

Committee Manager: Jane Fulton (Ext. 37611)

10 January 2017

OVERVIEW SELECT COMMITTEE

A meeting of the Overview Select Committee will be held in Committee Room 1 (the Pink Room) at the Arun Civic Centre, Maltravers Road, Littlehampton BN17 5LF on **Tuesday, 24 January 2017 at 6.00 pm** and you are requested to attend.

Members: Councillors Elkins (Chairman), English (Vice-Chairman), Ballard, Mrs Bence, Blampied, Mrs Daniells, Edwards, Hitchins, Hughes, Mrs Oakley, Oliver-Redgate, Mrs Rapnik, Warren, Dr Walsh and Wheel.

A G E N D A

1. APOLOGIES FOR ABSENCE
2. DECLARATIONS OF INTEREST

Members and Officers are reminded to make any declaration of personal and/or prejudicial/pecuniary interests that they may have in relation to items on this agenda.

You should declare your interest by stating:

- a) the item you have the interest in
- b) whether it is a personal interest and the nature of the interest
- c) whether it is also a prejudicial/pecuniary interest

You then need to re-declare your interest and the nature of the interest at the commencement of the item or when the interest becomes apparent.

3. MINUTES

To approve as a correct record the Minutes of the meeting of the Overview Select Committee held on 22 November 2016 (which have been previously circulated.)

4. ITEMS NOT ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES.

5. *CORPORATE PLAN 2013-2017 - QUARTER 2 PERFORMANCE OUTTURN REPORT FOR THE PERIOD 1 APRIL 2016 TO 30 SEPTEMBER 2016

The attached report was considered by Cabinet at its meeting held on 12 December 2016. This sets out the Quarter 2 performance outturn for the Corporate Plan indicators which are measured at six months (quarterly and six monthly targets) for the period 1 July to 30 September 2016.

Although this report is being presented to the Committee for its information, it provides Members with an opportunity to ask questions on any of the Corporate Plan Indicators and current performance.

6. *SERVICE DELIVERY PLAN 2013-2017 - QUARTER 2 PERFORMANCE OUTTURN REPORT FOR THE PERIOD 1 APRIL 2016 TO 30 SEPTEMBER 2016

The attached report was considered by Cabinet at its meeting held on 12 December 2016. This sets out the Quarter 2 performance outturn for the Service Delivery Plans (SDPs) Performance Indicators which are measured at six months (quarterly and monthly targets) for the period 1 July to 30 September 2016.

Although this report is being presented to the Committee for its information, it provides Members with an opportunity to ask questions on any of the Service Delivery Plan Indicators and current performance.

7. CABINET MEMBER QUESTIONS AND UPDATES

- (i) Cabinet Members will update the Committee on matters relevant to their Portfolio of responsibility.
- (ii) Members are invited to ask Cabinet Members questions and are encouraged to submit these to the Committee Manager in advance of the meeting to allow a more substantive answer to be given.

8. *THE COUNCIL'S 2020 VISION - SHARED SERVICES UPDATE

This report will update the Committee on the business cases that have been produced for Shared Services.

9. *COUNCIL BUDGET

The report sets out the Capital, Housing Revenue and General Fund Revenue Budgets for 2017/2018 which the Committee is requested to consider and recommend onto Cabinet so that the recommendations can be considered at the Special Meeting of the Council taking place on 22 February 2017.

10. WORK PROGRAMME – 2016/2017

Any required amendments to the Committee's Work Programme will be reported by the Committee Manager at the meeting.

(Note: *Indicates report is attached for Members of the Committee only and the Press (excluding exempt items). Copies of reports can be viewed on the Council's web site at www.arun.gov.uk or can be obtained on request from the Committee Manager.)

(Note: Members are also reminded that if they have any detailed questions, would they please inform the Head of democratic Services, Cabinet Member and/or relevant Lead Officer in advance of the meeting in order that the appropriate Officer/Cabinet Member can attend the meeting.)

AGENDA ITEM NO. 5**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON MONDAY 12 DECEMBER 2016**

SUBJECT: Corporate Plan 2013-2017 – Quarter 2 performance out-turn for the period 1 July 2016 to 30 September 2016.
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REPORT AUTHOR:	Shirley Zeman
DATE:	October 2016
EXTN:	37601

EXECUTIVE SUMMARY:

This report sets out the quarter 2 performance out-turn for the Corporate Plan performance indicators for the period 1 April 2016 to 30 September 2016.

RECOMMENDATIONS

Cabinet is requested to:

- i) Note the Council's Quarter 2 performance against the Corporate Plan targets for the period 1 April 2016 to 30 September 2016 as set out in Appendix A **(attached)**.

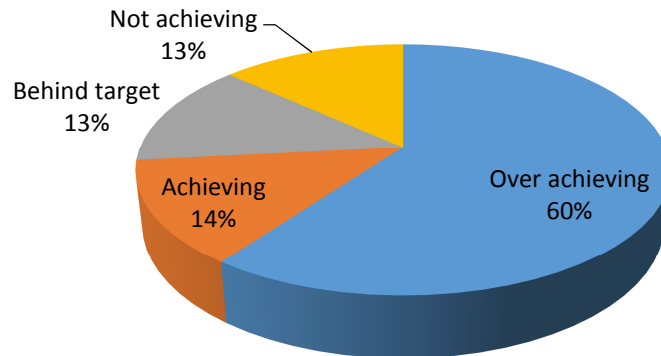
1. BACKGROUND:

- 1.1 Full Council approved the Corporate Plan for 2013-2017 in February 2013.
- 1.2 The Corporate Plan indicators were reviewed at the end of 2015-16 and some targets were amended slightly for the remaining two years of the Corporate Plan.
- 1.3 It was also agreed to extend the reporting period for one additional year to allow for the outcomes of the Council's 2020 Vision Programme, to be subject to a review in the Autumn of 2017.
- 1.4 The Corporate Plan consists of 18 indicators, split out into the three priority headings of Your Council Services, Your Future and If you and your Family Need Help.
- 1.5 It was agreed by Cabinet that performance of these indicators will be reported to the Corporate Management Team every quarter and to Cabinet and Overview Select Committee (OSC) every six months and at year end.
- 1.6 This report sets out the Quarter 2 performance out-turn for the period from 1 July 2016 to 30 September 2016 for the Corporate Plan indicators which are measured quarterly and six monthly. This report therefore gives data for 15 of the 18 performance indicators as three are measured annually.

2. CORPORATE PLAN QUARTER 2 PERFORMANCE

- 2.1 11 out of the 15 performance indicators are either over achieving or achieving the target set for them, at the half-year point.

Corporate Plan 2016-17 Q2 Performance Summary



- 2.2 The Corporate Plan indicators have been divided into their Cabinet Portfolios, and have then been sub divided to show which indicators were:

Over Achieving	Achieving at least 10% more than target
Achieving Target	Achieving 100% of target or up to 9% more than target
Behind Target	80-99% of target achieved
Not Achieving	79% or less of target achieved

- 2.3 The performance out-turn report for this period is ***attached in Appendix A*** which gives detail of the 15 indicators, their level of performance against the set target and the commentary from the relevant officers to explain the current status of the indicator.

2.4 Recommendation to Cabinet

The majority of indicators are achieving or over achieving their target. For the two which were behind target, they were only slightly behind and are in the main not significantly influenced by local action and more by the general state of the economy and market confidence.

For the two which are not achieving, projects are underway and a more accurate outturn will be available in time for the next report to Cabinet in May 2017.

Therefore, CMT are not recommending to Cabinet for any specific action to be taken on any of the indicators which are not achieving their target as they feel that all steps are being taken to address any performance issues at this stage of the year.

2. PROPOSAL(S):

- (i) To note the Q2 performance out-turn for the Corporate Plan for the period 1 April 2016 to 30 September 2016.

3. OPTIONS:

- i) To note the report and not request any remedial actions for under achieving indicators
ii) To note the report and to request remedial actions for under achieving indicators

4. CONSULTATION:		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		√
Relevant District Ward Councillors		√
Other groups/persons (please specify)		√
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES:		
	YES	NO
Financial		√
Legal		√
Human Rights/Equality Impact Assessment		√
Community Safety including Section 17 of Crime & Disorder Act		√
Sustainability		√
Asset Management/Property/Land		√
Technology		√
Other (please explain)		√
6. IMPLICATIONS:		
Where targets were not met, Cabinet may consider whether they wish to request that remedial actions be taken by the relevant service area.		

7. REASON FOR THE DECISION:

So that Cabinet are updated with the Q2 Performance out-turn for the Corporate Plan (2013-2017) for the period 1 April 2016 to 30 September 2016.

