

THE CORPORATE PLAN AND BUDGET REPORT 2008/09

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CORPORATE PLAN AND BUDGET 2008/09

1. Summary of Report

- 1.1 The Council has an ambitious programme of service delivery and improvement that aims to continue to provide effective and value for money services for its residents. However, in line with all other local authorities our financial situation in 2008/09 and beyond is extremely tight.
- 1.2 This Corporate and Budget Plan sets out both the proposed performance objectives for each of the Council's services in 2008/09 and recommends an approach to allocating our limited resources and achieving the necessary financial savings to balance the budget.

2. Introduction

- 2.1 Mid Sussex District Council is a significant business, employing over 500 people, and spending over £50 million each year in delivering services to almost 130,000 people who live in our District. We produce a corporate plan and budget every year so that we can be confident that the Council is focusing its resources in the right areas.
- 2.2 The Council is recognised as an improving Local Authority with an ambitious programme for improvement. The Audit Commission, in its most recent review, confirmed that:

“The Council has a positive direction of travel and continues to deliver improvements against its corporate priorities. Corporate planning has been strengthened and the continued focus on corporate priorities is resulting in improved services.”
Audit Commission, annual audit and inspection letter, March 2007
- 2.3 Over the last few years, the Council has successfully delivered its services to budget. We are seeing improvements in key service indicators, progress with the shared services agenda, and tangible evidence of our innovative partnership to revitalise our town centres.
- 2.4 Despite significant challenges, the Council has made efficiency savings of £2.2m in the last three years (twice that expected of the Council under the Government's Gershon efficiency targets) without cuts in services or significant redundancies. There has been a reduction in headcount, including Head of Service posts. Council tax levels have been kept relatively low to the extent that Mid Sussex has the third lowest council tax of authorities across East and West Sussex.
- 2.5 This is a positive record and has led the Audit Commission to conclude that the Council is performing well and provides value for money services in our annual Use of Resources review.

3. The Process To Date

- 3.1 The Council has a robust process for developing its future service plans and budget for Members to consider. Members were briefed on this process at the Member Development workshop, entitled 'Delivering Our Ambitions', held in the Council Chamber on 31st October 2007. Member development workshops on the background to the Council's budget process and financial management protocol were also delivered through the Member induction programme following the May 2007 elections.
- 3.2 In preparing this Corporate Plan and Budget for 2008/09 - we have:
- Developed 'Council Success Criteria' for 2008-2012;
 - Set out the Council's main business units and where these services should be in 2008/09 and in 4 years time;
 - Identified the 10 key, cross cutting programmes of work that will be central to the Council's continuing improvement over the next few years;
 - Developed 4 year and 20 year financial projections that reflect these service plans;
 - Identified the budget requirements for each division in 2008/09.

4. Service and Financial Planning Working Group

- 4.1 The process has been further enhanced this year by the creation of a cross party working group that met in November and was chaired by the Leader. The other members of the group invited to the Group and receiving papers were Councillors Seward, Marsh, Thorpe, Hall, Hatton, Brock and Barnett. At its first meeting, the working group was presented with a summary of the Council's overall financial position and given an opportunity to probe the background and assumptions behind the draft service plans and financial projections that had been developed by Management Team.
- 4.2 This showed that the Council faced some hard choices during this budget round because of inflationary pressures. This included the level of efficiencies that had already been secured in previous budget rounds and the fact that our fees and charges are generally already at the rate the market will bear. There was also a recognition that Members do not want to cut services of particular importance to our communities.
- 4.3 Once the Council's priorities were confirmed and its financial position understood, the working group then considered a range of options to "bridge the projected budget gap" for 2008/09. In doing so, they paid particular attention to the likely impact on service delivery of each option. The proposals set out in this report are the result of those discussions and as such are endorsed by the cross party working group for your consideration and review.
- 4.4 In line with the Council's constitution the draft Corporate Plan and Budget were fully debated at Performance and Scrutiny Committee on 9 January. In addition, all Members were invited to attend one of three 'drop in' sessions as part of the six-week consultation period. Cabinet reviewed the results of that consultation on 4 February and they recommend the Corporate Plan and Budget to Council for approval.

5. Service Development Plan 2008-2012

- 5.1 In any budget process, it is important for the organisation to decide what services it wants to provide and at what level of performance. To do this, we set out where we thought the Council should be in four years time under the four headings of 'best in class' services; excellent customer services and satisfaction; sustainable finances; and, excellent reputation.
- 5.2 The purpose of identifying these 'success criteria' for the Council in the next four years is to:
- Ensure our service and budget plans reflect the Council's priorities;
 - Identify what we want our communities to look like in the future and how the Council will champion/support/deliver this;
 - Provide a means by which we can secure resources for our key priorities and don't spend resources on things of less importance;
 - Enable us to anticipate issues and take opportunities rather than focus on solving immediate budget problems;
 - Ensure we use the limited capacity in the organisation to the best effect (and develop it further); and,
 - Provide a coherent 'story' for our stakeholders showing our future plans and how we are taking the organisation forward.
- 5.3 The proposed success criteria for the Council over the next 4 years are:

6. Best in Class Services

- 6.1 Given that resources are limited, it is very difficult for any local authority to provide best in class services across the full range of its functions and responsibilities. However, it is important that we deliver the best possible value for money where these services are particularly important to local residents. We are aware that these key service areas include how we deal with planning applications, process housing benefit claims, provide leisure services, and collect refuse and promote recycling. As evidence of achieving this success criteria, we would expect these services to perform well (i.e. in the top quartile or 25%) compared with district councils nationally.
- 6.2 Proposed Targets:
- Top quartile performance in BVPIs equivalent to that of district councils' categorised as "good" by March 2009 and thereafter rising in upward only increments to achieve BVPIs in top quartile equivalent to that of "excellent" councils by March 2012
 - Achieve 4 Chartermarks or equivalent national standards such as Investors in People by 2012
 - Have a succession plan in place for all managerial and specialist roles across the Council (46 posts).

7. Excellent Customer Services And Satisfaction

7.1 Public expectations of councils are continuing to rise and there is an increasing emphasis on customer service. This is to ensure that all our residents and customers experience a consistently high level of personal service and competence when they interact with the Council and that where mistakes are made, they are rectified quickly and the lessons learnt. This includes ensuring that people can contact us and access our services in whatever way is most convenient for them whether by phone, email or face to face. Likewise, it requires the Council to be able to demonstrate its willingness to listen, respond to, and champion the views of its residents and customers. In achieving this success criteria, we would expect to secure high levels of customer satisfaction with our key services and an enhanced council reputation with local people.

7.2 Proposed Targets:

- Overall resident satisfaction with the Council increased from 48% to 53% by March 2009 with upward only increases annually thereafter to achieve resident satisfaction equivalent to that of the top quartile of district councils by 2012 (approx. 60%);
- 80% customer queries to be resolved at first point of contact;
- Fully Transactional web site in place enabling the Council to provide a 24/7 service for information, on-line payments and bookings.

8. Sustainable Finances

8.1 In order to ensure that the Council uses its limited resources wisely and prudently, it is essential that the Council has sustainable finances over the next 4 years and beyond – i.e. there is equilibrium between expenditure and revenue. As with all local authorities, inflationary pressures on the delivery of our services, such as increases in energy costs and Government imposed pension obligations, are not being matched by increases in Government grant. Furthermore, the Government has set each Council a target of achieving 3% cashable efficiency savings per annum in its Comprehensive Spending Review statement in October 2007. In achieving success under the criteria we would aim to have a robust four-year service development and financial plan that ensures the Councils key priorities are adequately resourced.

8.2 Proposed Targets:

- Achieve sustainable equilibrium between income and revenue expenditure by 2012 or before;
- Achieve sustainable capital position in order to fund agreed capital programme;
- Achieve year on year efficiency savings of 3%;
- Achieve an overall 4 out of 4 for our annual Use of Resources (Audit Commission judgement) by 2012.

9. Excellent Reputation

9.1 It is important that the Council has an excellent reputation with its residents and other key stakeholders. The Council has the leading role in shaping the long-term development of the district and the quality of life its resident's experience. The Council is best placed to achieve this if we have an excellent reputation. Similarly, our ability to attract good staff is at least partially dependant on our reputation at a regional and national level. In achieving success under the criteria, we would expect to be well thought of by our partner agencies, the Audit Commission, local businesses and bodies such as the Government Office for the South East, as well as local residents.

9.2 Proposed Targets:

- Achieve 5 national awards and/or national recognition by 2012 (e.g. finalists in 'Council of the Year');
- 2 town centre/ revitalisation schemes under construction within the District by 2012;
- Positive Direction of Travel statement in the Annual Audit and Inspection Letter.

9.3 To achieve the targets under the four success criteria, 10 cross-cutting programmes of work have been identified for the next 4 years. These are the key work areas Management Team would focus on and they are listed below (in no particular order):

- Achievement of best in class service performance in key service areas;
- Secure sustainable finances in the medium term;
- Improvement in resident satisfaction with the Council through more focused communications effort and improved customer service;
- Delivery of the required housing numbers across the District and the supporting infrastructure for them in a sustainable way;
- Being aware of our carbon footprint and further promoting more environmentally sustainable ways of working;
- Revitalisation of the 3 town centres and making best use of the Council's property assets through our Better Mid Sussex partnership;
- Provision of the Council's leisure services in the most efficient and cost effective way whilst also safeguarding the community outcomes required of the services;
- Effective Member/officer relations enabling the Council's ambitious agenda to be delivered;
- Improvement in management capacity and performance through talent management including succession planning and targeted recruitment;
- Provision of new fit for purpose council accommodation.

10. Council's Corporate Priorities for 2008/09

- 10.1 Best practice requires the Council's corporate priorities to be shaped by the District's Community Strategy. The purpose of the Community Strategy is to set out the key issues facing the long term future of the District and identify how the Council intends to work in partnership with the full range of public, private and voluntary sector organisations to tackle them.
- 10.2 The Local Strategic Partnership for Mid Sussex, chaired by the Leader, is currently refreshing the District's Community Strategy following the successful delivery of the existing one over the last three years. A consultation will soon commence on a draft document with a view to a final version being approved in the Summer of 2008.
- 10.3 It is expected that its key themes will continue to focus on:
- The Environment;
 - Community Safety;
 - Housing & Inclusion;
 - Lifestyle;
 - Health & Social Care;
 - The Economy.
- 10.4 Given this, it is not considered useful or necessary to amend the Council's corporate priorities until we have a new community strategy in place. Therefore the Council's corporate priorities for 2008/09 remain unchanged under the three themes of Better Lives, Better Environment and Better Services as follows:
- 10.4.1 Better Lives
- Healthy Lifestyles
 - Opportunities and quality of life for all
 - Strong, safe communities
- 10.4.2 Better Environment
- Quality and Sustainable Environment
 - Distinctive and sustainable towns and villages
- 10.4.3 Better Services
- Efficient and effective service
 - Strong community leadership
- 10.5 As previously mentioned, the 'success criteria' give emphasis to these corporate priorities. In this way, the service development and budget proposals set out in this document have been developed so as to deliver these corporate priorities. In section 2 of the report, it presents the 'success criteria' for each of the Council's services for the forthcoming year together with the corresponding commentary from each Head of Service. This commentary will set out for each division what they will be doing to improve performance, contribute to the Council's goals in 2008/9 and move towards the four-year vision for the business units.

11.0 Key Service Developments for 2008/09

11.1 Some of the key projects and developments we expect to achieve in 2008/09 under each corporate priority are set out in the table below:

Corporate Priority	SERVICE ENHANCEMENT/KEY PROJECTS for 2008/09
Better Lives	
Healthy Lifestyles	<ul style="list-style-type: none"> • Develop 7 MEND (Mind, Exercise and Nutrition) projects to tackle child obesity. • Continue improvements in leisure facilities and service to promote participation in exercise and healthy eating. • Publish the hygiene standards achieved by food premises in the district.
Opportunities and quality of life for all	<ul style="list-style-type: none"> • Achieve our 4 year target to deliver 330 affordable homes, with 20 affordable units in rural areas in 2008/09. • Continue to reduce homelessness with a 10% reduction in homelessness amongst 16/17 year olds. • Construct a Skate Park at Whiteman's Green, Cuckfield. • Build a new health centre at Sidney West site, Burgess Hill.
Strong, safe communities	<ul style="list-style-type: none"> • Further develop early intervention initiatives to prevent anti-social behaviour incidents happening wherever possible. • Develop use of community safety events such as Visible in Village to respond to community concerns. • Ensure young people are safe and feel safe by supporting youth outreach initiatives. • Reduce the impact upon the community of drugs and other substance misuse by providing appropriate support within the community.

Corporate Priority	SERVICE ENHANCEMENT/KEY PROJECTS for 2008/09
Better Environment	
Quality and Sustainable Environment	<ul style="list-style-type: none"> • Increase recycling and composting rate to 40% in 2008/09, with full implementation of the new domestic refuse and recycling services to 100% of the District and extension of the garden waste scheme from 8,200 to 10,000 properties. • Use enforcement powers in the Clean Neighbourhood Act to enhance the “street scene” and improve the local environment. • Improve the energy efficiency of council buildings as part of initiatives to reduce the council’s carbon footprint.
Distinctive and sustainable towns and villages	<ul style="list-style-type: none"> • Complete the public consultation on the Local Development Framework Core Strategy that will set a vision for the District in 2026. • Carry forward the Better Mid Sussex partnership to revitalise the town centres with implementation of the adopted masterplans through planning submissions. • Complete three Conservation Area Appraisals, apply for a national Green Apple Award and designation of a Local Nature Reserve at Bolnore Village.
Better Services	
Efficient and effective services	<ul style="list-style-type: none"> • Extend opportunities for electronic access to and on-line booking of Council services, including entertainment events and outdoor facilities. • Review the most efficient and cost effective way of providing the Council’s leisure services whilst achieving the community outcomes required. • Achieve further efficiency savings of £745,000.
Strong community leadership	<ul style="list-style-type: none"> • Continue to lobby for the best possible healthcare facilities for the District e.g. adequate hospital services at the Princess Royal Hospital. • Work with our neighbouring authorities and businesses to promote sustainable economic development within the Gatwick Diamond area. • Implement the ‘Sustainable Community Strategy’ with partner agencies.

12.0 Medium Term Financial Plan 2008-2012

12.1 In order to implement this service development plan, it is a legal requirement and good practice to develop a robust financial plan that covers the same four year period. This plan will show how the Council will:

- ensure its limited resources are focused on its key priorities;
- continue to reduce back office costs and support front line services;
- deal with the inflationary impact of rising costs that are beyond the Council's control;
- achieve the Government's efficiency savings target of 3% per annum; and
- keep Council Tax levels relatively low and demonstrate we are providing value for money services.

12.2 To achieve this, we have developed a four year financial projection, which is set out in Section 5. These projections take into account the Government's recent announcement of the three year local government settlement which confirmed that funding for authorities like Mid Sussex will remain very tight in future years. They also take into account a variety of other assumptions on issues such as inflation, procurement savings, changes to the Council's tax base, and the provision of additional pension contributions that are described fully in the financial section at the end of the document

12.3 The projected 'budget gap' or shortfall for 2008/09 was originally projected to be £990,000. This shortfall would increase to £1,235,000 by year four if no action was taken. These are significant amounts given that the Council has already:

- Secured significant efficiency savings from a wide range of services in recent years;
- Set many of its fees and charges at the highest levels at which the market can bear;
- Achieved healthy levels of procurement savings;
- Begun to explore opportunities for joint ventures where this is appropriate.

12.4 The Corporate Plan and Budget before Members presents proposals for 2008/09 that reduce the shortfall of £990,000 to zero. The text below sets out such proposals for approval by Members, and Section 5 sets out the revised financial projections assuming these proposals are agreed.

13. Key Features of the Proposed Budget for 2008/09

13.1 Service Changes

13.1.1 A range of service developments with financial implications for the Council in 2008/09 are in train or proposed:

- **Building Control**

Develop the business further by acquiring more partners (ie builders who use our services) to achieve income of at least £40k pa.

- **Corporate Improvement Division and the Communications team (part of the Organisational Development Division)**

Complete the re-shaping of the various teams within Corporate Improvement and Communications to ensure they are better able to help the Council meet the challenges new legislation will put on us while at the same time, ensuring we are effectively promoting the Council's services. This will produce savings of £50k pa.

- **Communication**

Achieve net savings of £30k pa through seeking additional advertising revenue and by reducing the number of editions of Mid Sussex Matters from four to three annually and reducing the size of the publication from 32 to 24 pages. The impact of the changes will be reviewed in 12 months time.

- **Legal Service**

Complete phase II of the restructure of the legal team in line with the efficiency review conducted earlier this year. This will produce savings of £40k pa.

- **Glass Recycling Service**

The success of the new recycling contract has substantially reduced the levels of use of the 'bring sites' for glass. This means that savings of £90k pa can be made by removing such glass sites where they are no longer needed, and a further saving of £90k pa can therefore be made because there is now no need to refurbish these facilities either. In addition, £100k pa will be saved as a result of not having to separate out the different types/colours of the recycled glass under the terms of the new contract. This produces a total anticipated saving of £280k pa.

- **Central Sussex Partnership (CENSUS)**

Complete the next stage of the development of our innovative CENSUS partnership with Adur and Horsham councils by bringing together the benefits and revenues services of the three councils. This will realise efficiency savings of £50k pa during 2008/09 while strengthening the performance of these services through improved management arrangements.

- **Housing Services**

Significant advances have been made in reducing homelessness and in the use of temporary accommodation, and in maximising income received where people are placed into temporary accommodation. In addition, opportunities to improve the likelihood of local people who present themselves as homeless being housed in the District rather than outside it are being explored with Downland Housing. If appropriate arrangements can be agreed, this could also lead to a net reduction in cost to the Council. This could produce a total saving of £50k pa.

- **Environmental Health – Pest Control**

Reshape aspects of the pest control service to make the most of business opportunities and deliver an enhanced service. This would involve recognising the seasonal nature of the work enabling our officers to undertake more wasp treatments in-house instead of paying a contractor to do them, and increasing the number of small businesses to whom we provide a pest control service. There is no proposal to charge for domestic rat treatments in this year's budget. This will produce a total anticipated saving of £20k pa.

- **Environmental Health – Licensing**

Abolish the licensing reserve, which was originally established to ensure the Council could meet its costs in this area. As the fee income achieved is in excess of the expenditure incurred in delivering the service, there is no need to make a payment into the reserve. This produces a total anticipated saving of £15k pa.

- **Community Leisure, Arts Development, Sustainability and Health & Sport Development**

This is a valuable service but one with a comparatively large area of discretionary spend which has not been subject to review recently. The existence of a number of vacancies at one time has also provided an opportunity to look at how the service might be best configured for the future. It has been identified that a saving of £53k pa could be made by not recruiting to one post in the team and rescheduling the timeframes of some of the community initiatives projects. As the County Council have withdrawn funding, the Bytes Café project has finished creating a saving of £17k pa. Similarly, £30k pa could be saved through a reduction in the entertainments budget for Clair and Martlets halls by concentrating on those events that have a history of attracting fee-paying crowds and by promoting use of the facilities by outside hirers. This produces a total anticipated saving of £100k pa.

13.2 Fees and Charges Income

13.2.1 Opportunities for maximising the Council's fees and other income are sought every year. However, there is little opportunity in this area as many of our fees and charges are already set at the highest levels the market will bear or the levels are prescribed by Government. Furthermore, like all other councils, our land charge income is being adversely affected by changing Government regulations. Specific proposals are put forward as follows:

- The Government's introduction of home information packs, the downturn in the housing market and increased competition from the commercial sector is having a major impact on the income being generated by our land charges service. It is necessary to reduce the annual income target for this service by a total of £160k.
- Leisure and related charges will be increased by an average of 3%.
- Realise an additional income to the Council of approximately £20k from the introduction of car washing franchises in appropriate council car parks.
- Increase the charge for participation in the green waste scheme from the current £35 per bin per annum to £40 per bin as it is felt this better reflects the value of the service and compares well with the charges set by other authorities. This would generate £50k of additional income. In addition, a report for future options for the green sack service for garden waste will be brought forward to Members.

13.3. Dolphin – Payback to Reserves

13.3.1 A change of policy is proposed for this item in the budget. The Service and Financial Planning Working Party agreed that the business plan behind the 2002 refurbishment of the Dolphin Centre has been mostly met in that the service has repaid some £1.3m of the original £2.3m investment. Given that less than half of the original investment was income generating, and the major part would now be termed 'repair and refurbishment', that level of repayment was regarded very positively.

13.3.2 Furthermore, the repayment was originally linked to the need to pay lump sums into the pension fund, but now that this was wholly managed within the revenue account, the repayment at former levels is no longer necessary, and can now be reduced to £100k for 2008/09 and beyond. This represents a significant reducing of the burden on the revenue budget.

13.4 Council Tax Levels

13.4.1 The original projections were based on a council tax increase of 2% next year and 2.5% for the three other years of the four year plan. However, the cross party working group noted that the latest inflation figure was 4.2% and was predicted to rise even higher. There was, therefore, recognition that a council tax increase of 4.5% would be realistic, generating additional income to the Council in the order of £188k in 2008/09. Members should note that the Government has stated that it will cap local authorities with excessive tax increases. In practice, this means that increases must be kept to below 5%. An increase in council tax of 4.5% on a Band D property would represent approximately an additional £6.03 pa or 12 pence per week.

13.5. Future Proposals

13.5.1 The proposals set out in the previous paragraphs focus on actions that could be taken to reduce the 2008/09 budget shortfall to zero in that year. However, it would also be prudent to explore options that would enable the residual shortfalls for years 2-4 of the four-year plan to be addressed. It is worth bringing two areas to Members attention in this report.

- **Leisure Management – Options Appraisal**

As mentioned earlier, one of the 10 key programmes of work identified in the service development plan is an options appraisal into the appropriate future management arrangements for the provision of the Council's leisure services. It is opportune to review this area as many local authorities have already taken advantage of opportunities to significantly reduce their National Non Domestic Rates costs by setting up alternative leisure management arrangements. It is also possible that such arrangements might enable a knock-on reduction in some central support costs. However, the Council will need to be assured that any alternative arrangement would safeguard the community benefits/outcomes that this service delivers at present. There are no financial implications for 2008/09, but in 2009/10 and beyond such savings, primarily in NNDR costs, could amount to as much as £600k pa.

- **Car Parking Fee Structure**

The area of car parking charges is also one that might benefit from a full review. Car parking already makes a valuable contribution to the Council's income. However, charges have not been increased since 2003 and, as a result, the contribution has declined in real terms by 3% (approximately £48k pa). Again there are no financial implications for 2008/09 but preliminary work has suggested this might generate additional income in the order of £150k pa in 2009/10 and beyond.

13.6 Capital Programme for 2008/09

13.6.1 The capital projects that have come forward for 2008/09 and beyond include a mixture of new ICT infrastructure projects, those projects that are housing related and to which a public commitment has been made, and the next tranche of Major Capital Renewal projects. The justification proformas for these new projects along with the overall capital strategy are included within Section 3.

14. Summary of Revenue Spending for 2008/09

Table 1 : Summary of Revenue Spending 2008/09	
	<i>£'000</i>
Service Net Expenditure (excl Capital Charges and Specific Items*)	14,609
Balance Unallocated	50
	<hr/>
Council net expenditure	14,659
Procurement Savings	(133)
Better Mid Sussex Capitalised salaries	(306)
	<hr/>
Revenue Spending	14,220
Payback to reserves (re Dolphin)	100
Contribution to Repairs & Renewals Reserve	250
	<hr/>
Budget Requirement before use of interest	14,570
Use of interest to meet contribution to Repairs and Renewals Reserve	(250)
	<hr/>
Budget Requirement after use of interest	14,320
Formula Grant :	
Business Rates (from the Pool)	(5,621)
Revenue Support Grant	(782)
Collection Fund deficit	40
	<hr/>
Income from council tax	<u><u>(7,956)</u></u>

14.1.1 Section 1 overleaf sets out more detailed information relating to the financial impact of this report.

FINANCIAL BACKGROUND

1. REVENUE BUDGET

1.1 Introduction

- 1.1.1 This section of the report describes the calculation of the budget to support day to day spending and Cabinet's recommendation for council tax for 2008/09, together with an outline of the key issues in constructing the budget for 2008/09.

1.2 Draft Budget

- 1.2.1 A draft budget was published for consultation during December 2007 which set out the forecast budget position for 2008/09. The key features of the draft are as described below.

1.3 Net General Inflation

- 1.3.1 Inflation is the extent to which the base budget should be increased to account for normal price increases in both expenditure and income. A detailed examination of inflation estimated to be required for 2008/09 amounts to £427,000. Details of the inflation rate to be applied to each element of the budget is set out in Section 5 of this report.

1.4 Efficiency Savings

- 1.4.1 The authority's record for efficiency savings is extremely good and it has generally achieved the targets set each year whilst greatly exceeding the mandatory targets set by the Government.
- 1.4.2 2008/09 will be no exception and the target to be reached to achieve a balanced budget totals £745k across a wide range of services. These are set out in the individual service pages in Section 2 but can be summarised in table 1 below:

Table 1: Efficiency Savings Draft Budget 2008/09

<i>Description</i>	<i>£'000</i>	<i>Original Estimate 2008/09 £'000</i>
Changes to services		
Mid Sussex Matters / tourism & corporate marketing	30	
Recycling - glass collection at bring sites	90	
Recycling - improvements to bring sites	90	
Community Leisure	100	310
Restructure		
Legal	40	
Benefits - CENSUS	50	
Democratic, partnerships, communications	50	
Building Control - joint venture with Horsham & Crawley	40	
Homelessness & Housing Enabling	50	230
Efficiencies		
Recycling - contract savings from co-mingled glass	100	
Environmental Health - licensing	15	115
Income generating		
Environmental Health - pest control including wasps,	20	
Car washing franchises	20	
Recycling – green waste increase in fees	50	90
Total recommended efficiency savings for 2008/09		745

1.5 Pensions

- 1.5.1 The results of the 2007 triennial valuation of the West Sussex County Council pension fund have just been passed to the constituent authorities. The headline position is that the deficit for this Council has reduced slightly to £13.1m from the previous figure of £13.6m. The effect on the employer's contribution would therefore be relatively unchanged had Mid Sussex been paying the full actuarial rate.
- 1.5.2 However, the arrangement for the last six years has been to make lump sum payments of £400k per annum into the fund on top of the employer's contribution, which has enabled a reduction in contribution from that which would otherwise be payable. The effect of this has been to use reserves whilst reducing the pressure on revenue spending.
- 1.5.3 The proposal now is to charge the full costs of the ongoing pension contributions plus those for the deficit, totalling 22.6% to the revenue budget and there are no further payments, as top-ups, to be made from reserves.
- 1.5.4 Since this is a complex area with many actuarial assumptions, Members are invited to seek further detailed information on the Council's position from the Head of Finance if required.

1.6 Repairs and Renewals Reserve

- 1.6.1 Regular contributions are being made to the Repairs and Renewals reserve and the proposals in this report are to maintain annual contributions at £250k. These contributions are recommended to be financed from interest on cash balances which have increased due to interest rates rising as a result of the 'credit crunch' and slippage on the Capital Programme leading to more monies able to be invested on the market.

1.7 Procurement

- 1.7.1 The 2007/08 budget included a specific item in respect of procurement savings. Officers committed to reducing the costs of providing services across a number of areas and these savings were built in to service budgets.
- 1.7.2 The same approach will again be followed for 2008/09 and the overall target will be £75k plus any savings not achieved in 2007/08.
- 1.7.3 This approach is, again, totally consistent with the policy adopted by the Council towards Gershon savings. In a full year it is expected that a net figure of £133k can be realised in this way; that is, after subtracting the costs of employing the Procurement Officer split between Mid Sussex, Horsham and Crawley councils.

1.8 'Better Mid Sussex' Project

- 1.8.1 The budget includes the capitalisation of Officer salaries in the amount of £306,000 arising from the Town Centre revitalisation project. The effect of this is to reduce the revenue budget and move the cost to the Capital Programme. This is consistent with the accounting practice of the last three years and will continue whilst the project itself continues.

1.9 Other Items

1.9.1 *Balance Unallocated*

This is the amount which acts as flexibility in managing the budget during the year. Due to a slightly better than expected government funding figure, a relatively modest sum of £50k can be retained for this purpose.

1.9.2 *Benefits*

This is the net balance arising from delivering the Benefits service on behalf of the government. The Benefits subsidy system was changed in 2004/05 such that 100% of Benefits expenditure is reimbursed. However, there still remain certain incentives for performance on recovery of overpayments, the effect of which are that the Council has a net income arising from these changes even after losing £23k of grant as part of the Department of Work and Pensions 'efficiency savings'.

1.9.3 *Planning Delivery Grant (PDG)*

Last year's report declared that 'this grant has been a most useful support over the past few years, but it is now on the decrease and is soon to be phased out' This was achieved in the 2007/08 budget and again, no use of PDG is assumed in the 2008/09 revenue budget. In the event that PDG or similar is received this will form the basis of a report to Council in a similar way to previous years.

1.9.4 *Local Authority Business Growth Incentive Scheme*

This was a government scheme designed to reward business growth within local government, as measured by the increase in non-domestic rateable values within an area. It has now been phased out and there is no scheme or associated financing in the 2008/09 budget.

1.10 **Local Authority Finance Settlement 2008/09**

1.10.1 The Final Settlement was laid in Parliament on 24th January 2008 and resulted in a 1% or £129k increase in Formula Grant in cash terms. This was slightly better than expected and has enabled the incorporation of a balance unallocated of £50,000, the increase in External Audit fees just notified of £15,000 and the restart of a Planning Policy reserve payment of £64,000 per annum.

1.10.2 The settlement was also announced for 2009/10 and 2010/11. These are at the 'floor' for district councils with increases of merely 0.5% per annum.

1.11 **Concessionary Fares**

1.11.1 It is projected that the cost of reimbursement to bus operators as part of the new National bus pass scheme in 2008/9 will rise to £750,000 but will be offset by approximately £271,000 additional special grant provided by the Treasury. The majority of this cost is statutory, with only £15,000 directly attributed to the Council's discretionary elements of the scheme (ie a 9am start and provision of companion cards.)

1.11.2 The Council has also been notified of the amounts to be received for 2009/10 and 2010/11. These are for £277,000 and £285,000 and it is expected that these will cover the full costs of the national scheme in those years.

