

8. CORPORATE PLAN AND BUDGET FOR 2016/17

REPORT OF: ASSISTANT CHIEF EXECUTIVE AND HEAD OF FINANCE
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Wards Affected: All
Key Decision: Yes
Report to: Council
24 February 2016

1. Purpose of Report

1.1 To present the Corporate Plan and Budget for 2016/17 for approval by Council.

2. Summary

2.1 Each year the Council is required to approve a corporate plan and budget that shows how it will deliver its services and spend its financial resources in the following financial year. The approved budget must be in balance, which means that expenditure plans must be matched by income received. As usual, these plans include a recommendation for the level of council tax to be set for the year.

2.2 The proposals in the Corporate Plan are underpinned by the service plans which are produced following a full and robust service and financial planning process. The Corporate Plan and Budget has been circulated as a separate document and if approved, enables the Council to approve a balanced budget that:

- Allocates resources to the Council's priorities;
 - Expands the Green Waste Services
 - Provides for investment in our leisure centres
 - Positively and prudently plan for the delivery of significant housing and economic growth in Burgess Hill
 - Continues to support our community through the maintenance of grants to local organisations
 - Supports vulnerable members of our community
- Supports the Council's aspiration to become financially independent;
- Continues to protect the Council's reserves position and fund the proposed capital programme.

2.3 The draft Corporate Plan and Budget for 2016/17 was considered by the Scrutiny Committee for Leader and Service Delivery on 12 January 2016 and, after close scrutiny, no changes were made to the papers. The Plan was also considered by Cabinet on 1 February 2016. Some small changes to the text have been made as a result of new information which became available from the final settlement announcement. These do not affect the substantive income and expenditure plans.

- 2.4 If approved, the proposals in the report result in a modest increase in council tax of £2.97 per year. This means that the Mid Sussex element of the council tax at Band D would increase to £152.55 per annum.
- 2.5 Given the decisions of other authorities, the average council tax level for the Mid Sussex area in 2016/17 will be:

| Average Council Tax | | |
|--------------------------------------|----------------|---------------------|
| | £ | Change from 2015/16 |
| Mid Sussex District Council | 152.55 | +1.99% |
| Town / Parish Councils | 61.78 | +3.21% |
| | <hr/> 214.33 | +2.33% |
| West Sussex County Council* | 1,207.89 | +3.95% |
| Sussex Police and Crime Commissioner | 148.91 | +3.47% |
| | <hr/> 1,571.13 | +3.68% |

*The WSCC figure includes the ringfenced 2% increase to fund Adult Social Care

- 2.6 Overall, it is considered that the Corporate Plan and Budget for 2016/17 represents a sensible and considered approach to the 2016/17 financial year and enables some prudent investment in the most important projects facing the district over the medium term, particularly in the Burgess Hill area. It also includes a proposal to set up a Property Fund aimed at increasing the Council's income in order to further reduce dependency on government funding. In the usual way, throughout 2016/17 the Cabinet will use its regular revenue budget management and capital programme reports to closely monitor the on-going impact on the Council's services and budget position and present any remedial actions required to ensure the service plans and budget will be delivered at year end.
- 2.7 Members, however, will also be aware that the financial outlook for councils continues to be challenging and whilst austerity may have faded, scarcity has taken its place. The process of finding efficiencies and reshaping services will need to continue throughout 2016/17 and over the medium term. The Council will continue to use the same tried and tested approach as in previous years to ensure service changes agreed are carefully managed and well communicated to secure effective implementation.