8. BACKGROUND PAPERS:

None

Q2 2016/17 Performance Report - Corporate Plan

Performance Indicator	Measure Interval	Council Priority Theme	Portfolio	CMT Member	Assessment by	Corporate Plan Target 16/17	Current Performance	Q1	Q2 Status	Commentary	Any action recommended by CMT?
1 PEP023 % of planning appeals dismissed 16/17*	Quarterly	Your future	ICM - Planning & Infrastructure	Karl Roberts	Higher is better	70%	57.00%	70%	Over-Achieving	13 out of 23 appeals were dismissed. This figure is lower than previous quarters, however, at this stage it is not possible to identify whether this is a one-off or part of a broader trend. It will be important to continue to monitor the reasons why appeals are allowed and determine whether any corrected action in respect of the original decision making process is required.	CMT to monitor for trend
2 PER004 % Occupied retail units in Bognor Regis 16/17*	6-monthly	Your future	ICM - Council Strategy	Karl Roberts	Higher is better	92%	92.00%	n/a	Over-Achieving	Empty units reducing steadily from a high of 13.3% in 2012 and 10% at the same time last year	CMT to monitor
3 PER020 Overall Employment rate (working-age) 16/17*	6-monthly	Your future	ICM - Council Strategy	Karl Roberts	Higher is better	85%	74.70%	n/a	Over-Achieving	The number of people who are economically active (i.e. those wanting a job) and in work has reduced by almost 12% in the past 12 months. The national trend for this figure is upwards but Arun's increase is greater. <i>Employment rate by age figures are not</i>	CMT to monitor
4 PER025 Total Rateable Value for the Arun District 16/17*	6-monthly	Your future	ICM - Council Strategy	Karl Roberts	Higher is better	£87,100,000	£89,747,336.00	n/a	Over-achieving	As at the end of September 2016, there were 4,770 properties with a rateable value of £89,747,336.	CMT to monitor
5 PEP001 Achieve key milestones in the Local Plan 2013-2028 timetable 16/17*	6-monthly	Your future	ICM - Planning & Infrastructure	Karl Roberts	Higher is better	Yes	Yes	n/a	Achieving	Local Plan timetable has been slightly amended as the ambitious timetable could not have been achieved as a result of a number of inter-dependent studies taking longer than previously expected due to the amount of technical assessment required (principally on the transport assessment). Everyone is working hard to maintain progress on the Local Plan. The revised timetable reflects the challenges involved.	CMT to monitor
6 PER005 % Occupied retail units in Littlehampton 16/17*	6-monthly	Your future	ICM - Council Strategy	Karl Roberts	Higher is better	94%	93.00%	n/a	Behind Target	This is considered acceptable in the current economic climate.	CMT to monitor
7 PES002 Number of affordable units for purchase or rent 16/17*	6-monthly	Supporting you if you need help	ICM - Planning & Infrastructure	Karl Roberts	Higher is better	200	75	n/a	Not achieving	10.10.16 - the input figure for this 6-month period is only an estimate as the official delivery number will not be confirmed until at least December 2016.	CMT to monitor
8 DCN007 % reoffenders following anti-social behaviour intervention 16/17*	Quarterly	Supporting you if you need help	ICM - Community Services	Nigel Croad	Lower is better	5%	2.60%	1.90%	Over-Achieving	5 breaches out of 191 perpetrators = 2.6% re-offending rate. The ASB Team continues to work successfully to reduce ASB and re-offending. Slight increase in Q2, up from 1.9% to 2.6% but below annual figure.	CMT to monitor

9	DCN041 Number of families successfully assisted through the Family Intervention and Think Family Expansion projects 2016/17*	6-monthly	Supporting you if you need help	ICM - Community Services	Nigel Croad	Higher is better	219 Families	133.00 Families	n/a	Over-Achieving	56% of annual target met at half year point. Partnership working continuing with WSCC to maximise the benefits of the Think Family and Early Help Programme in Arun.	CMT to monitor
10	CSB001 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events 16/17*	Quarterly	Your Council Services	ICM - Corporate Governance	Paul Warters	Lower is better	8 day/s	5.20 day/s	4.75 days	Over-Achieving	Total number of cases assessed in period 1/7/16 to 30/9/16 is 17794. The benefits team have made careful use of overtime to ensure that performance remained on target over the holiday period and are well placed to ensure that work remains on target into quarter 3 without recourse to further overtime. <i>Outturn is still within 8 day target</i>	CMT to monitor over Christmas/New Year period to see if further overtime is necessary to maintain performance.
11	CSR001 % of Council Tax collected 16/17*	Quarterly	Your Council Services	ICM - Housing	Paul Warters	Higher is better	98.40%	60.54%	--	Over-Achieving	Collection is slightly down (0.27%) on the same time last year. Over the past year 1500 new homes have been added to the Council Tax database - that's an extra £2.5m to collect. We now have 4 Direct Debit payment dates 1st 10th 15th and 25th giving customers even more flexibility to pay.	CMT to monitor
12	CSH006 % of homelessness approaches where homelessness prevented 16/17*	Quarterly	Supporting you if you need help	ICM - Housing	Paul Warters	Higher is better	80%	67.80%	63.60%	Behind Target	503 approaches during Q1 & Q2 - 162 homelessness decision made = 67.8% preventions. The Housing teams work with partners to achieve solutions which prevent homelessness for more than 67% of clients who approach the Council for homelessness assistance. Whilst we continue to work to support homelessness prevention, numbers continue to grow. Effectively, without this work, the numbers would be higher which reflects the current position nationally and across all Boroughs and Districts in West Sussex.	CMT to monitor.
13	CSH030 Number of new Council homes built or purchased 16/17*	6-monthly	Supporting you if you need help	ICM - Housing	Paul Warters	Higher is better	30	0	n/a	Not achieving	Whilst the actual position on new houses still remains at zero, works are underway with 9 properties at Barnham and the contract has been let for Housing at Wick and Glenlogie. The Council is also in the process of acquiring 2 ex right to buy properties and a shared ownership property	CMT to monitor.
14	ESC001 % household waste sent for reuse, recycling and composting 16/17*	Quarterly	Your Council Services	ICM - Leisure and Amenities	Philippa Dart	Higher is better	40%	41.54%	42%	Over-Achieving	The figure is continuing an improving trend and again reflects higher tonnages collected in green waste and also the dry recycling scheme. It is predicted that if this continues then our recycling rate at the end of the year will be around 39%.	CMT to monitor

15	ESL001 Achieve key milestones within the project plan for the Leisure and Culture Strategy 2013-2028 16/17*	6-monthly	Your future	ICM - Leisure and Amenities	Philippa Dart	Higher is better	Yes	Yes	n/a	Achieving	Arun Leisure Centre capital works programme progressing in accordance with project plan. New Littlehampton leisure centre on target. Arundel - meetings underway to progress public realm ideas in the town centre.	CMT to monitor
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**Corporate Plan 2016-17
Q2 Performance Summary**

Over achiev	9	60%
Achieving	2	13%
Behind targ	2	13%
Not achievi	2	13%

AGENDA ITEM NO. 6**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON MONDAY 12 DECEMBER 2016**

SUBJECT: Service Delivery Plan (SDP) Quarter 2 performance out-turn for the period 1 April 2016 to 30 September 2016.

REPORT AUTHOR: Shirley Zeman
DATE: October 2016
EXTN: 37601

EXECUTIVE SUMMARY:

This report sets out the Quarter 2 performance out-turn for the Service Delivery Plan (SDP) performance indicators for the period 1 April 2016 to 30 September 2016.

RECOMMENDATIONS

Cabinet is requested to:

- i) Note the Council's Quarter 2 performance against the Service Delivery Plan (SDP) targets for the period 1 April 2016 to 30 September 2016 as set out in Appendix A **attached**.

