



THE CABINET

Thursday 30th January 2014 at 5.30 p.m.

COUNCIL CHAMBER, PARK NORTH, NORTH STREET, HORSHAM

Councillors: Ray Dawe
Helena Croft

Andrew Baldwin
Jonathan Chowen
Gordon Lindsay
Roger Paterson
Sue Rogers
Claire Vickers

Leader

Deputy Leader and Communication, Horsham Town
& Special Projects
The Environment
Arts, Heritage & Leisure
Resources
The Local Economy
Safer & Healthier District
Living & Working Communities

You are summoned to the meeting to transact the following business

Tom Crowley
Chief Executive

AGENDA

- | | Page
No. |
|--|-------------|
| 1. Apologies for absence. | |
| 2. To approve as correct the record of the meeting of 21 st November 2013 (herewith). | 1 |
| 3. To receive any declarations of interest from Members of the Cabinet. | |
| 4. To receive any announcements from the Leader, Cabinet Members or Chief Executive. | |
| 5. To receive questions from and provide answers to the public in relation to matters which in the opinion of the person presiding at the meeting are relevant to the business of the meeting. | |
| 6. To consider the following reports: | |
| (a) Report of the Cabinet Member for a Safer & Healthier District on a proposed Multi-agency Agreement for the Management of Encampments across West Sussex and the Provision of a West Sussex Transit Site within the Chichester District | 9 |

(b)	Report of the Cabinet Member for Living & Working Communities on Charging for Planning Advice	19
(c)	Report of the Cabinet Member for Resources on Performance Indicators for Quarter 2 2013/14; District Plan Priorities; and Tracked Project List Progress	31
(d)	Report of the Director of Corporate Resources on Budget 2013/14 - Progress Report to end of December 2013 and Outturn Forecast	43
(e)	Report of the Director of Corporate Resources on the Budget 2014/15 and Medium Term Financial Strategy	63
7.	To consider any matters referred to Cabinet by the Scrutiny & Overview Committee - There are no matters currently outstanding for consideration.	
8.	To consider matters of special urgency.	

THE CABINET
21ST NOVEMBER 2013

Present: Councillors:
Ray Dawe Leader
Helena Croft Deputy Leader and Communication, Horsham Town
& Special Projects
Andrew Baldwin The Environment
Jonathan Chowen Arts, Heritage & Leisure
Gordon Lindsay Resources
Roger Paterson The Local Economy
Sue Rogers A Safer & Healthier District
Apologies: Claire Vickers Living & Working Communities

Also present: Councillors: Roger Arthur, John Bailey, Peter Burgess, George
Cockman, David Coldwell, Roy Cornell, Leonard Crosbie, Malcolm
Curnock, Duncan England, Frances Haigh, David Holmes, Christian
Mitchell, Kate Rowbottom

EX/17 **RECORD OF THE MEETING OF 25TH JULY 2013**

The record of the meeting of the Cabinet held on 25th July 2013 was approved as correct and signed by the Leader.

EX/18 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

EX/19 **ANNOUNCEMENTS**

There were no announcements.

EX/20 **PUBLIC QUESTIONS**

No questions had been received.

REPORT BY THE CABINET MEMBER FOR ARTS, HERITAGE & LEISURE

EX/21 **Green Space Strategy 2013-23**

The Cabinet Member for Arts, Heritage & Leisure reported that the Green Space Strategy had been developed in order to set out the Council's vision for its green spaces, the goals it wished to achieve and the actions required to meet those goals.

The vision for the Green Space Strategy was to provide, protect and enhance a publicly accessible network of diverse and quality green spaces to meet the needs of the community. At an operational level, the strategy would provide a focus for the management and continued improvement of the publicly accessible green spaces in the District that were owned and maintained by the Council.

EX/21 Green Space Strategy 2013-23 (cont.)

The Draft Strategy had been published for consultation purposes in Spring 2013 and had been amended in the light of the feedback received from a variety of sources including volunteer groups, users and parish and neighbourhood councils.

Members discussed a number of issues including allotments/community orchards; the split between parish and District Council maintained play areas; the need for/practicalities of such a detailed document and the large number of actions; the limited use of Horsham Park for events; and the procedures for the adoption of open spaces by parish councils where appropriate.

RESOLVED

That the Green Space Strategy be adopted for the period 2013-2023.

REASONS

- (i) To provide, protect and enhance a publicly accessible network of diverse and quality green spaces that meet the need of our community.
- (ii) To establish a strategic approach to the management and improvement of green spaces in the Horsham District.

REPORT BY THE CABINET MEMBER FOR THE LOCAL ECONOMY

EX/22 **Horsham District Economic Development Strategy**

The Cabinet Member for the Local Economy reported that economic development and securing high levels of employment was considered to be the most important Council priority and was essential for driving forward a high quality of life for the District's residents. The purpose of the Draft Economic Strategy was to set out the direction that the Council and partner organisations working within the District needed to take to ensure that Horsham's economy remained strong and vibrant, through the provision and creation of employment opportunities that benefited all who lived and worked in the area.

The draft Strategy set out a framework for the development of the local economy over the next ten years. It described the Council's objectives and priorities to deliver a competitive and sustainable economy; driving the creation of jobs and better paid jobs; supporting the development of innovation and enterprise; supporting and investing in economic growth; and the promotion of the District as a location of choice to do business and to visit.

EX/22 Horsham District Economic Development Strategy (cont.)

The Strategy was supported by an Action Plan covering the period from 2013 to 2015, which detailed proposed short, medium and long term actions across the six headline economic objectives, based on identified strengths and challenges. The Action Plan would be reviewed annually, ensuring that priorities remained relevant and were updated where appropriate to take into account new issues and opportunities. Resources had been and would continue to be allocated to ensure that the implementation of the plan was achieved.

Cabinet Members expressed their support for the Strategy.

Members raised a number of issues including the need for measurable targets; prioritising of actions and linking with objectives; links to the Gatwick Diamond Initiative and the Coast to Capital Local Enterprise Partnership; the need to work in partnership with both small and large businesses; the issue of empty business premises; and the need for resources to deliver the Council's priorities. The Cabinet Member indicated that the issues raised could be addressed more fully at a future advisory group meeting.

RESOLVED

- (i) That the Horsham District Economic Strategy 2013 – 2023 be adopted, as submitted.
- (ii) That the Economic Development Action Plan be agreed as submitted.

REASONS

- (i) Adoption of the Strategy will set out what the economic priorities are for the District and assist the Council and its partners in delivering them.
- (ii) Agreement to the Economic Action Plans will ensure that future Service Plans across the Council will embed appropriate activities and deliver specific actions.

REPORT BY THE CABINET MEMBER FOR A SAFER & HEALTHIER DISTRICT

EX/23 **Single Equality Scheme 2013-15**

The Cabinet Member for a Safer & Healthier District reported that, under the Equality Act 2010, public sector bodies were required to promote equality of opportunity, eliminate discrimination for service users and staff and promote good relations between people of different protected characteristics (equality strands), rather than waiting for individuals to complain.

EX/23 Single Equality Scheme 2013-15 (cont.)

A Single Equality Scheme had therefore been produced, setting out what the Council would do to meet its obligations under the Equality Act 2010. The scheme covered the period 2013 -2015 and built upon the achievements of the first Single Equality Scheme, as reported in Annual Equality and Diversity reports which were available on the Council's website.

This scheme was closely aligned with the District Plan 2011-15 and the action plan looked at the equality implications of District Plan priorities for the current year. It would be reviewed as the District Plan was reviewed. The primary action required was to undertake Equality Impact Assessments (EIA), the means by which the Council demonstrated that it had considered the impacts of its policies and services upon its residents and staff with different "protected characteristics" (age, disability, sex, religion and belief, race, maternity/ pregnancy, marriage/civil partnership, sexual orientation and gender reassignment). Completed EIAs were published on the Council's website.

RESOLVED

That the Single Equality Scheme be noted.

REASONS

To meet the Council's obligations under the Equality Act 2010.

REPORT BY THE DIRECTOR OF CORPORATE RESOURCES

EX/24 **Budget 2013/14 – Progress Report to end of September 2013 and Outturn Forecast**

The Director of Corporate Resources submitted a report that compared expenditure and income with the profiled budget for the period 1st April 2012 to 30th September 2013 and provided a forecast for the full year outturn. It was noted that the forecast underspend for the year now stood at £250,000. This forecast would be updated as the year progressed.

RESOLVED

That the report be noted.

REASONS

Monitoring of the Council's budget is essential, so that if necessary action can be taken to safeguard the Council's financial position.

EX/25

SCRUTINY & OVERVIEW COMMITTEE – MATTERS REFERRED TO CABINET

Planning Services Review and Restructure and Response to the Scrutiny & Overview Committee's Recommendations

The Cabinet Member for Living & Working Communities reported that, following a meeting of the Scrutiny & Overview Committee in March 2013, where poor performance of the Planning Department had been brought before the Committee as a major concern of the Finance & Performance Working Group, the Business Improvement Working Group had been tasked with undertaking an independent member review of the Council's Development Management Department to establish the reasons for the poor performance on major applications. The final recommendations of the Working Group, as amended and agreed by the Scrutiny & Overview Committee at its meeting on 11th November 2013, were submitted.

Separately from this review, and in response to the threat of the Council being placed under 'Special Measures' by the Department of Communities and Local Government, an Interim Development Management Improvement Manager had been appointed to put in place short term measures to avoid designation and to identify measures to improve long-term performance, delivery of the service and to meet the needs of customers. As part of this process an action plan had been developed which had put in place a number of interim measures.

As a result of measures previously put in place by the Head of Service and the changes introduced by the Interim Manager, the performance of the department for the most recent two year period had increased from 17% in the last quarter of 2012/13 (January-March 2013) to 50% in the second quarter of 2013/14 (July-September 2013). In the second quarter of 2013/14 (July-September 2013) performance in respect of all applications had significantly improved, with a figure of 90.9% being returned in respect of major applications.

Having achieved the short-term goal of preventing the Council from being designated for special measures, it was now proposed to introduce further changes not only to sustain the improvements in performance but also to increase the momentum of change, moving towards to a more efficient service which met the needs of customers.

Whilst a number of the recommendations of the Scrutiny & Overview Committee were covered by these proposed measures, the recommendations regarding the reorganisation of the structure of the Development Management Department, the appointment of a Planning Director and the integration of all planning functions, including planning policy, within one Directorate were the subject of an ongoing Organisational Restructure process which was currently out for consultation.

RESOLVED

- (i) That the changes already put in place and those proposed to be implemented be noted.

EX/25 Planning Services Review and Restructure and Response to the Scrutiny & Overview Committee's Recommendations (cont.)

- (ii) That the recommendations of the Scrutiny & Overview Committee in relation to the re-structuring of the department, which would form part of the wider management and Organisational Restructure review, be noted.
- (iii) That the following responses to the Scrutiny & Overview Committee's recommendations be agreed:

	Scrutiny & Overview Committee Recommendation	Cabinet response
1.	A "Director of Service" should be appointed to take full control of the day to day running of the department, to carry out a complete re-structure of the department, to carry out a full and complete staff evaluation and appoint the appropriately qualified and experienced staff in the correct positions and to be responsible for productivity and efficiency improvements to ensure that national targets are met in a timely fashion.	Noted. The Chief Executive's current proposals for an Organisational Restructure include the creation of the post of Director of Planning, Economic Development and Property as well as a restructure of Development Management. Council is due to decide on these proposals in January 2014 and it would not be appropriate to comment further at this stage.
2.	Strategic Planning to be brought under the direct control of the new Director of Planning Services in order to improve co-ordination between departments and ensure thorough, accurate and consistent advice is given to Development Control in respect Five Year Housing Land Supply and Localism.	Noted. This is part of the proposal referred to at 1 above.
3.	Environment Health should be separated from the Development Management function.	Noted. This is part of the proposal referred to at 1 above.
4.	The use of six month short term contracts should be reviewed in greater detail. New staff being recruited should have an appropriate "Trial Period" within their contract and then engaged on a full time basis at a fair market rate. This will enable the council to attract the calibre of staff that is now required	Agreed. Short term contracts have been used to cover absence and workload peaks. All new staff are appointed subject to a six month probationary period.

EX/25 Planning Services Review and Restructure and Response to the Scrutiny & Overview Committee's Recommendations (cont.)

5.	A recognised effective appraisal, training and mentoring programme to be implemented.	<p>Agreed. Structured training needs for individual officers will be identified through the appraisal process. Additional training needs for individual officers will be identified through the case review process. Structured monthly half day training sessions will be provided by internal and external specialists for all officer. Support will be given for Continuous Professional Development training and activities for officers.</p>
6.	Provide training to staff on the use of the current software and implement upgrading of equipment as a matter of urgency	<p>Agreed. Individual training needs on software identified through processes referred to in 5 above.</p> <p>Updating and development of software is being undertaken and training being provided.</p> <p>Additional software and training has now been secured.</p>
7.	Consideration should be given to how Section 106 agreements are resourced in the Council and the processes between the departments improved to ensure that there are no unnecessary delays. In the event of lack of suitable resources within the in house legal department the production of S106 agreements should be outsourced so as not to cause any delay in issuing decisions.	<p>Agreed. These steps are in hand.</p> <p>Development Management and legal section are involved in on-going discussions and implementing measures to ensure that process is speeded up to ensure early instruction by officers with the information which is required at the start of the application process.</p>
8.	A review of the departmental structure (North/South and Majors) should be undertaken and changes made forthwith to address the problems identified and establish a new structure ensuring the most efficient provision of services.	<p>Noted. This is part of the proposal referred to at 1 above.</p>

EX/25 Planning Services Review and Restructure and Response to the Scrutiny & Overview Committee's Recommendations (cont.)

9.	External consultants should be engaged to clear the backlog of applications and S106 agreements that have not been dealt with in due time.	Agreed. Action already taken to tackle application backlog through the appointment of Interim DM Improvement Manager and three additional consultants. Further consideration is being given to securing additional resources to accelerate completion of outstanding s106 agreements.
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EX/26 **MATTERS OF SPECIAL URGENCY**

There were no matters of special urgency to be considered.

The meeting closed at 7.28pm having commenced at 5.30 pm.

LEADER

Report to Cabinet

30th January 2014

By the Cabinet Member for a Safer & Healthier District



Horsham
District
Council



KEY DECISION

Not exempt

Multi-agency Agreement for the management of Unauthorised Encampments across West Sussex through the provision of a Transit Site

Executive Summary

This report proposes that the Council works in partnership with other Local Authorities in West Sussex to jointly fund the provision and running costs of a Transit Site for Gypsies and Travellers.

The number of unauthorised encampments has increased across the District over the last couple of years causing concern to the communities affected and expense to the Council.

Currently there are no public transit sites in West Sussex and, without such a site, the powers available to Sussex Police to move unauthorised encampments off public land is very limited.

Early in 2013 all the West Sussex authorities jointly commissioned an independent study into the pros and cons of providing a Transit Site in West Sussex. The Study recommends that the West Sussex authorities should develop a Transit Site as a County-wide resource; that the partners, together with Sussex Police, develop a holistic, multi-agency approach of managing both the Transit Site and unauthorised encampments; and that the West Sussex approach should be based on the successful East Sussex model.

This report recommends that we enter into a multi-agency arrangement with all West Sussex authorities. A potential County-wide Transit site has been identified in the Chichester District (Westhampnett Depot) with potential to provide 9-10 pitches. All authorities would equally contribute to both the running costs and the capital costs of the project. A grant from the Homes and Communities Agency (HCA) may be forthcoming which will reduce some of the costs/investment required.

Recommendations

The Cabinet is recommended to:

- (i) Agree that Horsham District Council enters into a multi-agency arrangement for the effective management of unauthorised encampments across West Sussex.
- (ii) Delegate authority to the Director of Community Services in consultation with the Cabinet Member for a Safer and Healthier District, to agree the details of the multi-partnership arrangements with counterparts across West Sussex.

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- (iii) Notes that the proposed Transit Site is located in Chichester District and that West Sussex County Council will be responsible for the management of the site once developed.
- (iv) Recommend to Council, that subject to all partners formally confirming their commitment to the scheme:
 - (i) That a sum of no more than £162,500 of capital investment is approved as the Council's equal contribution towards the capital costs of constructing the Transit Site in 2014/15.
 - (ii) That the Council agrees to contribute up to £15,000 per annum towards the running costs of the Transit Site and that this becomes part of the annual revenue budget for the Council from 2015/16 onwards.

Reasons for Recommendations

- i) Currently there are no public transit sites in West Sussex and, without such a site, the powers open to the Police to move unauthorised campers on is very limited. The model of providing a Transit site relies on all eight local authorities jointly contributing to its provision. A multi-agency agreement will clearly set out the parameters of such an agreement between the parties.
- ii) The Director of Community Services will need to participate in discussions with other authorities in order to develop the detail of the multi-agency agreement.
- iii) Provide clarity as to where the identified Transit site has been identified.
- iv) To outline and refer to Council the capital and revenue sums required if the proposal is agreed.

Background Papers

West Sussex Authorities Transit Site Study Report -November 2013 (Opinion Research Services)

Guidelines for Developing Transit Sites (DCLG)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/11439/designinggyps_sites.pdf

Consultation

Wards affected- All

Contact Natalie Brahma-Pearl –Director of Community Services Extension 5250

Liz Creswick – Council Solicitor Extension 5476

Background Information

1 Introduction

- 1.1 This report proposes that the Council works in partnership with other Local Authorities in West Sussex to jointly fund the provision and running costs of a Transit Site for Gypsies and Travellers.

Background/Actions taken to date

- 1.2 Across West Sussex the region has experienced high numbers of unauthorised encampments. In recent years the District has seen six in 2012 and 12 in 2013 unauthorised encampments on 11 sites on either Horsham District or West Sussex County Council land; the locations of which are indicated in Appendix 2.
- 1.3 Each encampment varies depending on the size of the community which can range from one to 20+ caravans and also by the type of community. In Horsham this is dominated primarily by New Travellers, Romany Gypsies and rarely by Irish Gypsies.
- 1.4 The effect of unauthorised encampments remains substantial in terms of the impact on local communities; the amount of officer time diverted to deal with encampments; reputational damage to the Council; and the cost of pro-active and reactive measures in dealing with encampments. Many of these factors apply equally to Sussex Police.
- 1.5 Horsham District Council is not alone in experiencing the impact of unauthorised encampments. Many of the Districts and Boroughs in West Sussex have had similar experiences. As a result of this an independent report was commissioned in 2013 by the Chief Executives of West Sussex County, District and Borough Councils, to assess whether a transit site would assist in helping to manage unauthorised encampments and to inform partners of the pros and cons of a transit site.
- 1.6 The Study recommends that the West Sussex authorities develop a Transit Site to be used as a Countywide resource and that partners, together with Sussex Police, develop a holistic, multi-agency way of managing both the Transit Site and unauthorised encampments and that the arrangements should be based on the East Sussex model.
- 1.7 The main findings were:
- (a) Evidence from around the UK shows that providing a transit site, if managed well, reduces the numbers of unauthorised encampments and the overall cost associated with managing encampments;
 - (b) For it to work well there needs to be a consistent multi-agency approach to managing both the transit site and unauthorised encampments, based on the County taking the lead role in both the management of the site and enforcement activities;
 - (c) East Sussex Councils have adopted a multi-agency approach to unauthorised encampments and have been successful in reducing the number of unauthorised encampments year on year. In 2013/14 to date, there have been only 6 unauthorised

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encampments in East Sussex compared to several across the West Sussex area.