Recommendations

3.0 Recommendations

Members are requested to consider the following recommendations:

3.1 Corporate Plan and Budget 2016/17

- 3.1.1 **That the Corporate Plan and Budget for 2016/17 set out in this report be approved;**

3.2 Mid Sussex District Council Budget 2016/17

3.2.1 Revenue Spending and MSDC council tax levels for 2016/17:

- (a) That Revenue Spending summarised below (see Section 2 for details) is approved:

| | £'000 |
|-------------------------|-------------|
| Service Net Expenditure | 12,680 |
| Balance Unallocated | 41 |
| | <hr/> |
| Council Net Expenditure | 12,721 |
| | <hr/> |
| Revenue Spending | 12,721 |
| | <hr/> <hr/> |

- (b) That with respect to pensions, the employer's contribution rate should be 18.6% for 2016/17;
- (c) That the Mid Sussex District Council element of the Council Tax be increased by 1.99% to £152.55, with no requirement to hold a local referendum in accordance with the Act.

3.2.2 Capital Programme 2016/17 (see Section 3 for details):

- (a) That the Capital Programme for 2016/17 (as set out in Section 3) is approved.

3.2.3 Usable Reserves and other balances

- (a) That the estimates for cash balances (see Section 4 for details) are noted.

3.2.4 Financial Strategy & Medium Term Financial Plan:

- (a) That the summary Medium Term Financial Plan to 2019/20 (see Section 5 for details) is noted.

3.2.5 Collection Fund:

- (a) That the estimated surplus on the Collection Fund totalling £1,291,000 for the year ended 31st March 2016, of which the Mid Sussex District Council share is £178,430 (see Section 6 for details) is noted.

3.3 Council Taxes For The Mid Sussex Area:

3.3.1 It be noted that at its meeting held on 16th December 2015 the Council calculated the following amounts for the year 2016/17:

- (a) 57,975.6 being the amount calculated, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, as its council tax base for the year; and**
- (b) for dwellings in those parts of its area to which a Parish precept relates as set out in Table 3 Section 7 of this report.**

3.3.2 £8,844,176 being the amount calculated as the Council Tax Requirement for the Council's own purposes for 2016/17 (excluding Parish Precepts).

3.3.3 That the following amounts be calculated by the Council for the year 2016/17 in accordance with Section 31 to 36 of the Local Government Finance Act 1992 (as amended by The Localism Act 2011):

- (a) £65,478,832 being the aggregate of the amounts, which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils;**
- (b) £53,053,159 being the aggregate of the amounts, which the Council estimates for the items set out in Section 31A(3) of the Act;**
- (c) £12,425,673 being the amount by which the aggregate at 3.3.3(a) above exceeds the aggregate at 3.3.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year;**
- (d) £214.33 being the amount at 3.3.3(c) above, all divided by the amount at 3.3.1(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);**
- (e) £3,581,497 being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act (see Section 7 for details);**
- (f) £152.55 being the amount at 3.3.3(d) above less the result given by dividing the amount at 3.3.3(e) above by the amount at 3.3.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates;**