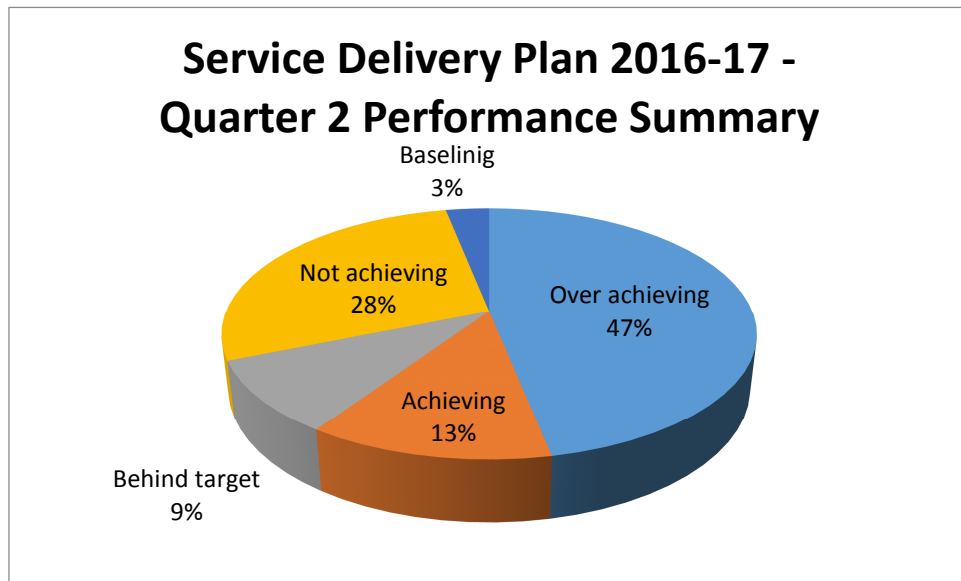
1. BACKGROUND:

- 1.1 Cabinet approved the new Service Delivery Plan (SDP) Performance Indicators for 2013-2017 in March 2013.
- 1.2 The SDP level indicators reflect the themes of "Your Council" 2013 – 2017" and the Council's Corporate Plan. They have been formulated to measure progress on achieving targets within the Council's service areas with a view to increasing the overall performance of the Council.
- 1.3 The SDP indicators were reviewed at the end of 2015-16 and some targets were amended slightly and some indicators were deleted entirely (with the agreement of Cabinet).
- 1.4 It was also agreed to extend the reporting period for one additional year to allow for the outcomes of the Council's 2020 Vision Programme, to be subject to a review in the Autumn of 2017.
- 1.5 There are 46 SDP indicators. It was agreed by Cabinet that performance of these indicators will be reported to the Corporate Management Team every quarter and to Cabinet and Overview Select Committee (OSC) every six months and at year end.
- 1.6 This report sets out the Quarter 2 performance out-turn for the period from 1 April 2016 to 30 September 2016 for the SDP indicators which are measured quarterly and six monthly. This report therefore gives data for 32 of the 46 performance indicators as 14 are measured annually.

2. SERVICE DELIVERY PLAN (SDP) QUARTER 2 PERFORMANCE

- 2.1 19 out of the 32 performance indicators are over achieving, or achieving the target set for them. This means that just over half of the SDP 2016/17 targets are currently on track to achieve their

annual target. 3 are behind target, and 9 are not achieving. 1 is baselining – i.e. being monitored for information only.



- 2.2 The SDP indicators have been divided into their Directorates, and have then been sub divided to show which indicators were:

Over Achieving	Achieving at least 10% more than target
Achieving Target	Achieving 100% of target or up to 9% more than target
Behind Target	80-99% of target achieved
Not Achieving	79% or less of target achieved

- 2.3 The performance out-turn report for this period is ***attached in Appendix A*** which gives detail of the 32 indicators, their level of performance against the set target and the commentary from the relevant officers to explain the current status of the indicator.

2.4 Recommendation to Cabinet

The majority of indicators are achieving or over achieving their target at the half-year point. For those three indicators which were behind target, they were only slightly behind or are on track to reach target by the end of the reporting year.

The 9 indicators which are not achieving have clear commentary detailing the way forward for the future, and CMT will monitor progress against target at the end of the next quarter.

Therefore, CMT are not recommending to Cabinet for any specific action to be taken on any of the indicators which are not achieving their target as they feel that all steps are being taken to address any performance issues at this stage of the year.

2. PROPOSAL(S):

- (i) To note the Q2 performance out-turn for the Service Delivery Plan indicators for the period 1 April 2016 to 30 September 2016.

3. OPTIONS:

- i) To note the report and not request any remedial actions for under achieving indicators
- ii) To note the report and to request remedial actions for under achieving indicators

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		√
Relevant District Ward Councillors		√
Other groups/persons (please specify)		√

5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES:

	YES	NO
Financial		√
Legal		√
Human Rights/Equality Impact Assessment		√
Community Safety including Section 17 of Crime & Disorder Act		√
Sustainability		√
Asset Management/Property/Land		√
Technology		√
Other (please explain)		√

6. IMPLICATIONS:

Where targets were not met, Cabinet may consider whether they wish to request that remedial actions be taken by the relevant service area.

7. REASON FOR THE DECISION:

So that Cabinet are updated with the Q2 Performance out-turn for the Service Delivery Plan indicators for the period 1 April 2016 to 30 September 2016.

8. BACKGROUND PAPERS:

None

Q2 2016/17 Performance Report - Service Delivery Plan Indicators											
Performance Indicator	Measure Interval	Portfolio	CMT Member	Assessment by	Service Delivery Plan Target 16/17	Current Performance	Q1	Q2 Status	Commentary	Any action required from CMT?	
1 PEB003 % of building regulation submissions assessed within 21 days of date of deposit with the Council 16/17	Quarterly	ICM - Planning & Infrastructure	Karl Roberts	Higher is better	40%	51.27%	19.75	Over-Achieving	Target of 45% exceeded	No action	
2 PER032 No. of Business Start Ups 16/17	Quarterly	ICM - Planning & Infrastructure	Karl Roberts	Higher is better	1100	856	888	Over-Achieving	To the end of August 2016 856 new businesses have started in Arun. Bersted ward had the highest number of start ups and Beach ward the lowest. September figures are due shortly.	No action	
3 PEL002 Land Charges: % of standard searches carried out in 7 working days 16/17	Quarterly	ICM - Planning & Infrastructure	Karl Roberts	Higher is better	100%	100.00%	100	Achieving	All searches are being returned within the 7 working day period	No action	
4 PEP009 Average number of days to determine application - Major 16/17	Quarterly	ICM - Planning & Infrastructure	Karl Roberts	Lower is better	100 day/s	202.00 day/s	213	Not achieving	21 major applications have been determined and the average number of days for determination is 202 days. There has been an improvement over the last quarter with the average numbers of days for determination reducing. Major applications by their very nature can be large and complex and this coupled with on-going staffing issues has lead to an inevitable increase in the number of days against target. However, many of these applications will be subject to Extension of Time and possible Planning Performance Agreements ensuring that against Government targets the performance is more acceptable.	Monitor for quarter 3 outturn	
5 PEP010 Average number of days to determine application - Minor 16/17	Quarterly	ICM - Planning & Infrastructure	Karl Roberts	Lower is better	54 day/s	71.00 day/s	76	Not achieving	143 minor applications have been determined and the average number of days for determination is 71 days. Performance remains in the second quarter below our own set target but through the use of extension of time mechanisms, the performance return for the Government is acceptable and we compare well in this regard with neighbouring West Sussex Authorities	Monitor for quarter 3 outturn	
6 PEP011 Average number of days to determine application - Householder 16/17	Quarterly	ICM - Planning & Infrastructure	Karl Roberts	Lower is better	40 day/s	54.00 day/s	56	Not achieving	377 householder applications have been determined and the average number of days for determination is 54 days. Performance is below our own set target but through the use of extension of time mechanisms, the performance return for the Government is acceptable and we compare well in this regard with neighbouring West Sussex Authorities	Monitor for quarter 3 outturn	
7 DCN030 Deliver projects through the Arun Wellbeing Team under the agreed priorities which support the West Sussex Health Plan 16/17	Quarterly	ICM - Community Services	Nigel Croad	Higher is better	Yes	Yes	Yes	Achieving	Wellbeing programme being well delivered with on-going monitoring by the WSCC Public Health confirming a high degree of satisfaction, as evidenced by quarterly monitoring meetings.	No action	