(d) A strong partnership with the Police, supported by robust data-sharing, is key.

(e) The perception that the transit site will always be full is not supported by the evidence.

(f) Transit sites should be close to key road networks

(g) Grant funding is available from the Homes and Communities Agency (HCA)

(h) Good design and robust management limited to 10 pitches are key elements of effective transit provision.

1.8 If the West Sussex authorities wish to develop a multi-agency arrangement, similar to the East Sussex model, all of the following components would need to be in place for it to be effective:

(i) A suitable transit site within the West Sussex county boundaries, which meets Government guidelines.

(j) The County Council taking responsibility for the effective running of any transit site and any enforcement activity in the County area.

(k) All Districts and Boroughs signing up to a multi-agency approach and all authorities equally sharing any capital and revenue costs.

(l) Sussex Police using its discretionary Section 62 powers to move on unauthorised campers where there are two or more persons trespassing.

2 Statutory and Policy Background

Statutory background

2.1 The Police can use discretionary powers under Section 61 of the Criminal Justice and Public Order Act 1994 (CJA) to direct unauthorised campers to leave land if they have caused a public order offence or caused criminal damage. However, Section 61 is rarely used as strict conditions need to be met before the Police use this power and therefore landowners are left to seek repossession via the civil courts. There must be two or more persons trespassing before the police powers can be used.

2.2 The Police have further discretionary powers, under Section 62 of the CJA, which allow them to direct trespassers to a publicly-owned transit site if one is available in the County area. Currently there are no publicly-owned transit sites in West Sussex and, therefore, Police cannot use this power. If such a site was available, the Police could direct the unauthorised campers to the site. If they do not leave when directed, or they return to the county area within three months of being directed, they would be committing a criminal offence. This applies if the Police are satisfied that the Travelling community meet certain criteria e.g. causing nuisance, anxiety, disruption to local communities etc. It must be noted that it does not apply to every case where an encampment occurs.

Relevant Government policy

- 2.3 Criminal Justice and Public Order Act 1994
- 2.4 National Planning Policy Framework (2012) applies to applications for planning permission.

Relevant Council policy

- 2.5 Planning for Gypsy and Travellers is a requirement and considered important by Horsham District Council to ensure that accommodation needs of Gypsies and Travellers is met and that unauthorised development is avoided. Government guidance in the form of Planning Policy for Traveller Sites came into force with the publication of the National Planning Policy Framework (2012). This seeks to ensure that Local Planning Authorities can provide an appropriate supply of Gypsy and Traveller accommodation to meet their identified need.
- 2.6 The Council is currently preparing the Horsham District Planning Framework (HDPF). As part of the Preferred Strategy a need for additional permanent gypsy and traveller pitches has been identified. The provision of a county wide transit site would support the Gypsy and Travellers Policies in the HDPF. Although the Gypsy, Traveller and Travelling Showpeople Accommodation Needs Assessment (2012) did not specifically identify a need for a transit site within the Horsham District, for reasons that, there is no traditional travelling route through the Horsham District and most of the resident population no longer rely on a travelling way of life, except for short trips on a seasonal basis. Nevertheless the proposal for a shared transit site would be supported for the reasons set out in the transit study, specifically to enable West Sussex authorities to develop a transit site as a County-wide resource; through a multi-agency approach of managing both the transit site and unauthorised encampments.

3 Details

Proposal

- 3.1 It is clear from the study that unless an effective multi-agency arrangement is entered into, the provision of a transit site alone will not be effective in dealing with unauthorised encampments.
- 3.2 The findings of the commissioned study has been discussed with Leaders and Chief Executives of West Sussex local authorities and they have all agreed to recommend to their Councils that they should enter into a West Sussex-wide multi-agency approach to managing unauthorised encampments. West Sussex County Council has agreed to be the lead authority for the multi-agency arrangements in respect of both the management of the transit site and for any District enforcement activities that may be required. For this arrangement to be successful, a Transit Site, in public ownership and control, must be sited within the West Sussex County boundaries.
- 3.3 A potential transit site has been identified in Chichester District (Westhampnett Depot). The site is located a few miles outside the City Centre and is accessible to the A27 and local amenities. It should be noted that no other suitable site across West Sussex has been identified for this purpose, despite an extensive search of Council land records.

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- 3.4 Draft details for a nine pitch transit site have been prepared using Government guidelines which include a significant number of requirements needed to gain approval and secure grant funding from the Homes and Communities Agency (HCA) and to meet health and safety requirements that fall within the remit of the Local Fire Authority, under the (Fire Safety) Order 2005 (RRO).
- 3.5 The proposal is to create nine pitches, each to accommodate at least three parking spaces i.e. one caravan, two vehicles or one caravan, one trailer and one vehicle. Any deviation from the Government Guidelines will need to be explained and be agreed with the HCA.
- 3.6 Each pitch would have access to a separate amenity space either within a large site amenity block or provided as a semi-detached building serving two pitches. The purpose is to provide a degree of ownership when using site facilities.
- 3.7 The site also would need to be connected to local services and other facilities would include:
- A Manager's office
 - CCTV
 - External lighting
 - Road barrier to prevent unauthorised access
 - LPG storage
 - Perimeter fencing

4 Next Steps

- 4.1 It will be necessary for Officers to participate in discussions in order to develop the detail of the multi-agency agreement and establish clarity on procedures and protocols associated with it.
- 4.2 Once all parties have agreed to the multi-agency agreement, the Council will be asked to contribute funding towards one-off construction costs and on-going annual revenue contributions.

5 Outcome of Consultations

- 5.1 Comments from the Director of Corporate Resources have been included in this report.
- 5.2 The Council Solicitor has co-authored this report and endorses the approach.
- 5.3 The Spatial Planning Manager supports the approach and recommendations set out in this report.

6 Other Courses of Action Considered but Rejected

6.1 Alternatives that have been considered

The following alternative options, in relation to this site, have been considered:

- (a) Continue with the status quo and continue to enforce through the civil courts.

Unauthorised encampments cause a good deal of concern and disruption to the community and the Travellers would remain without appropriate stopping places. Enforcement is through the civil courts which can take time and the landowner is left with the financial expense of enforcement action and any clean up costs after the campers have been evicted. If the Council wishes to continue with the status quo then it can expect to see the level of unauthorised encampments continuing at a level similar to that experienced in recent years. A 'do nothing' approach is unlikely to be acceptable to the affected communities.

7 Staffing Consequences

- 7.1 Establishing a Transit site may have a positive impact on staff time by reducing the necessary work required from Officers in visiting unauthorised encampments if the police exercise their powers. In the event of legal action required then it is anticipated that this will still be down to the individual Council.

8 Financial Consequences

- 8.1 Officers at Chichester District Council (CDC) have undertaken work to provide cost estimates for the proposed Transit Site. CDC officers estimate that the gross capital cost of the scheme is expected to be in the region of £1.2 - £1.3m. This includes the cost of the land, building costs and internal and external resources to manage the project. Therefore, the cost per authority would be in the region of £162,500.
- 8.2 CDC officers met with the HCA on 14 November 2013 to discuss the potential of HCA grant funding. This is available but, in order to draw down the funding the following conditions must be met:
- (a) The grant application must be submitted to the HCA by 31 March 2014.
 - (b) The scheme must meet the DCLG requirements for developing Transit Sites. Any deviations from the Guidance must be agreed with the HCA.
 - (c) In order to be successful we will need to demonstrate deliverability of this site.
 - (d) All parties will need to have sought formal approval to enter into the arrangements.
 - (e) Practical completion must be achieved before 31 March 2015.
- 8.3 The HCA has indicated that the average amount of grant is approximately £60,000 per pitch. However, due to the nature of the works needed at the proposed site it may be possible to secure a grant of £90,000 per pitch. Until the application has been approved it is not possible to give an exact figure but, assuming the design meets their requirements it is reasonable to assume a grant in the region of at least £540,000.

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- 8.4 If the application is successful, the timescale for practical completion is expected to be February 2015. This assumes all key milestones are met and that there is no slippage in the project timing. This is a major risk because even the best managed projects can be delayed by unexpected events. Therefore, to ensure that, in the event the project is delayed for whatever reason, each partner authority will be required to underwrite the potential loss of grant so that CDC is protected from bearing the full financial effects if the grant does not materialise.
- 8.5 If HCA funding is secured (assuming a grant of £60,000 per pitch) and the site can be fully functional by 31 March 2015, then the capital cost per authority could reduce to be in the region of £95,000.
- 8.6 Once the site has been developed, the running of it will be passed to West Sussex County Council. The County will also co-ordinate all enforcement activities across the area. For this to work effectively each authority will need to nominate a lead officer to work up the partnership agreement. It is recommended that the Director of Community Services is given the delegated authority to agree the details of the multi-agency arrangement.
- 8.7 The full costs of the scheme will not be known until the site design has been finalised. Once the tenders have been received a definitive budget will be drawn up. If, at this point, the budget was to exceed £1.3m a meeting of Chief Executives and Leaders would be held to consider whether to proceed. Any abortive costs up to this point would be shared equally amongst all the authorities. The provision of a site is also subject to receiving appropriate planning permission from Chichester District Council.
- 8.8 The on-going revenue costs of the multi-agency arrangements including operation of the site are likely to be in the region of £10,000 – £15,000 (yet to be finalised) per annum per authority. On-going revenue contributions will be required from April 2015 onwards once the site has been constructed.
- 8.9 In order to secure grant funding West Sussex County Council must have an interest in the land. A multi-agency partnership arrangement will need to be agreed in due course on how the site will be managed in the future.

9.0 Conclusion

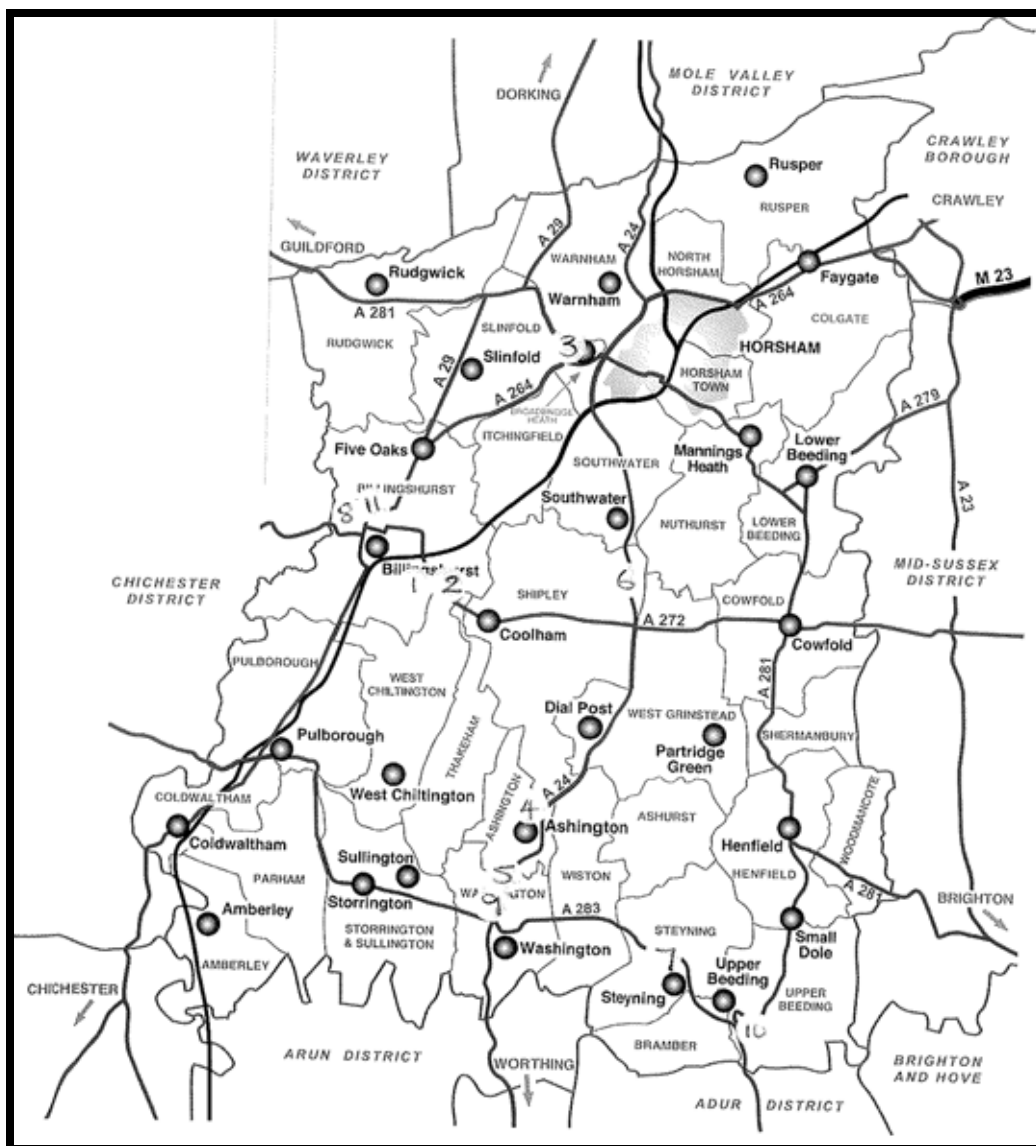
- 9.1 Although the Council responds rapidly to managing unauthorised encampments, the absence of a Transit Site in the County limits the options for the Council and the Police.
- 9.2 The Local Authorities in West Sussex have recognised that the current approach to dealing with unauthorised encampments is not sustainable. In East Sussex a proven model of operation has been in place for some years that has resulted in a very effective set of provision and practices, resulting in very few encampments across the whole County.
- 9.3 The proposal for West Sussex Local Authorities to work together to fund the provision and running of a Transit site offers the prospect of a cost effective and sustainable solution to problems created by unauthorised encampments in the Horsham District.

Appendix 1

Consequences of the Proposed Action

<p>What are the risks associated with the proposal?</p> <p>Risk Assessment attached Yes/No</p>	<p>The study suggests a multi-agency approach is the way forward and that the East Sussex model has been successful in reducing the number of encampments in East Sussex; however it must be noted that the provision of a Transits Site will not eliminate Unauthorised Encampments completely.</p> <p>The Police's powers are discretionary and, as public authorities, it is required by law to undertake Human Rights and Welfare assessments. In some cases it will not be appropriate to move people on immediately.</p> <p>Transit sites are known to act as a deterrent to unauthorised encampments and many travellers decide not to camp in areas with transit sites. However, there is a chance that, if the site becomes full, the Police will not be able to invoke their S62 powers as there will not be an alternative site to which to direct the travellers. The East Sussex experience is that the site is rarely full. The proposed site should however be restricted and managed for temporary short stay travelling use for the whole County.</p> <p>The Police and Crime Commissioner has stated that if a transit site is provided in West Sussex the Police will actively use its S62 powers.</p> <p>This project will only succeed if all the authorities in West Sussex agree to proceed and share both the initial capital costs and the on-going revenue costs. If any one of the authorities backs out the project will not succeed.</p>
<p>How will the proposal help to reduce Crime and Disorder?</p>	<p>Unregulated and unauthorised encampments present a potential for community tensions between travelling and settled communities. Provision of a managed facility could allow management of and hence a reduction in such potential. The proposals set out in the report will have a positive impact on community safety</p>
<p>How will the proposal help to promote Human Rights?</p>	<p>In dealing with unlawful encampments both the human rights of the travellers and of the settled community must be taken into account and balanced against each other. Any action taken must be proportionate and reasonable.</p>
<p>What is the impact of the proposal on Equality and Diversity?</p> <p>Equalities Impact Assessment attached Yes/No/Not relevant</p>	<p>Romany Gypsies and Irish Travellers are recognised in law as a distinct ethnic group and are legally protected from discrimination under the Equalities Act 2010. Local authorities are required to provide accommodation to meet the needs of Gypsies and Travellers. This report helps to addresses the shortfall of accommodation needs for this group. New Travellers are not recognised as an ethnic group. The majority of instances of trespass in the Horsham District over the last two years has been by this group. There are no authorised sites for New Travellers in the District.</p>
<p>How will the proposal help to promote Sustainability?</p>	<p>Matter considered and no issues identified</p>

Unauthorised Encampments on Horsham District Council and West Sussex County Council land (within Horsham District) 2012 and 2013.



1. A272 Coneyhurst (WSCC land)
2. Land west of Fewhurst Cottage, Coneyhurst (WSCC land)
3. A264 Broadbridge Heath (WSCC land)
4. London Road, Ashington (WSCC land)
5. Wiston Industrial Estate, Washington (WSCC land)
6. Bar Lane, Copsale (WSCC land)
7. Horsham Road, Steyning (WSCC land)
8. Newbridge Road, Billingshurst (WSCC land)
9. Old London Road, Washington (WSCC land)
10. High Tree Car Park, Upper Beeding (WSCC land)
11. Land at Rowan Drive, Billingshurst (HDC land)

Report to Cabinet

30th January 2014

By the Cabinet Member for Living and Working Communities

DECISION REQUIRED



**Horsham
District
Council**

Charging for Planning Advice

Executive Summary

This report sets out:

- the case for charging for pre-application planning advice and recommends that the principle for charging be agreed with the details of the charging schedule to be delegated to the Head of Planning and Environmental Services in consultation with the Cabinet Member for Living and working Communities; the Cabinet Member for Resources and the Chairman and Vice Chairman of Areas North and Area South Committee.
- a summary of the legislative background for charging for pre-application planning advice as provided by the Local Government Act 2003; draft National Planning Practice Guidance and the professional advice provided by the Planning Officer Society and,
- evidence of the approach taken by other planning authorities to charging (including scales for charging and fee income) and sets out advice on the way forward and the actions to be followed to enable the introduction of charging by this Council.