1.12 **Costing The Establishment**

1.12.1 As part of the ongoing agenda to drive down costs, there is a change in this year to the method by which service divisions are allocated salary costs. In previous years, divisions have been given the full cost of their establishment together with the total cost of one salary increment for each member of staff (who is not at top of scale), plus the annual inflationary increase.

1.12.2 For 2008/09 and future years, a turnover provision is being inserted, the effect of which is that service managers will only receive approximately 99% of the funding previously received. Given that turnover of staff has varied between 15% and 20% over the last few years, such a reduction in funding should be easily manageable by keeping vacant posts open, reducing advertising spend or by negotiating harder when appointing new starters.

1.13 Budget Requirement and Council Tax

1.13.1 Cabinet considered the overall position for 2008/09 on 4th February 2008 and recommended a council tax increase of 4.5%, a band D of £140.94.

2. OVERVIEW OF THE REVENUE BUDGET 2008/09

2.1 An overall view of the budget for 2008/09 is shown in table 2 below, and detailed in Section 2.

	<i>£'000</i>
Service Net Expenditure (excl Capital Charges and Specific Items*)	14,609
Balance Unallocated	50
	<hr/>
Council net expenditure	14,659
Procurement Savings	(133)
Better Mid Sussex Capitalised salaries	(306)
	<hr/>
Revenue Spending	14,220
Payback to reserves (re Dolphin)	100
Contribution to Repairs & Renewals Reserve	250
	<hr/>
Budget Requirement before use of interest	14,570
Use of interest to meet contribution to Repairs and Renewals Reserve	(250)
	<hr/>
Budget Requirement after use of interest	14,320
Formula Grant :	
Business Rates (from the Pool)	(5,621)
Revenue Support Grant	(782)
Collection Fund deficit	40
	<hr/>
Income from council tax	<u><u>(7,956)</u></u>

* Refer to glossary for definitions

NB. Figures shown to nearest £'000 therefore subject rounding variations

3. CAPITAL SPENDING

- 3.1 A list of projects proposed for 2008/09 which will contribute to achieving the Corporate Plan are detailed in Section 3 of this report. In summary, the main allocations are set out below:

	£'000	£'000
Non-Housing Projects		
Allocated for major Capital Renewals	600	
Other new projects	1,057	
		<hr/>
Housing		1,657
Housing Renewal Assistance	650	
Unallocated Funding – Affordable Housing	500	
		<hr/>
		1,150
		<hr/>
Total programme for 2008/09		2,807
		<hr/> <hr/>

- 3.2 Table 4 below shows how the proposed programme will be financed.

<i>Description</i>	£'000
Capital Grants (re. Housing renewal assistance- 50% financed from central govt)	325
Section 106 monies for Affordable Housing	500
S106s / 2007/08 Capital Receipts	1,000
Contrib from third party / PDG / DEFRA / Big Lottery Fund	58
Use of interest	924
	<hr/>
Total Capital Spending 2008/09	2,807
	<hr/> <hr/>

- 3.3 The current Capital Programme is shown in Section 3 and includes the items above.

4. INDICATORS UNDER THE PRUDENTIAL CODE

4.1 A fundamental principle of the Prudential Regime is that it is for the Council itself to decide the best means for undertaking capital investment and the investment of its cash assets. To assist local authorities in this and to ensure transparency and accountability to the wider community, the Code requires the calculation and publication of indicators. These indicators show that the Council has remained within its own boundaries of prudence in undertaking capital investment and its treasury management. The indicators are not for comparison between local authorities.

4.2 The code requires a calculation of the indicators for the next financial year and at least the two following years, based on reasonable estimates. After the year-end, the actual figures need to be shown. All indicators are to be monitored throughout the year.

4.3 The categories for indicators are:

a) Capital Expenditure

The Council, when preparing its future capital investment plans, is required to consider how the expenditure is to be financed, and whether that finance is sustainable and affordable.

b) Treasury Management

The Council has adopted the key recommendations of CIPFA's Treasury Management in the Public Services. In accordance with the Treasury Management Policy document, the Council's authorised overall borrowing limit is £5m, and applies to periods of less than one year. This is to cover temporary cash flow shortages arising from day to day operations. The authorised borrowing limit is reviewed each year (see Treasury Management – Section 8).

The Prudential Code indicators for Treasury Management relate to the key risk areas in respect of changes to fixed and variable rates. The Treasury Management Practice (TMP1) - Treasury Risk Management refers to 'Interest rate risk management', and states that 'where considered appropriate, deposits will be placed on the basis of a fixed interest rate throughout the term. Interest earnings on such deposits will, therefore, not be subject to fluctuations in interest rates.' It is proposed that the indicator is set so that a maximum of 95% of lending is at fixed rates and a maximum of 25% is at variable rates.

The Council has also opted to invest for terms in excess of 364 days. Again, this is in accordance with existing practice. At any one time, the maximum level of this investment is not expected to exceed 20% of the average sum available in any year.

4.4 The indicators are shown in Section 3.

5. RESERVES & OTHER BALANCES AND TREASURY MANAGEMENT

- 5.1 Estimated reserves and other balances for the current year (2007/08) and 2008/09 are summarised in table 5 below and are detailed more fully in Section 4.

	2007/08		2008/09	
	<i>Revenue/ Unapplied grants £'000</i>	<i>Capital £'000</i>	<i>Revenue/ Unapplied grants £'000</i>	<i>Capital £'000</i>
Balances at 1st April	7,014	387	6,076	1,490
Additions during the year	5,833	1,616	2,933	2,682
Less proposed utilisation	(6,771)	(513)	(3,193)	(1,000)
Estimated balances at 31 st March	6,076	1,490	5,816	3,172

- 5.2 The management of the Council's cash balances (which include the effect of cash flow and Collection Fund transactions) is carried out within the framework of the Treasury Management Policy, which adheres to the CIPFA Code of Practice. This Code requires the Head of Finance to report on the strategy for the coming year. The proposed strategy is detailed in Section 8 together with the borrowing limits required to be approved by the Prudential Code under the Local Government Act 2003.

6. MEDIUM TERM FINANCIAL PLAN

- 6.1 The Medium Term Financial Plan supports the Financial Strategy and projects spending and income for the period to 2011/12 based on current assumptions. The Plan also indicates the Council's cash balances at the end of each year. A summary is shown at Section 5. The plan is important in understanding the future effects of current decisions and included in the statement are projected council tax levels. Whilst it has been the practice for a number of years to include projected council tax increases, this practice now also enables compliance with the Prudential Regime.
- 6.2 The expenditure and income projections in the Medium Term Financial Plan are based on likely commitments apparent at the present time. It is important to note that they do not dictate the estimate for any particular year. Their purpose is to provide a view of the Council's likely financial position for the period of the plan. The figures making up the plan will need to be analysed further and approved when the annual budget for each year is prepared.
- 6.3 Similarly the council tax figures are purely indications of increases for each year. They are not intended to show the amounts that will be approved. That will be for the Council to decide in relation to the circumstances and budget decisions for the particular year.

7. COUNCIL TAX AND COLLECTION FUND

- 7.1 The Council, as billing authority, collects council tax and business rates in the district, accounting for these transactions through the Collection Fund. The estimated balance on the Collection Fund for the year 2007/08 which must be taken into account in calculating council taxes for the district for 2007/08 is £293,000 (deficit) which is shared between Mid Sussex and the other precepting authorities. The Mid Sussex share is £39,593 and this amount has been taken into account in the recommendation to Council to increase council tax by 4.5%.
- 7.2 Notification has now been received of the increases by the other precepting authorities and the average band D council tax for Mid Sussex is shown in table 6 below.

	£	Change from 2007/08
Mid Sussex District Council	140.94	+4.5%
Parish/Town Councils	50.98	+5.3%
	191.92	+4.7%
West Sussex County Council	1,098.00	+4.5%
Sussex Police Authority	128.70	+4.9%
	<u>1,418.62</u>	+4.5%

- 7.3 The actual band D council taxes range from £1,371.24 to £1,470.99 depending on the parish, which translate into increases between -10.2% and 70.4%.
- 7.4 The Collection Fund estimate and details of the council tax calculations are contained in sections 6 and 7.

8. S25 LOCAL GOVERNMENT ACT 2003 AND RISK ANALYSIS

8.1 S25 Local Government Act 2003

- 8.1.1 Section 25 of the Local Government Act 2003 requires that:

"the chief finance officer of the authority must report to it on the following matters-
(a) the robustness of the estimates made for the purposes of the calculations,
and
(b) the adequacy of the proposed financial reserves."

- 8.1.2 The annual budget is compiled in the context of the Corporate Plan, the Financial Strategy and the Medium Term Financial Plan. It provides the means whereby each service plan can be adequately financed to achieve the relevant part of the Corporate Plan. The recommendations for the budget for 2008/09 ensure that the net budget can be financed from council tax income, Formula Grant and limited and defined use of reserves. This budget has been compiled in close consultation and agreement with the Chief Executive, the Deputy Chief Executive and the Heads of Service. The estimates have been evidenced in detailed working papers, which were compiled jointly between the staff of the Accountancy Services Section and each Head of Service. The Head of Finance or his representative has also met with each Head of Service to ensure their detailed budget is well understood. This process has ensured that the implications of the estimates included in the budget are owned and are considered realistic and achievable by each Head of Service.
- 8.1.3 There are risks associated with any estimate and the main risks are explained below. The budget monitoring process updates both officers and Members on the current and forecast position at frequent intervals. If this process exposes areas of concern, action will be taken to minimise the possibility of a significant variation. This process has been evidenced during 2007/08 where Budget Management reports have continually adjusted the budget to ensure spending remains broadly on target.
- 8.1.4 The total of the council's reserves and cash balances at 1st April 2008 are estimated to be £7,566,000 and at 1st April 2009 £8,988,000. The financial strategy includes that the target for the minimum level of total reserves is £1,500,000. The estimated positions at the start and end of the year demonstrate that this minimum level will be maintained. The projections for reserves also include capital expenditure commitments and other commitments (included in the specific reserve). This level of reserves is considered adequate for managing the council's existing commitments but it does not allow the council the scope to invest substantially in new capital projects.

9.2 Risk Analysis

- 9.2.1 The annual budget is the plan of how the Council will manage its finances in the next year. Approving the budget is the first step in managing the financial risks in the following year. However, in approving the budget there are a number of key high level risks that need to be acknowledged.

Inflation

- 9.2.2 It is necessary to reflect in a budget the realistic probability that prices will increase. Clearly, this cannot be calculated accurately in advance and there is therefore a risk that prices will vary from the estimate. However, inflation in recent years has been relatively stable which reduces this risk. The main difference between the budget for 2008/09 and previous years is the uncertainty around the annual pay settlement for staff. Within this budget a pay increase of 2.0% has been assumed, which is in line with the aspirations of the Treasury but below that of the staff negotiating bodies. This represents a risk to the budget but will need managing in the event of a higher pay settlement.

Service Savings And Enhanced Income

- 9.2.3 These are net savings arising from the budget preparation process. Some are budget reductions whilst some relate to increased income. These latter carry similar risks to those outlined below in relation to income. Assumptions have been made at the point the budget was prepared based on information currently to hand and there is always a risk that these assumptions do not hold true. However, again, senior management accept that these projections need to be managed in-year. Every effort will be made to identify opportunities to make further net savings in the year to accommodate any shortfall and to be used to offset further budget pressures that may arise.

Efficiency Savings

- 9.2.4 A significant proportion of the savings within the 2008/09 budget relate to these items. As part of the budget process, each delivery plan has been tested and is the subject of a step by step action plan with alternative options for making the savings. Senior Management are therefore satisfied that the risks of not delivering the savings are minimal.

Better Mid Sussex Project

- 9.2.5 There are no new risks associated with this transaction beyond those described in the 2007/08 budget report. The greatest risk remains that of over-estimating the Officer time spent on the project and thereby under-capitalising the costs from revenue to capital. In the event that actual employee costs incurred in the year do not amount to budgeted capitalisation, the difference will need to be met from elsewhere in the revenue budget or by a transfer from the General Reserve. This is reviewed as part of regular budget management reports.

Other Expenditure Budgets

- 9.2.6 Most expenditure budgets can be effectively controlled by management. The experience of controlling the 2007/08 budget is that it is most effective when the budget is considered as a whole, rather than a series of independent service budgets, where the Chief Executive, the Deputy Chief Executive and the Heads of Service as a group own the need to aim for a nil overspend. This approach will be used and further developed in 2008/09, in which a proactive and robust finance function can be expected to ensure delivery of financial targets.
- 9.2.7 The more difficult areas are those that are demand led and an on-going concern is Housing Benefits. There can be no certainty as to the level of take up in the year. However, the risk of an adverse variation is minimised by basing projections on trends, and in that regard, it is not felt that there are any significant risks to the authority inherent in the budget forecast and the budget has been prepared to show a neutral effect; i.e no significant variation from the 2007/08 estimates.

Income Budgets

- 9.2.8 The budget requirement includes income from fees and charges which are inherently demand led. There is a risk, therefore, that budgeted income levels will not be achieved; conversely, they could be exceeded. For 2008/09 prudent assumptions have been made, particularly around areas such as land charges income. The budget monitoring process during the year aims to continuously track variations to ensure compensatory adjustments are made elsewhere. In addition, the risk of major variations has been reduced by amending base budgets in the light of the experience in previous years.

Capital Programme

- 9.2.9 All the existing projects in the Programme are supported by existing or projected funding and reserves. There is no reliance on capital receipts being received in the year in which they are used for financing the programme.

10. LEGAL IMPLICATIONS

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 and the budget requirement. This report is instrumental in achieving this requirement.

11. LOCAL AUTHORITY FINANCE SETTLEMENT 2008/09

- 11.1 As mentioned in section 1.10 above, the Final Settlement was announced on 24th January 2008, which gave an increase of 1.0%, the minimum guaranteed increase over the adjusted grant for 2007/08.

Settlement 2008/09		
	2007/08 £'000	Final 2008/09 £'000
Formula Grant:		
Business Rates	5,372	5,621
Revenue Support Grant	902	782
	<hr/>	<hr/>
Total Formula Grant	6,274	6,403

- 11.2 Under the new system introduced by the government in 2006/07, the distribution of Formula Grant is determined wholly by the result of four blocks: a Relative Needs Formulae, a Relative Resource Amount, a Central Allocation and a Scheme for Floor Damping. These elements taken together determine the level of grant receivable and retain many of the features of the old Formula Spending Share (FSS) system.
- 11.3 The first element, Relative Needs formula, takes into account the population, social structure and other characteristics of each authority. The formulae are designed to reflect the relative needs of individual authorities and the factors that affect local costs, for example, deprivation and area costs, in the same way as the FSS system did. This is not intended to measure the actual amount needed to provide local services.
- 11.4 The second part – Relative Resource Amount, takes account of the ability to raise income locally through the tax-base in the council's area. Councils that can raise more income require less support from the Government.
- 11.5 The third part – a Central Allocation, is shared out on a per head basis.
- 11.6 The final element – Floor damping remains the same as in the previous grant distribution system. The Government ensures that each council has a reasonable grant increase year-on-year. For 2008/09 shire districts were guaranteed an increase of 1.0% (for 2007/08 the guaranteed increase was 2.7%) over the adjusted settlement for the previous year.

11.7 When these elements are added together, they are compared against the population of a group of councils who provide similar services. A minimum amount is agreed for these councils, and then the amount over the minimum is shared out in proportion to the total amount that the Secretary of State has agreed to distribute.

11.8 The Formula Grant for the Council for 2008/09 is £6,403,456.

An analysis of how the Formula Grant is determined is included in the annex at the end of this section of the report.

11.9 Non-Domestic Rates

The proposed Non-Domestic rate poundage is:

Small properties: 45.8p an increase of 3.85% from 44.1p in 2007/08

Standard properties: 46.2p an increase of 4.0% from 44.4p in 2007/08

Note: More detailed information is available on the Communities and Local Government website:

<http://www.local.communities.gov.uk/finance/0809/grant.htm>

Mid Sussex District Council

Annex

Calculation of Formula Grant 2008-09 - final

	Amount/Formula	Factor/ Value	Value or Top-Up	Population	Base	ACA	Sub total	Scaling adjustment	Total
Resident Population	127,952	£12.0610	£1,543,229	127,952	1,543,229	0	1,543,229	1.00	1,543,256
Population Density	3.2540	£0.9149	£2.977048004	127,952	380,919	0	380,919	1.00	380,920
Population Sparsity	0.2145	£6.5321	£1.40113545	127,952	179,278	0	179,278	1.00	179,279
					2,103,426	0	2,103,426	3	2,103,455
Net In-Commuters	0	£4.87	£0.0000						
Day Visitors	4,630.136986	£4.13	£19,125.2438		19,125	0	19,125	1.00	19,126
Deprivation -									
Incapacity Benefits & Severe Disablement	2,722	£39.11	£106,447.3486						
Income Support/Income-based Job Seeker's Allowance Claimants	4,709	£26.44	£124,494.1875						
Elderly on Income Support/Income-based Job Seeker's Allowance	2,510	£39.11	£98,156.8130						
Unemployment Related Benefit Claimants	647	£26.44	£17,105.0625						
Country of Birth residents	4,917	£3.56	£17,527.3469		363,731	0	363,731	1.00	363,732
Total Basic EPCS					2,486,282	0	2,486,282	5	2,486,313
Fixed Costs					325,000		325,000	0.149	50,769
Flood defence	120,100				0		0	0	17,860
Total EPCS					2,811,282	0	2,811,282	5	2,554,942
Capital Financing									
Debt Charges									
Debt I	7,960,291	0.020	-159,205.82						
	7,960,291	0.040	318,411.64						
	7,801,085	0.055	429,059.69						
			747,471.33		747,471		747,471	0	119,591
Total Capital Financing					747,471		747,471	0	119,591
Total					3,558,754	0	3,558,754	5	2,674,534
Reduction									-1,181,391
MSDC Share of total DCLG Formula Grant correlated to the measure of relative need									1,493,143
Relative Resource Amount Based on the ability to raise income, as reflected by the taxbase and population.									-5,457,882
Central Allocation									9,112,079
Floor Damping									1,256,116
Total Formula Grant for 2008/09									6,403,456
RSG for 2008/09									782,485
NNDR for 2008/09									5,620,971

THE CORPORATE PLAN AND BUDGET REPORT 2008/09

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SUMMARY OF REVENUE BUDGET 2008/09

A summary of the Budget is shown in table 1 which is the total of all net revenue expenditure for the services the Council provides. Column 1 of this table summarises that part of revenue expenditure which is financed by general grant and income from council tax. Figures contained within this section are displayed to the nearest thousand pounds. Consequently, the sum of individual figures may not necessarily agree with the totals displayed.

Table 1 **Budget 2008 / 09 Summary**

Notes	Budget 2008/09 £'000	Original Budget 2007/08 £'000
1 Service Net Expenditure	14,659	14,447
Procurement Savings	(133)	(107)
LABGI		(90)
Better Mid Sussex Capitalised Salaries	(306)	(300)
Service Efficiencies		(265)
Service Reviews		(60)
Revenue Spending	14,220	13,625
Pay back to reserve (Dolphin)	100	200
Contribution to Repairs & Renewals Reserve	250	280
2 Budget Requirement before use of interest	14,570	14,105
Use of interest to meet contribution to Repairs & Renewals Reserve	(250)	(280)
3 Budget Requirement after use of interest	14,320	13,825
4 Capital Charges	2,347	2,224
5 Specific Items	334	758

Notes :

1. The total of net expenditure which is the responsibility of the individual Heads of Service.
2. Total of net expenditure to be financed mainly from external support, interest and income from council tax.
3. The Budget Requirement consequent on a 4.5% increase in council tax.
4. Capital charges represent the use of capital assets and, by including in the cost of running services, aim to show their true cost. However, because they are a notional cost and are not cash expenditure, they are not included within the Budget Requirement.
5. Specific Items are one-off items of revenue expenditure financed from reserves and hence not included within the Budget Requirement.

SERVICE BUDGETS

1. Budgets for 2008/09 for each Division are shown on the next pages. There is a section for each Division containing an introduction by the Head of Service, their summary service plan for 2008/09 and a budget summary including analyses by type of spending. The summary shows data for 2006/07 outturn, original budget 2007/08 and budget 2008/09. Also included are figures to show the amount and percentage change between 2007/08 and 2008/09. (Note that the signs for % increases and decreases are the same for both expenditure and income i.e. increases in expenditure and income are both shown as "+".)

2. *Definitions:*

Employee costs:

- Gross pay
- Employer's NI and superannuation contributions
- Training expenses
- Employee related insurances
- Recruitment costs
- Medical/ general costs

Premises related expenditure:

- Repairs and maintenance
- Energy costs
- Rental of premises
- Non-domestic Rates
- Water/sewerage
- Fixture and fittings
- Cleaning and domestic supplies
- Premises insurance

Transport related expenditure:

- Vehicle maintenance/running expenses
- Vehicle leasing expenses
- Car allowances
- Vehicle insurance
- Other travel costs

Supplies and services:

- Furniture and equipment
- Materials
- Catering costs
- Uniform and laundry expenses
- Printing and stationery
- Marketing/publicity
- Legal and financial expenses
- Consultant fees
- Licences
- Postage, telephones and communications
- Computer costs
- Expenses
- Grants and subscriptions
- Miscellaneous expenses

Third party payments

Private contractor payments.

Transfer Payments

- Homelessness
- Funeral costs
- Discretionary non-domestic rate relief
- Housing benefits

Support Services

Service support recharges are directorate costs recharged to services within that directorate.

Central support recharges

- Chief Executive support
- Finance support
- Legal and Admin support
- Personnel support
- Corporate Services support

Office accommodation recharges

Computer recharges

Income

- Fees and charges
- Rents
- Specific government grants
- Other grants/reimbursements and contributions
- Recharges to other directorates and services.

**Revenue Budget 2008/09
Summary**

Actual 2006/07 £'000		Budget 2008/09 £'000	Budget 2007/08 £'000	Change From 2007/08 £'000	%
1,278	Community Services	0	0	0	
1,261	Environment	0	0	0	
1,288	Corporate Improvement	1,364	1,490	(126)	(8%)
365	Financial Services - Finance	348	422	(74)	(18%)
(280)	Financial Services - I C T	(449)	(451)	2	(0%)
1,458	Financial Services - Revenues and Benefits	1,362	1,191	171	14%
799	Housing Env Health Bdg Control	1,877	2,057	(180)	(9%)
(1,217)	Legal Services	(1,124)	(1,368)	244	(18%)
2,267	Leisure and Environment - Leisure	3,836	3,619	217	6%
0	Leisure & Environment - Development Control	857	820	37	5%
3,893	Leisure & Environment - Outdoor Business	4,075	4,437	(362)	(8%)
11	Organisational Development	52	33	20	60%
618	Planning Policy	948	814	134	16%
1,747	Strategic Core	1,714	1,591	123	8%
(257)	Benefits	(264)	(264)	0	
12	Drainage Levies	13	12	1	8%
0	Balance Unallocated	50	44	6	14%
13,244	Net Expenditure	14,659	14,447	212	
0	Procurement Savings	(133)	(107)	(26)	24%
(213)	LABGI	0	(90)	90	(100%)
(50)	Additional Planning Delivery Grant	0	0	0	
0	Better Mid Sussex Capitalised Salaries	(306)	(300)	(6)	2%
0	Service Efficiencies	0	(265)	265	(100%)
0	Service Reviews	0	(60)	60	(100%)
12,981	Revenue Spending	14,220	13,625	595	
0	Payback to Reserves	100	200	(100)	(50%)
257	Contribution to Repairs & Renewals Reserve	250	280	(30)	(11%)
13,238	Budget Requirement before use of interest	14,570	14,105	465	
(257)	Use of interest to meet contribution to Repairs & Renewals Reserve	(250)	(280)	30	(100%)
12,981	Budget Requirement after use of interest	14,320	13,825	495	

REVENUE BUDGET 2008/09 SUMMARY

Details of Specific Items per Service Area	Budget 2008/09 £'000	Original Budget 2007/08 £'000
Corporate Improvement	0	80
Financial Services - Finance	124	573
Legal Services	0	10
Leisure & Environment - Leisure	107	0
Organisational Development	5	10
Planning Policy	58	85
Benefits	40	0
	334	758

Details of Capital Charges per Service Area	Budget 2008/09 £'000	Original Estimate 2007/08 £'000
Financial Services - Corporate Systems	449	406
Legal Services	86	119
Leisure & Environment - DC	9	3
Leisure & Environment - Leisure	1264	1232
Leisure & Environment - Outdoor	535	464
Planning Policy	4	0
	2347	2224

Summary Revenue Budget 2008/09

Actual 2006/07 £'000		Budget 2008/09 £'000	Budget 2007/08 £'000	Change From 2007/08 £'000	%
Gross Expenditure					
15,280	Employees	16,019	15,552	467	3%
4,882	Premises Related Expenditure	5,080	5,030	51	1%
444	Transport Related Expenditure	464	466	(2)	(0%)
5,187	Supplies and Services	4,984	5,114	(130)	(3%)
3,887	Third Party Payments	4,535	4,239	296	7%
24,281	Transfer Payments	24,987	24,963	23	0%
5,861	Support Services	5,943	5,601	342	6%
<u>59,822</u>		<u>62,012</u>	<u>60,966</u>	<u>1,046</u>	<u>2%</u>
Gross Income					
(11,839)	Fees and Charges	(12,108)	(12,024)	(83)	1%
(1,564)	Rents	(1,445)	(1,439)	(6)	0%
(26,291)	Grant Income	(26,998)	(26,703)	(295)	1%
(6,885)	Recharges	(6,802)	(6,352)	(450)	7%
<u>(46,578)</u>		<u>(47,353)</u>	<u>(46,518)</u>	<u>(835)</u>	<u>2%</u>
<u>13,244</u>	Revenue Budget Net Expenditure	<u>14,659</u>	<u>14,447</u>	212	

CORPORATE IMPROVEMENT DIVISION

Head of Service: Richard Hodson

Reference to service in the 4 years Service Development Plan.

Service	Direction of Travel	Joint Service Delivery
Democracy and Partnerships Priority: C	Net cost reduced by £50k in 2008/09, step change in engagement with partners, step change in managing organisational performance by March 2008 and maintained thereafter.	Yes, with other councils for some services

The Corporate Improvement Division works closely with Members, Management Team, the Audit Commission and other partner organisations to ensure the Council achieves its corporate objectives and is focused on the key concerns of local people. Although the Division's workload is wide-ranging and varied, there are seven key areas of focus during 2008/09. To support this, and as mentioned at the beginning of this report, the Division is being re-structured into two business units that will also include the communications team currently lying within the Organisational Development Division.

Service and Budget Planning

The Division works with Management Team and Members to lead on service and budget planning and our approach of producing both the budget and Corporate Plan together is recognised as best practice. During 2007 we worked with the newly created Business Unit Leaders to support them in the development of their success criteria, which has shaped the production of this Corporate Plan.

We have also commenced the development of a four-year service delivery plan, which will provide clarity and direction as to the Council's longer term financial and service planning.

Effective service and budget planning sets the framework for improving scores under the Audit Commission's Use of Resources judgements and the Division will ensure that our arrangements reflect the themes outlined in the 2007 Local Government and Public Involvement in Health Act to ensure our arrangements continue to be of a high quality.

Performance Improvement

During 2007/08 the Division worked with Management Team and Performance and Scrutiny Committee to introduce more rigorous challenge of performance, which enabled the organisation to better identify where specific support was required in improving performance levels. This renewed focus has helped key Council services to improve significantly.

During 2008/09 we will continue to support Management Team and the Business Unit Leaders to further improve our performance levels when compared to other Councils, to achieve the target of 60% of our National Indicators being in the top quartile by the end of the year. Achieving this target will put the Council's performance on par with the highest achieving local authorities nationally.

We will continue to work closely with the Audit Commission to achieve our targeted improvements, through the existing strong relationships we have established and to manage our strategic risks with Zurich Municipal. We will also lead on preparations for the introduction of Comprehensive Area Assessment in 2009. This is the new way that local authorities will be assessed and takes over from the current Comprehensive Performance Assessment regime. We will introduce new pages on our website to better inform our community about our performance levels.

Member Support

The Division supports the democratic process through preparing agendas for all meetings and producing the minutes, as well as ensuring Members are well informed about issues through the Member Information Service and Members' section of the Intranet. The Division also leads on Member training and development, and will build on the successful 2007 Member Induction Programme through working with the Member Development Working Group to achieve the South East Employers Member Development Charter and ensure Members receive a well received programme of Member Development workshops.

In 2008/09 we will continue to ensure that at least 95% of agendas are on the website 5 days before a meeting and introduce a new standard that 95% of minutes are produced within 5 days after a meeting. We will also produce an improved Member Information Service and enable the public to better engage with the democratic process through introducing improved democracy pages on our website.

Overview and Scrutiny

It is important that the Council has an effective Overview and Scrutiny function and in 2007, as part of the Member Induction Programme, we worked with South East Employers to facilitate a Member workshop. The outcomes of that workshop were reported to Performance and Scrutiny Committee in October 2007 who have agreed that it should be used as a framework for improvement.

In 2008 we will introduce improved arrangements for officer support of Overview and Scrutiny, as well as producing an annual report, making better use of external witnesses and better monitoring of decisions and recommendations from the Committee.

Customer Service

The customer should be at the heart of everything the Council does and the importance of excellent customer service was particularly highlighted when the new refuse contract was introduced in August 2007. The new customer contact centre was established and effectively handled an unprecedented number of telephone calls and emails to the Council. Through the customer services project, we have worked on the development of new telephone technology that will enable us to provide improved customer service and piloted the LAGAN Customer Relationship management software in refuse and recycling.

In 2008/09 we will continue to implement the Corporate Customer Services project, to further promote a customer services culture into the organisation and improve our level of customer satisfaction. A new Customer Services Strategy will bring together our approaches on community engagement, ICT and customer services.

Key customer service projects for 2008/09 include the further roll out Electronic Documents and Records Management Systems (EDRMS) across the organisation, which has already been proven in Development Control to improve efficiency and help to improve service levels fully establish the Council's Customer Contact Centre, which, when bedded down aims to fully handle 80% of customer contacts itself so thereby freeing up resources in the back office; providing more e-forms on the Council's website to provide another channel for the community to interact with the Council, and; introducing 'My Mid Sussex' which will provide residents with bespoke information according to where they live in the District .

Partnership Working

Mid Sussex is a safe place to live and work and the Mid Sussex Crime and Disorder Reduction Partnership has led a number of crime reduction initiatives in recent years, which has seen the District achieve the lowest crime figures when compared to similar authorities. A new Crime and Disorder Reduction Strategy will take this work forward from April 2008.