g) Part of the Council's area

| Parish area | band A £ | band B £ | band C £ | band D £ | band E £ | band F £ | band G £ | band H £ |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Albourne | 134.74 | 157.20 | 179.65 | 202.11 | 247.02 | 291.94 | 336.85 | 404.22 |
| Ansty & Staplefield | 138.71 | 161.82 | 184.94 | 208.06 | 254.30 | 300.53 | 346.77 | 416.12 |
| Ardingly | 178.06 | 207.74 | 237.41 | 267.09 | 326.44 | 385.80 | 445.15 | 534.18 |
| Ashurst Wood | 159.01 | 185.51 | 212.01 | 238.51 | 291.51 | 344.51 | 397.52 | 477.02 |
| Balcombe | 151.13 | 176.32 | 201.51 | 226.70 | 277.08 | 327.46 | 377.83 | 453.40 |
| Bolney | 139.32 | 162.54 | 185.76 | 208.98 | 255.42 | 301.86 | 348.30 | 417.96 |
| Burgess Hill | 148.17 | 172.86 | 197.56 | 222.25 | 271.64 | 321.03 | 370.42 | 444.50 |
| Cuckfield | 169.21 | 197.41 | 225.61 | 253.81 | 310.21 | 366.61 | 423.02 | 507.62 |
| East Grinstead | 150.48 | 175.56 | 200.64 | 225.72 | 275.88 | 326.04 | 376.20 | 451.44 |
| Fulking | 140.53 | 163.96 | 187.38 | 210.80 | 257.64 | 304.49 | 351.33 | 421.60 |
| Hassocks | 138.05 | 161.05 | 184.06 | 207.07 | 253.09 | 299.10 | 345.12 | 414.14 |
| Haywards Heath | 130.92 | 152.74 | 174.56 | 196.38 | 240.02 | 283.66 | 327.30 | 392.76 |
| Horsted Keynes | 129.81 | 151.45 | 173.08 | 194.72 | 237.99 | 281.26 | 324.53 | 389.44 |
| Hurstpierpoint & Sayers Common | 145.48 | 169.73 | 193.97 | 218.22 | 266.71 | 315.21 | 363.70 | 436.44 |
| Lindfield | 138.89 | 162.03 | 185.18 | 208.33 | 254.63 | 300.92 | 347.22 | 416.66 |
| Lindfield Rural | 127.61 | 148.87 | 170.14 | 191.41 | 233.95 | 276.48 | 319.02 | 382.82 |
| Newtimber | 105.61 | 123.21 | 140.81 | 158.41 | 193.61 | 228.81 | 264.02 | 316.82 |
| Poynings | 123.91 | 144.57 | 165.22 | 185.87 | 227.17 | 268.48 | 309.78 | 371.74 |
| Pyecombe | 137.73 | 160.69 | 183.64 | 206.60 | 252.51 | 298.42 | 344.33 | 413.20 |
| Slaugham | 143.67 | 167.62 | 191.56 | 215.51 | 263.40 | 311.29 | 359.18 | 431.02 |
| Turners Hill | 174.49 | 203.57 | 232.65 | 261.73 | 319.89 | 378.05 | 436.22 | 523.46 |
| Twineham | 133.26 | 155.47 | 177.68 | 199.89 | 244.31 | 288.73 | 333.15 | 399.78 |
| West Hoathly | 138.09 | 161.11 | 184.12 | 207.14 | 253.17 | 299.20 | 345.23 | 414.28 |
| Worth | 132.63 | 154.74 | 176.84 | 198.95 | 243.16 | 287.37 | 331.58 | 397.90 |

being the amounts given by multiplying the amounts at as set out in Table 3 Section 7 of this report by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3.3.4 That it be noted that for the year 2016/17, West Sussex County Council have stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:

| Valuation band | £ | Valuation band | £ |
|----------------|----------|----------------|----------|
| band A | 805.26 | band E | 1,476.31 |
| band B | 939.47 | band F | 1,744.73 |
| band C | 1,073.68 | band G | 2,013.15 |
| band D | 1,207.89 | band H | 2,415.78 |

3.3.5 That it be noted that for the year 2016/17 the Sussex Police and Crime Commissioner have stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, as amended by the Police Reform and Social Responsibility Act 2011, for each of the categories of dwellings shown below:

| Valuation band | £ | Valuation band | £ |
|----------------|--------|----------------|--------|
| band A | 99.27 | band E | 182.00 |
| band B | 115.82 | band F | 215.09 |
| band C | 132.36 | band G | 248.18 |
| band D | 148.91 | band H | 297.82 |