8	DCL010 Number of stage 2 corporate complaints found to be justified or partially justified 16/17	Quarterly	ICM - Corporate Governance	Nigel Croad	Lower is better	5	3	3	Not achieving	Of the 10 Stage 2 corporate complaints that were determined within the period 01.04.16 and 30.09.16, 2 were found to be Partially Justified, 1 was Justified, with the remaining 7 found to be Not Justified.	Monitor for quarter 3 outturn
9	DCN003 Overall crime per 1,000 population 16/17	Quarterly	ICM - Community Services	Nigel Croad	Lower is better	baseline	29.78	14.67	Baselining	This equates to an increase of two offences per thousand population and therefore is not considered a risk.	No action
10	CSC101 % telephone enquiries resolved at first point of contact in Arun Direct (excl switchboard) 16/17 (Context)	Quarterly	ICM - Corporate Governance	Paul Warters	Higher is better	83%	87.20%	88.8	Over-Achieving	Resolution rate continues to show above target. Current 4 staff under establishment figure. However, lower volumes over the summer months have stabilised this figure. Figure likely to get worse in the next two quarters as seasonal volumes of transactions increase	Monitor for quarter 3 outturn
11	CSH025 No. of council properties to be brought back into use by legitimate tenants16/17	Quarterly	ICM - Housing	Paul Warters	Higher is better	10	11	9	Over-Achieving	The target for 2016 (calendar year) to bring 10 properties back into legitimate use has been exceeded. We continue to manage a high volume of tenancy fraud casework, either from referral by staff or from members of the public; or by data analysis (indicators such as no repairs requests, or high rent credits, or externally sourced data matching). There is also a focus on other fraud areas: Right to Buy, housing register applications and referrals to DWP & HB regarding identified benefit fraud. We have stopped 3 false Right to Buy applications; 2 false applications to the Housing Register and have 1 prosecution case pending.	No action
12	CSH041 % Repairs appointments made and kept 16/17	Quarterly	ICM - Housing	Paul Warters	Higher is better	95%	98.00%	98.89	Over-Achieving	Less than 1% down on previous quarter, 2545 appointments kept with only 52 appointments missed. The performance in relation to repairs appointments made and kept, is reviewed with the contractor on a routine basis which helps ensure that performance is maintained.	Monitor for quarter 3 outturn
13	CSH042 Average void turnaround time (excludes long term voids) 16/17	Quarterly	ICM - Housing	Paul Warters	Lower is better	20 day/s	12.50 day/s	11.2	Over-Achieving	71 voids completed in the quarter - 67 handed back on target date. The performance on Void turnaround continues to exceed target. Voids can be left in various states of repair which is why the average turnaround is set at 20 days. The fact that on average the void turnaround remains below target is good news, as it means that the property becomes available earlier for a deserving tenant and that rental income is able to be generated. In some instances this also means that other costs in connection with temporary accommodation can cease earlier. Benchamrk target for social housing is 28 days so we are performing better than this.	Monitor for quarter 3 outturn

14	CSH121 Vacant private sector dwellings returned to occupation 16/17	Quarterly	ICM - Housing	Paul Warters	Higher is better	17	32	8	Over-Achieving	This initiative continues to make a positive contribution towards making housing available within the District. Exceeding target - achievements through a mixture of informal action, financial assistance and enforced action.	No action
15	CSH123 % of customers satisfied with service (private sector housing) 16/17	Quarterly	ICM - Housing	Paul Warters	Higher is better	95%	98.20%	100	Over-Achieving	Good customer satisfaction being received, particularly for the Pest Control service.	No action
16	CSH124 % complaints responded to in time: private sector housing 16/17	Quarterly	ICM - Housing	Paul Warters	Higher is better	95%	96.00%	96	Over-Achieving	Maintaining a high standard pf response rate duing a period of being short staffed.	No action
17	CSR002 % of non-domestic rates collected 16/17	Quarterly	ICM - Corporate Governance	Paul Warters	Higher is better	99%	58.53%	29.1	Over-Achieving	Collection slightly down (0.78%) on same period last year. With effect from 1st April 2016 Government cancelled the retail relief scheme. Meaning that over 1000 businesses now have to pay an extra £1500 per annum which in some cases is proving difficult to collect. From speaking to colleagues across West Sussex, business rate collection has fallen. I also think that there is some uncertainty due to the fact that all business rated properties are being revalued at the present time. New rateable values and charges will be coming into effect from next April. Although government has implied the revaluation should be fiscally neutral, businesses are worried about any increases.	Monitor for quarter 3 outturn
18	CST011 Undertake IT customer satisfaction survey, draw up action plan, report progress to ICM 16/17	6-monthly	ICM - Corporate Governance	Paul Warters	Higher is better	90%	98%		Over-Achieving	A strong support performance for this latest review period, achieving ahead of target. The measure value is a percentage of customers scoring Excellent/Good.	No action
19	CSH043 % of council properties with a valid gas safety certificate 16/17	Quarterly	ICM - Housing	Paul Warters	Higher is better	100%	100.00%	100	Achieving	The Council continues to maintain a 100% gas safety certificate compliance.	No action
20	CSE001 Reach the achieving level of the new Equality Framework 16/17	Quarterly	ICM - Leisure & Amenities	Paul Warters	Higher is better	Yes	Yes	Yes	Achieving	All staff now trained with online refresher course. We continue to provide support across a number of areas for staff which has also increased awareness of equalities issues, particularly around mental health	No action
21	CSH021 % of rent collected 16/17	Quarterly	ICM - Housing	Paul Warters	Higher is better	99%	97.85%	98.1	Behind Target	The Quarter on Quarter Variance Explanation is as follows:- There has been a further slight deterioration in the projected outturn measure, quarter on quarter, as the arrears figures for Shared Ownership increased during the month of September, because the full year Leasehold Service Charges for 2016/17 were invoiced and added to the accounts	Monitor for quarter 3 outturn

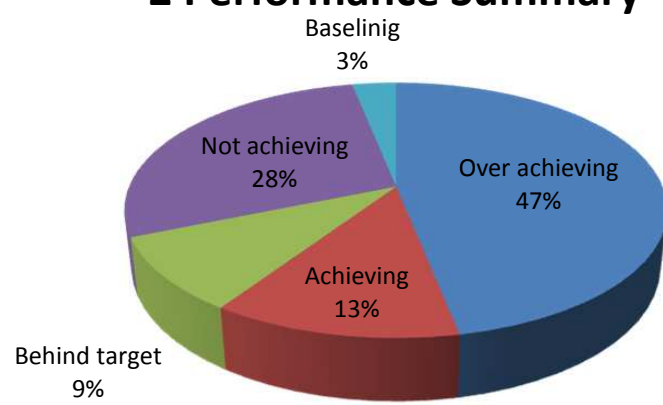
22	CSC001 Working days lost due to sickness absence 16/17	Quarterly	ICM - Corporate Governance	Paul Warters	Lower is better	7 day/s	9.34 day/s	9.6	Not achieving	<p>8 of the service areas are currently below the target figure, whilst 7 areas being below the target figure. The sickness stats for the rolling 12 month period have increased for 7 service areas and decreased for 7 service areas, with one remaining unchanged. The overall figure has gone down slightly from the previous review period.</p> <p>Long term sickness accounts for 5.8 average days per employee, whilst short term sickness accounts for 3.54 average days per employee during the same 12 month rolling period.</p> <p>The Chief Executive reviews this on a regular basis with his Directors. The concern is that, whilst this figure is not great, it is lower than it has been - however sickness absence levels are likely to increase as we move into the winter months.</p>	Monitor for quarter 3 outturn
23	CSH001 Reduce cost of emergency accommodation (B and B) net 16/17	Quarterly	ICM - Housing	Paul Warters	Lower is better	£272,000	£163,907.15	91,104.88	Not achieving	<p>Net budget for 2016/17 is £248,500. Budget remaining is £84,592.85. B&B expenditure is affected by a wide range of factors. Homelessness demand continues to increase in Arun, which mirrors the regional and national picture. In Arun, B&B can be avoided when there is available Temporary Accommodation (TA). In Qtr 2, TA availability slowed as a result of delayed let dates for Housing Association new-builds which prevented TA clients from moving on into their permanent housing. Housing teams are working more effectively to collect contributions from clients where Housing Benefit is not payable. Where possible, we make use of other sources of accommodation to avoid use of B&B and will move clients to lower cost B&Bs when they become available.</p>	Linked to Corporate Plan CSH006 - Monitor