Both the Local Strategic Partnership and Community Strategy are being reviewed to make them more focused on community outcomes and effective so that all of the main public, private and voluntary sector partners are able to deploy their skills and resources to maintain the excellent quality of life experienced by Mid Sussex residents. During 2008/09 we will continue to develop our partner working arrangements so that the Council is able to respond to the requirements from the 2007 Local Government and Public Involvement in Health Act; ensure the new Local Area Agreement for West Sussex tackles the needs of Mid Sussex; and the Council gets full value from its key partnerships.

Electoral Administration

During 2007 the Division led the District, and Town and Parish elections in May, and organised a Parish Poll in Bolney, as well as producing the 2008 electoral register with a registration response of over 90%. In producing the new electoral register, the Division trialed internet and telephone registration which provided a new and easier way for people to register, but also reduced the administrative demands on the Division.

During 2008/09 we will be introducing new systems to further improve our service and also responding to new performance standards from the Electoral Commission to ensure that high quality, customer focused electoral services are provided.

Corporate Improvement Variation Table	
Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget	
<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	26
Changes to salaries including pensions/increments	30
Direct IT costs transferred from Corporate Systems	23
Members allowances report for 2008/09	3
<i>Total</i>	82
<i>Budget Changes - Decreasing</i>	
Members Allowances for 2007/2008	(17)
2007/08 service efficiencies	(20)
Democratic/partnerships/communications	(50)
Audit fees budget move to Finance	(17)
Car allowances to leisure after community restructure	(5)
Recharges	(99)
<i>Total</i>	(208)
<i>Total Variation for Corporate Improvement</i>	(126)

Corporate Improvement Budget 2008/09		Community Services	Partnership Funding	Elections and Registration	Members Services	Corporate Improvement
Budget 2008/09	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure						
Employees	656	160	0	0	6	489
Premises Related Expenditure	17	17	0	0	0	0
Transport Related Expenditure	29	6	0	0	18	6
Supplies and Services	616	22	0	68	455	71
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	292	19	0	91	15	168
	1,611	224	0	159	494	734
Gross Income						
Fees and Charges	(3)	0	0	(0)	0	(2)
Rents	0	0	0	0	0	0
Grant Income	(7)	(7)	0	0	0	0
Recharges	(238)	0	0	0	0	(238)
	(247)	(7)	0	(0)	0	(240)
Net Expenditure	1,364	217	0	158	494	494
Budget 2007/08	1,490	225	0	145	603	517
Change from 2007/08						
£'000 Change	(126)	(8)	0	14	(109)	(23)
% Change	(8%)					
Other Items 2008/09						
Capital Financing Costs	0	0	0	0	0	0
Capital Financing Income	0	0	0	0	0	0
Specific Items	0	0	0	0	0	0

CORPORATE IMPROVEMENT DIVISION – SUCCESS CRITERIA 2008/09**Improved service performance**

- Achieve top quartile performance in 60% of the National Indicators (and key business indicators) by March 2009 (with less than 10% in bottom quartile).
- Provide a monthly performance report to Management Team/ Members on all key indicators within 5 days of the end of each month.
- Achieve top quartile performance in all Community Safety National Indicators (National Indicators 15, 17, 32 and 41) for 2008/09.
- Complete four scrutiny reviews during the year.
- Track all Performance and Scrutiny decisions and produce an Annual Report for publication on the Council's website.
- Deliver a Member Development programme of at least 10 different workshop events with supporting materials sent to all Members.
- Complete a trial of development plans for at least five Members.
- Increase the number of e-forms on the website from 17 to 60 with all replied to within 10 working days.
- Publish the electoral register on time, with 100% accuracy with at least 90% return (top quartile performance is 85%).
- 98% of CID invoices paid within 30 days.
- Deliver (net) efficiency savings of £50k.

Improved customer service

- Fully deal with at least 80% of customer queries at first point of contact.
- Deliver at least two high profile Member development events during the year.
- Complete equality impact assessments for 14 Business Units and other specific service areas as defined by the Equalities Group.
- Provide phase 1 of an 'engage in democracy' service on the Council's website by October 2008.
- Provide phase 1 of an 'are we performing?' service on the Council's website by June 2008.
- Provide a My Mid Sussex service on-line by April 2008 that is read by 95% of Members.
- Introduce a revised Member Information Service by May 2008.
- 75% of organisations believe 'the Council works well with its partners'.

- 75% of Members “very satisfied” with the development opportunities available to them.
- 80% of customers who use main reception/ contact team “very satisfied” with the service
- Produce a Corporate Plan, Sustainable Community Strategy and Crime and Disorder Reduction Strategy, all of which are commended by the Audit Commission and/or Government Office for the South East.

Individual services recognised as best in class

- Achieve the South East Employers Member Development Charter.
- Achieve at least one service innovation for which regional/national recognition is achieved.
- Achieve a Chartermark/Customer First award for main reception and contact team.
- MSDC website in top 25% of local authority sites throughout the year.
- Achieve 3 out of 4 score on Use of Resources (with improved scores on at least two individual categories).
- Achieve one ‘Centre for Public Scrutiny best practice’ award (or equivalent).

Improved capacity/skill base of staff

- Staff in “talent pool” achieve performance levels required and successors identified for team leaders and above.
- 90% of training identified in PPPs delivered.
- Graduate trainee programme in place.
- All staff in Division achieved ‘handling customers’ training to NVQ level (or equivalent).
- All staff in Division achieved ‘election administration’ training.

FINANCIAL SERVICES DIVISION

Name of Service: Finance, Information and Communications Technology (ICT), Customer Services, Revenues and Benefits

Head of Service: Peter Stuart

- Finance – Cathy Craigen
- ICT – Paul Constantinou (in conjunction with CENSUS)
- Revenues and Benefits – Tim Delany (in conjunction with CENSUS)

These services would expect to be performing at the following levels within four years time.

Service	Direction of Travel	Opportunities for Joint Service Delivery
Finance Priority: C	Largely automated service with excellent customer feedback and smaller headcount. £100k reduction in cost 2009/10 and further £50k in 2010/11.	Yes, with other councils or private sector for some services
ICT Priority: C	Good level of customer service and all clients well supported. ICT strategy in place with additional clients being brought on board.	Already JV with other councils
Revenues & Benefits Priority: B	Further £50k cost reduction in 2008/09 achieved through lower headcount and greatly increased automation. Client base expanded, Chartermark approved and national award winner.	Already JV with other councils

Key areas for 2008/09:

Finance

The main focus of the year will be around setting a budget, monitoring the progress towards outturn and reporting on the financial status of the Council. The timescales for preparing a set of financial statements are challenging and many staff will again be engaged on this process from January through to June.

Aside from the regular financial reporting, there are two major projects to achieve this year. Firstly, the subdivision of divisions into Business Units will necessitate some splitting up of budgets and new apportionment of costs in order to achieve accurate and meaningful financial reporting. This will enable a Corporate Plan and Budget for 2009/10 to be presented at business unit level.

There will also be work involved in preparing for any alternative leisure management structure, assuming that we make a change to this, and the associated budgetary implications for the rest of the Council. This would require input from many staff both at the stages of considering the options, preparation of tender document, financial appraisal of tenders and would result in the eventual splitting off of leisure budgets and the reduction in central support charges.

It is also intended that the impetus for the training of Members is not lost and a series of sessions covering both property and related issues will be held at convenient times, to respond to training needs identified by the Members. A handbook will also be produced to aid Members' understanding of the financial issues faced by the authority and some possible solutions.

We will continue with delivering the Use of Resources requirements and work towards enhancing our score, ensuring our actions are embedded into our working practices in conjunction with other divisions. There will be further cost reductions in 2009/10 and 2010/11.

Revenues and Benefits

The main focus of the year's work is to continue to amalgamate the services of the three authorities into one organisation. A programme manager has been brought in to assist with that process from January to September 2008. The objective is that, using electronic means, work will be moved around the three offices and will be worked upon by staff wherever they physically sit.

The management team recruited in November 2007 will work together to consult, promote and decide the staffing structure and it is expected that staff appointments will be made early in the new year. The rationalisation of procedures and processes will follow preliminary process mapping started in 2007 and continuing in the new financial year.

This is a major undertaking, and together with changes to systems at Horsham DC and the introduction of Local Housing Allowance it is expected that service levels may suffer temporarily. However, by moving work around the three authorities and taking advantage of the synergy afforded by the partnership, the intention is that this dip in performance will be both temporary and modest.

Upon achieving a stable base and continuing good performance levels, other authorities may be able to join the partnership subject to entry requirements being met.

Bids will be made for national awards to maximise the profile of this service and the achievement of bringing together a major joint partnership.

Finally, joint billing under the Census name will take place in February 2008. Joint Benefit Census in addition to the joint Census work already carried out in ICT and Revenus will result in £50k pa savings.

ICT Services

Developing the fourth, Census, network is the main priority for the year. This needs to be achieved whilst maintaining and developing the Mid Sussex network and bringing on the new projects that service managers have prioritised as being necessary for their services and businesses.

It is also intended that the staffing structure will be agreed and put into place early in the new year. This will have major benefits in terms of knowledge management, resilience of both systems and employment.

Specifically, the continued roll out of imaging and workflow through Electronic Documentation and records management System (EDRMS), Contact Centre Telephony, Lagan Frontline CRM system, migration of the network environment to a Microsoft environment, replacement of servers and desktop computers, the printer/copier replacement project, phone replacement project and the movement of telecommunications suppliers will all occupy staff time over and above that of maintaining and running day to day services.

Finance Variation Table

Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget

<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	39
Changes to salaries including pension/increments	27
External Audit Fees increased costs	14
External Audit Fees new responsibilities	15
External Audit Fees budget from Corporate Improvement	17
<i>Total</i>	<u><u>112</u></u>
<i>Budget Changes - Decreasing</i>	
Recharges	(39)
Cabinet member report 24/06/05 mapping services	(1)
Staff transferred to Revenues and Benefits	(25)
Completion of payback to reserve in respect of 2002 restructure	(84)
Insurance savings due to contract reduction	(28)
Insurance savings due to changes in accounting for excess payments	(9)
<i>Total</i>	<u><u>(186)</u></u>
<i>Total Variation for Finance</i>	<u><u><u>(74)</u></u></u>

ICT Variation Table	
Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget	
<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	18
Recharges	29
Changes to salaries including pensions/increments	21
EDRMS software licence fee	42
CENSUS data links	30
<i>Total</i>	140
<i>Budget Changes - Decreasing</i>	
Direct IT cost allocated out to specific services	(138)
<i>Total</i>	(138)
<i>Total Variation for ICT</i>	2

Revenues & Benefits Variation Table

Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget

<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	33
Changes to salaries including pensions/increments	55
Staff transferred to Customer Service from Environment	20
Reduced Administration Subsidy grant	23
Staff transferred from Finance	25
Direct IT costs transferred from Corporate Systems	67
<i>Total</i>	<u>223</u>
<i>Budget Changes - Decreasing</i>	
Benefits - CENSUS savings	(50)
Recharges	(2)
<i>Total</i>	<u>(52)</u>
<i>Total Variation for Revenues & Benefits</i>	<u><u>171</u></u>

Finance Budget 2008/09	Budget 2008/09 £'000	Other Corp and Democratic Core £'000	Non Distributed Costs £'000	Insurance £'000	Finance Support Costs £'000
Gross Expenditure					
Employees	990	0	77	163	751
Premises Related Expenditure	172	0	0	172	0
Transport Related Expenditure	6	0	0	5	1
Supplies and Services	449	264	0	4	181
Third Party Payments	0	0	0	0	0
Transfer Payments	0	0	0	0	0
Support Services	208	34	0	5	170
	1,825	297	77	349	1,102
Gross Income					
Fees and Charges	(7)	(7)	0	0	0
Rents	0	0	0	0	0
Grant Income	0	0	0	0	0
Recharges	(1,470)	(19)	0	(349)	(1,102)
	(1,477)	(26)	0	(349)	(1,102)
Net Expenditure	348	272	77	0	0
Budget 2007/08	422	216	161	0	45
Change from 2007/08					
£'000 Change	(74)	55	(84)	0	(45)
% Change	(18%)				
Other Items 2008/09					
Capital Financing Costs	0	0	0	0	0
Capital Financing Income	0	0	0	0	0
Specific Items	124	0	124	0	0

ICT Budget 2008/09	Budget 2008/09 £'000	Central Computer Costs £'000	Corporate Telephones £'000
Gross Expenditure			
Employees	498	498	0
Premises Related Expenditure	0	0	0
Transport Related Expenditure	3	3	0
Supplies and Services	387	327	60
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	459	158	301
	1,348	987	361
Gross Income			
Fees and Charges	0	0	0
Rents	0	0	0
Grant Income	0	0	0
Recharges	(1,797)	(1,436)	(361)
	(1,797)	(1,436)	(361)
Net Expenditure	(449)	(449)	0
Budget 2007/08	(451)	(451)	0
Change from 2007/08			
£'000 Change	2	2	0
% Change	(0%)		
Other Items 2008/09			
Capital Financing Costs	449	449	0
Capital Financing Income	0	0	0
Specific Items	0	0	0

Revenues and Benefits Budget 2008/09	Budget 2008/09 £'000	Benefits Administration £'000	Revenue Collection £'000	Revs and Bens Support Costs £'000
Gross Expenditure				
Employees	1,381	710	513	158
Premises Related Expenditure	0	0	0	0
Transport Related Expenditure	33	30	3	0
Supplies and Services	369	215	137	17
Third Party Payments	0	0	0	0
Transfer Payments	70	0	70	0
Support Services	742	389	234	119
	2,595	1,344	958	293
Gross Income				
Fees and Charges	(143)	(1)	(143)	0
Rents	0	0	0	0
Grant Income	(796)	(622)	(174)	0
Recharges	(293)	0	0	(293)
	(1,233)	(623)	(317)	(293)
Net Expenditure	1,362	721	641	0
Budget 2007/08	1,191	745	445	(0)
Change from 2007/08				
£'000 Change	171	(24)	196	0
% Change	14%			
Other Items 2008/09				
Capital Financing Costs	0	0	0	0
Capital Financing Income	0	0	0	0
Specific Items	0	0	0	0

FINANCE - SUCCESS CRITERIA 2008/09

Improved Service Performance

- FMS Development leading to increased automation of work processes across the campus.
- Better purchasing procedures and increased e-procurement.
- Improved debt management with consistent service standards and recovery routines.
- Maximisation of loan/debt portfolio return.
- Forward plan capital programme for at least four years.

Improved Customer Service

- Engineering 2009/10 budget into Business Units from Divisional budgets and creating the four-year plan in those areas.
- Support and advice relating to Alternative Leisure Management project.
- Support and advice relating to Better Mid Sussex project.
- Deliver a balanced budget and on-target outturn in conjunction with Business Unit Leaders.
- Paperless direct debits introduced for Revenues.
- Continue to improve the performance of invoices processing

Individual services recognised as best in class

- Achieve 3 out of 4 score on Use of Resources (with improved scores on individual categories)
- Improved profile and relationship with clients and Members with good feedback received.

Improved Capacity/Skill base of staff

- Finance training of Business Unit Leaders and Members with good feedback received.
- Continued development of staff through professional training programmes.
- Succession plan in place for key staff.

ICT - SUCCESS CRITERIA

The performance of this unit is difficult to measure against standard criteria. The statistics have shown that while some key indicator targets have not been met, for example, the speed of resolving help desk problems, the placers of the calls have been satisfied with the quality of the response received. There is therefore a trade-off between speed and quality of service to be made when proposing success criteria within this service.

Improved service performance

- 75% of Helpdesk calls closed within target.
- Complete ICT related project work packages within agreed timescales.

Improved customer service

- 90% of customers “satisfied” or “very satisfied” with the ICT service measured by survey.
- Improved communications with our customers to improve ICT’s standing and visibility – specific questions included as part of survey.
- Review ICT Intranet and self-service pages and on a monthly basis to ensure the content is current and relevant.
- Work with our customers to agree 4 year ICT Strategy so that we can help them achieve their Success Criteria

Best in Class Services

- Assuming full integration of CENSUS ICT services, external validation by way of award entries will be progressed.

Improved capacity/skill base of staff

- Staff in ICT achieve performance levels required by job plans.
- Staff in ICT complete ‘ICT customer care’ training to HDi equivalent level.

REVENUES AND BENEFITS - SUCCESS CRITERIA

The overriding measure for the success of this unit is to achieve full integration of three authorities' revenues and benefits services by 1st September 2008. This means full movement of work around the partnership, a common desktop implemented and progress towards single employer status.

The transactional performance of this unit can be measured by a range of indicators that have been agreed or are to be agreed with our partners in CENSUS. Generally, they are pegged at upper quartile or above.

Improved Service Performance

Benefits

- (NI 181) Speed of processing new benefit claims: 25 days.
- Speed of processing changes of circumstances: 12 days.
- Percentage of overpayments raised and collected in year: 70%.
- Accuracy of processing: 98%.
- Also monitor NI 180 Time taken to process Housing Benefit/Council Tax Benefit entitlements within the year.

Revenues

- Percentage of Council tax collected in year: 98.6%.
- Percentage of non-domestic rates collected: 98.6%.
- Percentage of accounts (that are capable) on direct debit: 70%.

Improved Customer Service

- Standards will need to be set and agreed across the partnership in relation to speed of answering correspondence and telephone calls, handling of complaints, and other associated issues. These will be set at the best of the three partners' standards so that, overall, average service standards are raised.

Best in Class Services

- Assuming full integration, external validation by way of award entries will be progressed.

Improved Capacity etc

A new Management Team has been recruited externally and starts work early in the new year. A key part of their work is to increase the capacity and resilience of the staffing complement by way of training and development.

HOUSING, ENVIRONMENTAL HEALTH AND BUILDING CONTROL DIVISION

Head of Service: Lynne Standing

Business Units:

- Building Control: Ian Robertson
- Environmental Health: Yvonne Leddy
- Housing: Emma Shuttleworth and Julian Till

These services would expect to be performing at the following levels within four years time:

Service	Direction of Travel	Opportunity for Joint Service Delivery
Building Control Priority: B	Joint service strategy under consideration. £40k increased income to be delivered in 2008/09	Yes, with other councils or private sector
Environmental Health Priority: B	Satisfactory regulatory service with top quartile BVPI performance by March 2008 and maintained thereafter.	Yes with other councils
Housing Priority: B	Good service with mainly top quartile BVPI performance by March 2008 and maintained thereafter.	No

Housing Services

This Business Unit has 3 main functions:

- Housing Strategy – assessing housing need and devising strategies to meet that need;
- Housing Enabling – working in partnership to deliver affordable housing and support services;
- Housing Need – providing housing advice, preventing homelessness and meeting our legal homelessness duties, as well as developing and delivering the policy for allocating affordable housing.

2007-08 was another successful year for this service. We expect to exceed our targets for the delivery of affordable housing this year, and significant progress has been made in increasing the supply of affordable homes in rural areas through close working with parish councils.

During the year we completed our role as the South East Regional Homelessness Champion. Shelter's Quality Team audited our housing advice and homelessness function and assessed us as one of the best-performing authorities they have reviewed. As a result of our homelessness prevention work, we have further reduced the number of homeless households in, and the costs of, temporary accommodation.

Our main priorities for 2008-09 and future years are to:

1. Deliver more affordable housing and more rural housing. The anticipated increase in housing in the District will provide opportunities for more affordable housing, but also potential challenges in resourcing the work needed to deliver these homes;
2. Continue to reduce homelessness and meet the Government's target to reduce by 50% the number of households in temporary accommodation by 2010. We are currently ahead of target;
3. Reduce the cost of the service by £50,000. This will be targeted through further reductions in the use of temporary accommodation, and in maximising income received where people are placed into temporary accommodation;
4. In addition, opportunities to improve the likelihood of local people who present themselves as homeless being provided with temporary accommodation in the District rather than outside it are being explored with Downland Housing.

Environmental Health

The primary purpose of this Unit is to protect the public through a range of functions, including preventing communicable diseases; controlling pollution and promoting the quality of air, land and water; controlling noise; licensing taxis, gambling, liquor and entertainment premises, as well as high risk houses in multiple occupation; ensuring appropriate standards in food premises; controlling pests and stray dogs; providing financial help to enable people to repair their homes, and Disabled Facilities Grants to enable disabled people to adapt their homes; health and safety; and in general to provide advice and information to residents and businesses on public health issues.

In November the Audit Commission published an array of performance figures for Local Authority services. For its regulatory services (Development Control and Environmental Health) it confirmed that 'Mid Sussex District Council is ranked 1st out of 381 (All authorities for which data is available) for % Performance Indicators improved in the last 3 years.'

The introduction in July 2007 of a smoke-free environment in all enclosed public places and workplaces has had a significant impact on public health. Whilst the responsibility for enforcing the legislation lies with Environmental Health, the team actively worked with local businesses to ensure a greater degree of compliance. The implementation has proven a huge success with 99% of businesses providing a smoke free environment for their customers and employees.

Our main priorities for 2008-09 are:

1. The service will be transformed through the implementation of our IT system (Uniform) as it will increase efficiency for our officers, allow public access to information and enable a more customer focused service e.g. through mobile working;
2. We will introduce a scheme whereby customers can see on our web site how well a food business has done on its last inspection. We anticipate that residents will welcome this information, and that making it public will help raise standards as businesses seek to improve their "scores";
3. Achieve savings of £20,000 through reshaping aspects of the pest control service to make the most of business opportunities and deliver an enhanced service. This would involve recognising the seasonal nature of the work enabling our officers to undertake more wasp treatments in-house instead of paying a contractor to do them, and increasing the number of small businesses to whom we provide a pest control service;

4. In addition, the licensing fee reserve no longer needs an annual contribution because fee income is in excess of expenditure. It is therefore planned to account for this surplus in the service rather than transferring it to the reserve. This will save £15,000 per annum.

Building Control

The purpose of Building Control is to ensure that anyone wishing to design, construct or alter a building does so to a set of national standards. This is to secure the health and safety of people who are in, or in the vicinity of the building, to conserve fuel and power, and to provide facilities and access for disabled people.

During 2007-08 the Team ran a number of seminars to help advise and educate the building industry about Building Regulation requirements: we intend to increase the number of these seminars during 2008-09. We have successfully attracted an additional business partner (i.e. builders who will use our services) and have increased our income. Next year we plan to develop the business further, to acquire more partners, and to achieve increased income of at least £40,000 over the existing budget. We will also be benchmarking our performance to ensure that the standards of our service compare well with those of similar authorities.

A project is underway to investigate the potential to achieve further business benefits through a partnership arrangement with Horsham and Crawley Councils: the results of that work will be reported to members in due course.

Housing, Environmental Health & Building Control Variation Table

Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget

<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	40
Changes to salaries including pensions/increments	15
<i>Total</i>	55
<i>Budget Changes - Decreasing</i>	
Housing - Homelessness and Housing Enabling	(50)
Building Control additional Income	(40)
Wasps handled internally rather than contracted out	(20)
Additional Licencing Income	(15)
Recharges	(110)
<i>Total</i>	(235)
<i>Total Variation for Housing Services</i>	(180)

Housing Env Health Bdg Control Budget 2008/09		Housing Needs £'000	Housing Enabling £'000	Building Control £'000	Building Control £'000	Staff Control £'000	Housing Standards £'000	Safety and Licensing £'000	Environmental Protection £'000	Environmental Health Staff £'000	Housing Staff Control £'000
Budget 2008/09 £'000											
Gross Expenditure											
Employees	1,800	252	142	548	0	0	142	460	256	0	0
Premises Related Expenditure	3	0	0	0	0	0	0	0	3	0	0
Transport Related Expenditure	112	13	7	28	0	0	7	24	33	0	0
Supplies and Services	324	197	21	39	0	0	4	34	29	0	0
Third Party Payments	27	0	0	0	0	0	27	0	0	0	0
Transfer Payments	180	177	0	0	0	0	0	0	3	0	0
Support Services	510	72	90	105	0	0	22	98	122	0	0
	2,956	712	260	719	0	0	203	616	445	0	0
Gross Income											
Fees and Charges	(910)	0	0	(617)	0	0	(2)	(219)	(72)	0	0
Rents	0	0	0	0	0	0	0	0	0	0	0
Grant Income	(169)	(169)	0	0	0	0	0	0	0	0	0
Recharges	0	0	0	0	0	0	0	0	0	0	0
	(1,078)	(169)	0	(617)	0	0	(2)	(219)	(72)	0	0
Net Expenditure	1,877	543	260	102	0	0	201	397	373	0	0
Budget 2007/08	2,057	614	251	139	0	0	175	483	395	0	0
Change from 2007/08											
£'000 Change	(180)	(71)	9	(37)	0	0	27	(86)	(22)	0	0
% Change	(9%)										
Other Items 2008/09											
Capital Financing Costs	0	0	0	0	0	0	0	0	0	0	0
Capital Financing Income	0	0	0	0	0	0	0	0	0	0	0
Specific Items	0	0	0	0	0	0	0	0	0	0	0

HOUSING SUCCESS CRITERIA 2008/09

Improved Service Performance

- Reduce to zero the number of 16/17 year olds in B&B (shared facilities) to meet government target to eliminate use of B&B for 16/17 year olds by 2010.
- Reduce by 10% homelessness amongst 16/17 year olds by developing the use of mediation.
- Deliver Housing Services file management via EDRMS by April 2009.
- Pay 95% of all invoices within 30 days.
- Deliver efficiency savings of £50,000.

Improved Customer Service

- Minimise the number of households staying in temporary accommodation outside the district in expensive private guesthouses / Ensure that 75% of households in temporary accommodation are accommodated within Mid Sussex.
- Reduce by 10% evictions of vulnerable people from social housing by introducing a Mid Sussex Vulnerable Persons Protocol from baseline of 2007/08.
- Implement the new access arrangements for supported housing by July 2008.
- Assess all the sheltered housing schemes in Mid Sussex to produce an action plan by April 2009 to ensure such schemes will be fit for purpose in the future.
- Increase the supply of affordable housing in rural settlements by 20 units.

Individual Services Recognised as Best in Class

- Keep the number of homeless acceptances to less than 60.
- NI 156 Keep number of households in temporary accommodation under 30 to meet government target to halve the numbers in TA by 2010.
- NI 155 Increase the supply of affordable homes during the year to meet the Local Area Agreement target of 331 homes between April 2005 and April 2009.

Improved Capacity/Skill Base of Staff

- All staff to identify and undertake training to maintain or acquire professional competence.
- Potential growth employees identified and trained/coached to improve resilience and succession planning.

ENVIRONMENTAL HEALTH SUCCESS CRITERIA 2008/09

Improved Service Performance

- Reduce the number of A & B rated (high risk) food premises by 10%.
- Improve standards in Houses in Multiple Occupation (HMO's) by licensing an additional 5% of high-risk properties.
- Pay 95% of all invoices within 30 days.
- Deliver efficiency savings of £65,000.

Improved Customer Service

- Customer satisfaction increased. Establish baseline by October 2008 and set improvement target.
- Business satisfaction is increased (NI182).
- Complete 90 Disabled Facilities Grants (contribution to NI 54 & NI139).
- Provide Mid Sussex residents with information on standards of food premises in the district (Scores on the doors) by Oct 2008.
- Provide public access to Licensing Act 2003 application using our website by June 2008.
- Introduce service to deal with stray dogs outside of normal working hours by April 2008.
- Undertake 8 Food safety & Health and Safety training courses for local businesses.
- Uniform operational in all areas of environmental health to deliver a more efficient service by August 2008.
- Respond to 98% of service requests within 5 working days.
- Deliver 12 loans for elderly and vulnerable household to make their homes decent (contribution to NI139).

Individual Services Recognised as Best in Class

- Achieve Charter Mark “The Standard” or similar award for customer-focused service for Environmental by 2009/2010.
- 70% of non-decent homes occupied by vulnerable households to be made decent by 2010.
- Meet NI184 - Food establishments in the area which are broadly compliant with food hygiene law.
- Raise profile with members of the public (e.g. 6 press releases in year, items in MSM, web).

Improved Capacity/Skill Base of Staff

- All Environmental Health practitioners undertake the required number of hours CPD to maintain professional body status.
- All staff in the EH Support Team trained to have a competent working knowledge of essential support activities whilst providing individual specialist support for each work area in EH to improve resilience and customer service.
- In September 2008, train an Environmental Protection Officer to become an Environmental Health Officer to improve resilience and succession planning.

BUILDING CONTROL SUCCESS CRITERIA 2008/09

Improved Service Performance

- Issue 95% of Building Control decisions within prescribed time limits.
- Plan vet 70% building control applications within 21 days of deposit.
- Carry out 90% of site inspections within 24 hours of date requested.
- Acknowledge Building Notices within 10 working days.
- Report number of building contraventions quarterly.
- Pay 95% of all invoices within 30 days.
- Deliver efficiency savings of £40,000.

Improved Customer Service

- Evaluate the introduction of mobile working in Building Control and act on findings by Oct 2008.
- Introduce an inspection framework for 90% of all Building Control applications by June 2008.
- Carry out a customer satisfaction survey of service users by June 08 and set improvement targets.
- Increase Seminars for local agents / builders from 4 to 6 per annum by March 2009.
- Increase new partner companies by at least 2 by March 2009.

Individual Service Recognised Best in Class

- Investigate the requirements required to obtain Quality Assurance Mark by October 2008.

Improved Capacity / Skill Base of Staff

- Building Control surveyors to attend courses and seminars to satisfy the requirements for continuing professional development as required by the Royal Institution of Chartered Surveyors and Association of Building Engineers.

LEGAL SERVICES DIVISION

Head of Service: Tom Clark

Business Unit Leaders:

Legal – Ian Brown

Property - Mike Timmins

Land Charges - Jacqui Steele

These services would expect to be performing at the following levels within four years time.

Service	Direction of Travel	Opportunities for Joint Service Delivery
Land Charges Priority: B	Outstanding customer service, fully functional e delivery with service operating on a £0 net cost to the Council. £70k increase in cost each year for four years.	Yes, with other councils or private sector.
Legal Priority: C	£40k net reduction in cost in 2008/09 with good customer service by March 2008 and maintained thereafter.	Yes, with other councils or private sector for some services.
Asset Management Priority: A	Effective management arrangements to deliver 4-year business plan including through major enhancement of property income.	Yes, with other councils.