3.3.6 That, having calculated the aggregate in each case of the amounts as at 3.3.3(g), 3.3.4 and 3.3.5 above, the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown below:

| Parish area | band A £ | band B £ | band C £ | band D £ | band E £ | band F £ | band G £ | band H £ |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Albourne | 1,039.27 | 1,212.49 | 1,385.69 | 1,558.91 | 1,905.33 | 2,251.76 | 2,598.18 | 3,117.82 |
| Ansty & Staplefield | 1,043.24 | 1,217.11 | 1,390.98 | 1,564.86 | 1,912.61 | 2,260.35 | 2,608.10 | 3,129.72 |
| Ardingly | 1,082.59 | 1,263.03 | 1,443.45 | 1,623.89 | 1,984.75 | 2,345.62 | 2,706.48 | 3,247.78 |
| Ashurst Wood | 1,063.54 | 1,240.80 | 1,418.05 | 1,595.31 | 1,949.82 | 2,304.33 | 2,658.85 | 3,190.62 |
| Balcombe | 1,055.66 | 1,231.61 | 1,407.55 | 1,583.50 | 1,935.39 | 2,287.28 | 2,639.16 | 3,167.00 |
| Bolney | 1,043.85 | 1,217.83 | 1,391.80 | 1,565.78 | 1,913.73 | 2,261.68 | 2,609.63 | 3,131.56 |
| Burgess Hill | 1,052.70 | 1,228.15 | 1,403.60 | 1,579.05 | 1,929.95 | 2,280.85 | 2,631.75 | 3,158.10 |
| Cuckfield | 1,073.74 | 1,252.70 | 1,431.65 | 1,610.61 | 1,968.52 | 2,326.43 | 2,684.35 | 3,221.22 |
| East Grinstead | 1,055.01 | 1,230.85 | 1,406.68 | 1,582.52 | 1,934.19 | 2,285.86 | 2,637.53 | 3,165.04 |
| Fulking | 1,045.06 | 1,219.25 | 1,393.42 | 1,567.60 | 1,915.95 | 2,264.31 | 2,612.66 | 3,135.20 |
| Hassocks | 1,042.58 | 1,216.34 | 1,390.10 | 1,563.87 | 1,911.40 | 2,258.92 | 2,606.45 | 3,127.74 |
| Haywards Heath | 1,035.45 | 1,208.03 | 1,380.60 | 1,553.18 | 1,898.33 | 2,243.48 | 2,588.63 | 3,106.36 |
| Horsted Keynes | 1,034.34 | 1,206.74 | 1,379.12 | 1,551.52 | 1,896.30 | 2,241.08 | 2,585.86 | 3,103.04 |
| Hurstpierpoint & Sayers Common | 1,050.01 | 1,225.02 | 1,400.01 | 1,575.02 | 1,925.02 | 2,275.03 | 2,625.03 | 3,150.04 |
| Lindfield | 1,043.42 | 1,217.32 | 1,391.22 | 1,565.13 | 1,912.94 | 2,260.74 | 2,608.55 | 3,130.26 |
| Lindfield Rural | 1,032.14 | 1,204.16 | 1,376.18 | 1,548.21 | 1,892.26 | 2,236.30 | 2,580.35 | 3,096.42 |
| Newtimber | 1,010.14 | 1,178.50 | 1,346.85 | 1,515.21 | 1,851.92 | 2,188.63 | 2,525.35 | 3,030.42 |
| Poynings | 1,028.44 | 1,199.86 | 1,371.26 | 1,542.67 | 1,885.48 | 2,228.30 | 2,571.11 | 3,085.34 |
| Pyecombe | 1,042.26 | 1,215.98 | 1,389.68 | 1,563.40 | 1,910.82 | 2,258.24 | 2,605.66 | 3,126.80 |
| Slaugham | 1,048.20 | 1,222.91 | 1,397.60 | 1,572.31 | 1,921.71 | 2,271.11 | 2,620.51 | 3,144.62 |
| Turners Hill | 1,079.02 | 1,258.86 | 1,438.69 | 1,618.53 | 1,978.20 | 2,337.87 | 2,697.55 | 3,237.06 |
| Twineham | 1,037.79 | 1,210.76 | 1,383.72 | 1,556.69 | 1,902.62 | 2,248.55 | 2,594.48 | 3,113.38 |
| West Hoathly | 1,042.62 | 1,216.40 | 1,390.16 | 1,563.94 | 1,911.48 | 2,259.02 | 2,606.56 | 3,127.88 |
| Worth | 1,037.16 | 1,210.03 | 1,382.88 | 1,555.75 | 1,901.47 | 2,247.19 | 2,592.91 | 3,111.50 |

Explanatory Note for the Recommendations

Under the constitution, only full Council can approve the budget. This report, therefore, is Cabinet's recommendation.