Recommendations

The Council is recommended to:

- i) Agree that charging is introduced for pre-application advice.
- ii) That the details of the charging schedule include level of charge; the categories to which charging would apply and exemptions be delegated to the Head of Planning and Environmental Services in consultation with the Cabinet Member for Living and working Communities; the Cabinet Member for Resources and the Chairman and Vice Chairman of Areas North and Area South Committee
- iii) That charging be introduced for pre application advice by this Council by no later than 1st April 2014

Reasons for Recommendations

- i) To ensure that the costs of the service are covered by the income received and to improve customer service and delivery by setting clear targets for response times.

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- ii) To ensure that the level of charges; the categories of charges and exemptions are subject to scrutiny by the relevant Cabinet Members along with the Chairman/Vice Chairman of the area Development Management Committees.
- iii) To ensure that income is received to meet the costs of the service provided in line with the Councils Financial Strategy.

Background Papers

Consultation

Wards affected

Contact Hilary Coplestone ext. 5451.

Background Information

1 Introduction

The purpose of this report

- 1.1 The purpose of this report is to provide information on the issue of charging for planning advice and to set out the case for the introduction of charging having regard to the experience of charging at neighbouring authorities but specifically putting forward a charging regime that will form a part of the continuous programme of improvements to service delivery within Development Management.

Background/Actions taken to date

- 1.2 The debate regarding pre-application charging by Members is not new. It was first considered by the Budget Review Working Group in 2009 (BRWG). At that stage the BRWG considered the content of a Topic Paper on charging for planning advice. The minutes of the meeting indicate that key issues raised by Members at the time related to:
- the details of any charging regime i.e. the scope of charging; who would be affected by the charges and the level of charges;
 - the need for procedures to be introduced within the department; the need for customers to be aware of the charging procedure; timescale for response and the need for any advice to be clear cut, efficient and accurate;
 - the impact on development i.e. that potential applicants may be discouraged if there was a fee;
 - the need for a complaints procedure to be in place and that safeguards exist for any pre-application advice given to an applicant over the telephone.
 - The request by Member of an in depth cost-effectiveness analysis with information from Mid Sussex District Council on the impact of the process of charging on the service with details of snags and problems
- 1.3 The concluding paragraphs of the Minutes the BRWG set out the stages that would need to be actioned by the Head of Development to introduce a charging regime and an undertaking to liaise with officers at Mid Sussex and present the findings to the next meeting of the BRWG. At that time Mid Sussex was charging for advice was receiving a net income of £20,000.
- 1.4 The follow up report was finally considered by the BRWG on 1st October 2009. At this meeting the Head of Planning and Environmental Services reported that the only other Councils locally that had implemented charges were Mid – Sussex and Reigate and Banstead so it had been difficult to assess the benefits. The BRWG concluded that officers should not at that time pursue the implementation of charges however if the Council wished to consider the matter again in the future then BRWG would support the decision.

2 Statutory and Policy Background

Statutory background

- 2.1 Section 93 of Local Government Act 2003 (Power to charge for discretionary services) gives planning authorities a discretionary power to charge for giving pre – application planning advice. It provides the means for a planning authority to recover some of the costs incurred before the application is submitted but the income raised must not exceed the cost of providing the service.

Relevant Government policy

- 2.2 The statutory planning framework is provided by the Town and Country Planning Act 1990 (As Amended). Specific guidance on pre-application charging is provided by the Draft National Planning Practice Guidance (NPPG published August 2013) which recognises the importance of pre-application engagement by prospective applicants in improving the efficiency and effectiveness of the planning application system. It recognises that pre-application engagement needs to be tailored to the nature of the proposed development, the issues to be addressed and that Local planning authorities may charge for planning advice. The draft NPPG does recognise the range of different advice that is given by local planning authorities and states that the authorities are ‘are strongly advised to provide at least a basic level of service without a charge’.
- 2.3 The draft NPPG explains that if charging is to be introduced local planning authorities are strongly encouraged to provide information on line about:
- the scale of charges for pre-application services applicable to different types of application (e.g. minor or major and other)
 - the level of service that will be provided for the charge, including:
 - the scope of work and what is included (e.g. duration and number of meetings or site visits)
 - the amount of officer time (recognising that some proposed development requires input from officers across the local authority or other statutory and non statutory bodies)
 - the outputs (e.g a letter or report)
 - the guaranteed response times

- 2.4 The NPPG also explains that pre application engagement should be a two way process and the level of information required by the local planning authority needs to be proportionate to the development proposed.

Relevant Council policy

- 2.5 No directly relevant policy but the principle of charging for planning advice is consistent with ASPIRE 2015, the Councils Medium Term Financial Strategy which

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will determine how the Council addresses the significant budget challenges that it faces. Charging would be consistent with the strategy of:

- income generation (subject to the income raised not exceeding the cost of the service);
- re-design i.e. charging would be in line with the review of existing processes and procedures which is underway within Development Management to improve service delivery and,
- economising i.e. looking at the costs of a service and how these can be met.

- 2.6 The principle of charging would also dovetail with other organisational changes in service delivery to improve customer experience at better value through such changes as improving online capacity; managing telephone contact and ensuring that guidance may be targeted and cost effective.

3 Details

- 3.1 The principle of charging for planning advice is now well established and has been embraced by other planning authorities with West Sussex and by neighbouring authorities in Surrey. Additionally the South Down National Park (SDNP) introduced charging in January 2013. A schedule which sets out examples of charging levels is attached as Appendix 1.
- 3.2 The evidence from neighbouring authorities indicates that charging applies to householder applications (ranging from £35 - £90 depending on the level of service provided) with changes for minor and major applications being categorised according to the scale of the development – the minimum level for a minor application is £102.50 (Mid Sussex) rising to £480.00 (Chichester); the minimum level for a major application is £153.75 (Mid Sussex) rising to £1800 in Chichester with this authority having the highest charge for a Large Scale major (100+ units) of £4200.
- 3.2 The evidence base for the difference in charging levels between those local authorities who are charging is not known but each would have to ensure that the income raised does not exceed the cost of the service which not only includes the planning officers advice but all the processes; procedures and operational costs in the delivery of the service. In preparation for this report a survey was undertaken between 1st July 2013 and 30th August 2013 to provide a 'snap shot' of the planning officer cost alone to handle a total of 71 pre application enquiries which was £1342.08
- 3.3 The introduction of charging within the neighbouring authorities is evidence of the changing face of planning services. Back in 2007 the Planning Officer Society produced a report based upon interviews with planning authorities regarding pre-application advice titled 'A material world – charging for planning advice'. This report addressed a number of matters ranging from the decision to charge/setting of charges and payment; quality and management of the service and the benefits of charging and the feedback from customers. The advice within the draft National Planning Policy Guidance is itself of recognition of the acceptance of charging for pre application advice to improve the quality of submissions and a better built

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environment whilst working proactively at an early stage in the planning process. Today charging for pre application advice is therefore common amongst planning authorities and in setting the charging rate, reference will be made to the charging rates and categories of development to which charging is applied elsewhere. The charges levied by the SDNP will be a starting point for an assessment of charges given that they are already in place within the district however consideration will also need to be given to the cost of providing the service here at Horsham.

- 3.3 The decision for Council at this stage is whether to accept the principle of charging with the role out of the specific charges being agreed by the Cabinet Member for Living and working Communities; the Cabinet Member for Resources and the Chairman and Vice Chairman of Areas North and Area South Committee. The key issues in the setting of the charging schedule will be:
- i) The categories of development to which charging would apply i.e. the need to ensure that the charge covers the cost of the service;
 - ii) The type of service provided and whether to adopt a tiered approach relating whether the proposal involves a desk top assessment; a site visit and/meeting.
 - iii) The decision whether to include costs arising from specialist/technical advice in respect Listed Building Consent or Trees within the overarching costs of the service or as a stand alone cost when specific/specialist advice is being sought; (e.g. Chichester District Council operates their own historic environment pre –application charging separately from the rest of pre-application charging which is ring fenced to the historic environment team to provide the service).
 - iv) The exemptions to charging relating to the type of advice or the nature of the enquiry such as :
 - General planning advice on minor proposals given verbally by the duty officer or at the Customer Service Centre;
 - Incidental advice or information given by telephone;
 - Where the works are required to meet the needs of a person's registered disability;
 - Discussions in relation to enforcement matters;
 - Enquiries relating to advertisements and demolition of unlisted buildings in conservation areas (conservation area consent).
 - v) The exemptions to charging relating to the organisations requesting advice such as small businesses (subject to further discussions with Economic Development) and:
 - Parish and Town Councils
 - West Sussex County Council
 - Housing Associations (unless a mixed market/affordable scheme is proposed)
 - vi) The need for a review mechanism to be built in to the charging regime to enable an annual review of charges; the categories of the development to

which charges would apply and ultimately the discretion to be given to whether exemptions should apply where an individual proposal would have significant social, economic and environmental benefits for the district.

- 3.3 In addition to the charging schedule itself, process and procedures will need be introduced to ensure charging information is transparent and available for inspection through the Council's website along with details for the mechanism for charging, the level of information which will be required before advice will be given and the timetable for the response to an enquiry.

4 Next Steps

- 4.1 Subject to it be agreed that the Council should proceed with pre application charging that the charging schedule and the process and procedures be put in place in consultation with the Cabinet Member for Living and working Communities, the Cabinet Member for Resources and the Chairman and Vice Chairman of Areas North and Area South Committee to enable the introduction of charging by no later than 1st April 2014

5 Outcome of Consultations

- 5.1 The Council Solicitor comments as follows: Statute permits charging for pre-application advice so long as the local planning authority does not make a profit from that charging. Many local authorities are now adopting this approach and the charges levied by neighbouring local authorities appear elsewhere in this report. It will be for this Council to set its own charges so as to comply with the legislation.

6 Other Courses of Action Considered but Rejected

No action. However with statutory support through the Local Government Act 2003; the advice provided by the draft National Planning Practice Guidance and the evidence of charging within neighbouring authorities is it important that this is addressed by Horsham District Council.

7 Staffing Consequences

- 7.1 There are no direct staffing consequences, although additional administrative work is required to implement and operate pre-application charges, with accurate recording of all meetings and discussions required, receipting and recording monies received etc. However, in the event of being able to charge for specialist technical advice for Listed Buildings and Trees it would be possible to cover costs and enable reinvestment in the service.

8 Financial Consequences

- 8.1 Charging for planning advice would be a new source of income for the Authority which on the basis of charges elsewhere it is estimated that it would generate at least £20K.

Appendix 1

Consequences of the Proposed Action

What are the risks associated with the proposal? Risk Assessment attached Yes/No	Risk of loss of revenue to the Council
How will the proposal help to reduce Crime and Disorder?	No direct effect
How will the proposal help to promote Human Rights?	No direct effect
What is the impact of the proposal on Equality and Diversity? Equalities Impact Assessment attached Yes/No/Not relevant	No direct effect
How will the proposal help to promote Sustainability?	It will ensure that pre application advice is given at an early stage to assess the economic, social and environmental impacts of a development in accordance with the three key principles of the National Planning Policy Framework.

Appendix 1

Schedule of Pre Application Advice Charges by Local Authorities

Part A - Sussex Local Planning Authorities

Mid Sussex District Council - £30,000 pa generated (Source: Source MSDC)

Authority	Type	Description	Fee
Mid Sussex District Council	Super Major Meeting	150 dwellings or more, or 5000 sq m or more of commercial floorspace	£512.50
Mid Sussex District Council	Major meeting	10 or more dwellings or 1000 sq m or more of commercial floorspace	£307.50
Mid Sussex District Council	Minor meeting	Less than 10 dwellings or 1000 sq m of commercial floorspace	£205
Mid Sussex District Council	Other meeting	i e. changes of use, adverts, listed building consents, conservation area consents	£153.73
Mid Sussex District Council	Householder meeting	Advice which requires a visit to the site by a Planning Officer. Advice given in office will be free.	£50
Mid Sussex District Council	Super Major Letter	150 dwellings or more, or 5000 sq m or more of commercial floorspace	£256.25
Mid Sussex District Council	Major Letter	10 or more dwellings or 1000 sq m or more of commercial floorspace	£153.75
Mid Sussex District Council	Minor Letter	less than 10 dwellings or 1000 sq m of commercial floorspace	£102.50
Mid Sussex District Council	Other Letter	i .e. changes of use, adverts, listed building consents, conservation area consents	£76.50
Mid Sussex District Council	Trees Letter		£30.75

NB: The charge levied for a meeting is irrespective of the time involved.

Chichester District Council - £75,000 pa generated (Source: CDC)

Authority	Type	Description	Fee
Chichester District Council	Householder	Written reply, site visit & 1 meeting	£90
Chichester District Council	Other	Written reply, site visit & 1 meeting	£180
Chichester District Council	Minor (1-9)	Written reply, site visit & 1 meeting	£480

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Chichester District Council	Major (10-99)	Written reply, site visit & more than 1 meeting	£1800
Chichester District Council	Large Major (100+)	Written reply, site visit & more than 1 meeting	£4200

Arun District Council

Authority	Type	Description	Fee
Arun District Council	Householder	Enquiry including site visit and meeting following a written response	£60
Arun District Council	Minor (1-2)	Enquiry including site visit and meeting following a written response	£234
Arun District Council	Minor (3-9)	Enquiry including site visit and meeting following a written response	£580
Arun District Council	Major (10-99)	Enquiry including site visit and meeting following a written response	£900
Arun District Council	Major (100-199)	Enquiry including site visit to include a meeting	£1500
Arun District Council	Large Major (200+)	Includes a site meeting	Minimum charge of £1500 plus £300 per 50 Dwellings

South Downs National Park

Authority	Type	Description	Fee
SDNPA	Householder	Informal Duty Officer Conversation	£0
SDNPA	Householder	Written response	£0 if a meeting is required £48 per hour
SDNPA	Replacement dwellings and other development (change of use; agricultural development; advertisements; telecommunications)	Written response inc site visit if required	£72 - if a meeting is required £48 per hour
SDNPA	1-3 dwellings; up to 499m ² commercial floorspace	Written response, Site visit and 1x1hour meeting	£240 - if a meeting is required £48 per hour
SDNPA	4-9 dwellings; up to 500-999m ² commercial floorspace	Written response, Site visit and 2x1hour meeting	£360 - if a meeting is required £48 per hour
SDNPA	10-29 dwellings; up to 1,000-1,999m ² commercial floorspace	Written response, Site visit and 2x1hour meeting	£900 - if a meeting is required £48 per hour

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Authority	Type	Description	Fee
SDNPA	30-99 dwellings; 1,999m ² to 3,500m ² commercial floorspace	Written response, Site visit and 3x1 hour meeting	£1800 - if a meeting is required £48 per hour
SDNPA	Anything over the above thresholds	Case by case agreement	10% of Planning Application fee

Part B - Surrey Local Planning Authorities

Reigate & Banstead Borough Council

Authority	Type	Description	Fee
Reigate & Banstead Borough Council	Householder	Written or meeting	£50
Reigate & Banstead Borough Council	Non householder	Written requests	£130
Reigate & Banstead Borough Council	Minor residential 1-9 units	1 Hour meeting followed by written response	£240
Reigate & Banstead Borough Council	Major residential 10 units and above	1 Hour meeting followed by written response	£275

NB: £550 for meetings lasting between one and three houses including a written response.

Mole Valley District Council

Authority	Type	Description	Fee
Mole Valley District Council	Householder	Written confirmation of views Site visit charged separately	£60 + £60 for site visit
Mole Valley District Council	Residential development (1 to 3 units)	Ack letter, Written reply within 14 days, Pre app meeting.	£300
Mole Valley District Council	Residential development (4+ units)	Ack letter, Written reply within 14 days, Pre app meeting.	£720
Mole Valley District Council	Commercial development (<1000 sq metres)	Ack letter, Written reply within 14 days, Pre app meeting.	£300
Mole Valley District Council	Commercial development (>1000 sq metres)	Ack letter, Written reply within 14 days, Pre app meeting.	£720
Mole Valley District Council	Change of use	Ack letter, Written reply within 14 days, Pre app meeting.	£300
Mole Valley District Council	Shopfront	Ack letter, Written reply within 14 days, Pre app meeting.	£60
Mole Valley District Council	Advertisements	Ack letter, Written reply within 14 days, Pre app meeting.	£60
Mole Valley District Council	Other development not included above	Ack letter, Written reply within 14 days, Pre app meeting.	£180

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Waverley Borough Council

Authority	Type	Description	Fee
Waverley Borough Council	Residential: Householder	Planning Surgery – drop in system 20 minute slot	£35
Waverley Borough Council	Small Scale Proposal	Planning Surgery – drop in system 30 minute slot	£120
Waverley Borough Council	Householder, Shopfronts, Adverts	Written advice	£50
Waverley Borough Council	Residential developments 1-3 units	Written advice	£250
Waverley Borough Council	Commercial property developments under 1,000 SqM	Written advice	£250
Waverley Borough Council	Simple changes of use developments	Written advice	£250
Waverley Borough Council	Residential developments (Four units or more or where the number of units is not known	Written advice including site visit and meeting	£1080
Waverley Borough Council	Commercial Property Developments (major proposals) of 1,000sqm of floor space Site of 0.5 ha or more Complex change of use development Development requiring a screening opinion under EIA	Written advice including site visit and meeting	£1080

Report to Cabinet

30 January 2014

By the Cabinet Member for Resources

INFORMATION REPORT

Not exempt



**Horsham
District
Council**

serving our towns and villages

REPORT ON PERFORMANCE INDICATORS FOR QUARTER 2 2013/14 DISTRICT PLAN PRIORITIES AND TRACKED PROJECT LIST PROGRESS

Executive Summary

The purpose of this report is to inform Cabinet of the quarterly review on 20th November 2013 of:

- The set of performance indicators for Quarter 2, 2013/14
- The outcome of the review of the Tracked Project List by the Finance and Performance Working Group, and
- To seek comments on the particular areas identified.

Recommendations

It is recommended that Members note the contents of this report and consider actions necessary to improve performance.

Reasons for Recommendations

Performance Management is part of the duty of Best Value to drive up service improvement.

Background Papers

Appendix A: Quarter 2 2013/14 Performance Indicators, District Plan Priorities and Key Tracked Projects Update

Consultation

Wards affected All

Contact Julie McKenzie, Performance Manager Ext. 5306

Background Information

1. Introduction

The purpose of this report is to inform Cabinet of the outcome of the quarterly review of the set of performance indicators for Quarter 2, 2013/14; the outcome of the review of the Tracked Projects List by the Finance and Performance Working Group on 20th November 2013 and to seek comments on the particular areas identified.