Key Areas for 2008/09

Making best use of the Council's property portfolio is seen as the key driver in generating the funds needed for the Council to push forward its corporate objectives. It is the role of the property team to seek initiatives to fulfil this ambition. The division has an important part to play in the Better Mid Sussex project through the management of the Council's property assets, co-ordinated through the Asset Management Plan. The development of the Property Business Plan will enable the Council to take advantage of disposal/development opportunities for Council assets. Recent opportunity disposals that have been negotiated include the land at Fairbridge Way and the Sidney West site both in Burgess Hill and land for the relief road at Hurst Farm, Haywards Heath.

Legal Services has retained the Law Society's Lexcel practice management quality mark, which is evidence of well-managed practice committed to quality service. It is committed to continuous improvement and is striving to obtain from stakeholders a reputation for providing a first class service.

Legal Service plays an important role in supporting front line services within the council and ensuring that they carry out their duties effectively, efficiently and in compliance with statutory requirements. Examples include:-

- Planning- S.106 Planning Agreements, prosecutions for breach of planning control, Development Control Planning Advice, planning appeals.
- Contracts- transacting services, supplies and works contracts.
- Litigation and enforcement- prosecutions for housing and council tax fraud, infringements of environmental health and car park offences.
- Licensing- ensuring that the provisions of the recent Licensing and Gambling legislation are complied with.
- Property- advice on specific property matters and disposal/development opportunities.

The Division through both the property and legal sections actively support the Better Mid Sussex project by advising and undertaking work in connection with the project. The project is reaching the stage when specific development proposals are being developed and increasing legal and property advice will be required.

It is proposed that in relation to the less complex planning appeals, legal officers will be encouraged to take an increasingly active role in support of the Head of Environment and where necessary they will receive necessary training. Hitherto it is considered that there has been too much emphasis on the appointment of external barristers for this work.

A review of the division has been undertaken and will be completed by 31 March 2008.

The efficiency agenda, such as introducing innovative new contracting arrangements, will also be supported by the Division, through close working with the Joint Procurement Advisor and Implementation Group. Implementation of the new refuse, recycling and street-sweeping contract will continue to be an important task.

The Division will be looking to increase income by charging (where appropriate) full market rates for the provision of property and legal services. In the case of future property disposals where possible it is intended to negotiate an "admin " charge which will be payable in addition to the market value/Best consideration – likely to be a % of capital value.

We are currently looking into how we can effect efficiency improvements in the operation of the existing Property Terrier "Asset Manager" IT system and make available on the council's web site for access by the public a mapping system record of Council land ownership.

Land charges will be working to maintain income in an aggressively competitive market by continuing to provide a timely and accurate service to support the funding of very necessary IT improvements. The section will manage the planning reception to deal with most public enquiries to allow the specialist planning officers to deal with the likely increase in planning applications following the publication of the Planning Inspectors small sites report in November 2007.

Legal Services Variation Table

Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget

<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	20
Recharges	40
Changes to salaries including pensions/increments	20
Land Charges - Reduction of fees and reduction of fee generating activity	160
Land Charges costs apportioned from Dev Control	3
Additional NNDR Costs	3
Charity Beech Hurst Property Cottages move to Outdoor	26
Standards committee new functions and responsibilities/ investigations	2
Planning Reception post as per report Cabinet 05/11/07	21
<i>Total</i>	295
<i>Budget Changes - Decreasing</i>	
Additional C. D. A. supplementary rent	(11)
Legal salaries savings from restructure	(40)
<i>Total</i>	(51)
<i>Total Variation for Legal Services</i>	244

Legal Services Budget 2008/09		Local Land Charges	Property	Legal Support Costs	Land Charge Admin Staff Control	Property Staff Control
Budget 2008/09	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure						
Employees	605	153	126	327	0	0
Premises Related Expenditure	22	0	22	0	0	0
Transport Related Expenditure	5	1	3	1	0	0
Supplies and Services	187	5	24	157	0	0
Third Party Payments	22	22	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	273	74	116	83	0	0
	1,115	255	291	568	0	0
Gross Income						
Fees and Charges	(498)	(346)	(106)	(45)	0	0
Rents	(1,219)	0	(1,219)	0	0	0
Grant Income	0	0	0	0	0	0
Recharges	(523)	0	0	(523)	0	0
	(2,239)	(346)	(1,325)	(568)	0	0
Net Expenditure	(1,124)	(91)	(1,034)	0	0	0
Budget 2007/08	(1,368)	(283)	(1,084)	0	0	0
Change from 2007/08						
£'000 Change	244	193	51	0	0	0
% Change	(18%)					
Other Items 2008/09						
Capital Financing Costs	86	1	85	0	0	0
Capital Financing Income	0	0	0	0	0	0
Specific Items	0	0	0	0	0	0

LAND CHARGES - SUCCESS CRITERIA 2008/09

Improved Service Performance

- Improved service performance to maintain our market share of 60% for all searches.
- To reply to all postal and NLIS searches within five working days.

Improved Customer Performance

- To look for Improvements in the Communication between County and District to Improve Service Delivery

Individual Services Recognised As Best In Class

- To ensure that our turn round times on personal and NLIS searches remain short (under 5 working days) and work on the project of scanning old material onto one system to radically improve the service by 2010.

Improved Capacity/ Skill Base Of Staff

- To ensure “reception staff” are fully trained in the Land Charges process so that cover can be maintained at all times to ensure maintenance of service delivery.

LEGAL - SUCCESS CRITERIA 2008/09

Improved Service Performance

- To ensure that all the legal Section's work is compliant with Lexcel to maintain service standards to our client.

Improved Customer Service

- To ensure that all advice is given in a timely and accurate way.

Individual Services Are Recognised As Best In Class

- We will maintain our Lexcel accreditation.

Improve Capacity/Skill Base Of Staff

- To concentrate on areas of expertise in Property and Planning issues.
- To work collaboratively with other neighbouring Local Authorities on accessing skill bases across Sussex.

PROPERTY - SUCCESS CRITERIA 2008/09

Improved Service Performance

- The Property Team will continue to provide guidance to Officers, Members and Members of the Public on land proposals.
- To work towards a reduction in CO2 levels and towards energy efficient buildings.

Improved Customer Services

- The team will update the terrier to ensure it has an accurate record of the Council's land holdings and any restrictions/covenants that affect those land holdings.

Individual Services Are Recognised As Best In Class

- To ensure that rental levels are maintained against a slightly depressed commercial market and all opportunities for acquisitions and disposals are taken by keeping a close eye on the local property market.

Improve Capacity/Skill Base Of Staff

- To ensure that staff are trained in new areas of work such as project management and identifying development opportunities.

LEISURE AND ENVIRONMENT DIVISION

Head of Service Mark Fisher

Development Control - Nick Rogers
 Cleansing Services - Shaun Morley
 Parking Services – Sue Rees
 Building and Asset Maintenance - Tim Honess
 Facility Management and Street Scene - David Harper
 Landscapes - Rupert Browning
 Community Services and Culture – Simon Hardy
 Leisure Operations - Chris Markham
 Events and Entertainment - Gill Lake

These services would expect to be performing at the following levels within four years time:

Service	Direction of Travel	Opportunity for Joint Service Delivery
Development Control Priority: A	Outstanding customer service, top 25% BVPI performance, very fast service for minor planning applications by March 2008 and maintained thereafter.	No
Facilities Mgt & Streetscene Priority: B	Outstanding customer service by March 2009 and maintained thereafter.	Yes, with other councils
Contracts & Buildings Priority: B	£100k reduction in net cost through move to new office accommodation but not budgeted at this point. Improved sustainable energy initiatives.	Yes – with other councils
Cleansing Priority: A	Outstanding customer service by March 2008 and maintained thereafter. £100k reduction in net cost in 2008/09.	No, but consider partnership with other councils in Years 5-8
Leisure Facilities Priority: A	Outstanding customer service at reduced current net cost by March 2011 with major progress annually.	Yes, with other councils or private sector
Community Services & Culture Priority: B	Major contribution to an enhanced quality of life for all satisfactory customer service by March 2008 and maintained thereafter.	No
Parking Priority: B	Increased net income each year, satisfactory customer service on enforcement matters with major progress annually towards overall target.	Yes, with other councils or private sector

Development Control

In 2007 the Development Control Unit were recognised as the most improving service in the country. A focus on achieving Best Value performance indicators and substantial investment in technology and continuous review of practices and procedures has resulted in the service consistently achieving performance in the top quartile.

In 2008/09 the unit will continue to focus on achieving top quartile results. It recognised however that this is only one facet of the role. There will be a significant focus on customer service through the introduction of improved local performance indicators. The objective of these indicators is to ensure that the service is not only focused on speed but on quality communications and continuously improving quality of decision making.

The focus on customer service will address issues raised by applicants and members of the public, and whilst the most recent survey placed the service in the top quartile for customer satisfaction, there is a recognition that improved telephone services, web information and training for key stakeholders in our electronic systems will result in maintaining and improving our position as leaders in the customer service field.

Technology developments will continue to provide both increased public access and efficiencies for processing. Improved GIS, (Geographic Information System) and the continued enhancement and use of the EDRMS system will provide the electronic platforms for the service to deliver a modern and efficient service.

The potential changes to the planning system proposed in the planning White Paper are likely to impact on the service significantly should they be introduced in their current format. Changes in our practices and procedures and substantial community education will be required for a number of the proposals.

Working with Councillors at District, Town and Parish levels will be a core objective in 2008/09. Changes to the planning system as proposed in the white paper will require continued education and communication. In addition the ongoing adoption of technology by the district Council will require training and development of Members at all levels.

Internally the service will continue to promote ongoing education and professional qualifications amongst the staff to ensure that not only are we considered an employee of choice but our staff are adequately equipped to deal with the latest developments in the planning field

It is expected that with the introduction and adoption of both the Small Scale housing Scheme and the Core Strategy that 2008/09 will see a substantial number of major applications that will require the majors and implementation unit to have additional internal resources directed towards it.

Outdoor Business

The 2007/2008 year represented a significant change in culture and approach to one of Councils key services. A recognition that we were required to do more to improve our recycling resulted in the implementation a new waste service. The new service whilst presenting some issues in the introduction phase has already been extremely successful and has hit its twelve-month target within the first four months of operation. The residents of Mid Sussex have demonstrated that they are prepared to make changes in their daily lives to support a more sustainable environment through both the implementation of the recycling waste bins and the high level of adoption of the green garden waste bins.

In 2008/09, we will seek to take this success further by recognising that waste and recycling are part of a wider sustainability agenda and interest in the carbon footprints of organisations and areas. So we need to not only be waste managers but champions of the whole waste stream from production through to recycling. This will be an ambitious programme that in year 1 will commence with the development of strategy and proceed to implementation over years 2-4. The final objective will be national recognition as leaders in the management of the waste stream and substantial reductions in not only waste but in a range of sustainability indicators. All of this will be achieved by refocusing the resources of our service and in an environment whereby through the new contract and establishing revised priorities we are able to make significant efficiency gains.

In 2007 Council adopted the action plan of the Clean Neighbourhood and Environment Act. The implementation of this action plan will continue to take place in the forthcoming years. A combination of improved working through mobile working solutions, the development of customer charters, community forums and the implementation of new byelaws will result in Mid Sussex continuing to provide a physical environment that the community can be proud of both in terms of appearance and safety.

Over £1.5million will continue to be expended on maintaining improving and developing our facilities both indoor and outdoor. Our programme of improving playgrounds, DDA compliance across facilities and maintenance will ensure accessibility quality and enhancement of facilities. There will be a strong emphasis on continuing to work with the Community development team to secure funding for community groups. Management and planning of new facilities such as those for Sidney West and Bolnore Village will see new facilities available to the community, In addition the proposed new facility for Bolnore will add significantly to the local community recreational capacity. Preliminary discussion on new facilities for East Grinstead may also result in an improvement to the built environment for recreation purposes in the East Court area.

The parking unit will be in their third year of operation and in accordance with Councils initial establishment of the unit a major review will take place on its operations. The implementation of CPZ and the capacity, operations and improvements of our existing car parks will require substantial work by the unit. The phased implementation of new replacement parking meters will improve the efficiency and information available to the service, which should result in, improved performance from present levels. Analysis of car parking requirements particularly resulting from Town Centre developments will utilise substantial resources throughout the year.

Leisure

The Business Unit is responsible for over 1.5 million personal transactions with customers every year and as such is seeking to ensure that each and every customer receives a positive experience in order to enhance our reputation and develop continued repeat business. The capture of data, feedback and changed practices will drive the business towards higher levels of customer satisfaction.

Over the past two years the Indoor Leisure sites have provided efficiency savings of over £200,000 and will continue to seek to reduce their reliance on Council tax through improved investment, structural changes, and increased income. Our drive to increase margins in our catering business was successful. They have increased from around 1.5% to almost 15%.

In 2008/09 investigations and further decisions on options associated with alternative management structures for the leisure centres will be undertaken. The objective will be to provide further efficiencies for Council whilst continuing to enhance the service.

The service will be heavily involved in three major developments. The replacement of the hall facilities in Haywards Heath and Burgess Hill will require substantial liaison with our development partners Thornfield Properties. The second year of the five year plan to replace Olympos East Grinstead will involve developing base level financial planning and concept plans following the community consultation undertaken in 2007/08.

The community and cultural services area will turn its attention and resources towards the sustainability agenda whilst continuing to support to the development of sporting, recreational and arts activities.

It will be our intention to provide substantially increased, education, profile and actions to enhance the sustainability of the community. Significant planning and actions not only by the Council as participants but as community leaders will be required in order to meet very high central government targets for the reduction of carbon emissions, increased recycling and community expectations.

These major objectives and those indicators within the success criteria will be achieved through increased communication with the community, seeking to highlight achievements and utilising community feedback to continuously improve both the business and community elements of our service.

Leisure Variation Table

Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget

<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Changes to salaries including pensions/increments	239
Contract section van costs moved to Leisure per restructure	6
Commercial Waste recharge to Leisure from new contract	48
Concessionary Fares - bus operator payments	47
Concessionary Fares - usage projection additional cost	60
Concessionary Fares - Increase for new "National Free Travel Scheme"	271
Additional NNDR costs	7
Kings Leisure Centre - project concept & feasibility plans	30
Car allowances to Leisure following restructure	5
Beech Hurst Charity transferred to Outdoor	10
Big Culture Show budgeted income	300
<i>Total</i>	1023
<i>Budget Changes - Decreasing</i>	
Net Inflation	(4)
Commercial waste budget moved to Outdoor as included in new contract	(28)
2007/08 service efficiencies	(57)
Procurement savings - utilities Leisure centres	(46)
Concessionary Fares - Grant income for new "National Free Travel Scheme"	(271)
Community Leisure - arts, sustainability & health & sport development, & civic halls entertainments	(100)
Big Culture Show budgeted expenditure	(300)
<i>Total</i>	(806)
<i>Total Variation for Leisure</i>	217

Environment Variation Table

Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget

<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	27
Changes to salaries including pension/increments	113
Direct IT costs transferred from Corporate Systems	37
Mapping Services Agreement	1
<i>Total</i>	178
<i>Budget Changes - Decreasing</i>	
Staffing transferred to Better Mid Sussex	(83)
Staff transferred to Customer Services	(20)
Land Charges costs apportioned to Legal	(3)
Recharges	(35)
<i>Total</i>	(141)
<i>Total Variation for Environment</i>	37

Outdoor Variation Table

Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget

<i>Description</i>	<i>Variation £'000</i>
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Budget Changes - Increasing

Net Inflation	183
Changes to salaries including pensions/increments	39
Street Sweeping - additional road adoptions	1
Refuse Collection - additional road adoptions	2
Commercial Waste budget moved from Leisure	28
Additional NNDR costs	10
Recharges	28
<i>Total</i>	291

Budget Changes - Decreasing

Procurement Savings - utilities Oaklands	(3)
Contract section van costs moved to Leisure as part of restructure	(6)
Commercial Waste recharge to Leisure from new contract	(48)
Car Park lease costs met by L.A.P.E.	(20)
2007/08 service reviews - green waste	(60)
Commercial Waste saving as Leisure budget incorporated into new contract	(28)
Green waste increase in fees	(50)
Recycling Bring Sites - glass collection	(90)
Recycling Bring Sites - improvements	(90)
Recycling Contract Savings - glass	(100)
Car Parks - car cleaning franchise	(20)
Charity Beech Hurst accounts from Leisure	(36)
Outdoor Head of Service Service Efficiency	(74)
Cleansing Support Officer Service Efficiency	(28)
<i>Total</i>	(653)

<i>Total Variation for Outdoor</i>	(362)
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Leisure and Wellbeing Budget 2008/09		Grants to Organisations £'000	Concessional Fares £'000	Leisure Centres £'000	Civic Halls £'000	Community Leisure and Developmt £'000	Leisure and WB Staff Control £'000
Budget 2008/09 £'000							
Gross Expenditure							
Employees	5,546	28	29	4,776	406	306	0
Premises Related Expenditure	2,563	0	0	2,336	227	0	0
Transport Related Expenditure	42	1	1	27	2	11	0
Supplies and Services	1,534	248	14	955	228	90	0
Third Party Payments	952	0	952	0	0	0	0
Transfer Payments	3	0	0	0	0	3	0
Support Services	1,367	15	19	910	199	225	0
	12,008	292	1,016	9,004	1,062	634	0
Gross Income							
Fees and Charges	(7,351)	0	(44)	(6,698)	(609)	0	0
Rents	(98)	0	0	(79)	(20)	0	0
Grant Income	(271)	0	(271)	0	0	0	0
Recharges	(452)	0	0	(452)	0	0	0
	(8,173)	0	(315)	(7,229)	(629)	0	0
Net Expenditure	3,836	292	701	1,775	434	634	0
Budget 2007/08	3,619	312	583	1,572	459	693	0
Change from 2007/08	217	(20)	118	203	(25)	(59)	0
£'000 Change							
% Change	6%						
Other Items 2008/09							
Capital Financing Costs	1,264	0	0	1,007	257	0	0
Capital Financing Income	0	0	0	0	0	0	0
Specific Items	107	0	42	34	0	31	0

Development Control Budget 2008/09	Budget 2008/09 £'000	Development Control £'000
Gross Expenditure		
Employees	922	922
Premises Related Expenditure	1	1
Transport Related Expenditure	49	49
Supplies and Services	224	224
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	375	375
	<u>1,571</u>	<u>1,571</u>
Gross Income		
Fees and Charges	(714)	(714)
Rents	0	0
Grant Income	0	0
Recharges	0	0
	<u>(714)</u>	<u>(714)</u>
Net Expenditure	<u><u>857</u></u>	<u><u>857</u></u>
Budget 2007/08	820	820
Change from 2007/08		
£'000 Change	37	37
% Change	5%	
Other Items 2008/09		
Capital Financing Costs	9	9
Capital Financing Income	0	0
Specific Items	0	0

	Outdoor Facilities £'000	Contracts £'000	Public Conveniences £'000	Oaklands £'000	Car Parks £'000	Parking Enforcement £'000	District Drainage £'000	Contaminated Land £'000	Refuse Collection £'000	Recycling Bring Sites £'000	Highway Cleansing £'000	Highway Maintenance £'000	Outdoor Business Staff Control £'000
Budget 2008/09 £'000													
Gross Expenditure													
Employees	376	0	40	155	51	497	17	37	99	85	48	18	0
Premises Related Expenditure	1,477	0	63	392	332	0	8	0	0	18	0	13	0
Transport Related Expenditure	24	17	3	5	9	21	1	2	41	6	3	1	0
Supplies and Services	161	27	1	36	54	73	5	9	20	19	0	0	0
Third Party Payments	6	0	88	11	0	0	0	0	2,450	0	965	0	0
Transfer Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Support Services	174	84	29	41	118	0	7	10	47	89	19	4	0
	2,219	128	223	639	565	592	39	58	2,657	217	1,035	35	0
Gross Income													
Fees and Charges	(200)	0	0	(1)	(1,440)	(452)	0	0	(388)	0	0	0	0
Rents	(105)	0	0	(14)	0	0	0	0	0	0	0	0	0
Grant Income	(12)	0	0	(7)	0	(139)	0	0	0	(578)	0	0	0
Recharges	0	(128)	0	(867)	0	0	0	0	0	0	0	0	0
	(317)	(128)	0	(889)	(1,440)	(592)	0	0	(388)	(578)	0	0	0
Net Expenditure	1,901	0	223	(249)	(875)	0	39	58	2,268	(361)	1,035	35	0
Budget 2007/08	1,937	0	223	(245)	(842)	0	33	54	2,333	5	892	48	0
Change from 2007/08	(36)	0	0	(4)	(34)	0	6	5	(65)	(366)	143	(12)	0
£'000 Change	(362)												
% Change	(8%)												
Other Items 2008/09													
Capital Financing Costs	136	0	21	249	53	0	0	0	75	0	0	0	0
Capital Financing Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Specific Items	0	0	0	0	0	0	0	0	0	0	0	0	0

COMMUNITY SERVICES AND CULTURE SUCCESS CRITERIA 2008/09**Improved Service Performance**

- Provide 100% of current bus pass holders with new national bus passes by April 2008.
- Deliver efficiency savings of £70k in 2008/9.
- Finalise Masterplan for Bolnore Leisure site by June 2008.
- Deliver seven MEND projects by September 2009.
- Publish Public Arts Strategy by April 2008 and achieve first year's targets of the action plan.
- Launch a spotlight initiative for Carers in 2008/9.
- Re-invigorate the Council's undertaking in respect of the Nottingham agreement by establishing sustainability team to target areas of the Council's work to reducing the carbon footprint.
- Develop long term plan for improvements to Leisure & play facilities through utilisation of ringfenced S106 monies, and external funding.
- Promote Arts Gigantic 2008 as part of the celebrations of the Cultural Olympiad in September.
- Develop two healthy lifestyles projects in 2008/9.
- Promote Lifeshow 2008 for older people in September 2008.
- Engage with at least 20 local businesses to promote sustainability and energy efficiency.
- Promote six events, which demonstrate positive activities by young people.

Improved Customer Service

- Answer emails within three working days.
- Undertake satisfaction surveys at service level by Mar 2008.
- Improve satisfaction levels by 3% per annum.
- Ensure that webpages provides information on all services by Sept 2008.
- Ensure that the service complies with the requirements of the Council's equalities scheme by undertaking impact assessments by March 2009.

Individual Services Recognised As Best In Class

- Promote the Football & Health project as a regional/national case study.
- Achieve quest for Sports Development service by March 2009.
- Seek national/regional recognition for the concessionary travel scheme by April 2009.
- Work with partners to secure an international team as part of the 2012 Games (to 2011).
- Develop best practice in Public Art as part of the Town Centre revitalisation (to 2011).
- Maintain and improve on the Active People national rates by being in the top 10% nationally in volunteering and in the top quartile for active participation.

Improved Capacity/ Skill Base Of Staff

- Ensure that 85% of staff training needs are met.
- Achieve at least 25% partner financial contributions for 75% of projects.
- Develop further service delivery for the voluntary sector through partners.

LEISURE OPERATIONS SUCCESS CRITERIA 2008-09

Improved Service Performance

- Reduction in staff costs from 61.2% to 59% (net £146k).
- Generate additional income from:
 - TRP software delivering retention improvement;
 - Increase in corporate membership sales;
 - Business case for possible re-introduction of sunbeds.
- Introduce Environmental Policy and achieve net savings of 1% across all utilities.
- £30k pa savings from reduction in entertainments budget from Clair and Martlets halls.

Improved Customer Service

- Improve overall customer satisfaction from 80% to 85%.
- Achieve minimum of 70% in leisure centre's customer service 'Smile' reports.
- Achieve 95% of all customer complaints successfully resolved.
- Achieve 70% of all customer complaints responded to personally at the time of complaint.
- Achieve 'Good' rating for all children's services from OFSTED.
- Introduce online bookings for Entertainment Events and achieve 30% of all bookings made online by March 08.
- Commission cross cutting market research programme to accurately measure customer perception and expectation and make better use of marketing resources.

Individual Services Recognised As Best In Class

- Achieve Quest accreditation score of 65% for 1st cycle assessment at Olympos East Grinstead.
- Achieve Quest Highly Commended score of 75%+ in 2nd cycle assessment at Olympos Haywards Heath.
- Achieve Quest accreditation (target 65%) in Arts Quest.
- Use Quest Improvement Plan / Service Improvement Plan to drive and measure service improvement actions.
- Undergo external assessment of Health & Fitness business using the FLAME Award (Fitness Leadership and Management Excellence) – assessment in Feb 09 but not awarded until Sep 09.

Improved Capacity / Skill Base Of Staff

- All new staff to attend Olympos Induction and First Service training.
- Carry out annual 'Back to the Floor' week and produce service improvement outcomes.
- Achieve 90% of training identified in PPPs.

DEVELOPMENT CONTROL SUCCESS CRITERIA 2008/09

Improved Service Performance

- Development Control will focus on BVPI 109 (NI 157) 'Processing of planning applications as measured against targets for 'major', 'minor', and 'others'.
- To achieve further improvements in performance, introduce local performance indicators:
 - Acknowledge receipt of valid application or notify applicant that application is invalid within 2 working days.
 - Case Officer to visit all application sites within the press expiry date.
 - Case officer to check 'neighbour notification' for all applications on receipt of file.
- Adopt local list of planning application validation criteria and guidance notes in April 2008, following consultation.

Improved Customer Service

- Establish "Development Control News" page on the web site
- Standardise telephone system through the development control teams
- Carry out annual satisfaction survey of planning applicants
- Increase satisfaction of planning applicants to retain top quartile performance (79% satisfaction achieved in last survey 2006/07).
- Implement improvements to customer service at Area Planning Committees following the review by the Member/Officer Working Group

Individual Services Recognised As Best In Class

- Aim for top quartile performance in 2008/09 for processing of planning applications with the following targets:

Majors	81% in 13 weeks
Minors	83.5% in 8 weeks
Others	92.5% in 8 weeks
- To achieve at least one Development Control accreditation in 2008 (RTPI Learning Partner Status) and a national accreditation by 2011.

Improved Capacity/Skill Base Of Staff

- Achieve RTPI Learning Partner status in 2008.
- 3 Assistant/Planning Officers studying by day release for RTPI accredited post- graduate course, to "grow our own" professional staff and to aid staff retention/development.

CLEANSING SERVICES SUCCESS CRITERIA 2008/09

Improved Service Performance

- Increase recycling and composting rate (NI 196) to 40% in 2008/09.
- Fully implement new domestic refuse and recycling services to 100% of the District.
- Undertake participation survey to identify residents not using the service.
- Improve performance in BV199 a, b and c (cleanliness of highways, graffiti rates and fly posting).
- Abandoned vehicles investigated and dealt with in 24 hours.
- Increase uptake of the garden waste service from 8,200 to 10,000 customers.

Improved Customer Service

- Improve satisfaction with refuse collection service from 72% to 86%.
- Increase satisfaction with recycling services from 68% to 76%.
- Reduce number of missed bins from 50 to 10 per week.
- Reduce average time for dealing with requests for garden waste service bins from 6 to 4 weeks.
- Implement a commercial recycling collection service (subject to development of a business case).
- Full utilisation of mobile working solutions.

Individual Services Recognised As Best In Class

- Recognition from South East Centre of Excellence and DEFRA as a best practice model for contract procurement and service delivery.
- Submit application for LGA national recycling award.
- Ensure council meets the criteria for Beacon status.
- Undertake regular educational and promotional campaigns to remind users of their responsibility to the environment.
- Support WSCC home composting scheme to reduce food waste going to landfill.

Improved Capacity/Skill Base Of Staff

- All mobile staff trained to use enforcement and deterrent powers of the Clean Neighbourhood and Environment Act.
- Restructure team to become more customer focused.
- Change in emphasis from contract monitoring to contract management.
- Further development of a 'virtual' street scene team to enable a wide range of MSDC staff to report environmental incidents for resolution.

FACILITY MANAGEMENT AND STREET SCENE 2008/09

Improved Service Performance

Parks And Open Spaces

- To widen the online booking and payments system for Council pitches and pavilions / community halls.
- Launch the new Sidney West Community building (with Burgess Hill Town Council) and an extended Management Agreement.
- To produce a construction brief and new management arrangements for the new community building at Finches Field Recreation Ground, Pease Pottage.
- Implement the construction of the Skate Park at Whiteman's Green, Cuckfield.
- To increase the business, to submit new Parks licensing applications to enable a wider range of community events to be held at 3 new locations.

Street Scene

- Implement the initial phase of educational and enforcement work for Clean Neighbourhood and Environment Act 2005.
- To introduce new online reporting and feedback tools for our customers and stakeholders. This work is close allied to the development of the Council's Customer Relationship Management system and the mobile working pilot.
- To introduce an e-form booking system for road closures for community events.

Public Toilets

- To implement refurbishment of Cyprus Road, Burgess Hill and Cantelupe Road, East Grinstead public toilets.
- Implement a new cleaning contract from April 2008 and introduce new monitoring mechanisms to establish baseline customer satisfaction levels.

Improved Customer Service

Parks And Open Spaces

- With a base line of 82% customer satisfaction, seek to raise the level to 85% and to monitor this through regular survey work, and development of existing customer forums.
- Increase levels of online bookings and payments (Pilot scheme due to launch in Dec 2007).
- Implement the action plan following a customer impact and needs assessment for Sports and Event Management.
- Implement a customer charter for management of sports and events bookings.
- Increase the range of customer feedback mechanisms.

Street Scene

- To improve customer satisfaction on Street Scene issues from 72% baseline to reach the upper quartile, by the introduction of educational and enforcement strategies enabled by the Clean Neighbourhoods and Environment Act 2005.
- Undertake a full review of Council Byelaws associated with Parks and Open Spaces and Good Rule and Government.
- Undertake a Customer and Needs Assessments for new policies under the Clean Neighbourhoods and Environment Act 2005.

Individual Services Recognised As Best In Class

Parks and Open Spaces

- Green Flag / Parks and or “standard Bearer” status sought.
- Application for Natural England “Walking the Way for Health Initiative” for our Healthy Walks programme.

Street Scene

- Delivery of e-enabled mobile working solution across pilot street scene group (cross cutting & cross authority) to become the first in West Sussex, and promote as Best Practice. To devise a “roll out” scheme for mobile working, with a fully costed supportive business case.
- To re-assess the Council’s position against the IDeA Reputations ranking and to produce an action plan to raise the Council’s position.

Public Toilets

- Specification drawn up for future Town Centre Public Toilet provision, to be provided as part of Town Centre revitalisation projects with Thornfield Properties plc.

Improved Capacity / Skill Base Of Staff

- Assistant Leisure Facility Manager to undertake Fast Track training within the next two years.
- Support Officer – STC Diploma in Local Government Management within the next two years.
- Rangers to undertake Environmental Education NVQ or similar vocational scheme.

