0	0	0	0
Total Funding					1,339	5,213	18,545	53,943	30,610	610	0

Income Generating Initiatives	Locality	Postcode	Total Estimated Project Budget	Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Approved											
Your Energy Sussex	Various	Various	1,943	0	1,943	0	0	0	0	0	0
H&L Sciences	Horsham	RH12 5AB	16,988	0	1,630	15,358	0	0	0	0	0
Awaiting Business Case											
Creative Bognor	Arun	TBC	1,000	0	0	100	900	0	0	0	0
Better Outdoors	Various	Various	500	0	0	0	500	0	0	0	0
High End Finance	Chichester	TBC	2,000	0	0	0	2,000	0	0	0	0
Your Energy Sussex	Various	Various	61,057	0	0	5,364	6,300	6,300	6,300	6,300	30,493
TOTAL PROGRAMME			83,488	0	3,573	20,822	9,700	6,300	6,300	6,300	30,493

RESIDENTS' SERVICES

REVENUE BUDGET 2016/17

Net Expenditure 2015/16		Gross Expenditure 2016/17	Sales, Fees and Charges 2016/17	Other Income 2016/17	Specific Government Grants 2016/17	Net Expenditure 2016/17	Net Expenditure Change from 2015/16
£000		£000	£000	£000	£000	£000	%
Communities & Public Protection							
1,295	Management	1,265	0	0	0	1,265	-2.3%
17,175	Fire Operations	18,051	0	-700	-417	16,934	-1.4%
6,981	Public Protection (incl Trading Standards)	8,163	-353	-182	-359	7,269	4.1%
2,997	Communities	2,946	0	-418	0	2,528	-15.6%
28,448		30,425	-353	-1,300	-776	27,996	-1.6%
Customer Services							
107	Customer Services	531	0	0	0	531	396.3%
6,524	Libraries (incl Help Points)	7,595	-647	-409	0	6,539	0.2%
627	Record Office	690	-43	0	0	647	3.2%
1,010	H M Coroner ¹	0	0	0	0	0	-100.0%
-512	Registration of Births, Deaths and Marriages	1,168	-1,669	-147	0	-648	26.6%
7,756		9,984	-2,359	-556	0	7,069	-8.9%
Waste Management							
22,151	Waste Recycling	28,347	-293	-3,382	-2,124	22,548	1.8%
38,136	Waste Disposal	39,111	-1,133	-10	0	37,968	-0.4%
1,187	Waste Strategy and Support	1,294	0	-215	0	1,079	-9.1%
61,474		68,752	-1,426	-3,607	-2,124	61,595	0.2%
Other Responsibilities							
1,410	Countryside Services (incl Public Rights of Way)	1,509	-12	-124	0	1,373	-2.6%
99,088	PORTFOLIO TOTAL	110,670	-4,150	-5,587	-2,900	98,033	-1.1%

¹ Responsibility for Coroner Services transferred to Community Wellbeing portfolio (2015/16 net expenditure budget £1.010m)

RESIDENTS' SERVICES

CHANGE IN SPENDING

As analysed in the table below, the decrease in spending is £1.055m or 1.1%

	£000	£000	%
Allowance for Pay and Price Increases			
Price rise allowance	1,018		
National Insurance employer contribution uplift	527		
Local Government Pension Scheme employer contribution uplift	<u>129</u>		
		1,674	1.7
Committed and Service Changes			
Increase to Waste Landfill Tax (2.18% for 2016/17)	302		
Reduction to waste recycle income due to reduced market prices	615		
Waste Materials & Resource Management Contract - remove 2015/16 transfer from reserve	-1,725		
Waste Materials & Resource Management Contract - 2016/17 transfer from reserve	738		
Recycling and Waste Handling - remove 2015/16 transfer from reserve	-28		
Recycling and Waste Handling - 2016/17 transfer from reserve	28		
Fire Operations - Retained Duty System training	200		
Fire Operations - national operation guidance and collaboration	120		
Fire Service operating model - remove 2015/16 transfer from reserve	-90		
Contribution towards graduate positions	<u>-55</u>		
		105	0.1
Balancing the Budget - detail provided in Table 3			
Spending changes	-761		
Additional income	<u>-182</u>		
		-943	-1.0
Funding from Central Government			
Reduction to Fire Revenue Grant	5		
Reduction to expenditure funded by the Fire Revenue Grant	<u>-5</u>		
		0	0.0
Transfers between Portfolios			
Transfer of Coroners and Mortuaries Service to Community Wellbeing	-1,010		
Activity chargeable to Public Health Grant - transfer to Community Wellbeing	-1,165		
Transfer of Customer Experience Programme staff from Corporate Relations	213		
Transfer of Senior Project Advisor from Corporate Relations	44		
Changes to Corporate Leadership Team - transfer from Highways and Transport	29		
Transfer of Support Assistant to Community Wellbeing	-18		
Premises budget adjustment for reduction in business rates - transfer from Finance	9		
Increase to holiday pay entitlement - transfer from contingency	<u>7</u>		
		-1,891	-1.9
TOTAL CHANGE IN SPENDING		<u><u>-1,055</u></u>	<u><u>-1.1</u></u>