1.1 Background/Actions taken to date

The Horsham District Council's performance management framework includes reviews of the Council's performance against District Plan Priorities, performance indicators with the focus upon key performance measures and key projects tracked by CMT. Performance reviews are carried out monthly by Corporate Management Team and quarterly by the Finance and Performance Working Group. Matters of concern arising are reported to Cabinet as an appendix to this report. Performance data is circulated to Portfolio Holders on a quarterly basis following the Corporate Management Team review.

2. Monitoring of District Plan Priorities

2.1 Horsham District Council's corporate priorities are identified in the four year District Plan, adopted by Council on 16th February 2011. Annual reviews are undertaken to ensure the Plan remains relevant to the needs of our District over the four year period. A Cabinet workshop was held in March 2013 to determine and highlight the priorities for Horsham District Council for 2013/14, year three of the District Plan.

2.2 The updated District Plan for 2013/14, year three, has 19 priorities.

2.3 Priorities for the Horsham District for 2014/15, with associated budgets and key service plan objectives for the final year of the District Plan, year 4 have not yet been determined.

2.3 Annual departmental service plans support the delivery of the District Plan Priorities. They are compiled by all Heads of Service in conjunction with Cabinet Members and reviewed regularly throughout the year.

2.4 The Service Plans for 2013/14 align with the District Plan priorities and can be viewed on the Council website <http://www.horsham.gov.uk/council/16089.aspx>

3. Key Performance Indicators

3.1 As part of Horsham District Council's performance management framework, key performance indicators, representative of corporate priority areas, have been identified.

3.2 Revisions of performance indicators and targets are undertaken annually as part of the development of the departmental service plans to ensure that the key PI's continue to be effective monitors of service delivery.

- 3.3 Key Performance Indicators for 2013/14 have been reviewed particularly in the area of Development Management to reflect the requirements of the new 'Improving Planning Performance' regime.
- 3.4 The performance of local planning authorities will be assessed in two ways: on the basis of the speed with which applications for major developments are dealt with; and the extent to which such decisions are overturned at appeal (as an indicator of the quality of the decisions made by local planning authorities).
- 3.5 Appendix A identifies indicators where compliments and/or concerns were raised by Finance and Performance Group and incorporates Head of Service comments in response.

4. Tracked Projects monitoring

- 4.1 The Project Assurance Core Team (PACT) was set up to improve the way projects are managed at Horsham District Council; to act as a support mechanism for major projects; to oversee progress against time, cost and risk and alert CMT to significant concerns.
- 4.2 The PACT team reports progress on thirteen key projects to CMT each month. A summary report is provided for Finance and Performance Working Group each quarter.

5. Outcome of Consultations

- 5.1 Corporate Management Team (CMT) have considered the Performance Indicators report, District Plan update and Tracked Project List for Quarter 2 2013/14.

6. Other Courses of Action Considered but Rejected

- 6.1 The Council needs to evidence effective monitoring of performance.

7. Staffing Consequences

- 7.1 There are no direct staffing consequences associated with this report.

8. Financial Consequences

- 8.1 There are no direct financial consequences as a result of this report.

Appendix 1

Consequences of the Proposed Action

Consequences of the proposed action on:	
Risks Risk Assessment attached Yes/No	There are no risks attached to this report. This is a 'for information' report. No
Crime and Disorder	Section 17 of the Crime and Disorder Act 1998 requires the Council to do all that it reasonably can to reduce crime and disorder. There are no crime and disorder implications as a result of this report. Managing performance will help identify areas where the Council can provide better crime and disorder reduction initiatives.
Equality and Diversity/ Human Rights Equalities Impact Assessment attached Yes/No/Not relevant	Managing performance will help identify areas where the Council can continue to improve.
Sustainability	Performance against sustainability issues are reviewed regularly. There are no implications as a result of this report.

Statutory and Policy Background

Statutory Background	'Best value' (Local Government Act 1999) is the statutory basis on which councils plan, review and manage their performance in order to meet the needs and expectations of their citizens who use their services. The aim is to deliver continuous improvement in all their services. The principles involve Local accountability, breaking departmental and organisational boundaries, partnership, performance measurement and management, comparability and continuous improvement.
Relevant Government policy	Duty of Best Value. Moving away from National Indicators, the Department of Communities and Local Government has published a Single Data List. This is a catalogue of data requirements. The Single Data List is data already collected through statutory returns for example RO1 (finance) returns, housing, and planning returns, which are existing 'burdens'.
Relevant Council policy	Setting of District Plan priorities, service plans, and key performance indicators.

Feedback from the Finance and Performance Working Group

Appendix A: Quarter 2 2013/14 Performance Indicators, District Plan Priorities and Key Tracked Projects Update

On 20th November 2013 the Finance and Performance Working Group reviewed the following:

- 2013/14 Quarter 2 Performance Indicators Monitoring Report
- 2013/14 Quarter 2 Project Assurance Monitoring Report
- 2013/14 Quarter 2 District Plan Priorities

2013/14 Quarter 2 Performance Indicators Monitoring Report

Finance & Performance Working Group considered the Quarter 2 Performance Indicator Monitoring Report.

The Working Group noted **positive** performance in the following areas;

- The level of attendances at sports centres and swimming pools against targets set , and
- The level of attendances at Horsham Museum, which was recently reported as being 13th most popular free attraction in the South East and passed their congratulations.

The following PIs, where the group have concerns about performance, have been highlighted, and now include a departmental response.

**Cabinet Member with Responsibility for Living and Working Communities:
Cllr Claire Vickers**

Performance Indicator		
DM 09 Percentage of Planning Appeals allowed		
General notes	Feedback from F&PWG	Head of Service Comments
<p>2013/14 Q2 40%</p> <p>Q1 39.14%</p> <p>2012/13 Q4 33.33%</p> <p>Q3 17.65%</p> <p>Q2 34.48%</p> <p>Q1 41.67%</p> <p>Target: 30%</p>	<p>The Group noted the performance of planning appeals that has been allowed by the Planning Inspectorate was 40% against a target of 30%.</p> <p>Members acknowledged that the Business Improvement Working Group had undertaken a review of Development Management and Planning Services, which has been discussed at Cabinet.</p> <p>The Group requested any information on benchmarking undertaken with other LAs.</p>	<p>There are concerns about the high percentage of planning appeals being allowed. Benchmarking information is not generally available due to the absence of any statutory performance indicators. We are investigating a willingness to provide and share this data with the regional officer group.</p> <p>Rod Brown, Head of Planning & Environmental Services Rod.brown@horsham.gov.uk Te: 01403 215426</p>

Performance Indicator		
DM 02a Number of Planning Enforcement cases received DM 02b Number of Planning Enforcement cases closed		
General notes	Feedback from F&PWG	Head of Service Comments
DM02a Cases Received 2013/14 Q2 194 Q1 130 2012/13 Q4 100 Q3 126 Q2 148 Q1 161 DM02b Cases closed 2013/14 Q2 109 Q1 122 2012/13 Q4 109 Q3 135 Q2 163 Q1 180	<p>The Group noted the increase in numbers of planning enforcement cases received, expressed concerns about officer workload and requested further explanation on this indicator</p> <p>The Group suggested that identifying cases in progress and a target for the number of cases closed be considered for the new reporting year 14/15 to identify how well the department was performing.</p>	<p>A report will be circulated at a future meeting of the Finance and Performance Working Group</p> <p>Rod Brown, Head of Planning & Environmental Services Rod.brown@horsham.gov.uk Te: 01403 215426</p>

Cabinet Member with Responsibility for the Environment:
Cllr Andrew Baldwin

Performance Indicator		
OP14 Acorn recycling rates %		
General notes	Feedback from F&PWG	Head of Service Comments
<p>2013/14 Q2 48.43% Q1 49.65%</p> <p>2012/13 Full year 50.46%</p> <p>Q4 41.93% Q3 49.84% Q2 56.16% Q1 53.96%</p>	<p>The Group noted the levels of recycling had dropped over the previous two quarters.</p>	<p>Recycling figures include green waste and mixed recycling. The charging policy for green waste will have a detrimental effect on the overall recycling rate as less green waste is collected overall.</p> <p>Recycling rate is based on tonnage, so any reduction in green waste collection is likely to have a not insignificant impact on the overall recycling rate.</p> <p>Increased uptake is being encouraged by publicity and improvements to the range of payment methods</p> <p>Ian Jopling, Head of Operational Services ian.jopling@horsham.gov.uk Te: 01403 636375</p>

**Cabinet Member with Responsibility for a Safer & Healthier District:
Cllr Sue Rogers**

Performance Indicator		
HS18: Number of households in temporary accommodation HS19: Of which number of households in B&B accommodation		
General notes	Feedback from F&PWG	Head of Service Comments
HS18 2013/14 Q2 88 Q1 79 2012/13 Q4 77 Q3 83 Q2 91 Q1 88 HS19 2013/14 Q2 24 Q1 19 2012/13 Q4 16 Q3 15 Q2 21 Q1 25	<p>The Group noted the continued high number of households in temporary accommodation.</p> <p>Members wanted to know how long people were kept in temporary accommodation before they were housed.</p>	<p>The Head of Service of Service reports that there has been a steep rise in the number of single people with complex conditions (alcohol/substance issues coupled with mental health problems) presenting as homeless. This together with a temporary drought in new build coming on stream partially contributes to these figures (Bridge House was running more than 12 months behind schedule) although the shortage of one bedroom relets anticipated as a result of welfare reform has not been evident.</p> <p>Note: Bridge House has now completed and residents are moving in (at 12 Feb 2014)</p> <p>On a positive note, the overall numbers on the housing register - which were reduced from 1197 to 702 in April through the introduction of the new policy – was down to 462 in December 2013. We believe our allocations policy is working but we are keeping it under review</p> <p>We are revisiting our temporary accommodation acquisition programme with a view to one bed acquisitions and investigating shared occupation of our</p>

		<p>own 3 bed houses as welfare reform has definitely helped ensure a better supply of 3 beds.</p> <p>To be aware that we are about to see the winter spike in B&B numbers as a result of cold weather provisions, but with a number of move on's imminent expect numbers to be in or close to single figures by the end of the financial year.</p> <p>The average time a household spends in temp accommodation was 38 weeks in April but is now down to 24 weeks in December 2013.</p> <p>Trevor Beadle, Head of Housing & Community Development trevor.beadle@horsham.gov.uk Te: 01403 215209</p>
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General Comments

2013/14 Quarter 2 Project Assurance Monitoring Report

Performance Management Working Group considered the Quarter 2 update on the Project Assurance Monitoring Report (key CMT-tracked projects) and commented as follows:

6b. Leisure Management Provision (Capital Works

The Finance and Performance Management Working Group do have concerns that swimming pool closures may result in adverse publicity for the Council and potentially a loss of income, but have noted that a communications plan will be in place to manage this.

There are a number of requests for information which have been addressed separately.

2013/14 Quarter 2 District Plan Priorities Update

There are no issues to be raised with Cabinet, but there are a number of requests for information which have been addressed

Report to Cabinet

30th January 2014

By the Director of Corporate Resources

INFORMATION REPORT

Not exempt



Horsham
District
Council

BUDGET 2013/14 - PROGRESS REPORT TO END OF DECEMBER AND OUTTURN FORECAST

EXECUTIVE SUMMARY

This report compares expenditure and income with the profiled budget for the period 1st April 2013 to 31st December 2013 and forecasts a favourable variance of £639k for the full year revenue outturn.

Recommendation

The Cabinet is recommended to note this report.

Background papers	Consultation	Wards affected	Contact
			Sue McMillan Ext. No. 5302

1. Background

- 1.1. The budget for 2013/14 was approved by Council at its meeting in February 2013

	£000
Net expenditure	12,678
Contribution to reserves	486
	<hr/> 13,164
To be financed from:	
Government grant/business rates	4,487
Less paid to parish councils	-151
Council tax freeze grant	81
New Homes Bonus	1,166
Council tax	7,581
	<hr/> 13,164

- 1.2 The original budget for 2013/14 has been increased by £543,164. This increase is made up of :

Unspent budgets carried forward from 2012/13	£423,164
Supplementary Estimates	£120,000

Additional budgets are made up of:

Interim ICT Manager	£60,000
Hay, Pay and Grading, Management Restructure	£60,000
(funded from the £500k Business Transformation Programme)	

The carried forward budgets and supplementary estimates are funded from the Council's reserves.

- 1.3 There have also been a number of virements to the revenue budget, (the transfer of budgets from one cost centre to another), approved in accordance with the Council's financial regulations. The virements have not increased the overall revenue budget.
- 1.4 The following supplementary estimates to the Council's capital budget have been approved since the beginning of the year.

	£
Costs of Chiller in the Capitol exceeding budget provision	44,230
Costs of drainage and treatment works at Hop Oast Depot	75,000
Census ICT projects	185,000
Refurbishment of Play areas	60,000
Replacement of CCTV cameras in Horsham and Southwater	52,450

In additional Capital budgets include a carry forward amount of £1,670,700 from under spends in 2012/13 and a carry forward of £329,290 for Repairs and Renewals.

2 Revenue Forecast Outturn for 2013/14

The revenue forecast excludes any potential transfers to or from ear marked reserves in respect of externally funded activities and any budgets which are now likely to be carried forward for spend in 2014/15. In this way the forecast excludes expenditure delayed to future years.

Current Budget		£13,221,018
Section	Description	Amount of Forecast
Corporate	Staffing Costs , salaries , wages, superannuation, overtime and agency costs	(£60,000)
Democratic Services	Elections - additional costs of 2 by-elections and residual costs of PCC elections	£14,270
Planning & Environmental services	Planning - additional legal and counsel costs less any legal costs recovered. This includes £17k payment to Stern	£67,000
Planning & Environmental services	Planning -additional consultancy costs to deal with appeals	£48,000
Planning & Environmental services	Planning - fee income	(£200,000)
Planning & Environmental services	Land charges - additional fee income less associated increase in legal expenses.	(£111,800)
Planning & Environmental services	Planning software - additional functionality	£21,500
Planning & Environmental services	South Downs National Park Authority - contribution to planning costs	(£27,500)
Building Control	Reduction in income less reduction in use of consultants	£25,000
Licensing	Additional income reflecting increased activity	(£16,000)
Housing and Community Development	Bed & Breakfast - additional board and lodging spend offset by increased rent and savings on removals, storage, repossession and other costs	(£21,500)
Housing and Community Development	Community Alarm - Reduction in Income	£12,000
Leisure and Economic Development	Broadbridge Heath Leisure Centre - Income not receivable under new contract	£29,070
Leisure and Economic Development	Billingshurst Leisure Centre - Income not receivable under new contract	£10,000
Leisure and Economic Development	Drill hall - additional hall hire income	(£11,000)
Leisure and Economic Development	Capitol Theatre - electrical works, seat and screen refurbishments	£12,500
Leisure and Economic Development	Capitol Theatre - Increased income for productions , including the Pantomime - less additional production costs	(£15,000)
Leisure and Economic Development	Capitol Theatre- reduction in income on new catering contract	£12,500
Leisure and Economic Development	Southwater Café - Rent higher due to increased turnover	(£10,000)
Leisure and Economic Development	Parks & Recreation centres - additional grass cutting costs	£15,600
Operational Services	Additional Green Waste Income	(£262,850)

Agenda Item 6(d)

Operational Services	Vehicles - additional contract hire costs due to delay in vehicle delivery following queries over specification and to unplanned repairs	£44,000
Operational Services	Parish Council cleansing grant payments	(£13,500)
Operational Services	Cess pit emptying service - reduction in income reflecting lower customer base	£14,000
Operational Services	Trade Waste income increase following rise in customer numbers	(£39,500)
Operational Services	Transport - contributions from 3 rd parties towards driver training and vehicle repairs	(£10,300)
Operational Services	Vehicles - Tyres and Tubes replacement forecast saving following driver training	(£10,000)
Operational Services	Refuse - additional sale of bins	(£65,800)
Operational Services	Refuse - Fuel cost savings due to reduction in tonnage	(£10,000)
Operational Services	Swan Walk Car Park- reduction in income	£170,000
Operational Services	Car Parks - evening charge	(£27,760)
Operational Services	Car Parks - other increased parking income	(£30,150)
Operational Services	Refuse - Resurfacing of Holland's Lane	£13,820
Corporate Support services	Hop Oast Depot - Costs of tankering effluent off site following failure of sewage and oil separation plant	£70,000
Corporate Support services	Town Centre Rents - reduction due to voids during refurbishments	£55,000
Corporate Support services	Prior year utility costs recovered at River Mill Lodge, Lavinia House	(£23,706)
Corporate Support services	Estates - Commercial units rental income reduction due to voids, rent free periods and new leases	£24,860
Corporate Support services	Gyhl Court - Extension of Leases	(£27,000)
Corporate Support services	Estates - Lintot Square reduced rental income as a result of void units and lease surrenders	£15,500
Corporate Support services	North Point - Additional rent and service charge due to unbudgeted continuation of lease	(£47,000)
Corporate Support services	Prior year recovery of lighting costs at the Carfax and Bishopric	(£11,480)
Corporate Support services	Census ICT- HDC Share	£16,000
Corporate Support services	Removal duplicate electricity budget , already covered in agreement with WSCC	(£10,000)
Corporate Support services	Reprographics - additional income generated from work done for external bodies	(£15,650)
Finance and Legal services	Interest charges savings due to reduced need to borrow for capital programme	(£200,000)
Finance and Legal services	Interest receivable on investments reduced to reflect interest rates	£10,000
Finance and Legal services	Legal - reduction in external legal fees	(£30,000)
Finance and Legal services	Increase in insurance premiums	£25,000
Finance and Legal services	Legal - Increase in costs recovered	(£50,000)
Minor items		(£7,168)
Forecast Movement		(£639,044)
Forecast Outturn		£12,581,974

Agenda Item 6(d)

The forecast outturn reflects both actual savings and additional income achieved up to the close December 2013 together with anticipated levels of activity for the last quarter of 2013/14. It reflects areas where additional income has been generated, most notably in the areas of planning fees, land charges and green waste. In addition unbudgeted income has been received. Examples of this include the unbudgeted extension of the lease of the third floor North Point and of leases at Ghyll court. The recovery of prior year costs from third parties for example at River Mill Lodge and in respect of lighting in the Carfax and Bishopric, has also boosted receipts. Overall income is in advance of budget and the availability of funds together with delays in capital projects have reduced the need to borrow and this has had a favourable impact on interest charges.

There are some areas of forecast overspending including vehicle contract hire costs and tankering costs at Hop Oast.

3 Spend to 31st December 2013

Net expenditure was £2.45m less than the profiled budget, £215k of this related to housing benefit payments and related government subsidy grants and is a timing difference only. The variances have been investigated and have informed the forecast outturn figures reported in paragraph 2 above.