PARKING SERVICES SUCCESS CRITERIA 2008/09

Improved Service Performance

- Majority of old & faulty pay & display machines across the district are to be replaced.
- Service delivered within budget.
- Car park pay & display statistics produced and monitored on a monthly basis.
- Performance statistics produced and monitored on a monthly basis for parking enforcement as per government guidelines.
- Traffic Management Act 2004 successfully implemented.

Improved Customer Service

- Full, up to date service information, on-line forms and payment options available on the web.
- 80% of telephone/face to face enquiries answered at first point of contact through the Customer Contact Centre.
- All written enquiries responded to within 10 working days.
- All e-mail enquiries responded to within 1 working day.
- Substantive information regarding customer satisfaction collected, with improvements identified and being implemented.
- Customer service standards set out in the Parking Service Charter being achieved and exceeded where possible.

Individual Service Recognised as Best in Class

- Nationally accredited Park Mark Awards obtained for 10 car parks.
- Sought out by other authorities to share best practice on the implementation of LAPE (Local Authority Parking Enforcement).
- Recognised for using less enforcement and more education to achieve a freer flow of traffic and increased legal parking. The public has a greater understanding of the importance of traffic management.
- Preparing for entry for a national award/entered into a national award (dependent on deadlines) e.g. British Parking Awards or Civil Enforcement Awards.

Improved Capacity/Skill Base of Staff

- Formal induction programme for all support and enforcement staff in place.
- All enforcement staff achieved City & Guilds level 2 in Parking Enforcement and City & Guilds in Conflict Management.
- All support staff multi-functional across all notice processing and controlled parking zone administration tasks.
- Membership of IPP (Institute of Parking Professionals) actively explored as part of the PPP process.

ORGANISATIONAL DEVELOPMENT DIVISION

Head of Service: Marissa Bartlett

Business Units:

- Personnel and Training: Tim Martland
- Corporate Communications: Martin Burrekoven - Kalve
- Corporate Health & Public Safety: Robin Penn (as a sub unit within this Division)

These services will expect to be performing at the following levels in four years time.

Service	Direction of Travel	Opportunity for Joint Service Delivery
HR (Personnel & Training) Priority: B	£50k reduced net cost in 2009/10, robust and consistent approach to managing personal performance across whole organisation by March 2008 and maintained thereafter.	Yes – (transactional) HR eg. E-recruitment; generic policy advice with other councils. Learning & Devt already in place c/o Sussex Training Consortium.
Communications and Customer Services Priority: B	Net cost reduced by £80k in 2008/09. Overall customer satisfaction with the Council increased from 48% to 53% by March 2009 with upward only increases annually thereafter to achieve customer satisfaction equivalent to that of top quartile of district councils by 2011 (approx. 60%). 80% customer queries resolved at first point of contact. Fully Transactional web site.	No

HR – What We Have Done In 2007 And Will Be Doing Differently In 2008/09

The HR Business Unit has key responsibility for the recruitment, selection and employment of all staff, as well as ensuring that during their career with the Council the skills and capacity of officers are developed and maximised to facilitate continuous improvement and better performance.

During 2007/08 recruitment costs were reduced by £190 reduction per successful candidate due to the increased success of online advertising and a consequent reduction of more traditional methods. Resource Link continues to produce more management information data to assist performance measurement. HR Officers have become more pro-active in collaborating with line managers in the performance management of staff, encouraging smarter working methods and more effective use of staff resources.

To reflect current and future business priorities, change management and high performing team development have been undertaken successfully during 2007, and there are several progressive HR policies in place. Two officers have delivered training for the recruitment and selection module of the new Local Government Diploma, MSDC HR are leading on the CenSUS project, a regional e-recruitment portal and the Sussex Training Consortium. All of these projects signify a quality service for our internal and external customers at a reduced cost both now and in the future.

We have several main priorities for 2008/09 and the future, which are that; HR Officers will actively engage with Council teams to obtain intelligence and identify and resolve matters of concern with regard to the people. Motivated and productive professional staff will enhance effectiveness and achievement and reduce costs through lower absence and turnover. The corporate success criteria will be used as a lever for required change. In order to generate revenue the HR team aim to expand this service to engage town councils and other local organisations via consultancy methods. In addition to this we are aiming to make income of £10k pa by looking to administer the payroll services for other Councils.

We intend to create an internal workshop development programme of core management skills for Business Unit Leaders and deliver and evaluate its effectiveness. In addition we are exploring the possibility of extending this programme and delivering it to neighbouring authorities. We will ensure that HR are offering a value for money service and that our client needs are being met by acting upon the results of an HR service survey, knowledge share within the team to succession plan for the future.

We will support the Council's talent management strategy and ensure that as lead officers of the shared services agenda re. CenSus, all support and advice is offered in a timely and proactive way. We will continue to lead the Sussex Training Consortium agenda for change and cost effective delivery of learning and development solutions for officers of the Council in partnership with colleagues across districts and boroughs in Sussex. Finally, we will lead the creation and development of an e-recruitment portal for Sussex districts and boroughs working in partnership with South East Employers.

Corporate Communications Team- what we will be doing differently in 2008/09

A key focus for 2008 is that the work of the Corporate Communications team will closely link to the Customer Service team. Innovative thinking to introduce new ways of better connecting with our community, regular data sharing meetings and exchange of ideas will enhance the reputation of the Council.

The Communications Team will work proactively with Business Unit Leaders across the Council to join up service and corporate priorities in order to improve the Council's reputation.

Internal communications will focus on encouraging staff to communicate and celebrate their service and personal successes. 'Daily News' on our intranet will be a platform on which our internal communications strategy can be strengthened. Integrating the staff directory and inter-connecting services and business units will be an area of renewed attention in 2008.

We shall better understand the readership of our Council magazine: Mid Sussex Matters – who they are and what they want to hear from their local Council. We shall build on research gained from Mid Sussex Matters Survey results in 2007/08 and ensure our magazine best meets the Council's and the readership's requirements

We shall introduce new ways to enhance the image, reputation and promotion of Mid Sussex as a tourism destination, leading to greater spend and investment. We shall work with partners to plan and manage the tourism impact on the district pre/post 2012 London Olympics.

We want to adopt a more robust approach in managing our corporate ID standards, as this will impact on how the Council is perceived. All publications will be channelled through the communications team to ensure that they reflect the corporate ID, are of a quality standard, and promote the Council positively. We need to strengthen the Council's reputation, and promote visible leadership in the community. We need to give residents positive messages that they want to hear. To do this we will identify and engage with 50 key opinion formers, through whom we will disseminate key Council messages directly, and from whom we will learn to be more effective and relevant.

Above all, we need to be aware of different opportunities and methods that provide cost effective routes of communication to all our residents, and offer unbiased, constructive news and information to better connect with the residents of Mid Sussex. Presenting a powerful, positive and meaningful message will reflect favourably on the reputation of the Council. Changes to the way we communicate our message will re-focus our efforts and in return, a net cost reduction to the value of £80k will be progressed.

Corporate & Public Safety- what we will be doing differently in 2008

The opportunity to provide greater resilience in emergency planning and business continuity by means of a formal partnership arrangement with neighbouring authorities is actively being pursued. In business continuity terms, the knowledge skills and experience held by the one Corporate & Public Safety Adviser is insufficient resource should a major emergency occur. Moreover, general business continuity is a matter for all business unit managers and senior officers and should not be invested in one individual. Opportunities through a partnership arrangement will not only enable greater resilience but cost savings in respect of suitable training, administration and better use of e-enabled products.

Organisational Development Variation Table

Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget

<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	20
Changes to salaries including pensions/increments	29
Young Enterprise budget from Planning Policy	1
Direct IT costs transferred from Corporate Systems	11
Payment of First Aiders and Fire Marshals	7
Payroll business provision to other Local Authority did not proceed as planned	30
 <i>Total</i>	 98
<i>Budget Changes - Decreasing</i>	
Recharges	(43)
Corporate Communications savings	(30)
Colour printer saving - due to reduction in printing materials	(5)
 <i>Total</i>	 (78)
 <i>Total Variation for Organisational Development Services</i>	 20

Organisational Development Budget 2008/09		Emergency Planning	Org Development Support Costs	Corporate Marketing and Comms	Corporate Youth
	Budget 2008/09	£'000	£'000	£'000	£'000
Gross Expenditure					
Employees	789	0	556	202	31
Premises Related Expenditure	0	0	0	0	0
Transport Related Expenditure	15	0	5	10	0
Supplies and Services	193	17	52	121	3
Third Party Payments	0	0	0	0	0
Transfer Payments	0	0	0	0	0
Support Services	121	13	77	31	0
	1,118	30	690	364	34
Gross Income					
Fees and Charges	0	0	0	0	0
Rents	(9)	0	0	(9)	0
Grant Income	(22)	0	(10)	0	(12)
Recharges	(1,035)	0	(680)	(355)	0
	(1,065)	0	(690)	(364)	(12)
Net Expenditure	52	30	0	0	22
Budget 2007/08	33	32	(0)	(16)	17
Change from 2007/08					
£'000 Change	20	(2)	0	16	6
% Change	60%				
Other Items 2008/09					
Capital Financing Costs	0	0	0	0	0
Capital Financing Income	0	0	0	0	0
Specific Items	5	0	5	0	0

PERSONNEL AND TRAINING (HR) - SUCCESS CRITERIA 2008/09

Improved service performance

- Achieve top quartile performance in all HR BVPIs for 2008/09.
- Reduce like for like recruitment costs by a minimum of 10% year on year.
- 100% of employee relations issues concluded satisfactorily within six months of HR first being notified of the matter.
- 100% of staff vacancies recruited to at the first time of asking (but if not, a satisfactory solution confirmed within two months of the original interview date).

Improved customer service

- An annual departmental survey to show at least an 80% satisfaction level.
- An annual training plan (including Corporate Induction) implemented and carried out, with 80% of activities rated by delegates as “very good” or “excellent”.
- 100% of all job evaluations to be carried out within the published deadlines under the new Green Book scheme, with 100% of the Equal Pay Audit actions followed up as a result.
- 100% of all “Working Life” policies to reflect current statutory legislation, and/or current Council requirements.
- All people aspects of the CenSus Benefits and Revenues project completed within approved deadlines.
- All people aspects of the Leisure Centre Alternative Management project to be completed within approved deadlines.

Individual services recognised as best in class

- Achieve at least one service innovation for which regional/national recognition is achieved.
- Sickness Absence rates to be in the top 25% of Sussex Authorities.
- Staff Turnover rates to be in the top 25% of Sussex Authorities.
- Total recruitment spend to be in the top 25% of Sussex Authorities.
- To be placed in the Top 20 of the next Times Best Councils Survey

Improved capacity/skill base of staff

- 90% of training identified in PPPs delivered.
- All staff within the team to ensure that they have at least one colleague as a 'back up' for each of their responsibilities.
- All staff in team to be fully conversant with the ResourceLink system.
- Two team "away days" to take place annually, with a particular theme selected for each.

CORPORATE COMMUNICATIONS - SUCCESS CRITERIA 2008/09

Improved service performance

- Overall resident satisfaction with the Council increased from 48% to 53% by March 2009.
- 100% of core key issues to be supported by a proactive communications/media plan.
- 90% of Council corporate identity (e.g. publications, displays, PowerPoint presentations, vehicle livery etc) checked for content and design for compliance with corporate standards.
- 100% of media enquiries responded to within 24 hours of receiving them.
- Increase revenue for advertising in Council publications.

Improved customer service

- 100% of public meetings held in Oaklands to have appropriate signage.
- 100% of meeting rooms to have telephone and Internet points.
- Achieve quarterly face-to-face meetings with local print media on an individual basis.
- Deliver our publications to 100% of our identified stakeholders (e.g. parishes).
- 100% of Council publications listed on MSDC website.
- 20% increase on visits to the Enjoy Sussex website.
- Improved Enjoy Sussex Visitor Guide following extensive customer research.
- Redesign of 08/09 Council Tax leaflet into a visually user-friendlier format.

Individual services recognised as best in class

- 6 features identified for national/trade magazines per annum.
- Enter 4Ward Mid Sussex (Staff Newsletter distributed to 550 staff) and MSM (Council's magazine distributed to 54,000 households) for national awards.

Improved capacity/skill base of staff

- Staff in “talent pool” achieve performance levels required and successors identified for team leaders and above
- 90% of training identified in PPPs delivered
- Attendance at 2 conferences widening knowledge base and networking
- Provide media training to 100% of Business Unit Managers
- Achieve 2 team training/away days a year for the Corporate Comms team

CORPORATE AND PUBLIC SAFETY (CPS) - SUCCESS CRITERIA 2008/09

Improved service performance

- Complete fully functioning partnership arrangement with Crawley Borough Council by July 2008 to provide additional resilience.
- All CPS core key issues to be supported by a proactive communications/media plan via partnership working.
- All significant (RIDDOR reportable) public & staff accident reports investigated within 5 days of occurrence or receipt by partnership team.
- 100% of 'emergency situations' responded to by partnership team within 1 hour of receiving them.

Improved customer service

- All internet/intranet CPS-related information is up to date, accurate and accessible.
- 100% of CPS Plans published on the MSDC Website.
- Achieve quarterly face-to-face meetings with local Corporate & Public Safety stakeholders.
- Deliver Business Continuity information to 100% of our identified stakeholders (e.g. small to medium business enterprises).
- 90% of Council publications listed on MSDC website.
- 20% increase on visits to the CPS page of the MSDC website.

Individual services recognised as best in class

- Achieve at least one service innovation for which regional/national recognition is achieved

Improved capacity/skill base of staff

- All staff within the CPS team to ensure that they have at least one colleague as a 'back up' for all of their responsibilities.
- Provide CPS training to 75% of Business Unit Managers
- Achieve 2 significant training modules in CPS by March 2009 for the CPS team
- All CPS staff in team to be fully conversant with the Office Shadow system by March 2009.

PLANNING POLICY DIVISION

Head of Service: Judith Hewitt

Planning Policy - Steve Tilbury

These services would expect to be performing at the following levels within four years time:

Service	Direction of Travel	Opportunity for Joint Service Delivery
Planning Policy Priority: A	Satisfactory customer service with milestones in the Local Development Scheme achieved. The Local Development Framework is an on-going portfolio of documents that will be continually added to and updated.	No – but consider partnerships with other councils in Years 5-8

Introduction

The Local Development Framework is the collection of documents, which sets out the policy framework and development proposals for the District. These documents are prepared in the light of an extensive evidence base. Officers are responsible for undertaking or commissioning the necessary work, which includes studies such as the Strategic Flood Risk Assessment, transport assessments and the Employment Land Review. The documents are also prepared in the light of extensive engagement at the early stages with statutory and non-statutory stakeholders including the environmental bodies, the service providers, community groups and Town and Parish Councils.

The documents are prepared in general conformity with the South East Plan and the saved policies of the West Sussex Structure Plan. They need to take account of other strategies including the Mid Sussex Community Strategy and the West Sussex Local Transport Plan.

The work programme for the Local Development Framework is set out in the Local Development Scheme and the process for preparing the documents is set out in the Statement of Community Involvement.

Improved Service Performance

In order to ensure that the Local Development Scheme milestones and other work essential for the adoption of 'sound' Development Plan Documents is achieved the Principal Planning Officer's post has been re-designated and re-aligned as the Local Development Framework Manager's post. This will reduce, to some extent, the already diminished lead role that the Council takes in economic development and promotion. The emphasis with regards to businesses will be on partnership working and the promotion of a balanced economy and business opportunities through the Core Strategy and other documents.

Partnership working with potential developers, the County Council and neighbouring local authorities will be essential to ensure that the necessary studies are funded and undertaken and that appropriate and necessary infrastructure is in place before the new homes, businesses or other uses are occupied or in use. To assist in preparing the necessary studies and financing future public examinations, an amount of £74k has been allocated from Planning Delivery Grant.

A non-statutory but valuable aspect of the Division's work is in relation to conservation of the natural and built environment. This is particularly important in the light of the enormous amount of development the District has to take over the coming years. Partnership working, policy guidance and advice given on the built heritage are important to ensure the protection and enhancement of the special countryside areas and biodiversity within Mid Sussex and of the Conservation Areas and Listed Buildings. Conservation Area Appraisals will be prepared for an increasing number of the Conservation Areas across the District.

Improved Customer Service

The improvements envisaged for next year and the longer term relate primarily to the increased use of electronic communications. This will enable a more accessible source of up-to-date information and for many, will allow 24 hour a day information. This will make more efficient use of resources – both staff and paper – and should speed up the time taken to deal with the public's responses to Development Plan Document consultations.

Electronic communication will become the principal means of engagement and consultation; it will not become the only means.

The need for personal contact with people and for hard copies of documents and other consultation material is recognised and will be maintained to a high standard. However, in the light of the increasing number of Local Development Documents to be produced across the whole District the level of officer input to public exhibitions and meetings will need to be proportionally reduced. Alternative ways of arranging and staffing public events will be explored.

Individual Services Recognised As Best In Class

The current rate of Development Plan Documents being found 'sound' is very low. Only 21 local authorities have so far submitted a Core Strategy Document to the Secretary of State, of these Documents 14 (66%) have been found 'sound'. The first DPD to be submitted by this Council to the Secretary of State for examination, the Small Scale Housing Allocations Document, has recently been found sound. The Small Scale Housing Allocations Document is one of the first in the country to achieve this status. The document will be formally adopted early in 2008 and will make a significant contribution to the delivery of new housing over the period to 2016.

It is anticipated that the East Grinstead Area Action Plan will be submitted in summer 2008 and that the Council will be able to adopt it by early 2010. It is also anticipated that the Core Strategy Document will be submitted in summer 2009 and that the Council will be able to adopt it by December 2010. This suite of documents will allow the Council to have a rolling five-year housing land supply in place and to ensure that housing proposals needed to meet the requirements of the South East Plan are progressed. The Core Strategy will enable the Council to seek a higher proportion of affordable homes on all sites and will give the Council a firm basis on which to achieve the infrastructure required with new development. Adopting the Core Strategy will also enable other policies including those on renewable energy, design and density to ensure that high quality, sustainable new homes are planned and built.

In recognition of the work done to protect the heritage of the District the Division will apply for a national Green Apple Award.

Improved Capacity/Skills Base Of Staff

Over the four year period no reduction in staff levels within the Division are anticipated. The Government's Planning Advisory Service has funded skills training needed to assist with the preparation and implementation of the Local Development Scheme (the programme of documents). It will be important that officers keep abreast of the new planning system, which is facing further changes, particularly in the light of the extensive evidence base required and the role of stakeholder and community engagement. Whilst an increasing amount of studies will be undertaken in-house and in partnership with others, the use of consultants to undertake some specialist studies such as the Transport studies will be required. The Division has a succession plan in place, which maximises the opportunity for officers to learn skills from one another and will build on networks of officers from outside of the authority, both from within West Sussex and on a national basis – coordinated by the Planning Advisory Service. Some external training will continue to be required.

Planning Policy Variation Table	
Analysis of changes in budget between 2007/08 original budget, and 2008/09 budget	
<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	15
Changes to salaries including pensions/increments	40
Annual contribution to reserves for LDF	50
Local Development Framework - printing costs	5
Annual software maintenance cost	5
Recharges	20
<i>Total</i>	<u>135</u>
<i>Budget Changes - Decreasing</i>	
Young Enterprise moved to Organisational Development	(1)
<i>Total</i>	<u>(1)</u>
<i>Total Variation for Planning Policy</i>	<u><u>134</u></u>

Planning Policy Budget 2008/09	Budget 2008/09 £'000	Planning Policy £'000	Economic Development Promotion £'000	Planning Policy Staff Control £'000
Gross Expenditure				
Employees	505	486	19	0
Premises Related Expenditure	0	0	0	0
Transport Related Expenditure	14	14	0	0
Supplies and Services	221	189	32	0
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	207	168	40	0
	948	857	91	0
Gross Income				
Fees and Charges	(0)	(0)	0	0
Rents	0	0	0	0
Grant Income	0	0	0	0
Recharges	0	0	0	0
	(0)	(0)	0	0
Net Expenditure	948	856	91	0
Budget 2007/08	814	717	97	0
Change from 2007/08				
£'000 Change	134	140	(6)	0
% Change	16%			
Other Items 2008/09				
Capital Financing Costs	4	4	0	0
Capital Financing Income	0	0	0	0
Specific Items	58	58	0	0

Planning Policy Success Criteria 2008/09**Improved Service Performance**

- Achieve milestones in Local Development Scheme.
- Publish a Housing Land Availability Assessment.
- Achieve at least 50% new homes on previously developed land (Local indicator and NI170).
- Completion of three Conservation Area Appraisals so that 11% district coverage is achieved.
- Maximise Housing and Planning Delivery Grant received next financial year.
- 98% of Planning Policy invoices paid within 30 days (in line with BVPI).

Improved Customer Service

- Get on-line consultation in place for Development Plan Document Consultations.
- Increase use of email service to send out electronic alerts to 100% of customers who request this service.
- Use email service to acknowledge consultation responses in 100% cases where email address provided.
- Through publicity increase electronic consultation to 40% of Development Plan Document consultation responses.
- Produce a regular LDF newsletter (quarterly).
- Use electronic engagement as principal means of engaging stakeholder groups, including businesses.
- Update website information within 24 hours of new Local Development Documents reaching any public stage.
- Update website information within 3 days of new studies or evidence becoming publicly available.
- Produce paper and electronic leaflet on repairs and alterations to Listed Buildings.
- Improve relationship with Press Office and media (prepare a planning policy communications strategy).

Individual Services Recognised As Best In Class

- All eligible staff complete successful application for full membership of RTPI
- Achieve a Green Apple Award for protecting the heritage of the District

Improved Capacity/Skills Base Of Staff

- Three members of staff to have successfully completed fast track course (through 2nd and 3rd cohort)
- One member of staff to have successfully completed management diploma course
- Staff in talent pool to achieve performance levels required
- Succession planning for all roles in the Division identified and training implemented

STRATEGIC CORE

Services covered

Chief Executive and Deputy Chief Executive, Chairman's Expenses and Better Mid Sussex.

Head of Service: Deputy Chief Executive

Key areas for 2008/09

Changes to the base budget are the result of creating a Better Mid Sussex Planning Leader and transferring the funding for that post from the Environment Division, and the reduction in staff costs arising from the retirement of the former Corporate Strategic Director. The budget growth arises from costs associated with the BMS Planning Leaders secretarial support and contractually committed salary increases.

The Better Mid Sussex Steering Group has agreed the following success criteria for the partnership over the next 4 years:

Excellent Reputation

- Two town centre / revitalisation schemes commenced in the District by 2011;
- Partnership recognised regionally / nationally for its innovation;
- BMS recognised through support for local events and initiatives.

Sustainable Finances

- Achieve minimum financial requirements of Development Agreements and maintain income streams during construction of schemes.

Excellent Customer Services and Satisfaction

- All 3 Master Plans reviewed and well supported by the community;
- Individual websites for each scheme in place;
- Stakeholder groups established and actively engaged.

Best-in-Class Service

- Partnership recognised for quality of the team in place;
- Achieve regional status for the revitalisation work;
- Partners/Partnership invited to address seminars / events.

Specific objectives for 2008/09 include the securing of Cabinet approval for Haywards Heath Station Quarter and Burgess Hill Town Centre concepts schemes. Also to ensure that planning applications are received, and well supported, for East Grinstead Town Centre and for Haywards Heath Station Quarter. In addition, consideration will be given to further partnership schemes.

There will be a continuing focus upon increasing trust and understanding of the partnership, and support for it, with our Members and within our community.

Strategic Core Variation Table

Analysis of changes in budget between 2007/08 projected outturn, and 2008/09 budget

<i>Description</i>	<i>Variation £'000</i>
<i>Budget Changes - Increasing</i>	
Net Inflation	10
Recharges	86
Changes to salaries including pensions/increments	10
Better Mid Sussex Planning Leader post transferred from Environment	83
Staffing - Better Mid Sussex post	8
Additional salary cost - Strategic Management	20
 <i>Total</i>	 <hr/> 217 <hr/>
<i>Budget Changes - Decreasing</i>	
2007/08 service efficiencies	(94)
 <i>Total</i>	 <hr/> (94) <hr/>
 <i>Total Variation for Strategic Core</i>	 <hr/> 123 <hr/>

Strategic Core Budget 2008/09	Budget 2008/09 £'000	Strategic Core £'000
Gross Expenditure		
Employees	902	902
Premises Related Expenditure	0	0
Transport Related Expenditure	20	20
Supplies and Services	25	25
Third Party Payments	0	0
Transfer Payments	0	0
Support Services	767	767
	<u>1,714</u>	<u>1,714</u>
Gross Income		
Fees and Charges	0	0
Rents	0	0
Grant Income	0	0
Recharges	0	0
	<u>0</u>	<u>0</u>
Net Expenditure	<u>1,714</u>	<u>1,714</u>
Budget 2007/08	1,591	1,591
Change from 2007/08		
£'000 Change	123	123
% Change	8%	
Other Items 2008/09		
Capital Financing Costs	0	0
Capital Financing Income	0	0
Specific Items	0	0

Forecast of Benefits Costs 2008/2009

	2006/07 Accounts	2007/08 Budget	2007/08 Current	2008/09 Forecast	
Non HRA Rent Rebates					
	£'000	£'000	£'000	£'000	
gross expenditure	100	123	115	115	
net expenditure at standard subsidy					
effect of reduced subsidy	9	11	7	7	
effect of overpayments	(10)	(12)	(7)	(7)	
Total Rent Rebates	(1)	(1)	0	0	
Rent Allowances					
	£'000	£'000	£'000	£'000	
gross expenditure	18,384	19,255	18,926	18,926	
net expenditure at standard subsidy	0	0	0	0	
effect of reduced subsidy	345	367	433	433	
effect of overpayments	(459)	(437)	(534)	(508)	1
Total Rent Allowances	(114)	(70)	(101)	(75)	
Council Tax Benefit					
	£'000	£'000	£'000	£'000	
gross expenditure	5,232	5,328	5,693	5,693	
net expenditure at standard subsidy	0	0	0	0	
effect of reduced subsidy	0	0	0	0	
effect of overpayments	(93)	(77)	(82)	(82)	
Total Council Tax Benefit	(93)	(77)	(82)	(82)	
Discretionary Local Scheme					
Council Tax Benefit					
Rent Allowances	42	48	47	47	
Subsidy 75%	(32)	(36)	(35)	(35)	
Total Discretionary scheme	10	12	12	12	
Total Support	(198)	(136)	(171)	(145)	
Add : Previous Year Adjustment					
Less : LA Error subsidy	(85)	(84)	(79)	(79)	2
Adjustment for 2005/06 claim	(54)	0	0	0	
Transfer to Benefits Equalisation Reserve	0	0	0	0	
(Less)/Add : Funding (from)/to Benefits Equalisation Reserve	80	(44)	(14)	(40)	3
Cost to MSDC	(257)	(264)	(264)	(264)	

(1) Although there has been a greater volume of Rent Allowance overpayments than budgeted for 2007/2008, attracting additional subsidy, the proposed introduction of Local Housing Allowance in 2008/2009 is likely to reduce collection rates. This is due to proposed payment of Housing Benefits directly to Benefit recipients rather than the current system of payments to Landlords.

(2) LA error volumes for 07/08 are lower than expected. Maximum subsidy is only achieved when volumes are as close to the lower threshold as possible without exceeding it.

(3) The amount budgeted to be drawn from or transferred to the Benefits Equalisation Reserve is calculated to bring the final figure back to the required budget. The Benefits Equalisation reserve was set up from the previous years surplus.

CAPITAL PROGRAMME 2007/12

1. Background

- 1.1 This section sets out a proposed Capital Programme and Capital Strategy. It also outlines the Council's approach to capital investment ensuring that such investment is directed to the Council's corporate priorities.
- 1.2 Each year, the Council sets out its capital programme for the forthcoming year. Members should note that although this varies from year to year, it does contain certain core constituents throughout the four-year programme. On this basis, this section sets out, in Tables 1 and 2, the overall core capital programme summary for the next four years together with its financing. In addition to this, the section details:
- A list of all projects contained in the current Capital Programme including scheme slippage from previous years, and capital variations approved by Members during 2007/08;
 - A detailed list of the proposed projects for 2008/09 together with financing;
 - The Prudential Code indicators to 2010/11.

2. Capital Strategy: General Principles

- 2.1 The current strategy for capital spending is detailed within the Financial Strategy 2003/04 –2007/08 presented to Members as part of last year's Corporate Plan and budget report. The general principles of the Capital Strategy have now been updated and are outlined below for Members information:
- The expenditure for any particular year to be based only on previous years cumulative receipts plus use of interest. This is to prevent cashflow problems developing if expenditure is incurred before receipts are received.
 - All Affordable Housing grant aid is financed from S106s and there is no use of capital or revenue reserves for this purpose.
 - The Council will use Prudential borrowing only for investments with a proven business case. Under this system, the Council will be able to borrow money on the strength of its resources, to pay for capital projects on an 'Invest to Save' basis and satisfying affordability criteria.
 - Unearmarked revenue reserves are kept above minimum of £1.5m.
 - All capital projects should be subject to the Council's priority scoring mechanism, which is aligned to its corporate priorities.
 - Capitalised salaries to be permitted where appropriate but kept to a minimum to ease pressure on capital reserves.
 - Council must approve the Capital Programme as part of the Corporate Plan and Budget exercise.
- 2.2 The adoption of the foregoing results in a modest capital programme for 2008/09, as detailed further in the paragraphs below.

3. Current Financial Position

- 3.1 Members are aware that capital resources continue to be scarce, yet commitments are high. Support for social housing is committed at £500,000 pa for the next few years and disabled facilities grants total some £325,000 (net) per year.
- 3.2 The financing arrangements for the programme are difficult to predict. The Council is in a position where reserves with no spending plans are at £2.3m against a minimum of £1.5m. The Council is debt free but has resolved to borrow if necessary in order to finance its capital spending plans for example the purchase of wheelie bins. However, the impact of paying for the borrowing for anything other than the wheelie bins has not been factored into the revenue account, and were it to be, this would increase the pressure on revenue spending when the opposite is the annual aim.
- 3.3 The proposed way forward, previously outlined to members in the draft Corporate Plan and Budget 2008/09 report to Performance and Scrutiny Committee on 9th January 2008, is therefore to adopt a modest capital programme but finance it mainly from a combination of capital receipts and interest. This is a viable option but whilst interest earned on investments can be predicted relatively accurately, the timing and size of capital receipts is subject to variation from factors which are not wholly controllable, not least of which of those are the economic and political influences.