24	CSR003 % Miscellaneous Sundry Debt Collected 16/17	Quarterly	ICM - Corporate Governance	Paul Warters	Higher is better	96%	19.56%	14.33	Not achieving	The collection of Housing Benefit overpayments is still significantly down on the same period last year although situation has slightly improved from the last quarter. There are some issues in the Department of Works & Pensions (DWP) paying money to us where the overpayment is being deducted from the customers welfare benefits. This appears to be connected with new software processes they have introduced. It still has to be said that Housing Benefit overpayments remain the hardest debt type to collect with in year collection at about 65%. In terms of miscellaneous or sundry debt income collection remains high. We will though have to closely monitor over the next few months how the new financial management system (E5) calculates the collection rate	Monitor for quarter 3 outturn
25	ESC031 No. of enforcement actions taken in relation to persistent non-compliance with waste removal 16/17	Quarterly	ICM - Leisure & Amenities	Philippa Dart	Higher is better	100	89	20	Over-Achieving	The majority of enforcement letters were sent to residents around accumulations/refuse left in the wrong place in two sites.	No action
26	ESC061 Number of missed refuse collections per 100,000 16/17	Quarterly	ICM - Leisure & Amenities	Philippa Dart	Lower is better	15	33	26.27	Not achieving	The missed refuse figure is on course to meet target.	No action
27	ESC062 Number of missed recycling collections per 100,000 16/17	Quarterly	ICM - Leisure & Amenities	Philippa Dart	Lower is better	15	22.83	16.81	Not achieving	Combined Cleansing Contract target rate is 80 per 100,000 so Biffa are within performance targets as specified in the contract. The figure is on course to exceed target for this year.	No action
28	ESC105 90% of all legal action followed through to satisfactory compliance or penalty 16/17	Quarterly	ICM - Environmental Services	Philippa Dart	Higher is better	90%	100.00%	100	Over-Achieving	All legal action approved is seen through to compliance or penalty.	No action
29	ESC106 Sustain or improve customer satisfaction levels with Env. Health service 16/17	Quarterly	ICM - Environmental Services	Philippa Dart	Higher is better	95%	99.50%	100	Over-Achieving	396 positive response - 2 negative responses. High levels of customer satisfaction being maintained thanks to dedication of staff.	No action
30	ESC112 Completion of Licensing Inspection programme 16/17	Quarterly	ICM - Environmental Services	Philippa Dart	Higher is better	100%	74.00%	46	Over-Achieving	Continued concerted effort on behalf of officers to ensure all visits are recorded. Licensing visits remain ahead of target.	No action
31	ESC107 EH response to complaints in timescale 16/17	Quarterly	ICM - Environmental Services	Philippa Dart	Higher is better	98%	96.18%	95	Behind Target	1337 complaints (out of 1390) responded to within 7 days. (Excluding pest control and housing) Response times are improving. This figure is up from 95% in the first quarter.	Monitor for quarter 3 outturn
32	ESC109 Completion of Risk based inspection programme - food 16/17	Quarterly	ICM - Environmental Services	Philippa Dart	Higher is better	100%	47.00%	26.85	Behind Target	246 inspections completed out of planned 525 for the year. The food programme is on track for completion by the end of the year. We have access to a contractor who will undertake more inspections in the second half of the year than in the first.	Monitor for quarter 3 outturn

Over achiev	15	32	46.88%
Achieving	4	32	12.50%
Behind targ	3	32	9.38%
Not achievi	9	32	28.13%
Baselinig	1	32	3.13%
	32		



Service Delivery Plan 2016-17 - Quarter 2 Performance Summary



AGENDA ITEM NO. 8**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF OVERVIEW SELECT
COMMITTEE ON 24 JANUARY 2017****PART A : REPORT**

SUBJECT: The Council's 2020 Vision – Shared Services Update
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REPORT AUTHOR: Paul Warters – Director of Customer Services DATE: 10 January 2017 EXTN: 37510
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EXECUTIVE SUMMARY:

Over the last twelve months Chichester, Arun and Horsham District Councils have been working together to explore the possibility of delivering services on a shared basis. Arun and Chichester were looking at joint ICT, Revenues and Benefits and Customer Services. Horsham was working with the other two councils on proposals to share Internal Audit, Human Resources and Legal services.

In July 2016, the three Councils approved outline business cases for sharing these services subject to the development of detailed business cases to establish in more detail the costs, benefits and savings allocation model to be applied. Full business cases have now been produced and evaluated by senior managers and the conclusions have been discussed with the three Councils' Leaders and relevant Cabinet Members.

The three Council Leaders and Officers agree that the work undertaken to pursue these projects has been valuable in analysing and comparing resources, operating methods and productivity. However, they consider that the projected scale and timing of savings and the degree of difference in the Councils operating models, resource levels and systems do not justify the costs and risks of implementation.

Therefore, shared services will not be progressed at this time and alternative financial savings will be met from the relevant services to meet the Council's 2020 Vision programme to reduce the revenue budget by up to £4m by 2020.

RECOMMENDATIONS:

Committee is asked to recommend to Cabinet that

1. The Council does not enter into a shared services arrangement with Chichester and Horsham District Councils; and
2. a review of the services involved be carried out as part of the Council's 2020 Vision programme.

1. BACKGROUND:

The sharing of services with neighbouring authorities forms part of the Council's 2020 Vision work programme as agreed at Full Council on *20 July 2016*.

Over the last twelve months Chichester, Arun and Horsham District Councils have been working together to explore the possibility of delivering services on a shared basis. Arun and Chichester were looking at joint ICT, Revenues and Benefits and Customer services. Horsham was working with the other two councils on proposals to share Internal Audit, Human Resources and Legal services.

In July 2016, the three Councils approved outline business cases for sharing these services subject to the development of detailed business cases to establish in more detail the costs, benefits and savings allocation model to be applied.

Full business cases have now been produced and evaluated by senior managers and the conclusions have been discussed with the three Councils' Leaders and relevant Cabinet Members in December 2016. Leaders and Officers agree that the work undertaken to pursue these projects has been valuable in analysing and comparing resources, operating methods and productivity. However, they consider that the projected scale and timing of savings and the degree of difference in the Councils operating models, resource levels and systems do not justify the costs and risks of implementation.

The savings model applied was based on a 'user pays' basis rather than an equal split. Each detailed business case projected annual revenue savings to be achieved at the end of a five year period. Applying this model, Arun District Council's projected annual revenue savings were £792,000 across all services. These projections need to be caveated with particular implications, risks and assumptions.

In assessing the risks, assumptions, implementation costs and payback periods for each business case, the Programme Steering Board (Chief Executives and Portfolio Holders of each authority) recommend that none of the proposed business cases be progressed. It was felt that much of the proposed savings could be made in house.

2. PROPOSAL(S):

That officers review the operating models of those areas initially identified as part of the shared services programme to make efficiency and financial savings of a similar scale and in the required timescale.

3. OPTIONS:

The alternative option would be to retain the existing operating models for the service areas within shared services. The shared services programme has demonstrated opportunities to improve in-house processes and operating models to allow services to continue to provide a good quality service, whilst producing surveys. The Council cannot share its services with Councils who do not want to share.

4. CONSULTATION:

This project did not require external consultation. Staff involved were continually provided with updates as the project progressed using staff briefings by the Chief Executive, Directors and the intranet.

<p>Union Branch Secretaries from each Council met with a lead Chief Executive and Project Lead Officers on a monthly basis during the process and were given the opportunity to raise questions or concerns which were formally addressed.</p> <p>Overview and Scrutiny Committee received a verbal update in June 2016 at the conclusion of the initial business cases.</p>		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify)		
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	X	
Legal		X
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X
Asset Management/Property/Land		X
Technology		X
Safeguarding		X
Other (please explain)		
<p>6. IMPLICATIONS:</p> <p>At their meeting in July, Cabinet authorised the release of £25,000 to fund Arun's share of project resources and associated costs in compiling the detailed business cases, this was in addition to the original £20,000 agreed by Cabinet in February. Each Council equally contributed staff resources to the project and therefore did not recharge for this time. Therefore, the costs incurred consisted of a reduced amount of external management and technical consultancy and some small additional staffing costs, Arun's share of which is less than £10,000.</p>		

7. REASON FOR THE DECISION:

Although the recommendation is not to proceed with shared services, Arun has gained very detailed benchmarking data and analysis of processes as part of this project. This work will be the basis for reviewing existing operating models within the services and applying, where appropriate, those changes that can be delivered by Arun to identify and achieve savings. Officers are confident that these savings can be achieved.

8. BACKGROUND PAPERS:

Business Case Summaries:

[Audit](#)

[HR and Payroll](#)

[ICT](#)

[Legal](#)

[Revenues and Benefits and Customer Services](#)

AGENDA ITEM NO.9ARUN DISTRICT COUNCILOVERVIEW SELECT COMMITTEE – 24 JANUARY 2017

Recommendation

Subject : Arun District Council Budget 2017/18

Report by : Alan Peach - Head of Finance and Property

Report date : January 2017

EXECUTIVE SUMMARY

The report sets out the Revenue and Capital Budgets for 2017/18 (in Appendix A) for both the General Fund and Housing Revenue Account. The Committee is requested to consider and recommend onto Cabinet in order that any recommendations can be considered at the Special Meeting of the Council on 22 February 2017.

RECOMMENDATIONS

Members are requested to discuss and note the Council's Budget report for 2017/18 (contained in Appendix A) and to pass comment to Cabinet.

1.0 INTRODUCTION

- 1.1 The Council's Revenue and Capital Budgets for 2017/18 for both General Fund and housing Revenue Account are set out in appendix A.

Background Papers: Correspondence from the DCLG (Department of Communities and Local Government) and Department for Work and Pensions (DWP). Budget working papers (held by Accountancy).

Contact: (Alan Peach, Head of Finance and Property ext.37558)

ARUN DISTRICT COUNCIL BUDGET 2017/18

REPORT BY THE HEAD OF FINANCE AND PROPERTY

1.0 Introduction

1.1 This report sets out the Capital, Housing Revenue and General Fund Revenue budget for 2017/18. These budgets have been prepared taking account of the following:

- The Medium Term Financial Strategy 2016/17 to 2021/22 considered at Cabinet 17 October 2016.
- The provisional Local Government Finance settlement issued by the Department of Communities and Local Government (DCLG) in December 2016.
- Housing Revenue Account business plan (currently under review).