A summary of spend to 31st December compared with the budget profiled to that date are attached at Appendix A. A schedule of the main areas of interest is attached as Appendix A2.

4 Salaries and Wages

Salaries and wages continue to be below budget mostly as a result of vacant posts, and this favourable variance exceeds the budget over spend on agency staff. The overall variance of £143K is likely to be reduced by the year end .The budget figure includes a vacancy saving of £75k.

A department analysis of the staffing costs against the profiled budgets is attached at Appendix B

	Actual P1-9	Budget P1-9	Variance P1-9
Salaries & Wages inc Superannuation	11,637,637	12,447,967	(810,330)
Overtime	149,828	96,520	53,308
Casual/Temporary Staff	876,261	261,744	614,517
Total	12,663,726	12,806,231	(142,505)

5 Income to date

The main areas of non-grant income were ahead of budget at the close of Period 9. Planning fee income, land charges and green waste income have all exceeded their annual budgets figures by the end of December 2013. This performance is reflected in the forecast above.

Agenda Item 6(d)

	2013-14 Income Actual to P9 £	2013-14 Current Budget Budget to P9 £	2013-14 Variance Adverse/ (Favourable) £
Development Control & Enforcement	-901,806	-674,730	-227,076
Building Control	-362,081	-397,341	35,260
Land Charges	-197,510	-89,964	-107,546
Garden Waste Collection	-852,899	-589,400	-263,499
Trade Refuse Bins	-761,619	-735,247	-26,372
Car Parks Pay & Display	-2,045,355	-2,094,299	48,944
Car Parks Season Tickets	-376,566	-409,423	32,857
Town Centre Rents	-388,847	-440,000	51,153
Misc Commercial & Domestic Property Rents	-346,826	-365,100	18,274
Interest on Investments	-151,477	-161,976	10,498
Total	-6,384,985	-5,957,479	-427,507

6 Transformation Projects

At Council on 24th October 2012 £500k was set aside to fund the Business Transformation Programme and a number of projects were identified. Expenditure on these projects in 2012/13 and 2013/14 periods 1-9 totals £166k as shown below.

Project	Cumulative expenditure to 31st December 2013 £
Terms and Conditions	116,026
Hay Pay & Grading and Management Restructure	31,709
EDRMS	10,765
Total	158,499
Available Funding	500,000
Balance	341,501

7 Capital

In the first nine months of the year capital spend is £1.48m while spend plus commitments totals £1.76m. The budget is £10.265m including new schemes approved during the year so a substantial underspend is expected. The major factor in the expected underspend is the decision to freeze the house purchase

Agenda Item 6(d)

acquisition programme saving £1.84m, reflecting the reduced demand for temporary accommodation. Other large forecasted differences include £0.96m for vehicles spend; £0.765m for swimming pool works and £0.48m for Swan Walk Car Park, all slipped into 2014/15.

Details of the schemes, with comment, are in Appendix C.

8 Repairs and Renewals

Spend on Repairs and Renewals to period 9 is £183k (£219k including commitments) against a budget of £1.118m. Details are included in Appendix D.

Any R&R budgets already approved, but now likely to be spent in 2014/15, have not formed part of the 2014/15 budget setting process. They will be dealt with as budget carry forward requests at the year end.

Appendix 1

Consequences of the Proposed Action

<p>What are the risks associated with the proposal?</p> <p>Risk Assessment attached Yes/No</p>	<p>Report is for information</p>
<p>How will the proposal help to reduce Crime and Disorder?</p>	<p>No implications</p>
<p>How will the proposal help to promote Human Rights?</p>	<p>No implications</p>
<p>What is the impact of the proposal on Equality and Diversity?</p> <p>Equalities Impact Assessment attached Yes/No/Not relevant</p>	<p>No implications</p>
<p>How will the proposal help to promote Sustainability?</p>	<p>No implications</p>

Budget Current

Horsham District Council

2014 Period: 9

Appendix A

Expenditure Analysis Adjusted

<i>Department</i>	<i>Employee Expenses</i>		<i>Total Premises</i>		<i>Transport Expenses</i>		<i>Supplies & Services</i>		<i>Agency/Contracted</i>		<i>Capital Financing</i>		<i>Income</i>		<i>Total Expenditure</i>		<i>Expend less Income</i>		
	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
CHIEF EXECUTIVE'S OFFICE	456	443	0	0	0	0	62	8	0	0	0	0	0	0	518	451	518	451	-67
STRATEGIC PLANNING & PERFORMANCE	629	625	1	0	1	1	253	102	0	0	0	0	-22	-22	884	728	862	706	-156
DIR CORPORATE SERVICES	642	639	0	0	8	8	1,224	925	0	0	0	0	-496	-799	1,874	1,572	1,378	774	-605
FINANCE & LEGAL SERVICES	1,023	1,037	0	0	22	30	666	645	9	9	168	68	-217	-311	1,889	1,789	1,672	1,478	-194
CORPORATE SUPPORT SERVICES	2,618	2,501	772	792	44	63	1,479	1,543	16	0	0	0	-4,102	-4,168	4,929	4,899	828	731	-97
DIR OF COMMUNITY SERVICES	283	226	0	0	1	0	1	19	0	0	0	0	0	0	284	245	284	245	-39
HOUSING & COMMUNITY DEVELOPMENT	946	962	122	131	29	26	872	984	0	31	0	0	-1,189	-1,546	1,969	2,134	780	588	-192
LEISURE & ECONOMIC DEVELOPMENT	1,115	1,066	880	765	12	8	936	949	128	60	0	0	-1,799	-1,910	3,071	2,848	1,272	938	-333
DIR OF DEVELOPMENT & ENVIRONMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLANNING & ENVIRONMENTAL SERVICES	2,311	2,354	39	38	75	62	382	489	0	0	0	0	-1,706	-2,100	2,807	2,943	1,100	843	-258
OPERATIONAL SERVICES	3,023	3,010	625	665	1,270	1,239	992	868	0	0	0	0	-5,576	-5,836	5,909	5,782	333	-54	-387
	13,047	12,862	2,439	2,390	1,462	1,436	6,866	6,533	152	100	168	68	-15,107	-16,692	24,134	23,390	9,027	6,698	-2,329
<i>Housing Benefits</i>	0	0	0	0	0	0	0	0	22,083	22,911	0	0	-22,346	-23,291	22,083	22,910	-264	-381	-117

15 January 2014

Page 1 of 1

Commentary on net expenditure to 31st December 2013

Appendix A2

Chief Executives Office

The Digital Horsham Project has yet to incur any significant expenditure and is currently showing a favourable variance of £60k. This a timing issue only.

Strategic Planning and Performance

An additional Budget was included in 2013/14 for the Local District Plan examination fee of £180k. Little of this has been spent to date as the Examination will now take place in 2014/15. There is a favourable variance in respect of the Horsham District News which will be spent before the year end on the production of the spring edition.

Planning and Environmental services:

This area continues to show a favourable variance overall. For development control this is the result of additional income for planning fees (£227k), land charges (£107k) and additional legal costs recovered (£52k).

Building Control income is still behind budget (£36k)

Environmental Health expenditure is below budget creating a favourable variance. Income is also ahead of budget and includes an unbudgeted grant (£5k) from the Better regulation delivery office.

Licensing income has also exceeded the profiled budget by the end of period 9 (£36k).

Housing and Community Development:

Community Development budgets appear under spent at the close of period 9. This is mostly the result of additional grants received in year. Any unspent grant money will be transferred to ear marked reserves at year end.

Leisure and Economic Development:

Leisure Centres appear under spent overall (£237k). This is largely due to the scheduling of repairs at Broadbridge Heath which are currently running behind budget by £149k. Other variances are the result of timing issues and delays in settlement of 2012/13 accounts with WSCC.

Countryside Sites continue to be overspent (£13k). This overspend includes works undertaken at Leechpool Woods which will be funded from an ear marked reserve at year end.

Parks and Open Spaces budgets show a net under spend of £32k, £14k of which relates to income. Premises costs are below budget by £37k but this is offset by a £27k overspend on the grass cutting. A new grounds maintenance contract has been negotiated to include grass cutting which will reduce costs.

Net expenditure on economic development is under budget (£41k) at the close of period 9, primarily in the area of grant payments £34K.

Operational Services:

By the end of December 2013 additional income of £263k has been generated by Green Waste. Trade Waste income is also ahead of budget as the result of additional income earned rather than purely timing. Trade waste recycling income has achieved full year budget and we will continue to receive income into the final quarter. In contrast a favourable variance on disposals costs is a timing issue only and will not impact the full year position. Transport costs are under budget at the close of Period 9 despite overspending on contract hire (£56k) and repairs and maintenance (£58k). Additional insurance claims are lower than budgeted (£56k) as are fuel costs (£66k) however £46k of this is timing.

Rural car parks have benefited from additional licence income which together under spends on general works and the purchase of tickets has resulted in a favourable variance of £13k.

Urban car parking income is under budget at the close of period 9. This is mainly due to a reduction in use of Swan Walk car park. A delay in the payment of the PCT share of Horsham Hospital car park income has reduced this adverse variance by £15k.

Director of Corporate Resources

Feasibility studies expenditure continues behind budget (£46k). It is anticipated that this reflects a delay in expenditure only.

DoCR - Revenue and Benefits (administration):

Revenue and Benefits area is under spent as a result of the receipt of unbudgeted grants (£74k) legal expenses recovered (£132k) and timing differences on the Census partnership contributions. An underspend is not expected by the year end.

Finance and Legal services:

Financial services budgets include the profiled budget for the corporate vacancy saving of £70k. Interest on investments is lower than budgeted and a full year shortfall is anticipated. Interest repayments are below budget by £100k due to reduced need to borrow. The legal professional fee budget is under spent by £27k and a full year saving is thought possible. The recovery of legal costs from 3rd parties which is over budget by £64k should also have some full year impact.

Corporate Support Services:

Commercial Estates income is ahead of budget overall but this includes some wide variations with additional income earned from the extension of leases (£24k) and shortfalls in such area as Swan Walk rents (£51k). Commercial Facilities have benefitted from the recovery of prior year electricity costs in respect of the Carfax and

Bishopric (£12k). There are also under spends on utilities, the maintenance of town centre water features and security.

Council Facilities budgets are over spent overall. The favourable variances resulting from the unbudgeted continuation of the lease at North Point (47K) is more than offset by a large overspend at Hop Oast Depot related to drainage issues (£60k).

Horsham IT infrastructure expenditure is behind budget by £13K. A review of the projects indicated that this is a timing matter only. The Census project expenditure is over spent by £190k. No significant year end overspends are expected in this area. The variance at Period 9 is primarily due to the timing of Partnership invoicing.

Expenditure on training budgets is in arrears of the profiled budget (£37k). No full year under spend is forecast at present.

The print room is showing a net under spend, due in part to additional income from external work (£17k)

Salaries Monitoring Report - Budget V Actuals

Appendix B

Department	Total Staff Costs				Salaries & Wages		SuperAnnuation		Overtime		Casual Staff		Temp Staff	
	Actual	Budget	Variance	%	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
CHIEF EXECUTIVE'S OFFICE	440,524	456,009	-15,485	-3.4	381,636	394,883	58,888	61,126	0	0	0	0	0	0
STRATEGIC PLANNING & PERFORMANCE	624,164	628,116	-3,952	-0.6	542,301	550,673	79,184	77,443	2,679	0	0	0	0	0
DIR CORPORATE SERVICES	638,027	640,265	-2,238	-0.3	546,096	558,529	90,750	81,736	1,181	0	0	0	0	0
FINANCE & LEGAL SERVICES	953,373	936,638	16,735	1.79	835,263	819,602	112,478	115,535	5,280	0	0	1,501	352	0
CORPORATE SUPPORT SERVICES	2,397,644	2,477,296	-79,652	-3.2	1,916,321	2,086,862	265,526	293,702	23,807	10,494	4,439	0	187,551	86,238
DIR OF COMMUNITY SERVICES	225,546	282,782	-57,236	-20.2	194,926	244,246	30,620	38,536	0	0	0	0	0	0
HOUSING & COMMUNITY DEVELOPMENT	961,233	945,993	15,240	1.61	769,276	783,870	104,808	106,226	7,835	2,997	65,351	44,323	13,963	8,577
LEISURE & ECONOMIC DEVELOPMENT	1,066,130	1,115,126	-48,996	-4.4	859,066	914,400	109,416	125,647	25,274	225	72,374	74,854	0	0
PLANNING & ENVIRONMENTAL SERVICES	2,350,225	2,305,856	44,369	1.92	1,892,034	2,016,340	270,760	289,516	7,321	0	3,231	0	176,879	0
OPERATIONAL SERVICES	3,006,860	3,018,150	-11,290	-0.4	2,268,954	2,528,530	309,334	360,565	76,451	82,804	52,240	0	299,881	46,251
	12,663,726	12,806,231	-142,505	-1.1	10,205,873	10,897,935	1,431,764	1,550,032	149,828	96,520	197,635	120,678	678,626	141,066
Revenues & Benefits	155	0	155	100	-217	0	0	0	372	0	0	0	0	0
	12,663,881	12,806,231	-142,350	-1										
Non Contractual Duty Office XZ7110	6,365	10,441	-4,076	-39										

16 January 2014

Description	2013/14 Budget - Full Year	2013/14 Actual Exp to Period 9	Commitments/ Accruals at 31 Dec 13	Total including Commitments at 31 Dec 13	Variance	Forecast Outturn 2013/14	Budget Holder Comments at Period 9
	£	£	£	£	£		
GRANTS FOR YOUTH PROJECTS	30,061	0	0	0	30,061	0	Budget deleted
HDC DATA CENTRE	47,178	6,425	0	6,425	40,753	47,178	Additional requirements resulting from HDC Roll out project etc. Planned completion by end of year.
HDC - TELEPHONES REPLACEMENT	192,000	31,124	69,578	100,702	91,298	192,000	In progress - rollout from November
CENSUS - STORAGE AREA NETWORK	55,800	45,914	0	45,914	9,886	55,800	Space requirements being monitored, use by EOY
CENSUS - CORE SWITCH REPLACE	20,000	0	0	0	20,000	20,000	Network performance issues being monitored. Third party investigation to be commissioned.
CENSUS - PC DESKTOP MGT SOLUTION	38,864	20,905	0	20,905	17,959	38,864	Required for SCCM etc. to support the Windows 7 roll out project which has commenced.
HDC - PC DESKTOP MGT SOLUTION	114,136	0	0	0	114,136	114,136	Provision c/fwd from 12/13 and will be utilised within Windows 7 Roll Out project @ HDC 7 MSDC
CENSUS - DISASTER RECOVERY	90,000	3,496	13,200	16,696	73,304	90,000	Investigation underway. Remainder required for results of recommendations
HDC - LOCAL AREA NETWORK	158,129	150,383	0	150,383	7,746	158,129	Budget to be utilised in full
HDC - WIDE AREA NETWORK	159,514	123,172	18,021	141,193	18,321	159,514	B2G WAN underway
HDC - WINDOWS7+ MS OFFICE	60,000	31,760	0	31,760	28,240	147,750	Project starting & ends by 31/3/2014. Inc proj. mang.
HDC - REPLACE PCs/LAPTOPS	295,000	14,918	0	14,918	280,082	295,000	Project starting & ends by 31/3/2014
HDC - WEBSITE REVAMP	50,000	27,200	0	27,200	22,800	50,000	Business Transformation project underway
ICT PROJECTS	200,000	0	0	0	200,000	90,000	Additional PSN requirements accounting for total value. Project will occur in Jan-Mar 14
CENSUS - PSN Accreditation	0	0	0	0	0	330,000	Revised budget £330k inc HDC contribution £110k allocated from £200k above
HORSHAM PARK - IMPROVEMENTS	7,842	0	0	0	7,842	0	No expenditure anticipated
SOUTHWATER COUNTRY PARK	95,000	0	16,984	16,984	78,016	30,000	Some works in 13/14, play area works slip to 14/15
SWIMMING - PAVILIONS	615,000	0	5,000	5,000	610,000	100,000	Scheme slippage
SWIMMING - STEYNING	150,000	0	0	0	150,000	50,000	Scheme slippage
SWIMMING - BILLINGSHURST	220,000	51,473	0	51,473	168,527	70,000	Scheme slippage
CAUSEWAY - LANDSCAPE	29,150	0	0	0	29,150	0	No expenditure anticipated
CAPITOL-CHILLER REPLACEMENT	104,805	3,651	0	3,651	101,154	104,805	Scheme in progress
DIGITAL PROJECTION - THE CAPITOL	46,914	46,384	0	46,384	530	46,914	Scheme completed
FRENCHES WAY PLAY AREA - B'HURST	89,194	0	0	0	89,194	44,597	Developer contribution, scheme to commence 13/14
RIVERSIDE WALK - STORRINGTON	8,000	0	0	0	8,000	4,000	Scheme to commence 13/14, some slippage
PARTRIDGE GREEN	1,287	0	0	0	1,287	1,287	Developer contribution
CLOSED CEMETERIES IMPROVEMENTS	5,934	4,975	0	4,975	959	5,934	Scheme in progress
PARISH COUNCIL VILLAGE INITIATIVES	23,017	0	0	0	23,017	0	Expenditure to be met from revenue
SWAN WALK MS CAR PARK	499,526	628	0	628	498,898	15,000	Scheme slippage
CAR PARK PAYMENT MACHINES / BARRIER (SWAN WALK)	110,000	0	0	0	110,000	0	Business case prepared for enhanced scheme including other CPs/ANPR. Scheme slipped to 14/15
PIRIES PLACE MS CAR PARK	120,000	0	0	0	120,000	10,000	Scheme slippage
HILLSIDE PARK, SAFETY WORKS	17,716	0	0	0	17,716	9,250	Some slippage to 14/15 due to site factors
HOUSE PURCHASES - TEMP ACCOMM.	1,864,481	0	0	0	1,864,481	25,000	Acquisition programme frozen
PULBOROUGH TOWN CENTRE	49,350	14,208	0	14,208	35,142	49,350	Developer contribution, scheme in progress
FORUM PAVING	82,307	0	0	0	82,307	82,307	Budget for equipment to treat paving and replace perimeter railings
SECRETARIAT REBUILD	1,419	0	0	0	1,419	0	Budget not required
REPLACE BOILERS	83,086	0	4,740	4,740	78,346	35,000	Revised renewal programme
ENERGY EFFICIENCY IMPROVEMENTS	50,000	0	0	0	50,000	5,000	Fees only in 13/14, programme slipped
PARK ACCESS IMPROVEMENTS	59,278	31,820	0	31,820	27,458	59,278	Scheme complete, at final account stage
SOUTHWATER HEALTH CENTRE	1,312	1,236	0	1,236	76	1,312	Scheme complete
SOUTHWATER VILLAGE CENTRE	22,362	23,277	0	23,277	-915	23,277	Scheme complete
OAKHURST BUSINESS PARK PHASE 3	0	20,840	0	20,840	-20,840	20,840	Additional final payment
FUEL TANK, HOP OAST DEPOT	35,000	26,754	0	26,754	8,246	35,000	Scheme in progress
HOP OAST DRAINAGE - supp approval	75,000	0	0	0	75,000	48,750	£25k slipped to 14/15 pending Depot works
S106 PROJECTS	33,560	0	2,626	2,626	30,934	33,560	Schemes to be progressed
TRADE BINS PURCHASED	70,000	0	0	0	70,000	0	Budget not required
EAST STREET PEDESTRIANISATION	18,334	0	0	0	18,334	18,334	Provision for fees
WEST STREET IMPROVEMENTS	697,000	297,462	44,913	342,375	354,625	697,000	WSCC contrib. £597k
DISABLED ACCESS TO PUBLIC BLDGS	39,674	0	0	0	39,674	20,000	Proposed works deferred pending office relocation
WARNHAM MILLPOND RESERVOIR	634,000	1,580	0	1,580	632,420	1,580	Work now to start Autumn 2014, budget re-phased
GREEN WASTE - PODS	42,000	0	0	0	42,000	0	Re-phase replacement programme
VEHICLES - NEW	1,117,346	139,323	0	139,323	978,023	160,000	Re-phase replacement programme
DISABLED FACILITIES GRANTS	713,000	301,511	0	301,511	411,489	600,000	Demand led, budget now unlikely to be required in full
HOME REPAIR ASSISTANCE GRANTS	75,000	48,569	0	48,569	26,431	95,000	Demand led
RENOVATION GRANTS	50,000	8,583	0	8,583	41,417	30,000	£20k of orig. budget has been transferred to KT01202
HOUSING ENABLING GRANTS	500,000	0	0	0	500,000	1,686,000	The revised budget is likely to be required in full
Sub-Total	9,967,576	1,477,571	175,062	1,652,633	8,314,943	6,006,746	
New Schemes (approved Sept 13)							
CENSUS ICT PROJECTS - supp appr	185,100	0	0	0	185,100	185,100	Schemes programmed
REFURB. OF PLAY AREAS - supp apr	60,000	0	58,781	58,781	1,219	60,000	Works to be carried out 13/14
REPLACE 21 CCTV CAMERAS - supp app	52,450	0	47,152	47,152	5,298	52,450	Works to commence in January
TOTAL	10,265,126	1,477,571	280,995	1,758,566	8,506,560	6,304,296	