4. Proposed Projects for 2008/09

- 4.1 In light of the comments above, the capital projects that have come forward for 2008/09 and beyond include a mixture of new ICT infrastructure projects, those projects that are housing related and to which a public commitment has been made and the next tranche of Major Capital Renewal projects. The justification proformas for all service projects are included at the end of this section.

Major Capital Renewals

- 4.2 Major Capital Renewals are at present funded by use of interest. The total for 2008/09 is £600,000. It is expected that this arrangement will continue in the future, although a review of the Council's property portfolio should be conducted as a matter of priority.
- 4.3 The proposed capital projects to be included in the 2008/09 Capital Programme are set out below:

<i>Title</i>	<i>Project Cost £'000</i>	<i>Project Cost £'000</i>	<i>Revenue Implications £'000</i>
Service Projects			
<i>ICT:</i>			
Census ICT Strategy	150		
PC Replacement programme	70		
Central Server Replacement	38		
<i>Total ICT</i>		258	
<i>Others:</i>			
Oaklands Audio Visual System	70		
Oaklands Accommodation	220		
Rural community provision & Capital Grants	100		
Green Crescent new footpaths	30		
State Park Haven Field Crawley Down	36		
Playground Strategy (Big Lottery Fund unallocated)	22		
Upgrade of Asset Register	15		
<i>Total Others</i>		493	
Additional Funding:			
<i>Major Capital Renewals (MCR):</i>			
Clair Hall	20		
Martlets Hall	10		
Olympos Haywards Heath	126		
Olympos East Grinstead	15		
Olympos Burgess Hill	183		
Oaklands boilers/roof	30		
Beech Hurst Yard	15		
Whitemans Green Pavilion	36		
Streams&Watercourses Hurstpierpoint	50		
Moat Pond East Grinstead	25		
Playgrounds – safety surface works	40		
Car Park ticket machines (HH & Bhill)	50		
<i>Total MCR:</i>		600	
Town Centre Revitalisation (capitalised salaries)		306	
<i>Housing</i>			
Housing Renewal Assistance	650		
Affordable Housing	500		
<i>Total Housing</i>		1,150	
Total Proposed Capital Projects for 2008/09		2,807	0

- 4.4 It is proposed that the capital projects set out in 4.3 above are financed by a variety of means as follows:

	£'000	£'000
<i>2007/08 Capital receipts:</i>		
Fairbridge way	550	
Victoria Garage	376	
Hurst Farm	40	
DIYSO + other small receipts	34	
	<hr/>	
Total 2007/08 Capital receipts available:		1,000
Capital Grants		
(re. Housing Renewal Assistance (of which the Disabled Facilities Grants portion is 60% financed from central govt)		325
S106 monies for Affordable Housing		500
Use of interest		924
Big Lottery fund monies		58
		<hr/>
Total Capital Spending 2008/09		2,807
		<hr/> <hr/>

- 4.5 Time-limited S106s are available to use in relation for the Affordable Housing part of the 2008/09 Capital Programme.

5. Medium Term Outlook

- 5.1 Looking forward to the medium term, it would be desirable to continue grant aiding the community by way of Disabled Facility Grants (£325k per year), and rural community grants (£100k). In addition, the Council needs to maintain its extensive asset base (c. £850k pa). There is also a need to maintain the Council's ICT infrastructure (c. £300k) and assist with affordable housing provision (£500k). However, this future commitment would result in the utilisation of current reserves by at least £2million per annum. With reserves approaching minimum levels this is not viable over the longer term.
- 5.2 Therefore, the Council needs to adopt a long-range view of the land and property portfolio it holds. This will include divesting itself of the assets it no longer needs or that have better, alternative uses and investing in assets that provide a better return. By doing so, it should be able to improve its revenue position, finance a modest capital programme and enable an improvement in the availability of housing sites to deliver the Core Strategy of the district.

- 5.3 In summary, as debated at the Performance and Scrutiny meeting in January 2008, the challenge over the next five years must be to:
- Sell off or pass on assets that are not required or could be better utilised;
 - Make investments that generate income for the future, or decrease revenue expenditure;
 - Finance a modest capital programme each year where the expenditure need is regulated to match the finance available, if borrowing is to be avoided.
- 5.4 The key to achieving these targets lies in the use of the council's varied and extensive asset base, valued at present at some £80m. The Members' Property Working Group will be considering the liquidity of the portfolio as a core part of its work as 2008 unfolds.

Background Papers

Report to Performance and Scrutiny Committee on 9th January 2008.

Budget Report and Council Tax 2007/08

Budget working papers

Table 1: Capital Programme 2007/08 - 2011/12
Programming Summary

Total Costs £'000	Scheme Description	Payments* to 31/3/2007 £'000					2011/12 £'000
		2007/08 £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	
	Service Programme						
7,651	Schemes in Progress	5,843	0	0	0	0	0
1,657	Starts List	0	1,657	0	0	0	0
9,308		5,843	1,657	0	0	0	0
	Additional Funding						
1,823	Unallocated Funding - Future Projects	23	0	600	600	600	600
1,823		23	0	600	600	600	600
11,131	Total Service Programme	5,866	1,657	600	600	600	600
		<		£9,323,000			>
	Housing Services Programme						
5,300	Housing Renewal Assistance	650	650	650	650	650	650
1,967	Unallocated Funding for SHG Projects	300	500	500	0	0	0
7,267	Total Housing Services Programme	950	1,150	1,150	650	650	650
		<		£4,550,000			>
18,398	Total Programme	6,816	2,807	1,750	1,250	1,250	1,250
		<		£13,873,000			>

**Table 2: Capital Programme
Financing Schedule**

Description	Notes	2007/08	2008/09	2009/10	2010/11	2011/12
		£'000	£'000	£'000	£'000	£'000
Capital Grants - Housing Renewal Assistance Grants	1	346	325	325	325	325
S106s Housing	2	300	500	500		
S106s/ Capital Receipts	3	841	1,000	0	0	0
Loan	4	1,600	0	0	0	0
Contrib.from Third Party / PDG / DEFRA / Big Lottery Fund	5	522	58	0	0	0
Use of Revenue Reserves	6	3,207	924	925	925	925
Total Programme		6,816	2,807	1,750	1,250	1,250

Notes:

1. Government grant received for Housing Renewal Assistance.
2. S106 monies which may be used for Social Housing capital expenditure
3. Capital contributions from partners / capital receipts from asset disposals
4. Amounts borrowed will only be those necessary if other forms of finance are not reasonably available.
5. Capital part of the DEFRA grant (50% of total grant awarded), capital element of Planning Delivery Grant (i.e. 25% of total grant awarded), and Big Lottery Fund award for Playgrounds Strategy.
6. Financing from General Reserve including the use of interest.

Capital Programme 2007/08 - 2011/12

Scheme Description

Building Control

Building Control Mobile working

Total Building Control

Planning Policy

Local Development Scheme

EDRMS Scanning Equipment

PPG17 Consultant Survey work

Total Planning Policy

Total £'000	Pre 1/4/2007 £'000	2007/2008 £'000	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000	2011/2012 £'000
36	0	36				
36	0	36	0	0	0	0
41	10	31				
15	0	15				
20	0	20				
76	10	66	0	0	0	0

Capital Programme 2007/08 - 2011/12

Scheme Description

Leisure & Environment

Scheme Description	2007/2008 £'000	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000	2011/2012 £'000
Rural Community Provision	200				
Capital Grant	221				
Corporate Grants / RCP & Capital Grants	205				
Corporate Grants / RCP & Capital Grants 08/09*	100	100			
Boiley Village Hall Grant	100				
Triangle Flumes and Refurbishment	110				
Upgrade Leisure Booking System	120				
Scanning of remaining back history paper application files	42				
Planning Portal Link to Uniform	6				
Office Accommodation Alterations	37				
Work to Bowls Green, Beech Hurst Gardens	25				
Informal youth facility, Lingfield Rd Recreation Ground, EG	30				
Replacement of Parking machines East Grinstead	48				
Pavilion disabled access works - (Phase 1)	8				
Oaklands Boiler	88				
Hollands Way Playground	67				
Sidney West	708				
London Road Pavilion Modifications	36				
Frees lane remedial works	65				
Lindfield Play Area Refurbishment	132				
Leylands Park Car Park Link Road	44				
Garden Waste Scheme	0				
Mobile Working solution	26				
Waste & Recycling Wheely Bins	1,608				
Green Crescent New footpaths*	30				
Skate Park Haven Field Crawley Down*	36				
CP playground Strategy (Big Lottery Fund) Unallocated*	22				
Oaklands Audio Visual System*	70				
Total Leisure & Environment	4,184	641	3,285	258	0

Total Leisure & Environment

Council 27/02/08

Capital Programme 2007/08 - 2011/12

Scheme Description

ICT

Infrastructure

Network Upgrade	171	141	30				
Central Server Replacement	100	63	37				
Central Server Replacement 08/09*	38	0		38			
Leisure Links	24	0	24				
Voice over IP phone rollout & Network switch upgrade	64	0	64				
PC Replacement programme	114	0	114				
PC Replacement programme 08/09*	70	0		70			
PCensus ICT strategy	99	0	99				
PCensus ICT strategy 08/09*	150	0		150			

Applications and Processes

EDRMS Data Migration	0	0	0				
EDRM Software Partnership Project	288	280	8				

Customer Interfaces

Total ICT

Legal Services

Computerisation of Land Charges	108	3	105				
Replacement of Corporate Geographical Information System	51	51					

Total Legal Services

Total £'000	Pre 1/4/2007 £'000	2007/2008 £'000	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000	2011/2012 £'000
1,118	484	376	258	0	0	0
108	3	105				
51	51					
159	3	156	0	0	0	0

Capital Programme 2007/08 - 2011/12

Scheme Description

Organisational Development

Sussex e-recruitment portal
Oaklands Office accommodation
Oaklands Office accommodation phase 2*

Total Organisational Development

Finance

TFMS Development
Town Centre Revitalisation
Town Centre Revitalisation 08/09*
Upgrade of Asset Manager**

Total Finance

Revenues & Benefits

Queue Management System
Telephony Upgrade for Customer Services

Total Revenues & Benefits

Total £'000	Pre 1/4/2007 £'000	2007/2008 £'000	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000	2011/2012 £'000
9	0	9				
50		50				
220			220			
279	0	59	220	0	0	0
13	0	13				
1,790	541	1,249				
306	0		306			
15	0		15			
2,124	541	1,262	321	0	0	0
8	0	8				
60	60					
68	60	8	0	0	0	0

Capital Programme 2007/08 - 2011/12*Scheme Description***Corporate Improvement**

Corporate Contact Centre
Corporate On-line Booking System

Total schemes

Total £'000	Pre 1/4/2007 £'000	2007/2008 £'000	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000	2011/2012 £'000
33	0	33				
22	0	22				
55	0	55	0	0	0	0
8,099	1,739	5,303	1,057	0	0	0

Capital Programme 2007/08 - 2011/12

Scheme Description

	Pre 1/4/2007 £'000	2007/2008 £'000	2008/2009 £'000	2009/2010 £'000	2010/2011 £'000	2011/2012 £'000
Major Capital Renewals						
Dolphin Leisure Centre	115	0	115			
Kings Leisure Centre	20	0	20			
Triangle Leisure Centre	35	0	35			
Dolphin Leisure Centre	32	27	5			
Kings Leisure Centre	10	8	2			
Berryland Farm Pavilion	23	20	3			
Cuckfield Recreation Ground	10	0	10			
East Court	15	0	15			
London Road	48	5	43			
Martlets Hall	10	0	10			
Streams & Watercourses	10	0	10			
Clair Hall	10	2	8			
Finches Field	21	7	14			
Clayton Green Pavilion	35	0	35			
Cuckfield Recreation Pavilion	27	0	27			
Victoria Park Pavilion	23	0	23			
Lindfield Common Car Park	20	0	20			
Car Park Ticket Machines	55	0	55			
Jack & Jill	20	0	20			
Playgrounds	40	0	40			
Green Crescent	30	0	30			20
Clair Hall	20	0				10
Martlets Hall *	10	0				126
Olympus - Haywards Heath*	126	0				15
Olympus - East Grinstead*	15	0				183
Olympus - Burgess Hill*	183	0				
Total	£'000	£'000	£'000	£'000	£'000	£'000

Capital Programme 2007/08 - 2011/12

<i>Scheme Description</i>	<i>Pre 1/4/2007</i>	<i>2007/2008</i>	<i>2008/2009</i>	<i>2009/2010</i>	<i>2010/2011</i>	<i>2011/2012</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Total						
£'000						
Major Capital Renewals Contd						
Oaklands Campus - Roof Works & Boilers*	30	0	30			
Beech Hurst Yard*	15	0	15			
Whitemans Green Pavilion*	36	0	36			
Streams & Watercourses Culvert Hurstpierpoint*	50	0	50			
Moot Pond East Grinstead*	25	0	25			
Playgrounds- Safety Surface works*	40	0	40			
Car Park Ticket Machines*	50	0	50			
Major Capital Renewals Unallocated Funding	1,800	0	0	600	600	600
Additional Funding	23	23	0			
	3,032	69	600	600	600	600
	11,131	1,808	1,657	600	600	600
	5,300	2,050	650	650	650	650
	1,967	667	300	500		
	7,267	2,717	1,150	1,150	650	650
	7,267	2,717	1,150	1,150	650	650
	18,398	4,525	2,807	1,750	1,250	1,250

Total Service Programme**Housing Services**

SHG Programme
Housing Renewal Assistance*
Affordable Housing*

Housing Services Programme**Grand Total**

PROJECT JUSTIFICATION DETAILS

CENSUS ICT Strategy

Purpose of project :

This is the second year of a multi-year ICT strategy that will enable Census to deliver efficiency savings that will arise from the development of an overarching network that will eventually replace the individual councils' networks. Many of the components are technical in nature but have inherent benefits that have been agreed by the Census Programme Board and the Joint Committee as necessary steps towards full integration.

Amount : Amount : £150,000

Year 2 – 08/09: £150,000

Capitalised Salaries included in the project total : None

Revenue Implications : None

Service : Corporate Systems – ICT Services

Head of Service : Peter Stuart

Cabinet Member : Cllr Sue Seward

Ward Member : Not applicable

This project contributes to achieving the Corporate Plan in the following ways :

BS1 Efficient and effective services

Summary of discussions with Cabinet Member :

The Cabinet Member is fully supportive of this ongoing project.

Risk Analysis :

The main risks for this project are :

- a) Without funding ,development of the ICT strategy cannot proceed.
- b) Knock-on effect on other dependent projects.

However, in the event that the project does not proceed, mitigating actions might be that MSDC would need to proceed with development of its own network, and that projects would need replanning and may need recosting.

PROJECT JUSTIFICATION DETAILS

PC Replacement Programme	
<p>Purpose of project :</p> <p>The council currently has over 470 desktop PCs / Laptops and to ensure efficiency and reliability a replacement programme is required. With the ever-increasing use of ICT systems in all business areas and the demands of new software the average life of a PC is assumed to be 4 years. This bid is to put in place a rolling programme to replace a quarter of the PC fleet each year as and when the equipment reaches the end of its useful life.</p>	
<p>Amount : £70,000</p>	
2008/09:	£70,000
<p><i>Capitalised Salaries included in the project total : £18,400</i></p>	
<p><i>Revenue Implications :None</i></p>	
<p>Service : Corporate Systems – ICT Services</p>	
<p>Head of Service : Peter Stuart</p>	
<p>Cabinet Member : Cllr Sue Seward</p>	
<p>Ward Member : Not applicable</p>	
<p>This project contributes to achieving the Corporate Plan in the following ways :</p>	
<p>BS1 - Deliver value for money and improving services BS2 - Improve the quality of our customer service in all our work To allow business areas to run their business systems effectively.</p>	
<p>Summary of discussions with Cabinet Member :</p>	
<p>The Cabinet Member is fully supportive of this ongoing project.</p>	
<p>Risk Analysis:</p>	
<p>The main risks for this project are that the PC fleet becomes increasingly aged and is no longer capable of fulfilling its purpose. This might lead to increased downtime for users and consequent decrease in both individual and personal productivity.</p>	

PROJECT JUSTIFICATION DETAILS

Central Server Replacement

Purpose of project :

Servers and associated storage provide the essential core to the council's computer network and must be replaced as part on an ongoing cycle to ensure that the services, which rely on them, continue to function effectively. There are over 40 such servers (plus storage) within the network therefore each year there will be a replacement requirement. The CenSus Partnership with Adur and Horsham District Councils will also give us the opportunity to ensure that where practical and possible joint utilisation and procurement will be actioned and so there may not be a direct like for like replacement of existing servers.

Amount : £38,000

2008/09: £38,000

Capitalised Salaries included in the project total : None

Revenue Implications : None

Service : Corporate Systems – ICT Services

Head of Service : Peter Stuart

Cabinet Member : Cllr Sue Seward

Ward Member : Not applicable

This project contributes to achieving the Corporate Plan in the following ways :

BS1 Efficient and effective services

Summary of discussions with Cabinet Member :

The Cabinet Member is fully supportive of this ongoing project.

Risk Analysis :

The main risks for this project are that the servers, if not replaced, fail on an increasing basis and personal and corporate productivity are negatively affected. There is little by way of mitigation that can be achieved short of replacing the servers in a timely fashion.

PROJECT JUSTIFICATION DETAILS

Oaklands – New Wireless Microphones & Audio Visual system

Purpose of project :

To improve customer service in the venues at which significant Council meetings are held such as Full Council & major Area Planning meetings. This project focuses on the very real need for replacement and improvement of key audio-visual equipment at the Oaklands venue and addresses of increased capacity and improvements to the visitor experience.

In recent months, the existing hard wired microphone system has started to fail, and cause considerable discomfort to members using hearing aids, and prevent members of the public within the gallery hearing the business being conducted within the Council Chamber

This project includes the replacement of the existing microphones with a new 'wireless system' linked to the speaker system in the committee room to enable large audiences to hear the debate in the chamber. Further more it is anticipated to add a fixed projector & screen within the Chamber together with two large screen LCD monitors in the wings of the gallery to enable members of the public to view and follow visually the presentations which are currently projected onto the screen in the south west corner of the chamber. The inclusion of a linked or standalone projector & screen is also being proposed for the committee room to enable the same quality service to be experienced as the Council Chamber.

The capital element of the project aims to deliver several elements in this phase, as set out below :-

- a) Replacement of the existing hard wired microphone system in the chamber with a new wireless Public Address system in the Council Chamber (Phase 1)
- b) New hearing induction loops in the Chamber, Public Gallery, and Committee Room
- c) 2 Large LCD monitors in the Public Gallery
- d) Large Screen and Projector in the Committee Room
- e) Potential investigation for webcasting of Council events/ meetings

**Amount : Phase 1 £60 k for 2008 – 2009 to provide a new wireless microphones system
Phase 2 £10 k for 2008 – 2009 for the remaining items.**

Capitalised Salaries included in the project total : Nil

Revenue Implications : on-going maintenance of new system to be met from existing revenue budgets

Service : Outdoor Business & Democratic Services including elements of the Corporate Fast Track 2 project for improved customer service for Planning Meetings

Head of Service : Mark Fisher

Cabinet Member : Cllr Gordon Marples (Leader of the Council)

Ward Member : Not applicable

This project contributes to achieving the Corporate Plan in the following ways :

BS 2.4 Provide a Member Induction Programme and enhance support for Councillors to enable them to feel fully equipped to perform their roles as elected Members of the Council.

BS2.3 Improve the Council's communications and recognition as a value for money authority.

BL 3.4 Deliver improvements to social inclusion.

Summary of discussions with Cabinet Member :

The Cabinet Member is fully supportive of this project and believes that it will greatly improve communication both within and without the Council Chamber.

Risk Analysis :

Brief summary of the risks associated with the project including financial risks. i.e. Explanation of what happens when you consider the potential issues that may occur, taking into account the likelihood of their occurrence and the severity of them happening and how the issues would be mitigated. These comments would be a 'over-view' taken from the detailed business risk analysis that should be kept with the project paperwork and be available for examination For example; by members or the auditors.

The goods & services will not be paid for until all works have been completed satisfactorily. The first 12 months operation will be covered by warranty. All works will be undertaken by one of the Council's approved contractors. Cost are continuously being incurred to keep the old system in operation, further delays in replacing the microphones will cause unnecessary revenue expenditure

This project is therefore considered to be of low-risk

PROJECT JUSTIFICATION DETAILS

Oaklands Accommodation Project
<p>Purpose of project :</p> <p>To deliver a preferred office solution for the Council in accordance with the Corporate Plan, Council Office Brief and Council Office Report (Interim and Stage 2). The funding being sought is to provide sufficient financial resources for the Council's Project team to progress the scheme to a point where the Council can implement the scheme in partnership with Thornfield Properties in accordance with the Development Framework or to develop the project as a capital scheme. The two sums required at this stage of the scheme are as follows:-</p> <p>£50k for delivery of a Preferred option (Council Office Report)</p> <p>£220,000 for delivery of project to an Outline Proposals Stage (RIBA stage C milestone).</p> <p>Amount : £270,000 comprising £50,000 in 2007- 2008, and £220,000 in 2008 - 2009</p> <p><i>Capitalised Salaries included in the project total :</i></p> <p>The project costs in 2007-2008 are for continued appointment of specialist contractors and advisors.</p> <p>Within the 2008 – 2009 stages, we are not able to predict the level of capitalised salaries at this stage, merely the estimated sum to progress the project to RIBA stage C for a standard new build option, which has been estimated by our consultants GVA Grimley.</p> <p><i>Revenue Implications</i></p> <p>There are no revenue implications of the 2007 – 2008 funding.</p> <p>The implications of this report, will be identified in Council Officer Report due to go before Council in the Spring 2008. As each of the five shortlisted options is tested (due diligence) against the Council Office Brief in identifying a preferred financial model, the project team will be able to more accurately predict the potential revenue implications for the Council. It is noteworthy to mention that the Council requires a cost neutral solution to be delivered, when considered over a 25 year life cycle period.</p> <p>Service : Office Accommodation - Corporate project</p> <p>Head of Service : Marissa Bartlett</p> <p>Cabinet Member : Cllr Susan Seward</p> <p>Ward Member : Not applicable</p> <p>This project contributes to achieving the Corporate Plan in the following ways : (use Corporate plan reference numbers for example) BS 1.6 - Costed options for future Oaklands office accommodation developed and preferred option agreed.</p> <p>Summary of discussions with Cabinet Member : Cllr Susan Seward has been Cabinet Member on the Project Board through the development of a Council Office Brief to the refinement of the options (Council Office Report) The Project team have presented an interim report for BSAG (19 September 2007), in conjunction with GVA Grimley, which then went before Cabinet on the 8th October 2007. Cllr Seward, as Cabinet member for the project has been fully involved in the implementation of the project, as project sponsor. A further project update report will be presented to BSAG on the 18th December 2007.</p>

The present timeline for the preferred option report is 5th February 2008 BSAG, Cabinet 10th March 2008 and Council 16th April 2008.

Risk Analysis :

A detail Risk Log is held for the project and is reviewed by the project team. The risk log is commercially confidential and therefore has a limited distribution as set out in the Project Initiation Document. The key risks associated with the project include:-

- a) Maintaining the existing premises in a fit for purpose condition until we can re-provide offices.
- b) Inability to provide a cost neutral solution
- c) Adverse public reaction
- d) Risks associated with Partnership working
- e) Budgetary impact
- f) Over spend and contract procurement
- g) Lack if ICT strategy for the change
- h) Inaccuarte projections for capital receipts
- i) Planning problems and delays

PROJECT JUSTIFICATION DETAILS

Corporate Capital Grants

Purpose of project :

Top up allocation to the Corporate Capital Grants budget. It is forecasted that the fund at year-end will be exhausted as with one grant round to go in 2007/8. In looking forward there are a number of projects currently being developed and which will be coming forward in 2008/9.

Amount : £100,000

Capitalised Salaries included in the project total : None

Revenue Implications : None

Service : Community Services and Culture

Head of Service : Mark Fisher

Cabinet Member : Cllr Garry Wall

Ward Member : Not applicable

This project contributes to achieving the Corporate Plan in the following ways :

Better Lives (BL1 & 3) – Improved Leisure facilities, Implementation of Play Strategy, Promote social inclusion through investment, Improve Cultural offer in Mid Sussex.

Summary of discussions with Cabinet Member :

The Cabinet Member is fully supportive of this ongoing grant-based scheme.

Risk Analysis :

The Capital grants programme is key to delivery of new and improved community facilities in Mid Sussex. It provides a tool for the leverage of external funding from both national and regional sources. A commitment of partner funding is seen as a key indicator of the council's view that each project is seen as a priority.

The leverage is significant current figures show that between Jan and Dec 2007 the Council's capital grants levered in a further £2 m, representing approximately £10 per MSDC £.

PROJECT JUSTIFICATION DETAILS

Further path works on the Green Crescent

Purpose of project :

To continue the on-going project to provide a footpath, cycleway and path suitable for horses around the Green Crescent. The proposed works will build on path construction works carried out in previous years and will extend the stone path up to Pangdean Lane bridleway (responsibility of WSCC). The mixed use of this path is consistent with that of other similar paths and rights of way such as The Cuckoo Trail in East Sussex.

Amount : £30,000 (there are no S106 monies available for this project)

Capitalised Salaries included in the project total : None included

Revenue Implications : c. £200 pa.

Service : Leisure and Environment

Head of Service : Mark Fisher

Cabinet Member : Cllr G Wall

Ward Member : Gina Field, Susanna Kemp

This project contributes to achieving the Corporate Plan in the following ways :

BL 1.2 – Deliver further improvements to leisure facilities in Mid Sussex.

BL 1.4 – Improve the District 's parks and open spaces for the benefit and health of the community.

Summary of discussions with Cabinet Member : Cll. Gary Wall is supportive of the need to provide additional recreational opportunities in this part of the District. This work provides better opportunities for users to walk, jog, bike and horse-ride and will bring the path closer to the Triangle Leisure Centre.

Risk Analysis :

The project is straightforward and will not involve any undue risk to the Council. The Contractor installing the paths will ensure that the work is done in as risk-free a way as possible. The path surface will also be constructed in such a way as to minimise any future risks of claims against the Council as a result of possible user injuries.

PROJECT JUSTIFICATION DETAILS

Skatepark Haven Field Crawley Down
<p>Purpose of project :</p> <p>Brief summary of the purpose of the project.</p> <p>Provision of Skatepark at Haven Field, Crawley Down</p> <p>Amount: £36,000</p> <p><i>Capitalised Salaries included in the project total : Nil</i></p> <p><i>Revenue Implications - none</i></p> <p>Service : Outdoor business</p> <p>Head of Service: Mark Fisher</p> <p>Cabinet Member: Cllr G. Wall</p> <p>Ward Members: Cllr D Hatswell, Cllr M Watts, Cllr I Pearce</p> <p>The Cabinet Member is fully supportive of this project.</p> <p>This project contributes to achieving the Corporate Plan in the following ways :</p> <p>Corporate Plan BL 1.5 - Delivery of Big Lottery Fund play portfolio</p> <p>Summary of discussions with Cabinet Member:</p> <p>Cllr Wall is supportive of providing this facility particularly as the project has been on the block for a number of year and its completion is of particular concern to the local parish council. It should be noted that this will project will be at no cost to the council as contributions from the Big Lottery fund (£26k) and Worth PC (£10k) have been obtained.</p> <p>Risk Analysis:</p> <p>The project is being funded in full by the Big Lottery fund and the Parish council and there is no financial risk to this council.</p> <p>The Contractors for the project are nationally renowned skatepark providers and the specification and quotations have been subject to full consultation with the B L F.</p>

PROJECT JUSTIFICATION DETAILS

IPF Asset & Terrier Management System Upgrade

Purpose of project :

An upgrade of the Asset & Terrier Management System to a version of software that is capable of meeting the statutory capital accounting requirements, as stated in the updated Code of Practice on Local Authority Accounting - Statement of Recommended Practice 2007.

Amount : £15,000

Capitalised Salaries included in the project total : None

Revenue Implications : Annual licence fee to be met within existing revenue budget

Service : Finance & Property

Head of Service : Peter Stuart & Tom Clark

Cabinet Member : Cllr Susan Seward

Ward Member : not applicable

This project contributes to achieving the Corporate Plan in the following ways :

BS 1 – Efficient and effective services

Summary of discussions with Cabinet Member :

The Cabinet Member is fully supportive of this upgrade project

Risk Analysis :

The existing system is not supported any longer. A new system is necessary to produce information to support the annual statutory accounts and without this the accounts could be qualified by the Auditors. Specific areas of concern would be: the inability to calculate depreciation correctly and any impact on performance indicators, failure to account for gains/ losses on disposal correctly, and an inability to identify revaluation losses already charged to Income and Expenditure accounts that may ultimately reverse in later accounting periods. Failure to invest in a new system would mean additional costs of staff time to provide the correct information. A new system is also needed to assist in the day-to-day management of property assets, the stewardship of which, is a statutory requirement.

PRUDENTIAL CODE INDICATORS

	Actual 2006/07 £000	Estimate 2007/08 £000	Estimate 2008/09 £000	Estimate 2009/10 £000	Estimate 2010/11 £000
Capital Expenditure	2,510	6,816	2,807	1,750	1,250
Capital Financing Requirement	0	0	1,600	1,524	1,444
Effect on council tax band D	0	0	2.4%	1.9%	1.8%
Capital financing to Revenue Stream	N/a	N/a	1.0%	1.0%	1.0%
Authorised Borrowing limit	5,000	5,000	5,000	5,000	5,000
Maximum % Lending at Fixed Rates	95%	95%	95%	95%	95%
Maximum % Lending at Variable Rates	25%	25%	25%	25%	25%
Maximum Invested for a year or longer	20%	20%	20%	20%	20%
Compliance with CIPFA Code of Practice	YES	YES	YES	YES	YES

The Draft capital finance regulations 2008, which is still being consulted on (expected to be agreed in March 2008), state that 'a local authority shall calculate for the current financial year an amount of minimum revenue provision which it considers to be prudent'. The proposed policy for charging a minimum revenue provision is to charge an equal instalment over the life of the assets.

Local authorities are required by Regulation to have regard to the Prudential Code under Part 1 of the Local Government Act 2003. The key objectives of the code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. The Prudential Code also has the objectives of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal.

To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. The above table shows the indicators relating to Mid Sussex District Council.