1.2 The Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of the estimates made for the purposes of calculating Council Tax and housing rent levels, and the adequacy of the proposed financial balances. I am satisfied that the estimates, as presented in the draft budget, are sufficiently robust and that the reserve balances proposed for 2017/18 are adequate.

2.0 Local Government Finance Settlement and Council Tax

2.1 The Council accepted the four-year settlement that was announced last year. The funding encompasses: Revenue Support Grant; Transition Grant; and Top-ups and Tariffs related to Retained Business Rates.

2.2 The Business Rate Retention scheme was introduced in April 2013. The scheme focuses on promoting economic growth through the local retention of business rates. Currently half of the rates revenue is retained locally with the local share being split between Arun (80%) and West Sussex County Council (20%).

2.3 The Business Rates Retention scheme has transferred a considerable risk to the council by linking DCLG support directly to the local economy. This is a strong incentive for the Council to ensure that the business ratings list is fully inclusive and to encourage a buoyant local economy. It is also important to note any significant negative changes in the value of the ratings list will directly reduce the level of funding received in future, such as valuation appeals which can be backdated.

There is an additional level of uncertainty for business rates income for 2017/18 as the new ratings list comes into effect from April 2017 and this is likely to lead to a significant number of new appeals.

- 2.4 The 2015 Spending Review announced a number of significant changes in the way Local Government will be funded in the future. The announcements made confirmed the proposal for the 100% business rate retention by 2020. However, the announcement on the outcome of the technical consultation on retained business rates has been delayed until 2018. There is anticipated to be a shift between the tiers of local government and the potential of transferring extra responsibility (and cost) to Local Government.
- 2.5 The New Homes Bonus (NHB) was introduced in 2011/12. The aim of the grant is to create an incentive which rewards local authorities that deliver sustainable housing growth in their areas. The basis of the grant is that for each new housing unit delivered an annual bonus of £1,530 (band D equivalent) is payable. In addition, a £350 bonus is also paid for each additional unit of affordable housing. The NHB is shared between Arun (80%) and WSCC (20%).
- 2.6 It should be noted that the Government is also considering withholding NHB from Local Authorities that are not planning effectively by making positive decisions on planning applications and delivering housing growth. From 2018/19 NHB may be withheld for homes that have been built following appeal. The government will not introduce the proposal to withhold NHB payments for areas without a Local Plan in 2017/18 but may consider doing this in the future following consultation.
- 2.7 The New Homes Bonus for 2017/18 is £3.677m (reduction of £337k). This includes an affordable homes premium of £13k. The allocation for 2017/18 was subject to a 0.4 percent baseline or deadweight adjustment for growth deemed to have happened anyway. The grant will be paid for 5 years for 2017/18 and then drop to 4 years. The level of NHB is summarised in the table below:

NHB Payment relating to:	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2011/12	509	509	509	509	509	509	0
2012/13		556	556	556	556	556	0
2013/14			1,000	1,000	1,000	1,000	1,000
2014/15				484	484	484	484
2015/16					539	539	539
2016/17						926	926
2017/18							728
Total	509	1,065	2,065	2,549	3,088	4,014	3,677

2.8 The changes in Government grant funding are summarised in the table below:

Non-Ringfenced Grant Income	2016/17	2017/18	Change
	£`000	£`000	£`000
Business rates retention*	3,183	5,048	1,865
Revenue Support Grant (RSG)	1,666	750	(916)
Total Formula Grant:	4,849	5,798	949
New Homes Bonus:	4,014	3,677	(337)
Other non-ringfenced grants:			
Housing Benefits Administration Grant	524	503	(21)
Localising Council Tax Support Administration Grant	157	198	41
Transition Grant**		81	81
Business rates collection allowance	174	174	0
Total Other Non-ringfenced grants:	855	956	101
Total non-ringfenced grant income	9,718	10,431	713
*including s31 grants, Tariff and Levy			
** 2016/17 Transition Grant £82k			

2.9 The difference in budget for Retained Business rates is mainly due to the phasing of income (a result of the way the Government has set up the system).

2.10 The Council Tax income figure of £10.183m for Arun (excluding Parish/town Councils) referred to in the General Fund Summary (Appendix 1) is based on an Arun Band D Council Tax of £171.27, which represents an increase of £4.95 or 2.98% (£4.95 or 3.07% 2016/17). This has started to redress the reduction, in real terms, of the Council Tax Income Base which was frozen for 5 years. Arun's tax base for 2017/18 shows a significant increase over 2016/17 (from 57,803 to 59,456). This is chiefly due to the completion of new dwellings in the District. The government's calculation of the Council's spending power is based on a £5 increase on a band D Council Tax.

3.0 Budget Assumptions

3.1 The budget for 2017/18 includes provision for a 1.0% pay award. As in previous years, no provision has been made for price increases in goods, services and contracts except where there is clear evidence of the need for it.

3.2 With regard to fees and charges, increases have been applied either in accordance with statutory provisions, or, where the Council has discretion by inflation, having regard to specific service circumstances.

3.3 HRA rents have been set at 1% below the 2015/16 current year's level in accordance with statutory provisions (Welfare Reform and Work Bill).

4.0 General Fund Revenue Budget

- 4.1 A summary of the General Fund Revenue budget showing 2016/17 Original Budget and 2017/18 proposed budget, summarised by Service Portfolio is shown in **Appendix 1**. A summary of the projected movement on General Fund Reserve is shown in the table below:

General Fund Reserve Movement	Original Budget	Current Budget	2017/18 Budget
	£`000	£`000	£`000
Net Budget Requirement	23,974	24,854	24,700
Financed by:			
Government Grants and Retained Business Rates	(9,718)	(10,033)	(10,431)
Council Tax (including collection fund surplus)	(13,537)	(13,537)	(14,255)
Taken From / (Added to) Balances	719	1,284	14
General Fund Balance 1 April	10,161	10,161	8,005
Supplementary Estimates*		(1,264)	
Change in Financing of Arun Leisure Centre improvements		(1,004)	
Outturn on General Fund	(719)	(719)	(14)
Current Budget Variation Estimated Outturn 2016/17**		831	
Total Taken From Balances	(719)	(2,156)	(14)
General Fund Balance 31 March 2018	9,442	8,005	7,991

* includes £699k requested pending approval ** November 2016

- 4.2 The current budget amount taken from balance of £1.284m includes approved supplementary estimates totalling £565k (November 2016). The estimated outturn for 2016/17 includes a further £699k for a number of supplementary estimates that are known but still require Council approval resulting in a total of £1.264m. When the budget for 2016/17 was prepared the precise nature of the works at the Arun Leisure Centre was unknown. These works are mainly revenue in nature and therefore cannot be financed as capital expenditure. It should be noted that the costs of these works are effectively borne by the Council's leisure management provider in the form of increased annual revenue contributions. The net effect of the ALC works is £1.004m in 2016/17. The total anticipated draw down from reserves is therefore £2.156m for 2016/17 resulting in a GF balance of approximately £8m at 31 March 2017 subject to the current budget variation continuing.
- 4.3 The Council is anticipating the receipt of significant s106 sums for maintenance in perpetuity in respect of a number of sites and these sums will enhance the forecast level of General Fund balance. However, the receipt of these sums will also lead to the requirement for additional revenue expenditure in respect of maintaining the relevant sites. These sums are not included in the budget for 2017/18 or the estimated outturn for 2016/17 as the timing of the receipts is not certain.

4.4 The proposed 2017/18 budget draws £14k from reserves, a change of (£705k) from the 2016/17 original budget. The £14k proposed draw down General Fund reserve for 2017/18 includes a £2.0m contribution to fund the revenue expenditure for the Littlehampton Leisure Centre.