The budget recommendations are in three parts:

- Those that refer to the approval of the Corporate Plan (recommendations contained in 3.1 above);
- Those that refer to the approval of the Council's expenditure (recommendations contained in 3.2 above); and
- Those that refer to the Council's responsibilities for calculating council taxes for the Mid Sussex area.

The latter are set out according to proper practice.

In recommendations 3.2, No's 3.2.1 – 3.2.5 are relatively self-explanatory. Recommendations in 3.3 are explained below:

- 3.3.1 the taxbase for each parish area;
 - 3.3.2 the Council Tax Requirement for Mid Sussex District Council
 - 3.3.3 this recommendation calculates the council taxes for the District and parish councils:
 - (a) gross expenditure of the Mid Sussex District Council plus parish precepts, and the effect of the balance on the Collection Fund*;
 - (b) gross income for Mid Sussex District Council, Formula Grant plus the effect of the balance on the Collection Fund;
 - (c) net expenditure i.e. the difference between (a) and (b) which is the Council Tax Requirement including parish precepts;
 - (d) the average band D council tax for Mid Sussex District Council plus the parishes i.e. (c) - (d) divided by the taxbase;
 - (e) the total of parish precepts;
 - (f) the band D council tax after subtracting parish precepts i.e. the Mid Sussex District Council band D;
 - (g) the actual council taxes for all bands for Mid Sussex District Council and the parishes.
 - 3.3.4 the West Sussex County Council council taxes for all bands;
 - 3.3.5 the Sussex Police and Crime Commissioner council taxes for all bands;
 - 3.3.6 the full council taxes for all bands for all parishes i.e. Mid Sussex District Council plus parishes plus West Sussex County Council plus the Sussex Police and Crime Commissioner.
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4. Background

- 4.1 The draft Corporate Plan and Budget for 2016/17 was considered by the Scrutiny Committee for the Leader and Service Delivery on 12 January 2016. The main comments were reported to Cabinet on 1 February 2016.

5. Policy Context

- 5.1 The Corporate Plan and Budget has been developed in line with the Council's corporate priorities:

Better Lives

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

Better Environment

Quality and Sustainable Environment
Distinctive and Sustainable Towns and Villages

Better Services

Efficient and Effective Services
Strong Community Leadership

- 5.2 The key themes and longer term challenges that the Council agreed with its partners in the District's Sustainable Community Strategy (approved by Council in April 2009) have also been taken into account. These are:

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

6. Risk Management Implications

- 6.1 As in previous years, the Corporate Plan and Budget for 2016/17 has been risk assessed. Details of this are set out in Section 1 of the appended Plan.

7. Legal Implications

- 7.1 The Local Government Finance Act 1992 provides that for each financial year a local authority should set the amount of Council Tax before 11th March in the financial year preceding that for which it is set. The Act makes provisions regarding the calculations necessary in setting the Council Tax. The Localism Act 2011 made significant changes to the Local Government Finance Act 1992, and requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously. This report is instrumental in achieving this requirement.

8. Financial Implications

- 8.1 The Financial implications of this report are as set out in the recommendations and the appended Corporate Plan and Budget 2016/17.

9. Equality and customer service implications

9.1 Proposals for new or changed services will be subject to Equality Impact Assessments at the appropriate time.

10. Background Papers

- [Scrutiny Committee for Leader and Service Delivery - 12 January 2016](#)
- [Cabinet - 1 February 2016 - Draft Corporate Plan & Budget for 2016/17](#)