RESERVES AND OTHER BALANCES

1. This part of the report considers the Council's reserves and other cash balances. These are amounts held for future revenue or capital expenditure and to ensure the Council has sufficient cash resources for any unforeseen demands.
2. Details are set out in table 1 overleaf which shows that overall balances held at 1st April 2007 were £7.401m and, with the estimated changes, the current expectation is that some £8.599m will be held at 31st March 2012. Brief notes explaining each item are given after the table. Please note that the figures contained within the table are displayed to the nearest thousand pounds. Consequently, the sum of individual figures may not necessarily agree with the totals displayed due to roundings.
3. Estimated interest received on investing surplus balances is based on rates averaging 5.87% for 2007/08, 5.25% for the period 2008/09 and 2009/10 and 5.00% for 2010/11, 2011/12 and 2012/13.
4. This Council classifies its reserves as follows:

Revenue reserves comprise:

- The **General reserve** which includes amounts earmarked for the Capital Programme and amounts provided by developers as commuted sums in lieu of future maintenance. It also includes the non-earmarked element.
- The **Specific Reserve** which contains amounts for particular purposes and for which Member authorisation has been obtained as to how these may be applied.

Capital reserves comprise:

- **Usable capital receipts** from the sale of assets

Unapplied grants and contributions comprise:

- **S106s Contributions from developers** which may be used for capital expenditure purposes.
- **Better Mid Sussex Contribution** from Thornfield Properties, which may be used for capital expenditure purposes relating to the Town Revitalisation Project.
- **Capital Grants** e.g. unapplied Planning Delivery Grant and Big Lottery Fund Grant.

Table 1: Reserves and other Balances for Council 27th February 2008

Note	Balance 01/04/2007 £'000	Receipts 2007/2008 £'000	Utilisation 2007/2008 £'000	Balance 31/03/2008 £'000	Receipts 2008/2009 £'000	Utilisation 2008/2009 £'000	Balance 31/03/2009 £'000	Receipts 2009/2010 £'000	Utilisation 2009/2010 £'000	Balance 31/03/2010 £'000	Receipts 2010/2011 £'000	Utilisation 2010/2011 £'000	Balance 31/03/2011 £'000	Receipts 2011/2012 £'000	Utilisation 2011/2012 £'000	Balance 31/03/2012 £'000
Revenue Reserves																
Earmarked General Reserve																
1	1,425	136	0	1,561	0	0	1,561	0	0	1,561	0	0	1,561	0	0	1,561
2	17	0	0	17	0	0	17	0	0	17	0	0	17	0	0	17
	1,441	136	0	1,577	0	0	1,577	0	0	1,577	0	0	1,577	0	0	1,577
Total Maint. in Perpetuity / Com Sums / loans																
Capital Programme:																
3	2,787	0	2,787	0	0	0	0	925	925	0	925	925	0	925	925	0
	2,787	0	2,787	0	0	0	0	925	925	0	925	925	0	925	925	0
Total Capital Programme																
Non- earmarked																
	(1,010)	3,408	1,399	999	1,352	1,508	843	1,116	1,248	711	991	1,226	476	954	1,223	207
4	(1,010)	3,408	1,399	999	1,352	1,508	843	1,116	1,248	711	991	1,226	476	954	1,223	207
General Reserve Total																
	3,218	3,544	4,186	2,576	1,352	1,508	2,420	2,041	2,173	2,288	1,916	2,151	2,053	1,879	2,148	1,784
Specific Reserve :																
	6	20	98	(72)	20	0	(52)	26	0	(26)	26	0	0	0	0	0
	151	200	524	(173)	100	124	(197)	100	83	(179)	100	55	(135)	100	37	(71)
	15	0	1	14	0	0	14	0	0	14	0	0	0	0	0	14
	102	0	102	0	0	0	0	0	0	0	0	0	0	0	0	0
	(807)	307	234	(734)	134	207	(807)	120	120	(807)	100	100	(807)	100	100	(807)
	15	1	14	2	3	5	(0)	3	3	(0)	3	3	(0)	3	3	(0)
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	146	0	8	138	50	58	130	50	77	103	50	75	78	50	0	128
	208	0	14	194	0	40	154	0	0	154	0	0	154	0	0	154
	86	0	13	73	0	0	73	0	0	73	0	0	73	0	0	73
	343	304	386	260	274	250	284	274	250	308	274	250	332	250	250	332
5	267	832	1,394	(295)	581	685	(399)	573	532	(359)	553	483	(289)	503	390	(176)
Total Revenue Reserves																
	3,485	4,376	5,580	2,281	1,933	2,193	2,021	2,614	2,705	1,930	2,469	2,635	1,764	2,382	2,539	1,608
Capital Reserves																
	387	1,616	513	1,490	2,682	1,000	3,172	8	0	3,180	8	0	3,188	8	0	3,196
Total Capital Reserves																
	387	1,616	513	1,490	2,682	1,000	3,172	8	0	3,180	8	0	3,188	8	0	3,196
Total Reserves Exc. Unapplied Grant & Cont Section																
106s	3,872	5,992	6,093	3,771	4,615	3,193	5,193	2,622	2,705	5,110	2,477	2,635	4,952	2,380	2,539	4,804
Total Unapplied Grant & Contributions																
7	930	1,456	891	1,485	1,000	500	1,985	679	500	2,174	500	500	2,174	500	500	2,174
7	2,600	0	300	2,300	0	500	1,800	0	179	1,621	0	0	1,621	0	0	1,621
Total Reserves Inc. Unapplied Grant & Cont. / Section																
106s	7,401	7,448	7,284	7,566	5,615	4,193	8,988	3,301	3,384	8,904	2,977	3,135	8,747	2,890	3,039	8,599

NB: Figures to nearest £'000 therefore totals subject to rounding variations

Notes:

1. Received from developers in respect of land adoptions in lieu of maintenance.
2. An amount set aside to lend to owners of historic building to assist in keeping properties in good repair.
3. This represents the amount of the General Reserve necessary to be earmarked to finance the Capital Programme (in addition to other sources approved).
4. Total available to provide additional finance for day-to-day services and/or capital expenditure.
5. Representing a number of balances held for specific purposes for which a decision has previously been taken of how to apply.
6. Accumulated proceeds from asset disposals and from the repayment of long term loans.
7. S106 contributions received from developers for which there are agreements defining the purpose for which the sums are to be applied, and which may only be used for capital expenditure. Also included in unapplied grants and contributions are grants received from Central Government such as Planning Delivery Grants. This amount also includes the receipt from Thornfield and the Big Lottery Fund Grant.

FINANCIAL STRATEGY AND MEDIUM TERM FINANCIAL PLAN

This section sets out the current position with regard to the revenue position within the plan and outlines some assumptions made in its preparation. Whilst it is a legal requirement to draw up such a plan it also forms part of the 'Sustainable Finances' workstream which aims to achieve financial equilibrium in the medium term.

The last position adopted by Council was reported 28th February 2007 as part of the Corporate Plan. A feature of that position is that efficiency savings were to be made each year and for the foreseeable future. Without major shifts in policy that position was looking increasingly unlikely to be achieved over the medium term.

Over the summer of 2007, work commenced on updating the four year plan. Research concentrated on the major factors that influence the Council's financial position such as inflation, pensions, the financial settlement etc but also examined housing benefits, Planning Development Grant, Dolphin payback and other influences.

In tandem with this, we have also been keen to develop a long term view of potential trends in the Council's finances and have produced a 20 year view. It models the key variables over that period in order to give a long range view on the Council's financial position. Unsurprisingly, it comes with caveats and the key assumptions are:

- Housing: the core strategy is delivered and 15,000 more homes increase the taxbase by a similar amount;
- There is no reduction in government support in spite of the extra houses;
- The extra costs of providing services to a larger population are matched by extra income from discretionary services, so that for example, refuse and recycling costs are matched by income from green waste etc;
- Inflation (especially pay inflation) remains at or around 2.5%;
- The move to an alternative leisure organisation proceeds on time and to budget;
- Capitalised salaries at £300k per year continues but inflated over time;
- Procurement savings of £75k per year are achieved.

Whilst there are serious constraints on our ability to forecast 20 years into the future, it is considered that these are prudent assumptions based on the facts available now. Its virtue is that it shows long term trends and, importantly, the nature of the anticipated shortfall between income and expenditure, beyond the five year period we have been concentrating on to date.

Over the next year, Members will be invited to familiarise themselves with the financial outlook for the authority and offer views on its associated direction of travel. This will then form the guidelines to be followed when recommending successive year's corporate plans and budgets.

FINANCIAL STRATEGY 2008/09 – 2011/12

Main Principles

1. The Council's spending priorities to be formulated after consultation with the community in line with the Council's consultation strategy.
2. All expenditure decisions to be led by the Council's priorities, in particular, the Corporate Plan.
3. The Financial Strategy will provide the framework for the Medium Term Financial Plan. The Medium Term Financial Plan will cover a rolling five year period and will include all commitments and the estimated effect of significant future changes for the Council.
4. Annual budget guidelines will be formulated to provide a framework for the annual budget to ensure it is prepared in accordance with the Financial Strategy.
5. The Financial Strategy may be reviewed at this time to ensure it maintains its relevance to the circumstances at the time.

Strategy for Revenue Spending

6. The Council will continue to adopt a prudent approach to financing the Budget Requirement which will, in the main be financed by the council tax and Formula Grant, but will be supported from other sources as necessary to maintain a level of council tax considered, at the time of setting, to be in the best interests of the community as a whole.
7. All payments forming pension contributions will be paid from the revenue budget. The deficit on the Council's element of the pensions fund will be paid from the revenue budget but spread over the maximum period the Actuary advises.
8. The budget will include an allowance for inflation that is considered realistic at the time it is estimated.
9. Income estimates which include volume (rather than price) increases must be the subject of detailed risk and sensitivity analysis in conjunction with the Head of Finance to ensure they are realistic and robust.
10. A fundamental and detailed examination of the Council's budget will be undertaken to ensure all aspects contribute to the Council's priorities. Savings that are identified as a result of this process will be used to further the Council's priorities and the decision on how to apply these savings will be taken corporately.
11. Income that arises which is unbudgeted will be made available for corporate use in achieving the Council's priorities.
12. The Council will aim to achieve net expenditure reductions by exploring alternative ways to deliver existing services.
13. Every effort will be made to explore sources of alternative financing with the aim of releasing existing resources to be applied to other priorities.

14. Opportunities for charging for services under powers provided by the Local Government Act 2003 will be maximised. The Council should make such decisions in the light of the best information available to it at the time.
15. The Medium Term Financial Plan will show the difference between projected net spending and income from the council tax and government grant and Cabinet will recommend how this is to be managed in a way that is consistent with this Financial Strategy.

Strategy for Capital Spending

16. The Strategy for Capital Spending is contained within Section 3

Strategy For Reserves And Cash Balances

17. The target for the total level of reserves will be a minimum of £1,500,000.
18. The Treasury Management Policy Statement will determine the investment of cash balances. The Council as a whole will plan and decide how interest from all sources is applied. The target for the generation of interest will be shown in the Medium Term Financial Plan.

SUMMARY MEDIUM TERM FINANCIAL PLAN

The Budget forecast summarises projected changes in the Council's finances over a five year timescale, the current period for which is 2008/09 to 2011/12. This is shown on the next two pages with explanatory comments and the key assumptions made in the projections below :

The expenditure and income projections in the Medium Term Financial Plan are based on likely commitments apparent at the present time. It is important to note that they do not dictate the estimate for any particular year. Their purpose is to provide a view of the Council's likely financial position for the period of the plan. The figures making up the plan will need to be analysed further and approved when the annual budget for each year is prepared.

Similarly the council tax figures are purely indications of increases in future years. They are not intended to show the amounts that will be approved. That will be for the Council to decide in relation to the circumstances and budget decisions for the particular year.

a) Revenue Spending

- Increases in net expenditure are based on commitments known at the present time.
- Inflation on Head of Service Net Expenditure has been estimated using varying rates according to the type of expenditure.

b) Council tax calculations

- This section shows the effect on council tax at band D as a result of projected increases in Revenue Spending, but having regard to council tax capping.
- Increases in Formula Grant (AEF) are based on the three-year settlement and a prudent increase in the fourth year.
- Increases in council tax base are a prudent view to reflect the increase in properties in the district.

c) Capital Spending

- This section is a summary of the programme shown in detail in section 3

d) Receipts and Contributions

- The amount for Housing Renewal Assistance Grants is the average 50% grant from government on mandatory awards relating to the expenditure shown in the programme in the above section.
- Capital receipts take account of asset disposals known at the present time, and include projected repayments of mortgage loans.
- The level of contributions is a view of payments from developers.

e) Interest

- Projected interest rates used in estimating interest receipts are an average of 5.25% for the period.

f) Cash Balances

- The total of cash balances is detailed in Section 4. The amount of cash balances is determined by the assumptions made in the rest of the forecast.

Medium Term Financial Plan as at Council 27th February 2008

(4 years of 20 year projection)

Revenue Spending

	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
	2007/08	2008/09	2009/10	2010/11	2011/12
	£'000	£'000	£'000	£'000	£'000
<i>Net Expenditure</i>	14,461	14,860	14,447	14,514	14,594
Drainage levies	12	13	13	13	13
Benefits	(264)	(264)	(264)	(264)	(264)
Base Revenue Spending	14,209	14,609	14,196	14,263	14,343
Procurement savings	(73)	(133)	(208)	(283)	(358)
Service Reviews	(60)				
Service Efficiencies 07/08	(73)				
Salaries			15	15	15
Budget pressures/(savings)			160	10	10
Alternative Leisure management			(500)	(500)	(500)
Central costs			(100)	(100)	(100)
Balance Unallocated	12	50	50	50	50
<i>Council Net Expenditure</i>	14,015	14,526	13,613	13,455	13,460
Net General inflation			854	1,281	1,708
LABGI	(90)				
Better Mid Sussex capitalised salaries	(300)	(306)	(312)	(318)	(325)
Total Revenue Spending	13,625	14,220	14,155	14,418	14,843
Payback to reserves (Re: Dolphin)	200	100	100	100	100
Contribution to Repairs and Renewals Reserve	280	250	250	250	250
Budget Requirement before use of interest	14,105	14,570	14,505	14,768	15,193
Use of interest to meet contribution to Repairs and Renewals Reserve	(280)	(250)	(250)	(250)	(250)
Budget Requirement after use of interest	13,825	14,320	14,255	14,518	14,943
Formula Grant	(6,274)	(6,403)	(6,435)	(6,468)	(6,533)
Council tax income @4.5% 2008/09	(7,557)	(7,956)	(8,162)	(8,375)	(8,596)
Collection Fund deficit / (surplus)	6	40	-	-	-
Balance [+ = deficit; (-) = surplus]	-	(0)	(342)	(325)	(185)

Financing the Budget Requirement

	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
	2007/08	2008/09	2009/10	2010/11	2011/12
	£'000	£'000	£'000	£'000	£'000
Council Taxbase	55,658	56,013	56,447	56,786	57,126
Change in Taxbase	0.64%	0.78%	0.60%	0.60%	0.60%
Budget Requirement (before use of interest)	14,105	14,570	14,505	14,768	15,193
% change in Formula Grant	2.7%	1.0%	0.5%	0.5%	1.0%
Formula Grant	(6,274)	(6,403)	(6,435)	(6,468)	(6,533)
Council Tax Income	(7,557)	(7,956)	(8,162)	(8,375)	(8,596)
Collection Fund deficit / (surplus)	6	40	-	-	-
Use of interest	(280)	(250)	(250)	(250)	(250)
Total Financing	(14,105)	(14,569)	(14,847)	(15,092)	(15,378)
Shortfall		0	342	325	185
	(14,105)	(14,569)	(14,505)	(14,768)	(15,193)
Council Tax at Band D	£ 134.91	£ 140.94	£ 143.73	£ 146.61	£ 149.58
Change from previous year	3.0%	4.50%	2.00%	2.00%	2.00%

Medium Term Financial Plan as at Council 27th February 2008

Capital Spending

	Total £'000	<u>Year 1</u> 2007/08 £'000	<u>Year 2</u> 2008/09 £'000	<u>Year 3</u> 2009/10 £'000	<u>Year 4</u> 2010/11 £'000	<u>Year 5</u> 2011/12 £'000
Service projects						
Schemes in Progress	5,843	5,843	-	-	-	-
New Projects	1,657	-	1,657	-	-	-
	7,500	5,843	1,657	-	-	-
<i>Additional funding</i>						
Allocated for Major Capital Renewals from 09/10	1,800			600	600	600
Other Unallocated funding	23	23				
	9,323	5,866	1,657	600	600	600
Housing Services						
Housing Renewal Assistance	3,250	650	650	650	650	650
Social Housing	1,300	300	500	500		
	4,550	950	1,150	1,150	650	650
Total Programme	13,873	6,816	2,807	1,750	1,250	1,250

Receipts and Contributions

	Total £'000	<u>Year 1</u> 2007/08 £'000	<u>Year 2</u> 2008/09 £'000	<u>Year 3</u> 2009/10 £'000	<u>Year 4</u> 2010/11 £'000	<u>Year 5</u> 2011/12 £'000
Capital Grants (Renovation Grants)	1,646	346	325	325	325	325
Capital Receipts	3,830	1,606	2,191	11	11	11
Contributions	3,156	1,156	500	500	500	500
Total	8,632	3,108	3,016	836	836	836

Interest

	Total £'000	<u>Year 1</u> 2007/08 £'000	<u>Year 2</u> 2008/09 £'000	<u>Year 3</u> 2009/10 £'000	<u>Year 4</u> 2010/11 £'000	<u>Year 5</u> 2011/12 £'000
Interest	4,564	1,001	916	912	868	867

Reserves & Other Balances

	Base 31.03.07 £'000	31.3.08 £'000	31.3.09 £'000	31.3.10 £'000	31.3.11 £'000	31.3.12 £'000
General Reserve	3,218	2,576	2,420	2,288	2,053	1,784
Specific Reserve	267	(295)	(399)	(359)	(289)	(176)
Capital	387	1,490	3,172	3,180	3,188	3,196
Unapplied grants & S106s	3,529	3,795	3,795	3,795	3,795	3,795
Total	7,401	7,566	8,988	8,904	8,747	8,599

NET INFLATION

1. For a realistic budget to be set, it is necessary to recognise that there will be price increases in the following year.
2. This section of the report explains the detailed inflation calculation for 2008/09, based on the latest information.
3. As background information, inflation for the whole economy for the past year has been running as shown in the table below:

Inflation Rates 2007/08			
<i>retail price index</i>			
	<i>headline Rate %</i>	<i>underlying Rate %</i>	<i>average earnings index, whole economy %</i>
November 2006	3.9	3.4	3.8
December	4.4	3.8	3.9
January 2007	4.2	3.5	4.9
February	4.6	3.7	4.9
March	4.8	3.9	3.5
April	4.5	3.6	3.4
May	4.3	3.3	3.6
June	4.4	3.3	3.2
July	3.8	2.7	3.8
August	4.1	2.7	4.2
September	3.9	2.8	4.2
October	4.2	3.1	3.7
November	4.3	3.2	4.2
December	4.0	3.1	3.6

4. After examining each type of expenditure and income in more detail, and in the light of indications for future inflation, the inflation allowance has been recalculated at £427,000. The table below shows the suggested inflation rate to be applied to each element of the budget. It is important to note that the largest unavoidable inflation allowances are for employees, and contracts.

Inflation calculation for 2008/09 Budget		
<i>Item</i>	<i>Inflation % age</i>	<i>£'000</i>
<i>Employees</i>		
Pay		
The latest information about the inflation increase for Local Government staff for 2008/09 is that the Chancellor of the Exchequer expects pay deals to be limited to 2.0%. Until further information is known, the budget has been prepared under this assumption.	2.0	303
Other employee costs		
Estimated inflation of 2.0%	2	5
<i>Buildings and Premises</i>		
Maintenance		
A part of maintenance expenditure is tied to specific contracts which provide a formula for indexation for payments to contractors. In the main these formulae are in two parts, 60 % derived from the average earnings index and 40 % from RPI. Provisionally, this formula has increased to 3.98% (3.18% last year)	3.98	38
For other maintenance costs 3.0 % has been used.	3	36
Fuel		
The majority of our fuel supplies are arranged through the Kent CC administered Laser arrangement. The contracts for gas and electricity have now been fixed.	15	2
NNDR		
The increase in Rate Poundage reported in the Settlement, is based on the estimated annual November RPI increase 4.2%.	4.2	37
Water		
An estimate of the likely increase for Southern Water	5	12
An estimate of South East Water's price increase for 2008/09 is 5.0%.		
<i>Transport</i>		
Car Allowances		
Increases follow nationally agreed National Joint Council (NJC) figures - no increases have been notified.	0.0	0
<i>Supplies and Services</i>		
Postage		
An estimate of the likely increase for 2008/09	3.5	8
Telephones		
An estimate of the likely increase for 2008/09	2.7	3

<i>Supplies and Services Contd.</i>	<i>Inflation</i>	
	<i>% age</i>	<i>£'000</i>
Contracts The contract terms for refuse collection, street sweeping and highway maintenance are subject to increases relating to NJC Labour rates for Local Government (60%), price adjustment formulae for construction contracts civil engineering, Index No 2 plant and road vehicles (10%), price adjustment formulae for construction contracts civil engineering, Index No 10 derv fuel (5%) and National Statistics index 18.3 RPI all items (25%). This is a part year effect for 2008/09 due to re-tendering (The anniversary date is 1 st August 2008).	2.33	83
Insurance An early indication suggests that premiums could increase by 3.9% in 2008/09. This will be kept under review.	3.9	14
Grants Grants for CAB etc	3	11
Other Supplies and Services A 'basket' of items which will increase, remain static or, in some cases, fall in price. Included within this is expenditure relating to catering supplies and equipment, IT maintenance, consultancy fees, audit costs and members' allowances.	2.5	119
<i>Fees and Charges</i>		
Discretionary charges An allowance for a 3% increase in discretionary charges (car park fees are excluded) has been made.	3	(244)
From 1st April 1999 the Building (Local Authority Charges) Regulations have been in operation. These give LA's the power to set their own charges, within a LGA framework. The fee earning account is expected to break-even in 2006/2007 and there is no need to increase charges.	0	0
Mandatory Charges No further increases have been announced.	0	0
<i>Rents</i> Increases in rents are dependent on the review of individual leases.	0	0
<i>Government Grants</i>		
Subsidies	0	0
Total		<u>427</u>

COLLECTION FUND

1. The latest Collection Fund estimates are shown below:

Collection Fund				
	<i>2007/08 Original Estimate £'000</i>	<i>2007/08 Revised Estimate £'000</i>	<i>2008/09 Original Estimate £'000</i>	<i>Note</i>
Income				
Council Taxpayers	(71,097)	(71,571)	(74,830)	
Council Tax Benefit	(5,328)	(4,659)	(5,693)	
	<hr/>	<hr/>	<hr/>	
Total Council Tax	(76,425)	(76,230)	(80,523)	<i>a</i>
Business Ratepayers	(36,520)	(36,520)	(39,433)	<i>b & c</i>
Contribution to estimated CF (deficit)/surplus for previous year	(43)	(43)	(293)	<i>Para 2</i>
	<hr/>	<hr/>	<hr/>	
	(112,988)	(112,793)	(120,249)	
Expenditure				
West Sussex County Council	58,860	58,860	61,979	
Sussex Police Authority	6,871	6,871	7,265	
Mid Sussex District Council	10,270	10,270	10,833	
	<hr/>	<hr/>	<hr/>	
Total "precepts"	76,001	76,001	80,077	
Contribution to NNDR Pool	36,346	36,346	39,258	<i>b</i>
Cost of collection (NNDR)	174	174	175	
Prov. for Bad & Doubtful Debts - Council Tax	424	406	446	
	<hr/>	<hr/>	<hr/>	
	112,945	112,927	119,956	
	<hr/>	<hr/>	<hr/>	
Movement on Fund Balance	(43)	134	(293)	
	<hr/>	<hr/>	<hr/>	
Collection Fund Balance				
At the beginning of the year	43	159	293	
Movement on Fund Balance	(43)	134	(293)	
	<hr/>	<hr/>	<hr/>	
Deficit/(Surplus) at Year End	0	293	0	
	<hr/>	<hr/>	<hr/>	

Notes:

- a. For 2008/09, total Council Tax, less provision for bad debts of 0.6%, totals £80.077m - the amount required to meet the "precepts" of WSCC, Sussex Police Authority, MSDC and the parish/town councils.
- b. The revised estimate includes changes in income due from ratepayers, resulting in a corresponding change in the amount of the contribution to be paid to the National Non-Domestic Rate Pool.

c. For 2008/09, the amounts are taken from CLG NNDR1 return. These are derived from the number of hereditaments 3,812, and the total rateable value of £96m as at 31st December 2007. An allowance of 0.5% for losses on collection has been specified by the CLG.

2. In accordance with legislation, the estimated balance as at 31st March 2008 on the Collection Fund is £293,000 deficit and both the County Council and Police Authority have been notified. This deficit is deducted from the contribution from each of these principal authorities in proportion to their Council Tax for the current year.

	%	£
West Sussex CC	77.45	226,918
Sussex Police Authority	9.04	26,489
MSDC	13.51	39,593
	100.00	293,000

COUNCIL TAX LEVELS

1. The basic amount of Council Tax for this Council is calculated as shown below:

Table 1: Council Tax Calculation		
	£	£
Budget Requirement		
Mid Sussex District Council	14,319,505	
Parish/Town Council precepts	2,877,498	
		17,197,003
National Non-Domestic Rates	(5,620,971)	
Revenue Support Grant	(782,485)	
Collection Fund Deficit	39,593	
		(6,363,863)
Collection Fund Requirement		10,833,140
	Divided by 56,447.0 (tax base)	191.92

This represents the *average* Council Tax for a dwelling in valuation band D in respect of District and Parish/Town Council requirements.

2. From the average council tax calculated in paragraph 1, Parish and Town Council precepts are removed to give a Council Tax at band D of £140.94 for this Council's Budget Requirement. For each parish area a sum is added to this amount being the relevant precept divided by the parish tax base. The results of these calculations for each parish area are set out in table 4 overleaf.
3. The method of calculation of the tax base is laid down in the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003.
4. The starting point is the actual number of properties within each tax band as shown on the Council's Valuation List as at 30th November 2007 (the "Relevant Day") less the actual number of exemptions and discounts at that time. The resulting figures are adjusted to take account of estimated movements within and between bands affecting 2008/09 (i.e. changes from 1st December 2007 to 31st March 2009) to arrive at the number of chargeable properties within each band for the year.
5. The numbers of chargeable properties within each tax band are expressed as band D equivalents. The aggregate of all bands is multiplied by the estimated collection rate to determine the tax base for the area. The collection rate represents the effect of losses on collection due to non-payment. For 2008/09 the rate has been set at 99.4%.
6. The calculations referred to in the previous paragraphs are shown in table 2 below, together with tax base figures for each of the twenty-four parish areas, which are shown in table 3 overleaf.

Table 2: Mid Sussex Tax Base 2008/09 - Analysed by chargeable dwellings

	<i>band A</i>	<i>band B</i>	<i>band C</i>	<i>band D</i>	<i>band E</i>	<i>band F</i>	<i>band G</i>	<i>band H</i>	<i>Total</i>
No of dwellings									
Property equivalents*	1,865.14	5,642.36	12,076.04	15,538.96	10,126.33	7,564.64	3,988.42	320.00	57,121.89
Exemptions (various classes)	-157.00	-261.00	-337.00	-290.00	-169.00	-76.00	-74.00	-6.00	-1,370.00
Disabled reductions	16.00	11.00	37.00	-15.00	-18.00	-3.00	-12.00	-16.00	0.00
Chargeable	1,724.14	5,392.36	11,776.04	15,233.96	9,939.33	7,485.64	3,902.42	298.00	55,751.89
Single discounts	1,008.00	3,397.00	4,677.00	4,401.00	2,140.00	1,099.00	471.00	25.00	17,218.00
Two discounts	4.00	3.00	6.00	7.00	5.00	24.00	22.00	6.00	77.00
10% discounts	55.00	44.00	70.00	61.00	53.00	25.00	32.00	11.00	351.00
Net chargeable	1,464.64	4,537.21	10,596.79	14,124.11	9,396.53	7,196.39	3,770.47	287.65	51,373.79
<i>Ratio to Band D</i>	<i>6/9ths</i>	<i>7/9ths</i>	<i>8/9ths</i>	<i>9/9ths</i>	<i>11/9ths</i>	<i>13/9ths</i>	<i>15/9ths</i>	<i>18/9ths</i>	
Band D equivalent	976.43	3,528.94	9,419.37	14,124.11	11,484.65	10,394.79	6,284.12	575.30	56,787.7
Total multiplied by Collection Rate of 99.4%									56,447.0

* Includes estimates of full year equivalent effect of new dwellings, dwellings yet to be banded and other changes to the valuation list.

7. The 2008/09 tax base so calculated for the whole district is 56,447.0 which represents an increase of 434.4 (+0.78%) over the tax base for the current year. The effect at parish area level ranges from a decrease of 11.8 to an increase of 103.2 and in percentage terms from -0.99% to +4.74%.