4.5 A summary of headline changes is given below:

General Fund Budget 2017/18	Changes +/- £ 50k	£`000
Service changes:		
Pay award		128
Senior Management Restructure		152
Establishment Savings (deleted posts)		(251)
Spinal Column Point changes (net)		88
Grants to Joint Arun Area Committees		(75)
Rent Allowances		(190)
Major Contracts Saving		(998)
Homelessness net		54
Increase in income		(138)
HRA recharge		(151)
Change in required Contingencies		(359)
Parish grant taper		(144)
Change in Earmarked Reserve financing		3,100
Capital expenditure financed from revenue fall out of 2016/17 programme		(1,870)
Capital expenditure financed from revenue 2017/18 programme		1,111
Council Tax Income increase		(569)
Change in Retained Business Rates		(1,865)
Reduction in RSG		916
Reduction in New Homes Bonus		337
Other non-ringfenced grants		(101)
Other changes <£50k		120
Net change in budgeted reserve movement		(705)
Reserve 2016/17 budgeted draw down		(719)
Reserve 2017/18 budgeted draw down		(14)
Net reserve change		705

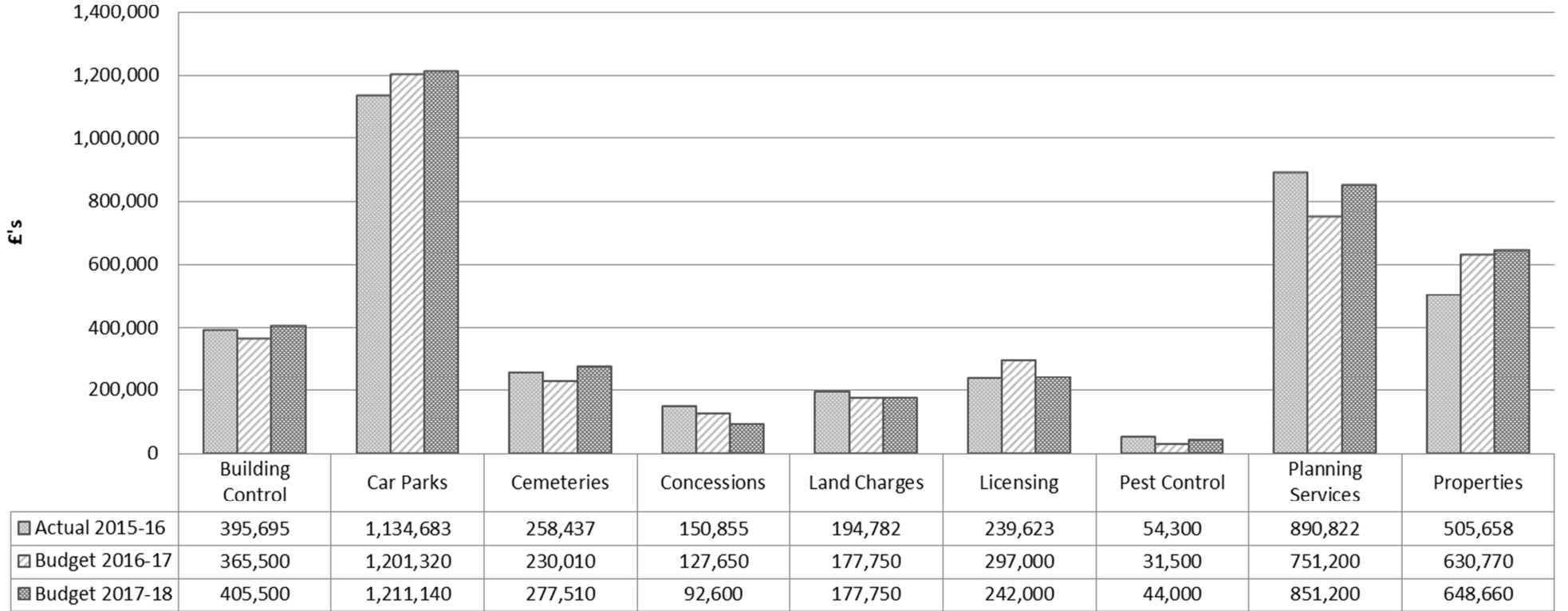
4.6 The outcome of the triennial revaluation of the pension fund has resulted in an increase in the amount paid as a lump sum and a corresponding reduction in the amount paid as an on-cost to salary budgets. This has led to a reduction in service expenditure and an increase in corporate costs. This is due to a change in the way that pension contributions are calculated and presented. The total amount included in the budget for 2017/18 is broadly similar to what was included in 2016/17.

4.7 The establishment budget has been increased by £152k for the Senior Management restructure. Work on restructuring the new groups to achieve the required savings has begun and will continue when the new Group Heads formally take on their roles in April 2017. A significant saving has been achieved from posts that have been cut

out of the establishment (£251k). Other pressures on the establishment budget include the introduction of the Apprentice scheme levy which is a 0.5 percent charge on employers of the total pay bill (minus a £15k levy allowance) the budgeted net cost of the scheme is £29k for 2017/18.

- 4.8 The budget assumes a (£190k) reduction in net expenditure for Rent Allowances. It should be noted that the prediction is based on trends relating to the number and type of claims remaining stable as changes in the type of claims can result in significant variances
- 4.9 The budget for Homelessness Bed and Breakfast provision has been under significant pressure from an increase in the number of people presenting as homeless, cost pressure from providers and a freeze in Housing Benefit resulting in a request for a supplementary estimate in 2016/17 and an increase in the budget of £54k in 2017/18.
- 4.10 The renewal of the Green Space Management contract and Combined Cleansing contracts during 2016/17 resulted in significant savings to the council (£178k) and (£363) respectively. 2017/18 is also the first year that the Council benefits from the full effect of the retendering of the Leisure Management Contract which has resulted in a further budget to budget reduction of (£424k).
- 4.11 The Contingencies and Special Items budget is assessed each year as a provision for known possible service changes that have not been sufficiently developed to fully cost into the budget. The budget includes £250k for the Community Flood Fund (paragraph 8.4) which is not capital by definition and cannot be included in the capital programme; £400k for work related to the Local Plan; and £155k for Vision 2020 related restructure costs. The budget also makes allowance for a post targeted at improving the quality of the Council's recycling and waste minimisation. This area could have significant financial implications for the future if recycling rates and waste minimisation is not improved. As reported above the retendering of the Combined Waste Contract has resulted in significant saving in the revenue budget, which includes the addition of a fixed term post.
- 4.12 Income from fees, charges and rents are included within net cost of service. In total this amounts to overall financing of £3.95m (£3.81m 2016/17). Income is a key risk area to the budget as it is predominantly externally influenced, without a direct link to service cost and each source is unique. Total income has increased by (£140k). The main increase relates to Development Control, where the budget has been increased by (£100k) to more closely align with recent outturns and Cemeteries income (£47k) as included in the Vision 2020 savings. The graph below shows income by source and value, and demonstrates trend. The income estimates included in 2017/18 appear robust.

Income 2017-18



5.0 Earmarked Reserves

Earmarked Reserves are amounts of money specifically identified for operational purposes and held alongside the General Fund for drawdown as required. The total value of earmarked reserves at the end of 2016/17 financial year was £13.177m (£11.458m previous year), with approved in-year virements of £6.015m during 2016/17. The carry forward balance into 2017/18 will therefore be a minimum of £7.162m, depending upon the amount of budget variation during 2016/17. Budget expenditure relating to these reserves is isolated from the cost of service for General Fund financing purposes. Earmarked reserves are drawn down into the budget as required through the virement approval process.

6.0 Risk analysis

- 6.1 Corporate and Operational risk registers have been reviewed for financial implications as part of the budget process on the criteria of probability of occurrence and materiality of impact upon balances.
- 6.2 The senior management restructure was completed during 2016/17 with new Group Heads appointed from 1 April 2017. At this point in time it is not possible to estimate the likely cost of the next phase of the transformation programme with any degree of accuracy. A further report is due to go to Council to outline the required cuts and the potential costs associated with the changes which are likely to require a supplementary estimate during 2017/18.
- 6.3 The level of New Homes Bonus (NHB) has been relatively buoyant but this could easily change if the level of house building tailed off in the District and this is closely monitored on a monthly basis.
- 6.4 The proposed levy re the sale of high value dwellings has been postponed by the government.
- 6.5 The Council has gained substantial benefit from business rate growth, particularly due to the opening of new supermarkets in the district. However, under the business rate retention scheme Arun carries a significant share of the risks associated with business rate appeals and these risks could increase as a result of the new rating list coming into effect from April 2017.
- 6.6 No further significant risks have been identified relating to 2017/18. However, some lesser risks are inherent within the overall budget. These are discussed below.
- 6.7 Income: the budget includes £3.95m from fees, charges and rents; these have been set on the basis of achievement of the level of predicted income and previous outturn, including known changes in environment. A potential risk could be a poor summer resulting in lower car park income. A review of income has been undertaken and it is considered to be achievable.

- 6.8 The vacancy management factor continues to be set at £450k. The target is subject to increased uncertainty in 2017/18 due to the requirement to restructure the new service groups to meet the Council's 2020 vision targets.
- 6.9 Homelessness: The budget for 2017/18 has been increased. The number of people presenting as homeless is increasing, resulting in financial pressures on the Council. The mitigation is to ensure strict application of the eligibility criteria, sign posting to other more appropriate organisations and getting people onto Housing Benefit as soon as possible. The Homelessness Reduction Bill could have significant implications for the Homelessness budget.