RESIDENTS' SERVICES

CAPITAL PROGRAMME 2016/17

Project	Locality	Postcode	Total Approved Project Budget	Approved Budget Profiled								
				Previous Years Expenditure	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent	
			£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Design List (2019/20 Starts)												
Baystone Farm - Waste	Horsham	RH13 ONP	550	0	0	0	0	0	550	0	0	0
Faygate - Waste	Horsham	RH12 4SX	780	0	0	0	0	0	80	700	0	0
Total Design List (2019/20 Starts)			1,330	0	0	0	0	0	630	700	0	0
Design List (2020/21 Starts)												
Total Design List (2020/21 Starts)			0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAMME			39,212	12,810	8,856	9,177	6,934	105	630	700	0	0
Financing					2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Subsequent	
Sources of Funding					£000	£000	£000	£000	£000	£000	£000	
Government Grant					1,828	1,434	0	0	0	0	0	
Corporate Resources					6,768	7,620	6,934	105	630	700	0	
External Contributions					260	123	0	0	0	0	0	
Total Funding					8,856	9,177	6,934	105	630	700	0	

County Council – 19 February 2016

Agenda Item No 5 – Draft Budget 2016/17 to 2019/20

Statement from the Cabinet Member for Finance

	£m	£m
Total 2016/17 net expenditure in original proposed recommendations		528.784
Increase in spending available at Final Settlement due to new Transitional Grant (see paragraph 2)	6.174	
Less: Decrease in spending available at Final Settlement due to revision to New Homes Bonus (see paragraph 3)	-0.005	
Net increase in available spending due to final settlement		6.169
Impact on net expenditure in Community Wellbeing* arising from shortfall in Public Health Grant (see paragraph 4)	2.870	
Additional spending reductions to be decided due to reduction in Public Health Grant (see paragraph 5)	-2.870	
Net impact on proposed budget re: Public Health Grant announcement		0
Revised 2016/17 Total Net Expenditure		534.953
Net Change in proposed 2016/17 net expenditure		6.169
Funded by:		
New Income from Transitional Grant announced at Final Settlement		6.174
Reduced New Homes Bonus Grant Allocation		-0.005
Net impact on Precept		0

* In the draft budget all bar £0.251m of the grant is applied to this portfolio

Background

1. The final local government finance settlement for 2016/17 was announced on 8 February, after the budget papers had been prepared. The Secretary of State, Greg Clark, announced a two-year transitional grant to assist "councils with the sharpest reductions in Revenue Support Grant". West Sussex County Council was one of a number of authorities that lobbied the Secretary of State following the provisional settlement announcement in December.

2. The County Council is a recipient of the transitional grant, and will therefore receive an additional £6.174m in 2016/17. In the following year the value of this transitional grant is £6.254m in the 2017/18 provisional allocations. Total extra funding over the two years is therefore £12.428m. The transitional grant is time limited, and ceases from 1 April 2018.
3. A small change was also made at final settlement to the 2016/17 New Homes Bonus (NHB) allocations with a reduction of £5,000 to West Sussex compared with the initial allocation at the provisional settlement.
4. The County Council also received late notification (on 11 February) of the sum for Public Health Grant. This confirmed a sum of £35.739m for 2016/17, £2.870m less than the sum it expected to receive and included in the draft budget. £38.358m was included in the Community Wellbeing portfolio plus £0.251m in the Children – Start of Life portfolio, providing a total of £38.609m in budget proposals.
5. Following the Public Health Grant announcement, a decision will therefore need to be made on how to address this reduction of £2.870m compared with the draft budget assumption to ensure the budget remains in balance. Whilst the budget amendment therefore assumes no change to the net expenditure the shortfall identified will need to be allocated to ensure a balanced budget.

Impact on the 2016/17 budget

6. Due to the late announcements, it is proposed by the Cabinet that plans on how to allocate the additional funding and address the shortfall arising from the Public Health Grant will be presented to Performance and Finance Select Committee for scrutiny and then brought back for debate at the County Council meeting in April (per the Leader's note of 10 February to all members). The budget recommendations attached now formally propose that process (see new recommendation 13).
7. However, due to the late notifications within the final settlement, the net budget included in the budget papers needs to be revised. Replacement recommendations to those set out on pages 38 to 41A of Appendix 2 **are therefore attached** with the changes marked in bold, italic text. These also include recommendations 10 (g) and (h) which were omitted in error from the original report.

Note: There is no impact on the precept sum and therefore on the proposed council tax charge.

A replacement Table 1 to Appendix 2 (page 45), providing a Summary of the Revenue Budget and Precept 2016/17, **is also attached**. Further impacts on other budget tables and service portfolios will be referred to a later meeting if the County Council accepts the recommendation to consider in detail the impact from the late Final Settlement and the announcement on Public Health Grant.