Table 3: Mid Sussex Tax Base 2008/09 - Analysed by Parish Area

<i>Parish area</i>	<i>band A</i>	<i>band B</i>	<i>band C</i>	<i>band D</i>	<i>band E</i>	<i>band F</i>	<i>band G</i>	<i>band H</i>	<i>Total</i>
Albourne	2.8	9.5	31.4	73.3	26.1	37.3	88.2	9.9	278.5
Ardingly	14.2	30.1	77.8	187.4	137.7	160.2	85.2	19.4	712.0
Ashurst Wood	6.6	21.8	91.7	198.8	146.9	140.7	146.5	2.0	755.0
Balcombe	14.6	41.6	84.7	151.6	112.7	221.7	184.3	17.7	828.9
Bolney	11.8	19.1	21.6	89.4	79.3	145.6	206.1	44.4	617.3
Burgess Hill	151.3	724.6	2,733.0	3,469.4	2,384.9	1,409.9	537.5	16.9	11,427.5
Cuckfield	33.2	51.8	180.7	227.8	349.1	271.9	406.6	27.8	1,548.9
Cuckfield Rural	16.3	16.2	67.9	119.2	134.1	131.0	224.8	46.0	755.5
East Grinstead	225.4	574.8	1,884.2	2,401.7	2,443.0	2,221.5	851.5	41.9	10,644.0
Fulking	1.8	6.4	14.3	18.8	30.0	16.9	44.6	11.4	144.2
Hassocks	30.6	242.2	379.9	865.5	909.3	376.6	263.0	21.7	3,088.8
Haywards Heath	163.6	1,103.4	2,299.0	2,805.2	1,420.6	1,976.2	1,018.2	28.3	10,814.5
Horsted Keynes	4.2	22.0	92.7	125.7	105.9	156.4	178.7	24.8	710.4
Hurstpierpoint and Sayers Common	47.9	134.0	386.6	687.0	749.2	373.9	409.0	33.8	2,821.4
Lindfield	8.3	166.4	213.7	514.1	507.4	740.1	549.4	38.1	2,737.5
Lindfield Rural	13.9	32.9	86.9	213.8	237.7	379.3	173.7	45.0	1,183.2
Newtimber	0.7	6.0	14.1	3.0	5.4	1.4	9.1	2.0	41.7
Poynings	4.0	15.1	29.6	14.4	15.8	17.1	34.0	3.5	133.5
Pyecombe	2.5	4.5	6.4	23.6	17.1	20.8	24.4	0.0	99.3
Slaugham	25.3	117.7	192.5	249.1	157.8	163.5	118.1	46.7	1,070.7
Turners Hill	152.2	39.2	118.0	118.5	66.4	77.9	63.8	8.0	644.0
Twineham	3.6	2.5	9.9	25.1	23.4	17.2	38.9	13.4	134.0
West Hoathly	15.0	22.5	114.5	184.2	216.3	175.7	165.5	33.8	927.5
Worth	20.8	103.4	231.5	1,273.0	1,139.7	1,099.7	425.3	35.3	4,328.7
<i>Total</i>	970.6	3,507.7	9,362.6	14,039.6	11,415.8	10,332.5	6,246.4	571.8	56,447.0

Table 4: **Basic Tax**

<i>Parish area</i>	<i>Tax base</i>	<i>Precept</i>	<i>Precept band D</i>	<i>MSDC band D</i>	<i>Basic Tax</i>
		£	£	£	£
Albourne	278.5	14,300	51.35	140.94	192.29
Ardingly	712.0	73,586	103.35	140.94	244.29
Ashurst Wood	755.0	35,000	46.36	140.94	187.30
Balcombe	828.9	42,000	50.67	140.94	191.61
Bolney	617.3	29,620	47.98	140.94	188.92
Burgess Hill	11,427.5	726,526	63.58	140.94	140.94
Cuckfield	1,548.9	107,100	69.15	140.94	210.09
Cuckfield Rural	755.5	33,000	43.68	140.94	184.62
East Grinstead	10,644.0	660,890	62.09	140.94	203.03
Fulking	144.2	4,980	34.54	140.94	175.48
Hassocks	3,088.8	167,605	54.26	140.94	195.20
Haywards Heath	10,814.5	410,895	37.99	140.94	178.93
Horsted Keynes	710.4	25,400	35.75	140.94	176.69
Hurstpierpoint & Sayers Common	2,821.4	166,834	59.13	140.94	200.07
Lindfield	2,737.5	99,000	36.16	140.94	177.10
Lindfield Rural	1,183.2	46,320	39.15	140.94	180.09
Newtimber	41.7	150	3.60	140.94	144.54
Poynings	133.5	2,617	19.60	140.94	160.54
Pyecombe	99.3	4,099	41.28	140.94	182.22
Slaugham	1,070.7	41,000	38.29	140.94	179.23
Turners Hill	644.0	46,690	72.50	140.94	213.44
Twineham	134.0	2,800	20.90	140.94	161.84
West Hoathly	927.5	17,086	18.42	140.94	159.36
Worth	4,328.7	120,000	27.72	140.94	168.66
	56,447.0	2,877,498	50.98	140.94	191.92

8. The above amounts represent the level of Council Tax to be set for a dwelling within band D in respect of the requirements of this Council and the appropriate Parish/Town Council. These amounts are used to determine the Council Tax for each valuation band in the area by applying the following proportions

band A	6/9ths
band B	7/9ths
band C	8/9ths
band D	9/9ths
band E	11/9ths
band F	13/9ths
band G	15/9ths
band H	18/9ths

The amounts so calculated are set out in recommendation 8(i).

9. The Council Tax amounts to be set for 2008/09 are determined by adding to the amounts calculated for District, Parish and Town Council requirements, the amounts calculated by West Sussex County Council and Sussex Police Authority in respect of their precepts for the year.
10. For illustrative purposes *average* Council Tax figures for each valuation band are shown below:

	WSSCC	SPA	MSDC	Parish/ Town Councils	Total
	£	£	£	£	£
band A	732.00	85.80	93.96	33.99	945.75
band B	854.00	100.10	109.62	39.65	1,103.37
band C	976.00	114.40	125.28	45.32	1,261.00
band D	1,098.00	128.70	140.94	50.98	1,418.62
band E	1,342.00	157.30	172.26	62.31	1,733.87
band F	1,586.00	185.90	203.58	73.64	2,049.12
band G	1,830.00	214.50	234.90	84.97	2,364.37
band H	2,196.00	257.40	281.88	101.96	2,837.24

An analysis of the actual amounts of tax for each parish area is shown on the following pages.

11. The actual band D Council Tax within each parish area of Mid Sussex ranges from:

Parish	Council Tax £
Newtimber (minimum)	1,371.24
Ardingly (maximum)	1,470.99

12. The percentage increase in the actual band D Council Tax within each parish area of Mid Sussex ranges from:

Parish	Increase on 2007/08 %
Lindfield (minimum)	-10.2
Bolney (maximum)	70.4

Analysis of Council Tax set for 2008/09 in each parish area (bands A to D)

Parish area		band A		band B		band C		band D	
		£	£	£	£	£	£	£	£
Albourne	parish	34.23		39.94		45.64		51.35	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	945.99	954.10	1,103.66	1,090.40	1,261.32	1,226.70	1,418.99
Ardingly	parish	68.90		80.38		91.87		103.35	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	980.66	954.10	1,144.10	1,090.40	1,307.55	1,226.70	1,470.99
Ashurst Wood	parish	30.91		36.06		41.21		46.36	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	942.67	954.10	1,099.78	1,090.40	1,256.89	1,226.70	1,414.00
Balcombe	parish	33.78		39.41		45.04		50.67	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	945.54	954.10	1,103.13	1,090.40	1,260.72	1,226.70	1,418.31
Bolney	parish	31.99		37.32		42.65		47.98	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	943.75	954.10	1,101.04	1,090.40	1,258.33	1,226.70	1,415.62
Burgess Hill	town	42.38		49.45		56.51		63.58	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	954.14	954.10	1,113.17	1,090.40	1,272.19	1,226.70	1,431.22
Cuckfield	parish	46.10		53.78		61.46		69.15	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	957.86	954.10	1,117.50	1,090.40	1,277.14	1,226.70	1,436.79
Cuckfield Rural	parish	29.12		33.97		38.83		43.68	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	940.88	954.10	1,097.69	1,090.40	1,254.51	1,226.70	1,411.32
East Grinstead	town	41.39		48.29		55.19		62.09	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	953.15	954.10	1,112.01	1,090.40	1,270.87	1,226.70	1,429.73
Fulking	parish	23.02		26.86		30.70		34.54	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	934.78	954.10	1,090.58	1,090.40	1,246.38	1,226.70	1,402.18
Hassocks	parish	36.17		42.20		48.23		54.26	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	947.93	954.10	1,105.92	1,090.40	1,263.91	1,226.70	1,421.90
Haywards Heath	town	25.33		29.55		33.77		37.99	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	937.09	954.10	1,093.27	1,090.40	1,249.45	1,226.70	1,405.63
Horsted Keynes	parish	23.84		27.81		31.78		35.75	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	935.60	954.10	1,091.53	1,090.40	1,247.46	1,226.70	1,403.39
Hurstpierpoint & Sayers Common	parish	39.42		45.99		52.56		59.13	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	951.18	954.10	1,109.71	1,090.40	1,268.24	1,226.70	1,426.77
Lindfield	parish	24.11		28.13		32.15		36.16	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	935.87	954.10	1,091.85	1,090.40	1,247.83	1,226.70	1,403.80
Lindfield Rural	parish	26.10		30.45		34.80		39.15	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	937.86	954.10	1,094.17	1,090.40	1,250.48	1,226.70	1,406.79
Newtimber	parish	2.40		2.80		3.20		3.60	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	914.16	954.10	1,066.52	1,090.40	1,218.88	1,226.70	1,371.24
Poynings	parish	13.07		15.25		17.42		19.60	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	924.83	954.10	1,078.97	1,090.40	1,233.10	1,226.70	1,387.24
Pyecombe	parish	27.52		32.11		36.69		41.28	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	939.28	954.10	1,095.83	1,090.40	1,252.37	1,226.70	1,408.92
Slaugham	parish	25.53		29.78		34.04		38.29	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	937.29	954.10	1,093.50	1,090.40	1,249.72	1,226.70	1,405.93
Turners Hill	parish	48.33		56.39		64.44		72.50	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	960.09	954.10	1,120.11	1,090.40	1,280.12	1,226.70	1,440.14
Twineham	parish	13.93		16.25		18.57		20.90	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	925.69	954.10	1,079.97	1,090.40	1,234.25	1,226.70	1,388.54
West Hoathly	parish	12.28		14.33		16.37		18.42	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	924.04	954.10	1,078.05	1,090.40	1,232.05	1,226.70	1,386.06
Worth	parish	18.48		21.56		24.64		27.72	
	district	93.96		109.62		125.28		140.94	
	wsccl/spa	817.80	930.24	954.10	1,085.28	1,090.40	1,240.32	1,226.70	1,395.36

Analysis of Council Tax set for 2008/09 in each parish area (bands E to H)

band E		band F		band G		band H		Parish area
£	£	£	£	£	£	£	£	
62.76		74.17		85.58		102.69		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,734.32	1,771.90	2,049.65	2,044.50	2,364.98	2,453.40	2,837.97	wsccl/spa
126.32		149.28		172.25		206.70		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,797.88	1,771.90	2,124.76	2,044.50	2,451.65	2,453.40	2,941.98	wsccl/spa
56.66		66.96		77.26		92.72		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,728.22	1,771.90	2,042.44	2,044.50	2,356.66	2,453.40	2,828.00	wsccl/spa
61.93		73.19		84.45		101.34		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,733.49	1,771.90	2,048.67	2,044.50	2,363.85	2,453.40	2,836.62	wsccl/spa
58.65		69.31		79.97		95.97		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,730.21	1,771.90	2,044.79	2,044.50	2,359.37	2,453.40	2,831.25	wsccl/spa
77.71		91.83		105.96		127.15		town
172.26		203.58		234.90		281.88		district
1,499.30	1,749.27	1,771.90	2,067.31	2,044.50	2,385.36	2,453.40	2,862.43	wsccl/spa
84.51		99.88		115.24		138.29		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,756.07	1,771.90	2,075.36	2,044.50	2,394.64	2,453.40	2,873.57	wsccl/spa
53.39		63.09		72.80		87.36		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,724.95	1,771.90	2,038.57	2,044.50	2,352.20	2,453.40	2,822.64	wsccl/spa
75.89		89.69		103.48		124.18		town
172.26		203.58		234.90		281.88		district
1,499.30	1,747.45	1,771.90	2,065.17	2,044.50	2,382.88	2,453.40	2,859.46	wsccl/spa
42.21		49.88		57.56		69.07		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,713.77	1,771.90	2,025.36	2,044.50	2,336.96	2,453.40	2,804.35	wsccl/spa
66.32		78.38		90.44		108.52		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,737.88	1,771.90	2,053.86	2,044.50	2,369.84	2,453.40	2,843.80	wsccl/spa
46.44		54.88		63.32		75.99		town
172.26		203.58		234.90		281.88		district
1,499.30	1,718.00	1,771.90	2,030.36	2,044.50	2,342.72	2,453.40	2,811.27	wsccl/spa
43.70		51.65		59.59		71.51		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,715.26	1,771.90	2,027.13	2,044.50	2,338.99	2,453.40	2,806.79	wsccl/spa
72.27		85.41		98.55		118.26		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,743.83	1,771.90	2,060.89	2,044.50	2,377.95	2,453.40	2,853.54	wsccl/spa
44.20		52.24		60.27		72.33		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,715.76	1,771.90	2,027.72	2,044.50	2,339.67	2,453.40	2,807.61	wsccl/spa
47.85		56.55		65.25		78.30		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,719.41	1,771.90	2,032.03	2,044.50	2,344.65	2,453.40	2,813.58	wsccl/spa
4.40		5.20		6.00		7.19		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,675.96	1,771.90	1,980.68	2,044.50	2,285.40	2,453.40	2,742.47	wsccl/spa
23.96		28.32		32.67		39.21		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,695.52	1,771.90	2,003.80	2,044.50	2,312.07	2,453.40	2,774.49	wsccl/spa
50.45		59.63		68.80		82.56		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,722.01	1,771.90	2,035.11	2,044.50	2,348.20	2,453.40	2,817.84	wsccl/spa
46.80		55.31		63.82		76.59		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,718.36	1,771.90	2,030.79	2,044.50	2,343.22	2,453.40	2,811.87	wsccl/spa
88.61		104.72		120.83		145.00		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,760.17	1,771.90	2,080.20	2,044.50	2,400.23	2,453.40	2,880.28	wsccl/spa
25.54		30.18		34.83		41.79		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,697.10	1,771.90	2,005.66	2,044.50	2,314.23	2,453.40	2,777.07	wsccl/spa
22.52		26.61		30.70		36.84		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,694.08	1,771.90	2,002.09	2,044.50	2,310.10	2,453.40	2,772.12	wsccl/spa
33.88		40.04		46.20		55.44		parish
172.26		203.58		234.90		281.88		district
1,499.30	1,705.44	1,771.90	2,015.52	2,044.50	2,325.60	2,453.40	2,790.72	wsccl/spa

TREASURY MANAGEMENT

1. Introduction

This section of the report deals with the management of the Council's daily cash balances and the borrowing limits required to be set by law.

2. Treasury Management for the Year 2008/09

2.1 Members will recall that the current Treasury Management Policy Document incorporates the Code of Practice for Treasury Management in the Public Services, issued by CIPFA.

2.2 Within the Code is a requirement for the Chief Finance Officer to report to Members before the start of the coming financial year on the strategy proposed to be adopted during the year.

2.3 Accordingly it is proposed that the following strategy be adopted for 2008/09:

- a. To ensure a sufficient cash flow from revenue income, capital receipts and maturing deposits to cover all known capital and revenue payments.
- b. All funds moving into and out of the Council's bank accounts are monitored on a daily basis, and either placed in or withdrawn from the investment portfolio to produce a small overnight credit balance at the bank.
- c. Cash flows are prepared for 5 years forward, the first year on a month-by-month basis, thereafter annually. Details are taken from known income and expenditure, e.g. precept, council tax, contract payments, Government funding, and projected forward.
- d. To ensure adequate liquidity to cover any temporary cash flow shortage, at least £1 million will be invested at call or notice whenever possible.
- e. Investments are to be by cash deposits with permitted counterparties.
- f. Whilst the Council is empowered to lend for periods up to 5 years, all current lending is within 1 year. The review of how the Council finances capital expenditure in the future, however, may dictate the optimum period for medium term investments.
- g. Investments are spread between banks, building societies, money market funds and local authorities, such that there is no undue concentration in any one sector. Likewise maturity dates are spread to avoid bunching on any one date and where possible coincide with known expenditure.
- h. All dealings are through either the London Money Market or directly with a permitted counterparty at the best possible rates of interest. Investment and borrowing periods are to be commensurate with the cash flow forecast.

- i. In the position of a positive yield curve the opportunity may be taken to lengthen investment periods in order to maximise returns, or if a reverse curve prevails investments may be placed short term.
- j. The average rate of interest projected to be achieved over this period is 5.25%, with accrued interest in the region of £0.892 million. This reflects known interest on existing deposits and projected interest on new lending.
- k. All transactions are to be in accordance with the Treasury Management Policy Document approved by Cabinet.
- l. Under the new Prudential Indicators, deposits for more than one year should not exceed 20% of the average outstanding investments.

3. Borrowing limits

- 3.1 Before the beginning of each financial year, **full Council** must determine for that year an overall borrowing limit together with a limit at variable interest rates. Full Council can amend the limits at any time.
- 3.2 The borrowing limits approved by the Council for the 2007/08 financial year are shown below:
 - Overall borrowing limit £5m.
 - Short term borrowing limit £5m.
 - Borrowing at variable rates £5m.
- 3.3 Although no specific external borrowing has been undertaken since October 1991, when the Council repaid the last of its long-term debt, temporary borrowing may be necessary at any time in order to meet revenue expenditure pending the receipt of income.
- 3.4 It is now proposed to borrow £1,600,000 to meet capital expenditure in respect of the purchase of wheeled refuse bins. Borrowing will be for a period of 15 years.
- 3.5 Members are recommended to **keep the limits at £5m** and approve them for the 2008/09 financial year.
- 3.6 For 2008/09, the maximum borrowing at fixed rates is set at 95%; the maximum at variable interest rates 25%.

GLOSSARY OF TERMS

Aggregate External Finance (AEF) - the total of support for local authorities' revenue spending from government grants and business rates. It includes revenue support grant and certain specific grants. The total is fixed as part of the revenue support grant settlement.

Area Cost Adjustment (ACA) - the scaling factor applied to Formula Grant to reflect higher costs – mostly pay – in some council areas.

Asset Management Revenue Account - this account enables the annual cost of depreciation to be charged in the year (i.e. the real cost of holding and using assets) replacing the capital charges that have been made to Services (i.e. the notional costs) thus ensuring capital charges do not affect the amounts to be met from Government Grants and Local Taxpayers. This account is for accounting purposes only and is in no way a trading account reflecting the Council's performance in property management.

Assumed National Council Tax (ANCT) - the difference between Total Assumed Spending and Aggregate External Finance is approximately the amount that would be raised in Council Tax if local authorities as a whole spent at the level of their Formula Spending Shares. Dividing this total amount by the total Council Tax base produces an assumed national tax rate. This then gives the standard level of Council Tax for a band D property if all authorities spent at the level of their Formula Spending Share. This amount is used to work out how the Revenue Support Grant should be shared between authorities. Formerly known as '*Council Tax for Standard Spending*'.

Balances - in general, the surplus or deficit on any account at the end of the year. A General Fund balance is required to meet unexpected expenditure or a shortfall in income and to finance expenditure pending receipt of income. An authority may also use its revenue balances to reduce the requirement from the Council Tax.

Balance Unallocated - The term used by MSDC to denote a part of the budget for Net Expenditure which is not allocated to a service at the time the budget is prepared. It has been practice in recent years to use this facility to accrue budget reductions and to meet budget increases (other than new proposals) as a result of revenue budget management during the year. A Balance Unallocated can, however, be earmarked for a purpose but subject to further consideration before being applied.

Band D Equivalent - the weighted number of properties subject to council tax in a local authority's area, calculated on the basis of prescribed proportions in relation to Band D.

Benefits - Council Tax Benefit plus Housing Benefit (see Housing Benefit).

Billing Authority - the local authority responsible for the billing and collection of the council tax from all properties in their area. In shire areas the district councils are the billing authorities.

Budget - a statement defining the Council's policies over a specified period of time in terms of finance. Budgets usually include statements about the use of other resources (e.g. numbers of staff) and provide some information on performance measures.

Budget Guideline - the term used by MSDC to describe the framework within which future years' budgets should be prepared. Budget Guidelines would be set by the Cabinet.

Budget Requirement - sum of money including parish and town council precepts required to be met from local taxpayers, revenue support grant, redistributed NNDR and any share of the estimated collection fund balance.

Business Rates - see National Non-Domestic Rates.

Capital - see Capital Expenditure.

Capital Accounting - the recording in local authority balance sheets of the value of all capital assets and the use of these values to charge services with capital charges.

Capital Charges - charges to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

Capital Expenditure (see also Capital Spending) - spending on the acquisition of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Section 40 of the Local Government and Housing Act 1989 defines "expenditure for capital purposes". Expenditure which does not fall within the definition must be charged to a revenue account.

Capital Expenditure Charged To Revenue Account - the financing of capital expenditure from revenue.

Capital Programme - an authority's plan for capital projects and spending over future years. Included in this category are the purchase of land and buildings, the erection of new buildings, design fees and the acquisition of vehicles and major items of equipment.

Capital Receipts - income received from the sale of land or assets, which is available to finance other items of capital (but not revenue) spending, or to repay debt on assets originally financed from loan.

Capital Spending - the acquisition of assets which have a long-term value to the authority in the provision of its services (e.g. land) purchasing existing buildings or erecting new ones, purchasing furniture, equipment, etc.

Central Support (or Administration Charges) - the cost of central administrative departments, e.g. Finance and Legal Divisions apportioned to services.

CERA - Capital Expenditure Charged To Revenue Account.

Certificate of Deposit - is a certificate evidencing title to the placing of a sum of money with a fixed maturity date and rate of interest.

CIPFA - The Chartered Institute of Public Finance and Accountancy. This is the professional body for accountants working in local government and public bodies and is a Member of the Consultative Committee of Accounting Bodies. The Institute provides financial and statistical information services for local government and advises central government and other bodies on local government and public finance matters. Members of the Institute are entitled to use the letters CPFA after their names, and membership is by examination. CIPFA is an entirely privately funded body.

Collection Fund - a fund administered by each billing authority (the District Council in shire areas). The council tax, business rate income and the community charge are paid into the fund whilst the net revenue spending of the county, district and parishes are met from the fund.

Commuted Sum - a one-off payment to the Council as a settlement intended for a specific purpose such as the continued maintenance of an open space.

Comprehensive Performance Assessment (CPA) – a process of inspection carried out by the Audit Commission which brings together evidence from a range of sources to assess the quality of councils' performance.

Consolidated Revenue Account - a financial statement that summarises the revenue income and expenditure relating to the financial year (i.e. 1st April to 31st March). It also shows the extent to which moneys have been transferred to or from reserves. It is "consolidated" because it includes all revenue transactions - General Fund and trading undertakings.

Contingencies - money set aside in the estimates to pay for inflation (and sometimes unforeseen events).

Contributions / Commuted Sums - sums received from individuals and developers in lieu of future maintenance costs on land adoptions and contributions under Section 106 Agreements whereby Developers make payments to the Council in lieu of provision of e.g. recreational facilities, playspaces, car parking spaces. The Council will utilise these moneys to maintain assets adopted and provide the facilities subject to S106 agreements within certain time limits.

Council Tax - the local tax payable on most residential properties in a local authority's area. Properties are valued within eight valuation bands (A-H).

Council Tax base – is equal to the number of band D equivalent properties. One band H property is equivalent to two band D properties, as it pays twice as much tax.

Council Tax Benefit - an allowance to persons on low income (or none) to meet in whole or part their Council Tax. Benefit is allowed or paid by local authorities but central government refunds part of the cost of the benefits and of the running costs of the service to local authorities.

Damping – This is a method of ensuring that Councils get a reasonable grant increase every year. Each year the Government sets a minimum increase, this is known as the "floor". Authorities are grouped with regard to the services they provide, and grant "floors" are calculated for each grouping.

Debt Free - this indicates that all external loan debt has been repaid to borrowers. The advantage of being debt free is the ability to use all capital receipts to finance new capital spending. The exception is the use of receipts from SHG payments which may not be reused for the same purpose. (Temporary borrowing for revenue cash flow purposes does not negate debt free status.)

DEFRA – Department for Environment, Food and Rural Affairs

Depreciation - the measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset, whether arising from use, effluxion of time or obsolescence through technological or other changes.

Distributable Amount - this is the estimated total amount in the business rate pool that is available to be distributed to local authorities. The business rates are collected by local authorities and paid into a national pool and then redistributed to all authorities.

EPCS - Environmental, Protective and Cultural Services. This terminology is derived from the expenditure blocks used in the Formula Spending Share calculation that relates to district council services.

Fees and Charges - income arising from the provision of services, e.g. leisure facilities, car parks.

Financial Regulations - a formal code of procedures to be followed in the financial management of the Council. Within this Council's constitution these are the Financial Procedure Rules.

Floors and ceilings - a method by which stability in funding is protected through limiting the effect of wide variations in grant increase. A floor guarantees a fixed level of increase in grant and a ceiling results in no authority getting more than a certain level of increase. The grant increases of authorities who are neither at the floor or the ceiling are scaled back by a fixed proportion to help pay for the floor.

Forecast Budget - created by adding variations to existing budgets in order to predict what a budget may be a number of years from now.

Formula Grant – comprises Revenue Support Grant and redistributed business rates.

General Fund - the main revenue fund of a billing authority. Day-to-day spending on services is met from the fund.

General Grant – a grant to local authorities which has no restrictions on how it may be spent. It is divided into formula grants such as Revenue Support Grant, and targeted grant such as the Neighbourhood Renewal Fund.

General Reserve - referred to under Provisions and Reserves and further described in the Accounts Report and Statement of Accounts. It is this Council's reserve that is not earmarked for any specific purpose.

Gross Expenditure - the cost of providing the Council's services before deduction of government grants or other income.

Growth - increases in expenditure from one year to another, excluding the effects of inflation.

Guideline - see Budget Guideline

Housing Benefit - an allowance to persons on low income (or none) to meet in whole or part their rent. Benefit is allowed or paid by local authorities but central government refunds part of the cost of the benefits and of the running costs of the service to local authorities. Benefit paid to the authority's own tenants is known as "rent rebate" and that paid to private sector tenants as "rent allowance".

IEG – Implementing electronic government – a government initiative backed by grant-funding.

ICT – Information Communication Technology

Interest on Revenue Balances (or Interest receipts) - the day-to-day cash flow of the authority is invested when it is in surplus, and borrowing is required when it is in deficit. The interest earned on any net surplus over the year is given one or other of these names.

LIBID - is the rate at which the London Reference Banks will *bid for* funds from the London Money Market

LIBOR - is the rate at which the London Reference Banks will *offer* funds to the London Money Market.

Local Government Finance Settlement - the Local Government Finance Settlement is the annual determination of formula grant distribution as made by the Government and debated by Parliament. It includes:

- the totals of formula grant;
- how that grant will be distributed between local authorities; and
- the support given to certain other local government bodies.

MSDC – Mid Sussex District Council

National Non-Domestic Rates (NNDR) - nationally set tax charged on the rateable value of non-domestic properties (also known as business rates). The rate is set by the Chancellor of the Exchequer. The proceeds are pooled nationally and redistributed as a fixed amount per head of resident population.

Net Expenditure (gross expenditure less income) - the term used by MSDC to describe net revenue expenditure for all Services less Capital Charges and Specific Items and excluding Benefits and revenue projects in the Programme of Revenue and Capital Projects.

NNDR - see National Non-Domestic Rates.

Out-turn prices - the actual price levels at the time the money is spent.

Overspending/Underspending - extent to which the actual net expenditure for the year varies from the latest budget for the same period.

PCT - Primary Care Trust

Pension Fund - an employees' pension fund maintained by an authority, or group of authorities, in order to make pension payments on retirement of participants; it is financed from contributions from the employing authority, the employee and investment income. This Council contributes to the West Sussex Pension Fund.

Positive Yield Curve - exists where various quoted interest rates show a continuous increase.

Precept - the levy made by the county, police authority, parish and town councils on the Collection Fund for their net expenditure requirements.

Precepting Authorities - those authorities which are not billing authorities, i.e. do not collect the council tax and non-domestic rate. County councils and joint authorities are "major precepting authorities" and parish, community and town councils are "local precepting authorities".

Provision for Bad and Doubtful Debts - the amount set aside in the Council's accounts to cover debts which may be uncollectable and written off.

Provisions and Reserves - amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain. Reserves are amounts set aside which do not fall within the definition of provisions and include general reserves (or "balances") which every authority must maintain as a matter of prudence.

Prudential Code - The Prudential Code, which came into force on 1st April 2004, replaces the complex regulatory frameworks that have governed local authority capital expenditure. The new system is based largely on self-regulation by local authorities themselves. The basic principles of the code are that authorities are free to invest so long as their capital spending plans are affordable, prudent and sustainable.

Reserves - these are created for specific or general purposes to meet future expenditure.

Revenue Budget - the estimate of annual income and expenditure requirements for all services, which sets out the financial implications of the Council's policies and provides the basis of the calculation of the annual requirement from the Collection Fund.

Revenue Expenditure - this is expenditure on day-to-day running costs and consists principally of salaries and wages and general running expenses.

Revenue Spending - term used by MSDC to refer to Net Expenditure plus expenditure on benefits.

Revenue Support Grant (RSG) - a grant paid by central government in aid of local authority services in general as opposed to specific grants, which may only be used for a specific purpose.

Reverse Yield Curve - exists where there is a higher rate of interest for short periods as opposed to long term (i.e. the reverse of a positive yield curve).

RSG – see Revenue Support Grant

Section 137 Expenditure - under Section 137 of the Local Government and Housing Act 1972 local authorities were allowed to spend a limited amount to do things they were not otherwise empowered to do, but which they considered to be in the interests of their area or its inhabitants, and which would produce a benefit commensurate with the expenditure involved. However, the power of a local authority to incur expenditure given by Section 137 of the Local Government Act 1972 has now been repealed. This has been replaced by Part 1, Section 2 of the Local Government Act 2000 which came into force on 18th October 2000. The Act creates a new discretionary power for local authorities in England and Wales allowing them to incur expenditure which in their opinion, is in the interests of, and will bring direct benefit to, their area or any part of it or to all or some of its inhabitants without limit.

Service Support - the cost of administration sections in the Service Departments apportioned to the services of that department.

Settlement – see Local Government Finance Settlement.

Slippage - where a revenue or, more typically, a capital scheme, does not progress at the rate of physical progress or spending originally forecast.

Specific Grants - government grants to local authorities in aid of particular project or services, e.g. housing benefits.

Specific Item - the term used by MSDC to denote an item of expenditure to be financed from the Specific Reserve.

Specific Reserve - a reserve maintained by MSDC containing sums which are mostly identified for specific purposes.

Specified Capital Grants - certain government grants towards capital spending e.g. house renovation grants. Local authorities must apply a special accounting treatment to these grants, i.e. reduce their credit approvals by the amount of the grant received. SCGs all relate to housing.

Taxbase -The tax base is the divisor used to convert the total net amount required for local authority spending in the area to a level of council tax due for a band D property.

Unallocated Funding - The term used by MSDC to denote a part of the Programme of Revenue and Capital Projects which is not identified to specific projects.

Underspending/Overspending - see Overspending/Underspending.

Virement - the permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head, i.e. a switch of resources between budget heads.