R&R PROGRAMME - BUDGET MONITORING MONTHS 1-9 2013/14
Appendix D

Description	2013/14 Budget	2013/14 Act. Exp. to Period 9	2013/14 Actual inc. Commitments	Variance	Details
CLOSED CEMETERIES - HORSH.	611	0	0	611	Outstanding budget
CLOSED CEMETERIES - AREA 1	19	0	0	19	Outstanding budget
CLOSED CEMETERIES - AREA 2	2,480	2,330	2,330	150	Outstanding budget
HORSHAM PARK - TENNIS	2,865	2,865	2,865	0	Tennis Court Fencing
HORSHAM PARK - PAVILIONS	428,332	25,009	25,009	403,323	Contracts let and work progressing
STEYNING POOL	94,635	21,269	21,269	73,366	Contracts let and work progressing
BILLINGSHURST POOL	81,839	7,474	12,274	69,565	Contracts let and work progressing
REC GROUNDS - GENERAL	21,232	4,175	4,175	17,057	Bennetts Field Changing Room; Pitch drainage £7k; car park repairs £4k - Scheme subject to possible review. Roof element £10k deleted 27/11/13
OPEN SPACES-BRIDGES	5,434	330	330	5,104	-
MISC DOMESTIC	13,500	0	0	13,500	Fiennes Court - scheme under review
BLATCHFORD CLOSE	19,375	5,957	5,957	13,418	Roof £12,500; Other external repairs £6,875 Only part of budget will be needed. Energy Performance Certificates Units 1-23 in period 8
CHANCTON HOUSE	18,000	0	0	18,000	Kitchen - scheme under review but expected to be spent
46 ROMAN WAY	23,000	0	0	23,000	Fire doors/bathroom and kitchen replacement
SOUTHWATER MEDICAL CEN	27,000	1,400	4,000	23,000	External render Part may be deferred. Car Park lining in period 8
ROOKWOOD (PAYP) GOLF	9,000	9,158	9,158	-158	Ancillary buildings roof treatment
HORSHAM ARTS CENTRE	10,000	8,747	8,747	1,253	Emergency lighting battery
HOP OAST DEPOT	10,000	12,300	12,300	-2,300	Internal/external decorations
CAR PARKS	69,489	8,266	16,092	53,397	MSCP Doors & windows £11,232, MSCP gen dec £17,055, lighting £906, gen repairs £7,003, Horsham town carparks resurfacing £33,293 - Repairs in progress, lighting works complete and subject to re-code, other works planned Dec-Feb.
BARN	16,000	0	0	16,000	External/internal decorations - budget under review
OFFICE CAR PARKS	4,341	0	0	4,341	Lighting and security
STABLE BLOCK	15,000	0	0	15,000	External/internal decorations - under review
PARK HOUSE	50,567	0	0	50,567	Replacement windows £10k, Ext dec £12k, Int dec £25k, Upgrade elec install distrib sys £11k - under review

Description	2013/14 Budget	2013/14 Act. Exp. to Period 9	2013/14 Actual inc. Commitments	Variance	Details
COUNCIL CHAMBER	7,551	0	0	7,551	Sound reinforce & voting system - Costs have been charged to IT and will be transferred to this code in Period 10.
OTHER RURAL CAR PARK	12,531	3,575	3,575	8,956	Works to be undertaken to replace signage in rural car parks and repair surfaces
SOUTHWATER COUNTRY P	54,213	3,432	8,232	45,981	Refurbishment of the visitor centre - Heaters etc acquired period 8. Other works planned
GENERAL BUILDINGS	19,727	13,791	14,573	5,154	Security CCTV £9,661 (£11k spent); Management system repairs/maint budget £10,066 - Planned Feb-March 14
HORSHAM MUSEUM	37,761	25,492	40,492	-2,731	External/internal decorations £14,730; Fire Alarm System £15,000; Overhaul/upgrade aircon system £2,573; gen repairs £5,458
PARK NORTH	16,325	6,275	6,275	10,050	Electrical distribution
TOWN CENTRE	29,668	10,862	10,869	18,799	Town centre and carfax decorations - Budget reduced to £15k 27/11/13
BLACKHORSE WAY	1,000	0	0	1,000	Forum Flats - Water supply zoning - complete
BUS SHELTERS	1,651	0	0	1,651	General repairs/maintenance
DRILL HALL	15,000	10,710	10,710	4,290	Internal decorations
TOTAL	1,118,146	183,417	219,232	898,914	

Report to Cabinet

30th January, 2014

By the Director of Corporate Resources

8-1 RECOMMENDATION TO COUNCIL REQUIRED

Not exempt



Horsham
District
Council

BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY to 2017/18

Executive Summary

This report sets out details of the proposed 2014/15 revenue and capital budgets and reviews the Medium Term Financial Strategy. As a result of the decisions taken by Council in December 2012 to introduce charging for Green Waste and increase Car Parking Charges and the implementation of the on-going business transformation programme the Council is able to set a balanced budget for 2014/15 without making any decisions which may impact the delivery of services to its residents.

However, owing to the continuing drive to reduce Government Debt, the pressure on Council finances remains with indications from government that it will continue with its policy to reduce the payment of grant to Local Authorities. The future of current government policies such as Council Tax freeze grant, New Homes Bonus, Housing Benefit and grant payment will remain uncertain until the next national election.

The current estimates for the future deficit for the Council after allowing for savings delivered by the business transformation programme is just under £1m for 2015/16 increasing to just under £2m for 2016/17 and 2017/18.

The report sets out a series of prudential indicators that are a statutory requirement to demonstrate that the Council's capital programme is affordable and prudent in the context of the Council's overall finances.

Recommendations

Cabinet is RECOMMENDED TO PROPOSE THE FOLLOWING FOR CONSIDERATION BY COUNCIL ON 26th FEBRUARY 2014:-

- (i) That a payment of £1.5m to the pension fund to cover the pension fund deficit be approved.
- (ii) That Special Expenses of £265,827 and a Band D charge of £23.71 be agreed in respect of the unparished area for 2014/15. Details are provided in **Appendix E**.

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- (iii)** That the net revenue budget for 2014/15 of £13.350m be approved (attached as **Appendix A**)
- (iv)** That the capital programme for 2014/15 (attached as **Appendix C**) be approved and that the indicative capital budgets in the programme for future years be noted
- (v)** That the projected future deficits on the revenue account be noted and the Medium Term Financial Strategy continue to be reviewed and refined to ensure that decisions are taken to develop a balanced budget in 2015/16 and subsequent years.
- (vi)** That the Minimum Revenue Provision (MRP) Statement set out in **Appendix F** be approved.
- (vii)** That the prudential indicators and limits for 2014/15 to 2016/17 set out in **Appendix G** be approved.

Reasons for Recommendations

To meet the Council's statutory requirement to approve the budget and the prudential indicators before the start of a new financial year.

Background Papers

Consultation

None

Wards Affected

All

Contact

Sue McMillan ext. 5302

BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY

Introduction and Financial Outlook

Introduction

- 1.1 This report sets out the Council's budget requirement for 2014/15 for capital and revenue expenditure. The budget is reviewed in the context of the projected outturn for 2013/14, future years projected deficits and the impact of those deficits on reserves.
- 1.2 The report also sets out the prudential indicators that are used to measure the affordability of the Council's capital programme.

Finance Settlement 2014/15

- 1.3 Details of the provisional funding available for 2014/15 and 2015/16 were announced in the Local Government Finance Settlement on the 18th December 2013. The total level of Settlement Funding Assessment to local authorities will fall by 10% in 2014/15 and a further 13.8% in 2015/16. The Settlement Funding Assessment (introduced in last year's Finance Settlement) is comprised of Revenue Support Grant and the Business Rates Spending Baseline.
- 1.4 The settlement figures for 2013/14 and the provisional figures for 2014/15 and 2015/16, are as follows:-

	2013/14	2014/15	2015/16
	£ m	£ m	£ m
Revenue Support Grant	2.695	2.148	1.509
Business Rates Spending Baseline	1.793	1.828	1.878
Start-Up/Settlement Funding Assessment	4.488	3.976	3.387

which includes Council Tax Freeze 2011/12 and 2013/14, homelessness prevention grant and Council Tax Support funding.

- 1.5 The reduction in Revenue Support Grant equates to a 20% drop in 2014/15 and a further 30% drop in funding in 2015/16. The projected increase in Business Rates reflects Horsham's share of the Business Rates Spending Baseline and the proposed increase in Non-Domestic Rates of 2%.
- 1.6 As in the previous year, the government has provided figures to show the impact of changes in grant in 2014/15 and 2015/16 relative to 2013/14 on every council's "spending power". "Spending power" which includes government grants and New

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Homes Bonus plus Council Tax, rises by 2% in 2014/15 and a further 1.6% in 2015/16. The figures are only for comparison purposes.

2. Revenue Budget 2013/14

2.1 The net revenue budget for 2013/14 of £12.678m, projected a surplus of £0.486m. In addition, a number of unspent budgets (totalling £423k) were carried forward at 1st April 2013 and supplementary estimates totalling £120k were approved during the year. The revenue budget for the year included all of the New Homes Bonus receivable in 2013/14 as agreed by the Council.

2.2 The estimated Outturn for 2013/14 reported elsewhere on the Agenda is as follows:

	£000s
Original budget 2013/14	12,678
Approved supplementary estimates	120
Plus unspent budgets carried forward from 2012/13	423
Current budget 2013/14	<u>13,221</u>
Less estimated net underspend	<u>639</u>
Estimated Outturn 2013/14	<u><u>12,582</u></u>

2.3 Expenditure against budget has been monitored carefully during the year and although there are a few areas of concern overall it is expected that expenditure will be below budget by some £639k. Major contributions to the underspend have come from additional income including garden waste and planning fees. Further details are provided in a separate report on this agenda.

3. Update on the MTFS projections

3.1 The MTFS has been updated for the projected Outturn for 2013/14, the Finance Settlement, the impact of the pension valuation and other known information. It assumes that the Council Tax Freeze Grant is accepted for 2014/15 and 2015/16 and that Council Tax increases by 2% from 2016/17 onwards. The current projected deficits, (assuming New Homes Bonus in excess of the 2013/14 level (£1.166m) is taken to reserves), are as follows:

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	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000
Net Expenditure	13,092	13,602	14,456	14,746
Funded by:				
New Homes Bonus	1,166	1,166	1,166	1,166
Council Tax	7,738	7,813	8,047	8,284
1% Freeze Grant (2014/15 and 2015/16)	82	164	0	0
Government grant				
RSG	2,148	1,509	1,109	709
Business rates	1,828	1,968	2,013	2,058
Payment to Parishes	(118)	(83)	(61)	(39)
Collection Fund Surplus	61	0	0	0
Total Funding	12,905	12,537	12,274	12,178
Net Deficit	187	1,065	2,182	2,568
Business Transformation Savings	0	(200)	(400)	(1,000)
Deficit after BTP Savings	187	865	1,782	1,568

- 3.3 The financial outlook was last reviewed by the Cabinet on 25th July 2013, when projections of future expenditure and income were considered. These indicated likely future deficits increasing each year to 2016/17, as follows:

	2014/15	2015/16	2016/17
	£000s	£000s	£000s
Budget Gap	735	2135	2906
Business Transformation savings	-200	-1250	-1250
Net gap	535	885	1656

- 3.4 The Net Gap is broadly comparable with the major changes resulting from the phasing of the Business Transformation savings, the final report of the Pension Valuation, Finance Settlement 2014/15, a higher than anticipated increase in the tax base and consideration of the Council's capital programme.
- 3.5 The assumptions underlying the current projections are as follows:

Inflation on net budget	£150k per annum
Pay awards	1% in 2015/16, 2% thereafter
Contribution to pension fund	1% additional per annum
Increase in employer's NI	£250k increase in 2016/17
Revenue Support Grant reducing by	£400k per year
An increase of 600 Band D equivalent properties per year	

Business Transformation

- 3.6 Progress has been made on the Transformation Agenda, with the adoption of revised staff Terms and Conditions in July and the management restructure that was presented to Council by the Chief Executive on 22 January 2014. Savings relating to these projects and the customer access projects are built into the current deficit projections.

Business Transformation Savings	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Terms and Conditions/Hay		-200	-200	-200
Management Restructure	-100	-200	-200	-200
Customer Access		-50	-100	-100
Within Budget Projections	-100	-450	-500	-500
Further Business Transformation Savings		-200	-400	-1000
	-100	-650	-900	-1500

Pension Fund

- 3.7 In November 2013 the triennial actuarial valuation of the Pension Fund was received from the Fund's actuaries. The Fund was fully funded at the last valuation three years ago and the Fund's investments have performed well. However the valuation put on the Fund's liabilities, i.e. pensions payable in the future, has also increased. This is partly as a result of continued improvements in longevity and partly as a result of a higher valuation of those liabilities as the discount rate is very low by historical standards. This is a consequence of continued low interest rates.
- 3.8 The deficit on the Fund is £1.575m. It is proposed that a payment of £1.5m is made to the pension fund from the Council's reserves to make good this deficit. The Fund is able to invest more widely and should generate a higher return than if the funds were left in the Council's reserves. This should help to ensure that the Fund remains in a healthy position. The Council could chose to spread the cost of the deficit over up to 20 years increasing the budget requirement, however if the Council were to make that choice the fund would not benefit from the growth in Assets.
- 3.9 The West Sussex Pension is a highly performing fund and over the past three years has realised an increase of 31.1% in its asset values.
- 3.10 At the last valuation the Council entered a stabilisation agreement which means the Council's year on year increase in contributions to the Pension Fund for its future liabilities is capped at 1%. The Valuation report recommended that the Employers contribution needs to rise from 17.5% to 21.4% to provide for future liabilities. The increase of 1% per year is still short of this estimate, however, if the Council makes a lump sum contribution to reduce the deficit, the Fund Actuaries are satisfied that the future funding level will not be put in jeopardy.

New Homes Bonus

- 3.11 New Homes Bonus was payable for the first time in 2011/12 and is a major source of finance. Details on the amounts already payable and projected are shown in the Appendix B. New Homes Bonus is paid for each new property on the Council Tax valuation list and for empty properties brought back into use, with an additional sum for affordable homes. A sum equal to the national average Council Tax is paid for each property for a period of six years, split 80% to the district, 20% to the county.
- 3.12 As shown in the Appendix it was agreed by Council in December 2012 to allocate a total of £1.166m from the New Homes Bonus to fund the revenue account in 2013/14 and future years. It was agreed to transfer any sums in excess of this level to a New Homes Bonus reserve. For 2015/16 an estimate of additional New Homes Bonus of £800k has been made.
- 3.13 As New Homes Bonus has been funded largely by reductions in Revenue Support Grant, it was considered essential that an element of the Bonus be used to fund the Council's ongoing revenue activities. However, there is concern that it would be imprudent to rely too heavily on the Bonus to fund day-to-day services as government policy in this area could change. This was demonstrated by a proposal earlier this year (subsequently dropped after a consultation period) to reduce allocations by 35% to fund Local Enterprise Partnerships. A future government may not be committed to a policy which has diverted funding away from declining areas to growth areas. As a result no assumption has been made that any new allocation of additional New Homes Bonus will be available from 2016/17.

Future Government Funding

- 3.14 It is widely speculated that the Revenue Support element of government funding will reduce to zero by 2018/19. The forecasts assume that government funding will reduce by a further £400k for the next two years representing the projected reductions.
- 3.15 Localism of Business Rates came into effect for 2013/14 and was covered in some detail in the report that went to Council at this time last year.
- 3.16 Business rates are relatively volatile, not only because new properties can be valued and old ones demolished, but because ratepayers can appeal against the valuation put on their property. The last revaluation came into force on 1st April 2010 and there are still a significant number of appeals outstanding. A small number of appeals are still outstanding against the 2005 revaluation. If successful, any revaluation is backdated, and further appeals can be made at any time. The details of the proposed treatment of appeals are still emerging and therefore it is still difficult to predict likely income or losses from this scheme, but early indications are fairly positive.
- 3.17 For the purposes of planning the 2014/15 budget and beyond it has been assumed that the local share of Business Rates will be the baseline figure which will increase modestly each year.