7.0 Housing Revenue Account Budget

- 7.1 A summary of the Housing Revenue Account (HRA) budget, including Major Repairs Reserve, is shown at Appendix 2.
- 7.2 A complete reappraisal of the current year's HRA was undertaken as part of the budgetary process. The financing of the acquisition/new build programme (enhanced by the supplementary estimate of £691,000) was reassessed in the light of the available level of "1 for 1" receipts and a number of savings in supervision and management costs identified. These changes are reflected in the opening HRA balance for 2017/18.
- 7.3 The budget for 2017/18 has been prepared on the basis of rents being reduced by a further 1% in accordance with the provisions of the Welfare reform and Work Bill.
- 7.4 The Government has confirmed that the "pay-to-stay" policy, under which higher-earning tenants are charged a higher rent, will not be mandatory, though local authorities are able to introduce the policy on a voluntary basis. The Government has also confirmed that there will be no levy in respect of the sale of higher value dwellings until 2018/19 at the earliest.
- 7.5 The 2017/18 HRA budget is broadly in line with the current HRA financial model. However, the HRA Business Plan is currently being updated and the financial model will need to reflect the policies and priorities of the new Plan. In particular decisions will need to be made with regard to the utilisation of the Council's "1 for 1" receipts.

8.0 Capital, Asset Management and other projects Budget

- 8.1 A summary of the Capital, Asset Management and other projects budget is shown at appendix 3
- 8.2 The new capital programme for 2017/18, together with the proposed method of financing, is set out in the table below. The programme includes the third stage of the major investment programme approved by Cabinet at its October 2016 meeting.

2017/18 Capital Programme	
General Fund :	£'000
New Investment Programme (Phase 3)	520
Littlehampton Leisure Centre New Build	15,095
Asset Management	691
Disabled Facilities Grants	1,000
Total General Fund	17,306
Housing Revenue Account :	
Improvements (including Decent Homes)	2,222
Total Housing Revenue Account	2,222
Total programme	19,528
Financed by :	
Capital Grants (Disabled Facilities Grant)	1,000
Capital Receipts	9,100
Charge to General Fund (RCCO)	1,111
Charge to Housing Revenue Account	2,222
Total Financing	13,433
Unfinanced:	6,095
Funded from General Fund Earmarked Reserves	2,805
Unfunded	3,290

8.3 The most significant scheme for 2017/18 is the new Littlehampton Leisure Centre. The capital element of the scheme will be financed from a variety of sources including Capital Receipts, Capital Grants, Prudential Borrowing and Revenue Finance. The budget for 2017/18 includes a £2.0m contribution to fund the revenue expenditure associated with the scheme (4.4 above). The Council has applied for a capital grant from the Sports Council towards the project but as this source of funding is uncertain it has not been included in the budget for 2017/18. If the Council is unsuccessful in its bid for the capital grant it will have to finance the balance of £3.290m (based on the current estimated cost). The actual financing will be determined by the nature of the expenditure incurred (capital or revenue) and the availability of the various funding sources. The Council has committed itself to closing the funding gap through the use of any one-off income/savings with the remainder financed through prudential borrowing. The council's policy is to minimise the borrowing as it impacts on the revenue account and the Vision 2020 savings already made.

8.4 The enhanced new investment programme for 2017/18 includes a contribution to the Community Flood Fund, which has been included in the Contingency and Special Items budget (4.11 above) to be vired to service when further detail is known. The table below shows the budgets for 2017/18. The budgets for 2018/19 and 2019/20 are also included, however, it should be noted that these budgets will be subject to annual appraisal and approval.

2017/18 New Investment Programme			
	£'000	£'000	£'000
	2017/18	2018/19	2019/20
Beach Huts	120		
Public Toilets (phase 3 to 5)	200	200	200
Play Area Investment (phase 3 to 5)	100	100	100
RSL Housing Programme (phase 4 to 5)	100	100	
Littlehampton Leisure Centre (Balance)	15,095		
Community Flood Fund (phase 2 to 3)*	250	250	
Future Schemes			700
Total	15,865	650	1,000

* In contingency for 2017/18

9.0 Conclusion

9.1 The General Fund revenue budget and Capital budgets are set robustly within the medium term financial strategy.

10.0 Recommendations:

10.1 Cabinet is requested to note that the Head of Finance and Property, in consultation with the Deputy Leader of the Council and Cabinet member for Corporate Governance, has approved a Council Tax base of 59,456 for 2017/18.

10.2 Cabinet is requested to recommend to Full Council that:

- i. The General Fund Revenue budget as set out in **Appendix 1** is approved.
- ii. Arun's band D council tax for 2017/18 is set at £171.27, an increase of 2.98%.
- iii. Arun's Council Tax Requirement for 2017/18, based on a Band D Council Tax of £171.27, is set at £10,183,029 plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements.
- iv. The HRA budget as set out in **Appendix 2** is approved.
- v. The HRA rents for 2017/18 are set at 1% below the current year's level in accordance with the provisions of the Welfare Reform and Work Bill.
- vi. HRA garage rents are increased by 5% to give a standard charge of £10.63 per week (excluding VAT), and heating and water/sewerage charges increased on a scheme by scheme basis, with a view to balancing costs with income.
- vii. The Capital budget as set out in **Appendix 3** is approved.

General Fund Revenue Budget Summary			Appendix 1
Actual 2015-16 £'000	Description	Budget 2016-17 £'000	Budget 2017-18 £'000
	Cost of Service		
721	Community Services	778	620
1,571	Corporate Governance	2,074	1,931
353	Council Strategy	445	429
1,829	Environmental Services	1,831	1,865
938	Housing	1,001	1,068
5,490	Leisure and Amenities	3,997	3,051
1,197	Planning & Infrastructure	1,229	1,080
8,252	Support Services	8,423	8,334
0	Vacancy Management	(450)	(450)
(1,196)	Recharges to Housing Revenue Account	(1,136)	(1,287)
19,155	Total Cost of Service:	18,192	16,641
	Corporate Cost		
3,589	Parish Precepts	3,783	3,900
287	Grant payments to parishes	144	0
253	Other precepts and levies	210	168
(589)	Interest & investment income	(470)	(472)
13	Contingencies / miscellaneous	1,264	905
1,719	Contribution to/(from) earmarked reserves	(2,208)	892
246	Capital expenditure finance from revenue	1,870	1,111
1,321	Pension deficit contributions	1,189	1,555
6,839	Total Corporate Cost:	5,782	8,059
25,994	Total Net Budget Requirement	23,974	24,700
	Financed By		
(4,041)	Retained Business Rates	(3,183)	(5,048)
(2,716)	Revenue Support Grant	(1,666)	(750)
(3,088)	New Homes Bonus	(4,014)	(3,677)
(1,466)	Other non ringfenced grants	(855)	(956)
(9,160)	Council Tax Income - Arun Excluding Parishes	(9,614)	(10,183)
(3,589)	Council Tax Income - Town & Parish Councils	(3,783)	(3,900)
(60)	Collection Fund deficit/(surplus)	(140)	(172)
(24,120)	Total External Finance:	(23,255)	(24,686)
1,874	Transfer (to) / from General Fund Reserve	719	14

A1

Housing Revenue Account Budget Summary

Actual 2015-16 £'000	Description	Budget 2016-17 £'000
	Expenditure	
4,468	Supervision and management	4,991
3,789	Repairs and maintenance	4,434
2,096	Financing of capital expenditure	2,255
5,250	Net loan charges	5,250
15,603	Total Expenditure:	16,930
	Income	
(16,362)	Rents (dwellings, garages, hostels, other property)	(16,092)
(729)	Charges for services and facilities	(631)
(74)	Interest on balance	(92)
(17,165)	Total Income:	(16,815)
(1,562)	HRA (surplus) / deficit	115
(6,378)	Balance brought forward	(5,478)
(7,940)	Balance carried forward	(5,363)

Appendix 2

**Budget
2017-18
£'000**

4,971

4,567

2,222

5,140

16,900

(15,859)

(650)

(60)

(16,569)**331**

(6,431)

(6,100)

Appendix 3

Capital, Asset Management and other projects Budget Summary

Actual 2015-16 £'000	Description	Budget 2016-17 £'000	Budget 2017-18 £'000
Capital expenditure by portfolio			
	Corporate Governance		
1,354	Asset Management	1,450	1,011
781	IT	170	0
394	Council Strategy	0	0
590	Environmental Services	100	100
2,908	Housing	3,055	3,222
18	Leisure & Amenities	1,913	15,095
148	Planning & Infrastructure	100	100
6,193	Total Expenditure:	6,788	19,528
Summary			
3,844	General Fund	4,533	17,306
2,349	Housing Revenue Account	2,255	2,222
6,193	Total Expenditure	6,788	19,528