4. Draft Revenue Budget for 2014/15

- 4.1 The 2014/15 budget has been prepared following a detailed “Budget Challenge” with the Cabinet Member for Resources designed to identify areas where further savings could be achieved.
- 4.2 The budget requirement is for £13,092. The detail of the revenue budget is shown in appendix A.

	£'000
Net Expenditure Budget	<u>13,092</u>
Finance by	
Council Tax	7,738
Settlement Funding - Grant	2,148
Settlement Funding – Business Rates	1,828
CTB grant to parish	-118
Council Tax Freeze Grant	82
Collection Fund Surplus	61
New Homes Bonus	<u>1,166</u>
	12,905
Projected Deficit	<u><u>-187</u></u>

It is proposed that the projected budget deficit is funded through reserves.

- 4.3 The major changes in the 2014/15 budget (compared to the 2013/14 original budget) are:-

	£'000
Pay award	145
Superannuation	127
Other pay changes	95
Restructure	-100
Other staffing costs inc pension auto-enrolment	95
Additional Well Being funding to meet staffing costs	-120
Reduction in Recycling Support Grant	115
Capital financing costs	100
Additional Green Waste income	-258
Other changes	132
<u>New Budgets</u>	
Cemetery landscaping	17
World War 1 Memorial Fund	5
Road closure costs for litter picking	14
Street cleansing equipment incl. bubblegum remover	7
Property Asset Management System	40
	<u>414</u>

5. Repairs & Renewals Budget

- 5.1 In the Budget Report 2013/14 it was proposed that from 2014/15, aside from planned expenditure on Leisure Centres, all planned revenue expenditure would be provided through the revenue account and the repairs and renewals account would no longer be used.
- 5.2 The following spend in 2014/15 has therefore been included in the revenue budget and will be funded from the balance of the Repairs and Renewals Reserve:

Repairs and Renewals spend 2014/15	£'000s
Pavilions in the Park	190
Steyning Leisure Centre	48
Billingshurst Leisure centre	20
Total	258

- 5.3 At the start of 2013/14 the Repairs and Renewals reserve was £616k. Spend in the first three quarters of 2013/14 has been £0.184m so it is anticipated there will be sufficient to fund the Leisure Centre repairs. Any 2013/14 Repairs and Renewals Fund budgets unspent at 31st March 2014 will be reviewed. Where it is expected that it is necessary for work to be carried out in 2014/15, approval will be sought to budget carry forwards to the revenue budget. If the balance on the R & R Fund is insufficient, funding from general reserves would be required.

6. Capital Budget

- 6.1 The draft capital programme is attached as **Appendix C**. This includes changes to the programme approved during the year. The programme for 2014/15 is for approval. Budgets for future years are included to indicate the scale of provision which may be required to maintain the life of the Council's assets and meet the aspirations in the District Plan.
- 6.2 The Council's project management methodology will be applied to projects detailed in the Capital Programme for 2014/15. Business cases will be completed to ensure that decisions taken by the Council represent Value for Money.
- 6.3 Of the £9.9m proposed capital programme proposed to be delivered in 2014/15, the majority has already been approved in preceding years. Where the capital programme item has not been previously approved the details of the projects can be found in Appendix D.

7. Council Tax

- 7.1 The Council has frozen Council Tax for the last four years. As Council Tax is the Council's largest source of income this creates a challenge for the authority. The government has been encouraging councils to freeze Council tax by making available freeze grants to those who do so. In December 2013 the government announced that 2011/12 and 2013/14 Council Tax freeze grant would be built into the Settlement Funding Assessment. This means that the cliff-edge effect when Council Tax freeze grants ends would be eliminated. The government has also pledged to include 14/15 and 15/16 freeze grants in the spending review baseline. This gives greater assurance that these grants will form part of the authority's grant for future years but cannot give full assurance. Moreover, it is widely expected that Revenue Support Grant will be eliminated entirely by 2020.
- 7.2 An increase in Council Tax, on the other hand, gives an assured continuing income to the Council into the future. At the time of writing this report an announcement is still awaited from the government on the level of tax increase which would trigger the requirement for a referendum under the provisions of the Localism Act 2011. For this reason, a recommendation on the level of Council Tax for 2014/15 will be brought direct to Council on 26th February.

8 Special Charge

- 8.1 Details of the Special Charge expenditure of £265,827 are included in **Appendix E**.
- 8.2 As a result of the changes to council tax benefits, the tax base of the unparished area has reduced. To ensure comparability with the funding of the parishes, an element of the Council Tax Support Grant needs to be attributed to the unparished area, a sum of £16,661.
- 8.3 It is proposed that the Special Charge for 2014/15 remains at £23.71, raising a sum of £249,166. This, with the addition of the grant, is sufficient to fund the proposed Special Expenses.

9 Robustness of Estimates and Adequacy of Reserves

- 9.1 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their precepts, and authorities are required to take the Chief Financial Officer's report into account when setting the Council Tax. In the report last year to Council a minimum level of reserves figure of £6m established. The position for 2014/15 is as follows:

	2013-14	2014-15
	£000s	£000s
Reserves	11,161	6,088
Impact of revenue budget	1129	(187)
Assume BTP savings actioned		
Supplementary estimates	(546)	
Fund the pension deficit	(1,500)	
Invest in Transformation programme	(500)	0
Fund redundancies	(550)	0
Fund Capital Programme	(3,106)	0
Assumed receipt of NHB	0	776
General Reserves	6,088	6,677
Includes total NHB	1,148	1,924

- 9.2 The Council has sufficient revenue reserves for 2014/15 and the period covered by the Medium Term Financial Strategy if it the projection of funds from the NHB remains as forecast. By holding some of the projected New Homes Bonus in reserves, if the Council finds itself in a stronger position and the projected deficits in future years are offset by increased savings from the business transformation work or additional income from say Green Waste take up or Business rates, the Council will be able to invest in infrastructure for those communities that have experienced significant growth in houses.
- 9.3 However, if we look beyond 2017/18 the situation becomes more concerning. If the government policy towards New Homes Bonus changes as projected, the Council will be forced to adopt a slash and burn type of strategy if it does not take decisions that deal with the projected deficit in future years.

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	2015-16	2016-17	2017-18	2018-19	2019-20
	£000's	£000's	£000's	£000's	£000's
Reserves	6,644	7,355	7,149	6,776	5,327
Use for revenue budget	(1,065)	(2,182)	(2,570)	(3,256)	(3,612)
Assume BTP savings actioned	200	400	1,000	1,000	1,000
Assumed receipt of NHB	1,576	1,576	1,197	807	410
General Reserves	7,355	7,149	6,776	5,327	3,125
Reserves from NHB	3,500	5,076	6,273	5,327	3,125

- 9.4 The desired minimum level of general reserves was established in last year's budget report at £6m. Sufficient General Reserves are required to ensure that the Council is able to meet its expenses if it finds it needs to fund unplanned costs during the year or its projected income fall short of the budgeted amount. These changes could result from a number of sources such as increased fuel costs, increased homelessness or and increase in voids in the commercial property estate.
- 9.5 From 2013/14 the Council has taken on additional risks resulting from the localisation of business rates and council tax benefit reforms. So now the Council is also at risk from a reduction in business rate income or in an increase in council tax benefit claimants.

10. Prudential Indicators

- 10.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code (2011) and produce prudential indicators. This report revises the indicators for 2013/14, 2014/15 and 2015/16 and introduces new indicators for 2016/17. Revision is necessary as the Capital Programme has been amended. Each indicator either summarises the expected activity or introduces limits upon the activity, and they are intended to show the affordability and prudence of the Council's underlying capital finance planning.
- 10.2 The Council is required to set aside funds to repay the borrowing need each year through a revenue charge (the Minimum Revenue Provision – MRP). Regulations have been issued which require full Council to approve an MRP Statement in advance of each year and the statement is shown in **Appendix F**. It has changed slightly to cover the possibility of the Council providing a loan to another party as a service provision when a MRP might be required. In that case the annual principal repayments will stand as the MRP.

10.3 Capital Expenditure Plans

Alongside the budget the Council must set out a range of prudential indicators. The first is the Council's capital expenditure plans and how they will be financed. **Appendix G** shows the projections and the Council is asked to approve the estimates as the first prudential indicator. This is the impact of the Capital Plans set out in **Appendix C**, the anticipated financing and the resultant financing need.

10.4 The Council's borrowing need, the Capital Financial Requirement

The second prudential indicator is the Council's Capital Financial Requirement. This is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of Council's underlying borrowing need. **Appendix G** shows the estimates of the projected Capital Financial Requirement and the net capital financing need shown in the table above will increase it.

10.5 Affordability Prudential Indicators

The first two prudential indicators cover the capital programme and its financing, the next two indicators are designed to assess the affordability of the capital investment plans. The indicators are estimates of the ratio of financing costs to the net revenue stream and the incremental impact of the capital decisions on the Council Tax. The estimates for both are set out in **Appendix G** and the Council are asked to adopt them as prudential indicators.

10.6 Limits to Borrowing Activity

The remaining prudential indicators govern borrowing limits and to some extent overlap with the Treasury Management Strategy which was scrutinised and approved by the Accounts, Audit and Governance Committee on 5^h December 2013. The key indicators to be considered alongside the capital budget are that borrowing is only for capital purposes, the values of debt expected and the debt limit. These three indicators are shown on **Appendix G**.

Appendix 1

Consequences of the Proposed Action

<p>What are the risks associated with the proposal?</p> <p>Risk Assessment attached Yes/No</p>	<p>Budget reductions may risk the delivery of aspects of the District Plan. Failure to achieve expenditure reductions or increased income would leave to depletion of the Council's reserves.</p>
<p>How will the proposal help to reduce Crime and Disorder?</p>	<p>These proposals will enhance the Council's role in reducing crime and disorder by providing a more efficient enforcement service.</p>
<p>How will the proposal help to promote Human Rights?</p>	<p>These proposals make no impact on Human Rights.</p>
<p>What is the impact of the proposal on Equality and Diversity?</p> <p>Equalities Impact Assessment attached Yes/No/Not relevant</p>	<p>The impact of the proposals on Equality and Diversity of the increase in car parking income and green waste was considered separately in the reports that went to Council on the 19th of December. There are no other planned changes to the budget that will impact the services we deliver.</p>
<p>How will the proposal help to promote Sustainability?</p>	<p>These proposals have a neutral impact on sustainability.</p>

BUDGET SUMMARY

2014 – 2015

Appendix A

Original Budget 2013 - 2014	Service	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2014 - 2015
<u>CHIEF EXECUTIVE'S OFFICE</u>										
650,800	CHIEF EXECUTIVE'S OFFICE	666,260		20,200	2,010				688,470	688,470
650,800	CHIEF EXECUTIVE'S OFFICE	666,260		20,200	2,010				688,470	688,470
<u>PLANNING & ENVIRONMENTAL SERVICES</u>										
-97,650	BUILDING CONTROL	636,730	4,100	33,650	72,990			-828,000	747,470	-80,530
604,300	DEVELOPMENT MANAGEMENT	1,573,990		20,240	412,470			-1,429,000	2,006,700	577,700
-194,290	LICENSING				6,800			-206,040	6,800	-199,240
54,280	PUBLIC HEALTH		35,250		103,910			-94,820	139,160	44,340
925,640	PUBLIC HEALTH & LICENSING STAFF	896,360		21,730	13,710				931,800	931,800
1,292,280	PLANNING & ENVIRONMENTAL SERVICES	3,107,080	39,350	75,620	609,880			-2,557,860	3,831,930	1,274,070
<u>STRATEGIC PLANNING & PERFORMANCE</u>										
225,800	COMMUNICATIONS	204,740		150	26,900			-15,000	231,790	216,790
123,515	CORPORATE POLICY & PERFORMANCE	140,300		300	6,260			-21,755	146,860	125,105

Original Budget 2013 - 2014	Service	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2014 - 2015
721,220	STRATEGIC PLANNING	455,690	950	1,150	187,030			-40,070	644,820	604,750
68,900	SUSTAINABILITY	57,700		200	11,400				69,300	69,300
1,139,435	STRATEGIC PLANNING & PERFORMANCE	858,430	950	1,800	231,590			-76,825	1,092,770	1,015,945
3,082,515	CHIEF EXECUTIVE	4,631,770	40,300	97,620	843,480			-2,634,685	5,613,170	2,978,485

Original Budget 2013 - 2014	Service	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2014 - 2015
<u>DIR OF COMMUNITY SERVICES</u>										<u>COMMUNITY SERVICES</u>
378,880	DIR & HEADS COMMUNITY SERVICES	384,800		600	1,280				386,680	386,680
378,880	DIR OF COMMUNITY SERVICES	384,800		600	1,280				386,680	386,680
<u>HOUSING & COMMUNITY DEVELOPMENT</u>										<u>COMMUNITY SERVICES</u>
-115,650	COMMUNITY LINK	83,550		5,510	90,260		-277,000		179,320	-97,680
106,200	COMMUNITY SAFETY	249,520	1,250	17,820	58,350		-220,690		326,940	106,250
48,530	EMERGENCY PLANNING	38,220		150	10,800				49,170	49,170
-10,000	HEALTH & WELLBEING	172,920			149,330		-328,500		322,250	-6,250
270,340	HOUSING & HOMELESSNESS	455,850	153,970	1,850	446,620		-832,170		1,058,290	226,120
57,200	HOUSING STRATEGY	51,690		100	100				51,890	51,890
95,630	OLDER & YOUNGER PERSONS	43,770	250	700	53,460		-200		98,180	97,980
217,150	SPORTS & ARTS DEVELOPMENT	314,470		4,640	62,580		-159,410		381,690	222,280
254,210	VOLUNTARY SECTOR LIAISON		2,650		295,150		-49,050		297,800	248,750
923,610	HOUSING & COMMUNITY DEVELOPMENT	1,409,990	158,120	30,770	1,166,650		-1,867,020		2,765,530	898,510
<u>LEISURE & ECONOMIC DEVELOPMENT</u>										<u>COMMUNITY SERVICES</u>

Original Budget 2013 - 2014	Service	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2014 - 2015
199,310	ARTS & ENTERTAINMENT	75,660	350	1,300	42,340	40,000		-17,000	159,650	142,650
227,500	ARTS FACILITIES	421,090	246,280	250	818,780			-1,266,320	1,486,400	220,080
126,220	COUNTRYSIDE SITES	137,720	122,040	50	65,390			-177,250	325,200	147,950
276,410	ECONOMIC DEVELOPMENT	226,480	810	500	58,230			-6,230	286,020	279,790
126,960	GROUND MAINTENANCE	117,980		0	9,000				126,980	126,980
-89,440	MARKETING, EVENTS & PROMOTIONS		34,610		1,980			-121,110	36,590	-84,520
198,430	MUSEUMS & HERITAGE	148,960	69,330	2,950	33,530			-28,000	254,770	226,770
620,355	PARKS & OPEN SPACES	341,340	351,715	6,330	156,210	3,500		-178,360	859,095	680,735
-192,599	SPORTS & LEISURE FACILITIES	0	406,520		58,750	253,810		-735,540	719,080	-16,460
6,000	TOURISM & EVENTS				6,000				6,000	6,000
39,660	TOWN CENTRE MANAGEMENT	1,300	38,980		25,860			-28,660	66,140	37,480
1,538,806	LEISURE & ECONOMIC DEVELOPMENT	1,470,530	1,270,635	11,380	1,276,070	297,310		-2,558,470	4,325,925	1,767,455

OPERATIONAL SERVICES

753,502	CLEANSING	642,494	4,460	2,250	190,699			-33,500	839,903	806,403
163,919	DOMESTIC REFUSE	1,927,184	36,000	6,500	589,330			-2,503,535	2,559,014	55,479
306,330	OPERATION SERVICES	298,450		7,840	1,200				307,490	307,490
-67,090	OTHER TRANSPORT SERVICES			1,500	20,000			-88,590	21,500	-67,090

COMMUNITY SERVICES

Original Budget 2013 - 2014	Service	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2014 - 2015
-75,490	OTHER WASTE	46,681			76,950			-169,249	123,631	-45,618
-57,420	PARKING ENFORCEMENT	278,410		1,000	36,700			-404,120	316,110	-88,010
274,000	PARKING SERVICES STAFF	269,450			8,680				278,130	278,130
78,705	RURAL CAR PARKS		84,645		9,670			-25,520	94,315	68,795
-3,670	STREETSCENE TEAM			4,880	6,950			-15,500	11,830	-3,670
193,760	SUPPORT SERVICES	199,450			81,300				280,750	280,750
-151,097	TRADE REFUSE	226,976		500	404,500			-835,064	631,976	-203,088
1,890,707	TRANSPORT FLEET	227,930		1,655,177	50,200				1,933,307	1,933,307
-2,602,370	URBAN CAR PARKS		682,220		104,700			-3,251,230	786,920	-2,464,310
703,786	OPERATIONAL SERVICES	4,117,025	807,325	1,679,647	1,580,879			-7,326,308	8,184,876	858,568
3,545,082	COMMUNITY SERVICES	7,382,345	2,236,080	1,722,397	4,024,879	297,310		-11,751,798	15,663,011	3,911,213

Original Budget 2013 - 2014	Service	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2014 - 2015
<u>CORPORATE SUPPORT SERVICES</u>						<u>CORPORATE RESOURCES</u>				
609,140	CENSUS INFRASTRUCTURE	1,339,080		11,380	1,274,500	23,100		-1,991,250	2,648,060	656,810
-2,354,920	COMMERCIAL ESTATES	163,590	190,510	3,660	91,770			-2,713,490	449,530	-2,263,960
106,340	COMMERCIAL FACILITIES		161,100		20,200			-84,300	181,300	97,000
604,890	COUNCIL FACILITIES		673,960		45,870			-80,060	719,830	639,770
656,930	FACILITIES MANAGEMENT	602,950	14,800	12,140	19,480			-100	649,370	649,270
20,500	FM SERVICES & SECURITY				35,200				35,200	35,200
179,000	HORSHAM INFRASTRUCTURE	99,270			256,000			-99,270	355,270	256,000
228,300	IT SERVICES				176,300				176,300	176,300
634,490	IT STAFF SERVICES	583,820	10,000	9,670	140,660				744,150	744,150
304,250	PERSONNEL	307,830		150	33,140				341,120	341,120
103,880	RECEPTION/HELP POINTS	105,950			200				106,150	106,150
30,600	RECRUITMENT	32,000							32,000	32,000
133,820	REPROGRAPHICS	71,710		3,060	82,070			-20,000	156,840	136,840
42,500	SCANNING	76,320							76,320	76,320
138,140	TRAINING	114,920			32,500				147,420	147,420
1,437,860	CORPORATE SUPPORT SERVICES	3,497,440	1,050,370	40,060	2,207,890	23,100		-4,988,470	6,818,860	1,830,390

Original Budget 2013 - 2014	Service	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2014 - 2015
<u>DIR CORPORATE SERVICES</u>		<u>CORPORATE RESOURCES</u>								
174,070	AUDIT	177,220		6,860	3,000				187,080	187,080
-542,073	BENEFITS				42,450	30,670,250		-31,215,602	30,712,700	-502,902
360,650	COMMITTEE SECTION & ELECTIONS	226,820		2,500	137,580			-8,500	366,900	358,400
522,310	DIRECTOR & HEADS RESOURCES	426,970		230	61,570				488,770	488,770
1,019,380	REVENUES & BENEFITS				1,373,580			-354,200	1,373,580	1,019,380
1,534,337	DIR CORPORATE SERVICES	831,010		9,590	1,618,180	30,670,250		-31,578,302	33,129,030	1,550,728
<u>FINANCE & LEGAL SERVICES</u>		<u>CORPORATE RESOURCES</u>								
492,000	CORPORATE MANAGEMENT	24,930		22,250	447,020				494,200	494,200
1,940,700	FINANCE	641,740	0	4,810	328,820	18,000	851,000	40,000	1,844,370	1,884,370
119,500	INTEREST						336,000	-198,500	336,000	137,500
616,820	LEGAL SERVICES	617,370		100	85,830			-45,500	703,300	657,800
54,030	PROCUREMENT	124,650		250	5,250			-71,600	130,150	58,550
3,223,050	FINANCE & LEGAL SERVICES	1,408,690	0	27,410	866,920	18,000	1,187,000	-275,600	3,508,020	3,232,420
6,195,247	CORPORATE RESOURCES	5,737,140	1,050,370	77,060	4,692,990	30,711,350	1,187,000	-36,842,372	43,455,910	6,613,538

Original Budget 2013 - 2014	Service	Employee Expenses	Direct Premises Expenses	Transport and Plant Expenses	Supplies and Services	Contract Payments	Capital Costs	Income	Gross Expenditure	Net Expenditure 2014 - 2015
12,822,844	Report Totals	17,751,255	3,326,750	1,897,077	9,561,349	31,008,660	1,187,000	-51,228,855	64,732,091	13,503,236
(144,990)	Less Capitalised Salaries									(153.160)
12,677,854	Total Budget									13,350,076
	Less Budgets transferred from Repairs and Renewals Programme									(258,000)
12,677,854	Total Net Budgeted Expenditure									13,092,076

Appendix B

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
2011/12	379	379	379	379	379	379			
2012/13		390	390	390	390	390	390		
2013/14			397	397	397	397	397	397	
2014/15				776	776	776	776	776	776
2015/16					800	800	800	800	800
2016/17									
2017/18									
	379	769	1,166	1,942	2,742	2,742	2,363	1,973	1,576
Added to Reserves	379	769	0	776	1,576	1,576	1,197	807	410
Used to fund Revenue budget	0	0	1,166	1,166	1,166	1,166	1,166	1,166	1,166
	379	769	1,166	1,942	2,742	2,742	2,363	1,973	1,576
Balance in NHB reserve	379	1,148	1,148	1,924	3,500	5,076	6,273	7,080	7,490

Description	2013/14 Revised	2014/15	2015/16	2016/7	2017/18
	£	£	£	£	£
<i>Resources</i>					
HDC - IT EQUIPMENT RENEWAL	417,750	0	0	0	0
HDC - TELEPHONES REPLACEMENT	192,000	0	0	0	0
HDC - WIDE AREA NETWORK	159,514	0	0	0	0
HDC - LOCAL AREA NETWORK	158,129	0	0	0	0
HDC - PROVISION FOR ICT PROJECTS	90,000	200,000	200,000	200,000	200,000
HDC - WEBSITE REVAMP	50,000	0	0	0	0
HDC - DATA CENTRE PARK NORTH	47,178	0	0	0	0
HDC - MEMBERS' IT EQUIPMENT	25,000	0	0	0	0
*CENSUS - INFRASTRUCTURE RENEWAL	614,900	360,000	60,000	0	0
*CENSUS - INFRASTRUCTURE RESILIENCE	219,000	170,000	0	0	0
*CENSUS – EQUIP. RENEWAL 'Redhat Linux'	0	102,000	0	0	0
* subject to inter-authority partner funding splits					
Totals	1,973,471	832,000	260,000	200,000	200,000
<i>Leisure services</i>					
BROADBRIDGE HEATH LC - NEW BUILD	0	1,150,000	6,237,134	1,000,000	0
SWIMMING POOL - PAVILIONS	100,000	515,000	0	0	0
SWIMMING POOL - STEYNING	50,000	100,000	0	0	0
SWIMMING POOL - BILLINGSHURST	70,000	150,000	0	0	0
LEISURE FACILITIES - GENERAL	0	0	200,000	200,000	0
THE CAPITOL - CHILLER REPLACEMENT	104,805	0	0	0	0
THE CAPITOL - DIGITAL PROJECTION	46,914	0	0	0	0
SKYLARK/WORDSWORTH PLAY AREAS	60,000	0	0	0	0
PARK ACCESS IMPROVEMENTS	59,278	0	0	0	0
FRENCHES WAY B'HURST - PLAY AREA	44,597	44,597	0	0	0
S'WATER COUNTRY PK. - Beach & Play Equip.	30,000	65,000	0	0	0
CLOSED CEMETERIES PROGRAMME	5,934	0	0	0	0
RIVERSIDE WALK - Hormare Est. Storrington	4,000	21,924	0	0	0
PARTRIDGE GREEN - WGPC Sports field	1,287	0	0	0	0
Totals	576,815	2,046,521	6,437,134	1,200,000	0
<i>Housing Services</i>					
HOUSING ENABLING GRANTS	1,686,000	1,500,000	1,500,000	1,500,000	1,500,000
DISABLED FACILITIES GRANTS	600,000	713,000	713,000	713,000	713,000
MINOR REPAIRS ASSISTANCE	95,000	75,000	75,000	75,000	75,000
REPAIRS ASSISTANCE / Empty Prop'ty Grants	30,000	50,000	50,000	50,000	50,000
Totals	2,411,000	2,338,000	2,338,000	2,338,000	2,338,000
<i>Environmental Waste and Cleaning</i>					
REPLACEMENT VEHICLES	160,000	1,128,000	852,000	1,725,000	2,590,000
HOP OAST SECURITY	0	65,000	0	0	0
GREEN WASTE - PODS	0	42,000	0	0	0

Totals	160,000	1,235,000	852,000	1,725,000	2,590,000
Description	2013/14 Revised	2014/15	2015/16	2016/7	2017/18
	£	£	£	£	£
<i>Property & Economic Development</i>					
SWAN WALK CAR PARK - INFRASTRUCTURE	15,000	484,526	0	0	0
SWAN WALK CENTRE	0	300,000	0	0	0
CAR PARK PAYMENT/ANPR MACHINES	0	225,000	0	0	0
FORUM CAR PARK LIFT RENEWAL		0	0	140,000	0
PIRIES PLACE CAR PARK	10,000	110,000	125,000	0	0
ASSET ENHANCEMENT	0	200,000	500,000	500,000	500,000
CAR PARKS - GENERAL	0	0	100,000	100,000	0
COMMERCIAL ESTATE - GENERAL	0	0	100,000	100,000	0
REPLACE BOILERS	35,000	26,000	0	0	0
ENERGY EFFICIENCY IMPROVEMENTS	5,000	45,000	40,000	50,000	50,000
FORUM CLEANING EQUIP. & LANDSCAPING	82,307	0	0	0	0
NORTH POINT LIFTS RENEWAL	0	0	0	120,000	0
HOP OAST DRAINAGE RENEWAL	48,750	26,250	0	0	0
FUEL TANK, HOP OAST	35,000	0	0	0	0
DISABLED ACCESS TO PUBLIC BUILDINGS	20,000	0	0	0	0
WARNHAM MILLPOND RESERVOIR	1,580	648,420	0	0	0
Totals	252,637	2,065,196	865,000	1,010,000	550,000
<i>Strategic/Community Projects</i>					
HOP OAST DEPOT	0	1,000,000	2,500,000	0	0
WEST STREET IMPROVEMENTS	697,000	0	0	0	0
TRAVELLERS TRANSIT SITE CHICHESTER	0	162,000	0	0	0
REPLACE 21 CCTV CAMERAS	52,450	0	0	0	0
PULBOROUGH TOWN CENTRE	49,350	0	0	0	0
HOUSE PURCHASES - TEMPORARY ACCOM	25,000	0	0	0	0
SOUTHWATER MEDICAL CENTRE	1,312	20,000	0	0	20,000
SOUTHWATER VILLAGE CENTRE	23,277	0	0	0	0
OAKHURST BUSINESS PARK PHASE 3	20,840	0	0	0	0
EAST STREET PEDESTRIAN AREA	18,334	1,500	0	0	0
HILLSIDE PK, SMALL DOLE, SAFETY WORKS	9,250	8,466	0	0	0
Planning Obligation Panel Section 106 Projects	33,560	0	0	0	0
Totals	930,373	1,191,966	2,500,000	0	20,000
Council Totals	6,304,296	9,708,683	13,252,134	6,473,000	5,698,000
Capitalised salaries	150000	153160	150000	150000	150000
Grand Total	6, 454,298	9,861,843	13,402,134	6,623,000	5,848,000

Analysis of Capital Budget 2014/15

APPENDIX D

Description	£000	Details
Existing Capital Budget 2014/15	5,331	
Variations to 2014/15 Capital Budget:		
Resources		
*Census – Server 2003 Replacement	225	Microsoft withdrawing support from June 15, therefore needs to be eliminated from the IT environment before June 15 PSN submission.
*Census – Implement 'Redhat Linux'	102	Technology change to benefit from lower cost options available from software supplier. Better disaster recovery/business continuity options.
*Census – Disaster Recovery	100	Provision for additional costs incurred in the production and testing of DR/BC plans.
*Census – Public Service Network Accreditation	75	Provision of ICT infrastructures within the CENSUS Partnership in accordance with Government guidelines and architectural practices.
*Census – Additional Disk Capacity	60	CenSus Revenue & Benefits and HDC data storage requirements continue to expand. Additional capacity is required to store this information.
*Census – Back up/Recovery	40	Replacing magnetic tapes drives across all locations to enable tapes created in one location to be used at others.
*Census – Wireless Resilience	30	Expansion of PSN configured wireless network from Adur/Worthing to Mid Sussex DC and HDC, eliminate single points of failure, manage as single entity.
* subject to inter-authority partner funding splits		
Leisure		
Broadbridge Heath Leisure Centre	1,150	Running Track replacement planned for 2014/15.
Swimming Pools – Pavilions, Billingshurst, Steyning	765	Provision for defect remedies and major repairs, slipped from 2013/14.
Southwater Country Park – Beach and play equipment	65	Enhancement of existing facilities, part slipped from 2013/14.
Frenches Way Play Area – Billingshurst	45	Part slipped from 2013/14. Provision of play equipment
Riverside Walk, Hormare Estate - Storrington	4	Part slipped from 2013/14. Ongoing improvements
Development and Environment		
Vehicle replacements	794	Vehicle replacement programme updated.
Car Parking Payment Machines	225	Additional provision for Automatic Number Plate Recognition, original scheme slipped from 2013/14.
Hop Oast Depot Security	65	Improvements to security.
Operational Services equipment	42	Replacement waste transfer pods, slipped from 2013/14.
Housing Services		
Housing Enabling Grants	500	Contributions to affordable housing funded fully by Section 106 contributions.

Description	£000	Details
Property and Economic Development		
Swan Walk MS Car Park Infrastructure	485	Lighting renewal and cladding works slipped from 2013/14.
Warnham Millpond Reservoir	649	Repairs to meet dam safety legislation, scheme to commence Autumn 2014.
Swan Walk Centre - Contribution	300	HDC holds an equity stake in the Swan Walk Centre and is liable for contributions towards the cost of agreed improvements and alterations.
Travellers Transit Site Chichester	162	Horsham DC's contribution to a County wide scheme.
Piries Place Car Park	110	Lighting renewal slipped from 2013/14.
Boiler Replacement Programme	26	Programme slipped from 2013/14.
Hop Oast Depot Drainage Renewal	26	Replacement of sewage and oil separation plant, commenced in 2013/14.
Southwater Medical Centre	20	Works to rendered elevations.
Hillside Park Small Dole - Safety Works	8	Safety works, scheme part slipped from 2013/14.
Energy Efficiency Improvements	5	Programme re-phased.
Sub Total	6078	
Savings in 2014/15 Capital Budget		
Relocation of Hop Oast Depot	(1,000)	Scheme part slipped to 2015/16.
Provision for asset enhancement	(300)	Reduction in non-specific provision. Provision in later years retained.
Provision for Leisure Facilities	(200)	Deletion of non-specific provision. Provision in later years retained.
Provision for Car Parks	(100)	Deletion of non-specific provision. Provision in later years retained.
Provision for Commercial Estate	(100)	Deletion of non-specific provision. Provision in later years retained.
Sub Total	(1,700)	
Capital Budget 2014/15	9,709	

Appendix E

**SPECIAL CHARGE ELEMENT -
SUMMARY**

		2014/15	2013/14
EF1120	ALLOTMENTS	4,750	5,280
EF1200	CHILDRENS PLAYGROUNDS	25,140	24,850
EH1120	DRILL HALL	33,080	22,140
EW1110	BANDSTANDS	14,977	15,180
PE1110	FOOTWAYS & AMENITY LIGHTING	1,330	2,850
EF1180	FLORAL DISPLAYS	11,070	11,140
EE1110	HORSHAM PARK	56,810	51,710
AB1130	GRANTS TO NEIGHBOURHOOD COUNCILS	14,290	13,590
AC2110	YOUTH WORKER GRANT	30,000	30,000
EF1160	RECREATION GROUNDS	54,710	56,860
JB1120	CHRISTMAS LIGHTS	19,670	25,300
PW1160	TOWN TOURIST LEAFLET	0	6,000
TOTAL		265,827	264,900
Band D Charge		23.71	23.71

MINIMUM REVENUE PROVISION (MRP)

When the Council does not finance capital expenditure with resources such as capital receipts, grants, contributions and reserves it effectively finances the spend by debt (although this can be internally sourced debt), and it must put aside resources to repay that debt. The amount charged is known as the Minimum Revenue Provision (MRP).

The amount of Minimum Revenue Provision (MRP) is set by the Council but legislation requires the Council to have regard to guidance issued by the Department for Communities and Local Government (DCLG). The aim of the guidance is to ensure that debt is repaid over a period that broadly matches the period over which the unfinanced capital expenditure provides benefits

The Department for Communities and Local Government's guidance requires the Council to approve an annual MRP statement and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

The Council is recommended to approve the following MRP Statement:

- For capital expenditure incurred before 1 April 2008 or which in the future will be Supported (*Note*) Capital Expenditure, the MRP policy will follow the former DCLG Regulations. This means the MRP will be based on 4% of the Capital Financing Requirement in respect of that expenditure.
- From 1 April 2008 for all unsupported capital expenditure, the MRP will be calculated by dividing the capital expenditure by the expected useful life of the relevant assets, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
- For assets subject to finance leases, the MRP requirement would be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability.
- Where loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead.
- Capital spend is not subject to a MRP until the next financial year.

Note Supported Capital Expenditure is capital spend that central government supports with a contribution through grant. Horsham District Council does not have any Supported Capital Expenditure at present.

Prudential Indicators

Capital Expenditure Plans

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

	2013/14 Revised £000	2014/15 Revised £000	2015/16 Revised £000	2016/17 Estimate £000
Projected Capital Expenditure	6,452	9,860	13,402	6,623
Financed by:				
Capital receipts and third party contributions	2,614	4,632	5,168	4,031
Capital grants	432	442	442	442
Revenue reserves	2,684	100	230	0
Total Financing	5,730	5,174	5,840	4,473
Net financing need	722	4,686	7,562	2,150

The Council's borrowing need, the Capital Financing Requirement

The Council is asked to approve the projections below:

Capital Financing Requirement	2013/14 Revised £000	2014/15 Revised £000	2015/16 Revised £000	2016/17 Estimate £000
Opening balance	11,709	11,678	15,563	22,132
Net financing need	722	4,686	7,562	2,150
Less MRP	(753)	(801)	(993)	(1,214)
Closing balance	11,678	15,563	22,132	23,068
Net inc/(decrease)	-31	3,885	6,569	936

Affordability Prudential Indicators

Estimates of the ratio of financing costs to net revenue stream – This indicator identifies the trend in the cost of capital (borrowing costs net of investment income) against the net revenue stream. It therefore measures how much of the Council's overall income is used to finance capital.

2013/14	2014/15	2015/16	2016/17
7%	8%	10%	11%

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

Tax – This indicator identifies the revenue costs associated with the proposed changes to the capital programme recommended in the budget report. The costs are shown per Band D property and have been included in all the budget projections brought before the Council.

2014/15	2015/16	2016/17
£0.02	£0.12	£0.34

Limits to Borrowing Activity

For the first of these indicators the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the Capital Financing Requirement in the preceding year plus the estimates of any additional requirement for 2014/15 and next two financial years (the relevant comparative figures are highlighted). This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.

	2013/14 Revised £000	2014/15 Revised £000	2015/16 Revised £000	2016/17 Estimate £000
Gross Borrowing	4,000	9,000	9,000	9,000
Investments	8,459	12,201	7,817	15,866
Net Borrowing	(4,459)	(3,201)	1,183	(6,866)
Capital Fin. Req.	11,678	15,563	22,132	23,068

On the basis of the estimates above the Director of Corporate Resources reports that the Council complied with the prudential indicator requirement in the current year and expects to do so in the future. This view takes into account current commitments, existing plans, and the proposals in the 2014/15 budget report.

Limits to debt

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

	2014/15	2015/16	2016/17
Operational boundary - borrowing	£9m	£9m	£9m
Operational boundary – other long term liabilities	£0m	£0m	£0m
Operational boundary - Total	£9m	£9m	£9m
Authorised limit – borrowing	£14m	£14m	£14m
Authorised limit – other long-term liabilities	£1m	£1m	£1m
Authorised limit – Total	£15m	£15m	£15m